

The Privilege of Giving

Creating Corporate Social Responsibility



A WHITE PAPER PROVIDED BY LEDGENT TECHNOLOGY

Doing good is no longer reserved for non-profits. Corporate Social Responsibility (CSR), and the call to go beyond “business as usual,” has reached near-expectation status for all businesses, big and small, including the technology sector. A Social Responsibility program involves business initiatives that benefit society, including sustainable practices, community involvement, and employee giving – making CSR achievable for any tech organization or team.

While your business exists to serve your customers and make a profit, you have the opportunity and privilege to contribute to the greater good. Tech continues to boom, and with that success and increased visibility comes increased expectation to “give back.” According to the Stanford Social Innovation Review, “The success of the technology sector... is becoming increasingly conspicuous. The industry faces mounting calls to make greater societal contributions beyond those of profit.”

Your dedication beyond the spreadsheet can translate into a renewed intrigue from your customers, refreshed engagement from your employees *and* respect from your community. But these aren't the reasons you should give back – CSR is not something to mount in your lobby and cross off your to-do list. It's simply the *right* thing to do.

The Good & Service of Charity

Social Responsibility is a daunting phrase. Simply put, it focuses on having a structured program dedicated to giving. Many classify CSR as the CEO cutting a check for charity. But while CSR is rooted in the spirit of giving, and donations help any charity thrive, it is the dedication and passion from your entire organization, including its employees, that will leave a lasting impact.

CSR is a way for companies to benefit themselves, while simultaneously benefiting society. CSR creates a symbiotic relationship for businesses and their communities: a healthy society needs successful businesses, and successful businesses need a healthy society to purchase their goods and services, continuing the cycle.

Charity is a good *and* a service, aligning customers and employers to solve a bigger problem.

Corporate Social Responsibility (CSR) programs include:

- Donations
- Volunteer efforts
- Employee perks and benefits
- Community involvement
- Green products and practices

According to the UK Small Business Consortium, 88% of consumers said they were more likely to buy from a company that supports and engages in activities to improve society. Similarly, Fast Company states one out of six U.S. consumers claimed that they would avoid a product entirely if they didn't like the parent company.

You don't want your giving to be reactionary, a PR smokescreen focused on recovery. Bad stuff will happen in business, but your dedication to social good shouldn't begin after a lawsuit or scandal. Authenticity is essential for effective CSR. Your employees and customers will be able to tell if you are instituting CSR for the wrong reasons. The only right reason is that it is the right thing to do.

When you lead with a program that communicates that it is a privilege to give, you can:

- Win new business
- Improve your Employer Brand
- Increase customer engagement and retention
- Attract, retain and maintain an engaged workforce
- Develop your public reputation and media interest
- Save money with green products and potential tax deductions

According to a team of professors at Harvard Business School, in their book, *Management*, it is still mostly unclear

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whether or not CSR has a direct influence on profit. While past studies believed it negatively impacted profit, more recent studies have showed that it has a positive or neutral impact on financial performance (profit, ROI, stock price). Implementing CSR solely for profit will not produce the results listed above. CSR should be viewed as an investment that will lead to improved efficiency, innovation, and long-term financial success.

Remember, this is your *privilege*. When your organization is doing well, you have the ability to share the love.

The Millennial Benefits

It's not news that Millennials appreciate the greater good. They look for it in their purchases and their workplaces:

- **6 in 10** Millennials say the reason they chose to work for their current employer was because they **felt a sense of purpose there** (Deloitte)
- **70%** of them will **spend more** on brands supporting causes they care about (Omnicom Group's Cone Communications)
- **91%** would **switch brands** to one associated with a cause (2015 Cone Communications Millennial CSR study)
- **81%** of Millennials expect companies to **make a public commitment** to good corporate citizenship (Horizon Media's Finger on the Pulse)

Millennials represent \$200 billion in annual buying power (Forbes), and by 2030 they will make up 75% of the workforce (US Bureau of Labor Statistics). A dedication to CSR can help you stand out and gain loyalty from Millennials.

Corporate Citizenship

Your CSR action plan will have the greatest effect on two groups: **your customers** and **your employees**.

For your customers...

Purchasing Power has taken on a new meaning for consumers. According to a study by Edelman PR, U.S. consumers feel responsible to help the world, but aren't particularly involved in doing so. Thus, they hope to make an impact through their everyday purchasing decisions.

In a study by Good.Must.Grow. (GMG), a socially responsible marketing agency, 30% of respondents said that they expect to increase the amount of goods and services they buy from socially-responsible companies, and 60% of people said that buying goods from socially-responsible companies is important to them. Conversely, only 21% say that they will increase charitable donations in the coming year, suggesting that they view purchases from CSR organizations as a form of doing good.

This is part of a phenomena known as "slacktivism," supporting a political or social cause in a way that takes little time or involvement. (i.e. signing an online petition, purchasing TOMS shoes, etc.)

Not only do you have the privilege of giving, but the opportunity to fill a unique need in your customers, giving them a chance to do good. According to Management, consumers have a more favorable attitude toward companies engaging in CSR, but also make purchasing decisions based on an organization's CSR activity. They want to support organizations that treat their employees well and serve their communities.

What programs you choose to utilize and how you portray them will affect how your consumers perceive your CSR. According to GMG, when people decide how responsible a company is they consider environmental impact, transparency, corporate oversight, and impact on society. However, the most important factor is *treatment of employees*.

For your employees...

Your CSR program will begin with your employees. They will be the foundation that your program is built on, your biggest advocates, and where you receive the most reward. But you must serve them first.

They are the reason you have reached a state where you can give back. And if you start caring for others before you take care of your employees, you risk disengagement and resentment.

Work on empowering them first with the basics, including comprehensive benefits, gratitude, and recognition (we will elaborate more on this later.) Once they feel cared for, they can begin giving back.

"Today's employees want to be part of an enterprise that cares about more than its bottom line. They want to be part of a company whose values are expressed in its engagement and contributions to the community."

– Massachusetts Business Roundtable

The same need your consumers feel to do good is one your employees feel too. Consumers can express it through their purchasing decisions, and your employees can express it through their daily work, association to your organization, and company-sponsored volunteer opportunities.

Your employees will be instrumental in carrying out your program, actively participating and solidifying its authenticity. According to the MIT Sloan Management Review, CSR is most effective when employees are the actual enactors, and the company acts as an enabler.

Your employees want to give back, and when this need is fulfilled, you will see the benefits. The largest Verizon Premium Wireless Retailer in the US, known as TCC, implemented a "Culture of Good."

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After focusing their efforts towards Corporate Social Responsibility, giving back in every community where it does business, they saw amazing results amongst their employees:

- **86%** said that the program gave them a **sense of fulfillment** in their work.
- **83%** said the program made them feel that their parent company **shared their value** for social responsibility.
- **65%** said the program contributed to **their retention**.
- **52%** said the program helped build **better communication skills** between employees and helped form stronger team bonds in the workplace.

In a survey of 59 organizations with CSR programs, 86% believed that they have happier employees and 76% believed they end up with better employees, through attraction and development.

Giving back is a great way to build pride for your organization. According to Fortune, amongst its Best Places to Work for Giving Back, 9 out of 10 colleagues say they're proud to tell others where they work, further enhancing their organizations' status in the community.

The good you provide for your employees and the good they carry out will contribute greatly to your employer brand. The candidate market is only getting tighter, and top talent is in high demand in the tech industry. Having an active CSR program makes your organization attractive to job seekers— they want to be part of organizations that value their employees and give back.

These programs will greatly influence your reputation as an employer and how you will be perceived by active and passive jobseekers.

According to Glassdoor, 84% of candidates would consider leaving their current company if another company with an excellent reputation offered them a job, while 70% would not take a job with a company with a bad reputation, even if they were unemployed (Corporate Responsibility Magazine). A solid CSR plan will be instrumental in attracting your future employees as well.

These programs will aid you in attracting talent that values giving, and these new hires will help continue to strengthen the program.

How to Create your own CSR Program

While surprise or sporadic giving is great, it will not sustain a spirit of giving or produce the benefits mentioned. The only way to create a widespread spirit of giving that can be perceived by customers and employees is to create a dedicated structured program.

Even if you are not C-level, you can inspire the spirit of giving amongst your team or department through these same processes.

Employees First, Always

Equip employees with comprehensive benefits, including health, dental, vision, etc. If their basic needs are not covered, they will not participate in the program. Continue to add unique perks and fun elements.

Practice gratitude and recognition regularly through pay increases and cash bonuses, verbal and written praise, and compassionate leadership (See our [White Paper](#) for more). Ensure that they know they are the reason that you have the ability to give back.

Later, provide avenues for them to participate in the giving back process, internally and externally. You'd be surprised how much employees want to help one another. A study by the Network for Sustainability found that employees who give to employee support programs feel more committed to their organization, and perceive their organization as more caring.

Map It Out

To ensure authenticity and passion from your organization, begin by defining your purpose. Everyone should be in agreement in what you stand for and work towards. As we stated earlier, your organization (hopefully) already makes life better for other people, it's just about taking it to the next level.

Your purpose is defined as the “why”: why you sit at your desk every day, why your organization exists at all – the bigger picture of your organization (See our [White Paper](#) for more). Identify points of intersection between company and society, connecting this bigger picture to various causes and avenues to serve those causes.

But also don't be afraid to stretch a little bit toward causes you are passionate about. For example, if your organization is passionate about creating a thriving workforce where each employee loves their job and you want to support Working Wardrobes, map out the connection: “We love our jobs. And we want everyone to have their dream career. So we are dedicated to supporting our local Working Wardrobes through donations and volunteer efforts, in addition to leading resume workshops at our local community college.” This gives employees the opportunity to donate clothes, money, volunteer in the warehouse, and help with the workshop, while identifying with the cause.

Continue to offer multiple avenues through multiple causes (without getting too spread out). Source from your employees for causes that they are already passionate about, and give them opportunities to pursue those as well.

Focus on:

- Paid community service hours
- Opportunities for employees to donate
- Avenues for employees to help one another (i.e. an employee-based emergency fund for those affected by sudden disaster)
- Larger donations and partnerships from the organization

Careful: Try to steer clear of charitable endeavors that may be seen as controversial or risk dividing your employees (i.e. religion-based charities, charities involved in scandal, etc.) There are plenty of causes we can all agree upon.

Write It Down

Let employees know *exactly* how they can get involved in these programs, when they can use paid community service hours, when and how you plan on supporting their individual causes, etc. Practice true transparency with these programs and inspire a sense of ownership. Recognize and celebrate coworkers who go above and beyond.

Most importantly, make sure *everyone* in leadership is actively involved and knows their role in the program. Employees who are uneasy will look to them and follow their lead. Ensure that every leader participates in the program and praises those involved. This will contribute to the program's authenticity and inspire employees.

Green Initiatives

Make green options available in your workplace, including recycling options, sustainable supplies, and eco-friendly lighting. Even if you are donating or volunteering with eco-based charities, these are still solid practices that will contribute to CSR.

Shout It from the Rooftops

Share these programs with the world! Share it on your website and across social media, including Glassdoor. Be proud of what you are doing and highlight super star volunteers. Apply for awards and participate in community events.

Your organization has the honor and privilege to make life better for others, not just through your business endeavors, but outside the office as well. Your customers and employees are eager to participate. Do the right thing: care for your employees, care for the greater good.

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