



# Giving Thoughts

## The Civic 50: Best Practices in Corporate Community Engagement

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Increasingly, people are expressing their support for corporations through their choice of work, purchases, and investments. Yet, there is little information available to help employees, consumers and neighbors decide which companies to support. The Civic 50, an initiative of Points of Light, in partnership with Bloomberg LP, identifies the 50 most community-minded companies in the United States each year and showcases examples of how companies use their time, skills, and other resources to improve the quality of life in their communities. This article presents highlights from the 2014 Civic 50 winners.

Companies on this year's Civic 50 were selected based on four dimensions of their US community engagement program:

- **Investment** How extensively and strategically the company applies its resources to community engagement, including employee time and skills, cash, in-kind giving, and leadership.
- **Integration** How a company's community engagement program supports business interests and integrates into business functions, or how it "does well by doing good."
- **Institutionalization** How the company supports community engagement through its institutional policies, systems, and incentives.
- **Impact** How a company measures the social and business impact of its community engagement program.

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## The 2014 Civic 50

The 50 most community-minded US companies in 2014 <sup>a</sup>

AbbVie	DIRECTV	Raytheon Company
Adobe Systems Incorporated	Dr Pepper Snapple Group	SAP
Aetna	Eli Lilly and Company	Sigma-Aldrich* <i>Materials Sector Leader</i>
Alcoa	FedEx Corporation	Southwest Airlines
Altria Group, Inc.	Freeport-McMoRan Copper & Gold	Sprint Corporation
Apollo Education Group	Gap Inc.	State Street Corporation
AT&T	GE	Symantec Corporation
Bank of America	General Mills	The Hershey Company
Baxter International Inc.	Hasbro, Inc.	Toyota Financial Services
Caesars Entertainment* <i>Consumer Discretionary Sector Leader</i>	Health Care Service Corporation	TSYS
Capital One	Hewlett-Packard* <i>Technology Sector Leader</i>	UnitedHealth Group* <i>Health Care Sector Leader</i>
CenterPoint Energy* <i>Utilities Sector Leader</i>	Intel Corporation	UPS* <i>Industrials Sector Leader</i>
Citi	Intuit	Valero Energy Corporation* <i>Energy Sector Leader</i>
Comcast Corporation* <i>Communications Sector Leader</i>	KeyBank* <i>Financials Sector Leader</i>	Verizon
ConAgra Foods* <i>Consumer Staples Sector Leader</i>	Motorola Solutions, Inc	Viacom
CSAA Insurance Group - a AAA Insurer	Pacific Gas and Electric Company	Western Union
	Prudential Financial, Inc.	
	PwC	

\* Companies that received top ranking in their sector

<sup>a</sup> The Civic 50 is published as an alphabetical listing; however, this year's survey also ranked the top three companies across 10 sectors: communications, consumer discretionary, consumer staples, energy, financials, health care, industrials, materials, technology and utilities. Only the rankings of the top 50 companies and the top three in each sector are shared publicly with attribution. Names and rankings of companies that participated in the survey, but do not have rankings qualifying in the top 50 or top three in each sector are confidential.

## The Strengths of Community-Minded Companies

Civic 50 data suggest we're living in a world in which companies increasingly play a positive role in meeting community needs—through the power of their people and the power of their financial contributions. Four strengths of The Civic 50, presented below, suggest companies are expanding and deepening their involvement in their communities by strategically integrating community engagement into their business strategies.

### 1 Community engagement boosts employee engagement

There is evidence to support the notion that employer-led community programs positively impact employee engagement. Such research includes the following:

- Research by The Corporate Executive Board, involving millions of employees across several industries, found that, on average, every employee who participates in corporate community engagement activities adds \$2,400 of value to the company as a result of decreased turnover and increased employee engagement.<sup>1</sup>
- *Giving in Numbers*, published by CECP in association with The Conference Board, says that employee volunteerism is crucial to helping leading companies engage staff, boost morale, and improve overall job satisfaction.<sup>2</sup>
- An academic study published in the *Journal of Marketing* found that corporate community engagement programs often boost employee engagement and customer service levels.<sup>3</sup>
- A Deloitte survey revealed that millennials are twice as likely to be very satisfied with their career progression when they have the opportunity to volunteer through their employer, and that they are 24 percent more likely to recommend their company to a friend if it has a strong culture of corporate community engagement.<sup>4</sup>

- A new millennial survey by Deloitte found that six in 10 millennials say that a “sense of purpose” is part of the reason they chose to work for their current employer. Nearly 60 percent of millennials with a strong sense of purpose also had high levels of employee satisfaction.<sup>5</sup>

Civic 50 companies—including Caesars Entertainment, Comcast, Hasbro, Hewlett-Packard (HP), PwC, Toyota Financial Services, and UnitedHealth Group—find that employees who participate in community engagement initiatives score higher on measures of morale, engagement, pride, and productivity than employees who don't. HP, for example, has data showing that employees who participate in community engagement efforts have 13 percent higher morale than those who don't participate. Similarly, Hasbro's employee survey revealed that the second-most referenced reason employees “love working at Hasbro” is the community engagement program, behind “year-round half-day Fridays.”

**Caesars Entertainment** As part of its CodeGreen program—the company's environmental sustainability strategy—Caesars Entertainment collects monthly data from each business unit on how employees are implementing and integrating CodeGreen initiatives into their work. With aggressive goals set to reduce energy and water use and waste generation, it is important that every employee is on board. With this data, managers can identify leaders and laggards and can drive action and empower employees by prioritizing their activities. The culture's friendly competitive spirit encourages managers to challenge each other to do better—and create an environment in which every employee is able to make a difference. This practice seems to pay off for Caesars: HR data show that employees who participate in CodeGreen have higher engagement scores than those who don't. Furthermore, third-party research from VeraWorks has shown that the greater awareness guests have about Caesars' corporate citizenship efforts—how employees are treated (i.e., employee wellness and benefits), economic development, and responsible conduct—the more likely they are to support the brand.

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1 Brian Kropp, “Maximizing the Effectiveness of Corporate Volunteer Programs,” presented during the Corporate Executive Board Leadership Council webinar, July 2014.

2 Michael Stroik, *Giving in Numbers: 2014 Edition*, CECP in association with The Conference Board, 2014.

3 Daniel Korschun, C.B. Bhattacharya, and Scott D. Swain, “Corporate Social Responsibility, Customer Orientation, and the Job Performance of Frontline Employees,” *Journal of Marketing*, 78 no. 3, May 2014, pp. 20-37.

4 *Deloitte Volunteer IMPACT Survey*, Deloitte, 2011.

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5 *Mind the Gaps: The 2015 Deloitte Millennial Survey*, Deloitte, 2015.

## 2 Companies and communities find value in skills-based volunteering

Skills-based volunteering continues to grow at Civic 50 companies, and, on average, one out of every five employee volunteer hours at Civic 50 companies is skills-based. Moreover, approximately 50 percent of companies offered pro bono service opportunities in 2013.<sup>6</sup>

Skills-based volunteering provides communities with valuable, specialized support that can provide five times greater value than traditional volunteering, according to True Impact and the Bureau of Labor Statistics.<sup>7</sup> HP research also found that employees who participate in skills-based volunteering are more satisfied and have improved morale from volunteering than employees who do traditional volunteering, such as “extra-hands” volunteering.<sup>8</sup> Nearly 65 percent of Civic 50 companies use skills-based volunteering to also strengthen employee workplace skills, an additional benefit of the practice.

**Raytheon** Two-thirds of Raytheon’s employees are engineers who use their skills to support communities through mentoring programs, including Stand & Deliver, Math Nights, and LASER—part of a nationwide effort to connect students with some of the world’s foremost engineers and business leaders. Through its partnership with organizations like Student Veterans of America, leaders from Raytheon volunteer to provide student veterans with leadership mentoring and practical workplace insights. In total, Raytheon employees have volunteered more than 575,000 hours over the past three years and reached more than four million students through partner and mentoring programs.

## 3 Companies raise their voice to advance social change

Just over 80 percent of Civic 50 companies have taken a national leadership position on a social issue like ending hunger, texting and driving, and strengthening STEM education. Many companies invest in issues related to their own operations and are, therefore, often in a unique position to contribute lasting solutions.

**Aetna** Through the provision of healthcare solutions to the US population, Aetna has significant experience with the

6 Stroik, *Giving in Numbers: 2014*.

7 *The Comparative Benefits of Skills-Based Volunteerism and Traditional Volunteerism Insights from the Volunteerism ROI Tracker*, True Impact, 2012.

8 *FY14 Community Engagement Scorecard*, HP, 2014.

effects of inequality in health care and has subsequently taken a leadership role in addressing these inequalities. In 2002, for example, Aetna developed a policy on genetic testing and nondiscrimination that became the model for the industry. In 2008, it worked with legislators to help pass a more meaningful mental-health parity law that allows for better coordination of coverage for physical and mental health care services. Aetna was an active voice throughout the health care reform debate of 2009 and 2010. The efforts of Mark T. Bertolini, chairman, chief executive officer and president of Aetna, earned him recognition by ModernHealthcare.com as one of the 10 most influential leaders in the industry.

## 4 Purpose is aligned with profit

Research shows that solid business performance often accrues to companies that engage with their community. For example:

- Harvard Business School found that companies with more community engagement practices significantly outperform their counterparts over the long-term, in terms of both stock market and accounting performance.<sup>9</sup>
- Academic research has shown that for firms in industries that are highly sensitive to consumer perception, community engagement is associated with subsequent sales growth.<sup>10</sup>
- Cone found that 59 percent of Americans are more likely to buy a product associated with a corporate-nonprofit partnership.<sup>11</sup>
- Market research also revealed that 56 percent of Americans will travel an extra 10 minutes out of their way to purchase a product that supports a cause they care about and that 71 percent are willing to pay more for that product.<sup>12</sup>

More than 80 percent of Civic 50 companies integrate their community engagement into at least one of three business areas: marketing, skill development, and diversity and inclusion.

9 Robert G. Eccles, Ioannis Ioannou and George Serafeim, *The Impact of a Corporate Culture of Sustainability on Corporate Behavior and Performance*, Harvard Business School Working Paper, 2011.

10 Baruch Lev, Christine Petrovits and Suresh Radhakrishnan, “Is Doing Good Good For You? How Corporate Charitable Contributions Enhance Revenue Growth,” *Strategic Management Journal*, 31, 2, 2010, pp. 182-300.

11 *More Than Three-Quarters of Americans Say a Nonprofit-Corporate Partnership Makes a Cause Stand Out*, Cone, 2010.

12 *The Do Well Do Good Second Annual Public Opinion Survey Report on Cause Marketing*, Do Well Do Good, 2012.

**The Hershey Company** Hershey uses community engagement to promote diversity and inclusion at the company. Business resource groups (BRGs)—including the Abilities First, African American, and Veterans BRGs—facilitate the company’s partnerships with diverse community groups. These partnerships strengthen the diverse voices within the company and provide key insights on a wide swath of consumers. As a result, the company develops new products and marketing messages that are effective and resonate with diverse consumers, which helps the business to grow.

## The Civic 50’s Four Dimensions: A Deeper Dive

The Civic 50 scoring process uses four key dimensions to assess a company’s community engagement: investment, integration, institutionalization, and impact. This section explores these dimensions, looking at key characteristics and examples. A complete summary of the data is available in a Points of Light Civic 50 summary report.<sup>13</sup>

### 1 Investment

The most community-minded companies today are showing that it takes more than simply writing a check to be considered a good corporate citizen. All Civic 50 companies demonstrated that they extensively and strategically invested in communities by giving cash grants, employee time and skills, and in-kind donations, and by taking leadership and advocacy positions on social issues to advance change.

**12,670,912**

volunteer hours were mobilized by  
Civic 50 companies in 2013.

**Training for STEM positions** Motorola Solutions is focusing its community engagement efforts on an urgent national priority—the lack of trained and qualified individuals to fill STEM positions. To answer Chicago Mayor Rahm Emanuel’s call to address this issue as well as combat low academic achievement and high truancy rates in Chicago Public Schools, Motorola Solutions has become the industry sponsor for Chicago Vocational Career Academy (CVCA), an early college STEM school that helps to create the next generation of science and technology leaders.

<sup>13</sup> *The Civic 50: A Roadmap for Corporate Community Engagement in America*, Points of Light, 2014.

Over 100 Motorola Solutions employees serve as mentors and skills-based volunteers to Career Academy students, providing curriculum concept assistance, career insight, and general support to their mentees. Motorola Solutions also inspires high participation in its broader volunteer program, thanks to executive support. In 2013, CEO Greg Brown asked employees to complete 65,000 volunteer hours by the end of the year. Employees rose to the challenge, completing more than 70,000 hours of service and organizing more than 175 team-building volunteer events in 2013.

**Focusing on pedestrian safety** FedEx has played a leadership role in advancing a social issue into which it has keen insight—pedestrian safety. In honor of 15-year-old Christina Morris-Ward, who was killed on Halloween morning in 2012 after crossing an intersection while distracted with headphones and her cell phone, FedEx launched its “Moment of Silence” campaign in 2013. The public service campaign brings nationwide attention to the issue of pedestrian safety and the teens who are injured or killed each year by encouraging teens and parents to pledge a “Moment of Silence,” putting down their devices while crossing the street. This message has reached 241 cities, 907 schools, and 580,000 students around the world and engaged 12,000 parents, teachers, and FedEx volunteers.

### 2 Integration

Along with investing a wide variety of corporate assets to support community change, more than 80 percent of Civic 50 companies are connecting their community engagement programs with key business functions.

**78%**

of Civic 50 companies said  
they had a formal written strategy to  
connect community engagement work  
to marketing and PR.

**Fighting child hunger through cause marketing** ConAgra, the top consumer staples company in The Civic 50, is a good example of a company connecting its community work to marketing and PR, having pursued a creative strategy to differentiate its brands and boost sales through community engagement. Through its “Child Hunger Ends Here” campaign, the company encouraged consumers to buy specially marked ConAgra Foods brands (for example, Swiss Miss, Peter Pan, or Orville Redenbacher’s) that would trigger a meal donation to Feeding America, the nation’s largest domestic hunger relief organization.

At the end of the campaign, the program exceeded its goal to deliver three million meals—an increase of 94 percent over the previous year. For participating brands, sales increased (netting an average 39 percent return on their investment in the program). ConAgra also witnessed a 40 percent increase in awareness among consumers of the Child Hunger Ends Here campaign.

#### **Environmental and social benefits from paperless billing**

The Toyota Financial Services (TFS) community relations team partnered with its marketing department to create “Go Green,” a campaign that donated \$5 to Boys & Girls Clubs of America (BGCA) for every customer who signed up for paperless billing. The campaign dramatically reduced TFS’s paper and printing costs as well as its environmental impact. It also strengthened BGCA with a \$200,000 donation and a public relations campaign that the organization would not likely have been able to afford otherwise.

### 3 Institutionalization

Another key characteristic of Civic 50 companies is that they typically have developed institutional policies, systems, and incentives to support the strength and longevity of their community programs. These policies and incentives help to operationalize community engagement programs within companies and support driving employee participation and engagement.

**50%**

of Civic 50 companies include community engagement work in performance reviews for at least some employees.

**Business and social results with company assets** By including a “social ventures” objective in employees’ broader performance evaluations, Western Union incentivizes staff to use company assets to deliver business and social results. “Social venture” objectives can include developing a new product that benefits a societal cause, sourcing from socially responsible vendors, or incorporating community commitment information into an external-facing sales deck.

**Institutional support for volunteerism** Top companies in The Civic 50’s communications sector, including Comcast and Verizon, have strong institutional support for corporate volunteerism. Both companies have teams led by senior management who coordinate volunteer events to foster engagement and a sense of community within the company.

Each of these teams has a member dedicated to evaluation and feedback, supporting continuous improvement of service experiences.

### 4 Impact

Increasingly, companies are measuring the business and social impact of their community engagement work. The practice helps gain executive leadership buy-in for programs and to communicate successes to employees, consumers, investors, community groups, and the media. Measuring impact also helps companies refine their CSR programs over time.

**64%**

of Civic 50 companies track quantitative social outcome measures for their community grants, while 36 percent track quantitative social outcome measures for volunteerism.

**Capturing quantitative outcomes** The Hershey Company’s CocoaLink platform shows how companies are evolving their measurement programs to capture the quantitative social outcomes of their CSR work. CocoaLink is a free mobile technology program created to educate rural cocoa farmers about agricultural practices and to provide them with vital social information, such as child safety and welfare. CocoaLink messages currently reach 45,000 cocoa farmers from 1,800 communities and reinforce agricultural messages delivered by The Ghana Cocoa Board’s agricultural agents, allowing farmers to immediately apply the insights in their planting, cultivating or harvesting practices.

So far, these farmers have seen a 46 percent increase in yields and a 70 percent increase in incomes. Additionally, 68 percent have received successful literacy training, and 90 percent have received basic business and conservation training. This data-driven approach to measurement helped the company earn a high score in the “Social Impact” dimension of The Civic 50.

**Measuring more than inputs and outputs** TFS developed a framework to measure the impact of its corporate social responsibility (CSR) efforts that went beyond the traditional input and output metrics of number of volunteers, number of hours, or grant dollars. The company’s Community Relations and Business Intelligence units co-led the creation of a CSR index with three key performance indicators—community impact, employee engagement, and company

reputation—and determined the relative importance of each (50 percent/30 percent/20 percent, respectively). While the CSR Index was created to measure impact with the ultimate goal of increasing it, it also helped TFS refine its CSR strategy and reorganize CSR based on impact areas.

## Conclusion

Whether they're in the communications, technology or materials sector, Civic 50 companies have increased the impact of their community engagement by deepening the involvement of their employees, business units, and other aspects of their operations. Civic 50 companies are building and sustaining vibrant communities and tackling social challenges with greater seriousness than ever.

By linking community engagement with their business functions, Civic 50 companies are also strengthening their competitive advantage with employees, customers, and shareholders. Their cause marketing campaigns are driving up sales and attracting a new following of socially conscious consumers; their volunteer programs are strengthening employee engagement and skill development; and their community partnerships are supporting diversity and inclusion.

From including community engagement in department scorecards to giving consumers a way to direct corporate donations, the practices of Civic 50 companies represent a leap from business management of prior generations.

This year's Civic 50 companies demonstrate best practices that business leaders can use to smartly engage in societal issues and provide a framework for companies of all sizes looking to improve the way they engage with the communities in which they live and work.

## About The Civic 50

The Civic 50 was founded in partnership with the [National Conference on Citizenship](#) (NCoC) and Points of Light in 2012 and developed with a high-profile working group of lead researchers and industry thought leaders. Additionally, dozens of corporate advisors provided strategic guidance on the program's objectives by defining indicators, developing methodology, and identifying partners and participants. In the first two years, The Civic 50 evaluated and honored only S&P 500 companies. In response to feedback from a panel of prominent academics and others, all US companies with revenue of \$1 billion or more were invited to participate in 2014. For more information, visit [www.civic50.org](http://www.civic50.org) or [www.pointsoflight.org/corporate-institute/resources/measurement](http://www.pointsoflight.org/corporate-institute/resources/measurement).

## Methodology

The 2014 survey instrument consists of quantitative and multiple-choice questions that inform The Civic 50 scoring process and optional unscored narrative questions to capture potential case study material for highlighting best practices.

For the purposes of this report, all quantitative data refer to companies' community engagement in the United States.

## About the Author

**Yvonne Siu Turner** is the senior manager for corporate resources and programs at the Points of Light Corporate Institute, where she is responsible for developing the Institute's suite of resources on employee volunteerism, including serving as the editor of *The Civic 50: A Roadmap for Corporate Community Engagement in America*. Previously, she served as the marketing manager for A Billion + Change, a national campaign housed and managed by Points of Light that, in 2013, inspired more than 500 companies to pledge \$2 billion of skills-based support to communities—the largest commitment of pro bono service in history. Before joining Points of Light, Turner worked as the program director at the American Academy of Diplomacy and as communications director at the International Food & Agricultural Trade Policy Council (IPC). Turner holds a master's degree in international development from the School of International Service at American University.



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## About the Series Director

**Matteo Tonello** is managing director of corporate leadership at The Conference Board in New York. In his role, Tonello advises members of The Conference Board on issues of corporate governance, shareholder activism, corporate sustainability, and philanthropy. He regularly participates as a speaker and moderator in educational programs on governance best practices and conducts analyses and research in collaboration with leading corporations, institutional investors, and professional firms. He is the author of several publications, including *The Corporate Governance Handbook: Legal Standards and Board Practices*, *Sustainability in the Boardroom*, *Institutional Investment*, and the annual *US Directors' Compensation and Board Practices* report. Recently, he served as the co-chair of The Conference Board Expert Committee on Shareholder Activism and the Technical Advisory Board to The Conference Board Task Force on Executive Compensation. He is a member of the Network for Sustainable Financial Markets and the Advisory Council to the Sustainability Accounting Standards Board (SASB). Prior to joining The Conference Board, he practiced corporate law at Davis Polk & Wardwell. Tonello is a graduate of Harvard Law School and the University of Bologna.

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