

GLOBAL COMMUNITY INVOLVEMENT



LBG Associates

LBG Research Institute, Inc.

Highlights Summary

*The data in LBG Research Institute's and LBG Associates' **Global Community Involvement** survey illustrate what the participating U.S. companies are doing abroad and what foreign companies are doing within their own countries. From this substantial body of data, we have identified some similarities and the critical issues that need to be addressed when establishing a global CI program.*

Methodology

Using a comprehensive questionnaire, LBG surveyed 22 U.S.-headquartered multinational companies (MNCs) and their overseas sites in 15 countries about their global community involvement (CI) program. In addition, another survey was used to collect data from national in-country companies (foreign companies) within the 15 pre-selected countries to gain insights about the customs and culture in that country.

The following highlights selected findings of the research.

Business Case

When asked, "What exactly does it mean to be a "good corporate citizen?" the top responses for all the survey participants, whether located in the United States or overseas, are the same: *being ethical, protecting the environment, giving back to the community, and treating employees fairly.*

In addition, the business benefits gained from CI are similar across companies and across countries. The top three benefits cited by the respondents are:

1. Enhanced brand/product awareness and reputation;
2. Employee recruitment/retention/engagement; and
3. Improved relationship with partners, suppliers, and government officials.

Structure

In regard to MNCs' staffing, the report reveals the following findings:

- All the MNCs have at least one full-time professional involved in global community involvement.
- More than three-quarters (76%) have CI staff at headquarters *and* in the field.
- There is no correlation between the number of overseas employees and the total number of CI staff.

For the overseas sites:

- The majority (72%) of the participants have from one to 10+ professionals for whom part of their responsibilities is the management of the day-to-day community involvement activities in their country.
- 40% of the sites report that they have between one and four professionals solely dedicated to community involvement.

For the foreign companies:

- More than 80% have between one and four professionals who manage CI on a full-time basis.
- 72% have full-time administrative support, with 69% of these companies having between one and two full-time support personnel.

Staff Responsibilities

The two most popular community involvement activities undertaken by the overseas sites are charitable giving (96%) and volunteerism (90%). Volunteerism is the most common responsibility among some sites because their CI program is basically a volunteer program.

In comparison to the sites, both the volunteerism and charitable giving percentages of the foreign companies are much lower, as is employee giving.

Some trends appear when the overseas sites are examined by country:

- Volunteerism is part of the CI program in all the sites located in China and India.
- Charitable giving and volunteerism are part of the CI program in all the sites located in the United Kingdom.
- Charitable giving is part of the CI program in all of the sites operating in Poland.

Charitable Giving

Some of the major findings in this section are as follows:

- Although almost all (96%) of the MNCs agree that their charitable giving should be strategic, less (87%) actually rate their programs as either strategic (73%) or very strategic (20%).
- 64% of the MNCs report that the grant making strategy is set by the U.S. headquarters, but the grantmaking decisions are made in-country (“shared approach”); 32% say their charitable giving function is centralized; and 6% say it is decentralized.
- Half of the foreign companies characterize their grantmaking structure as a shared approach; 31% say they are centralized; and 19% are decentralized.
- 50% of the overseas sites report that their charitable giving strategy is set at either the regional or country level (depending on how the MNC is structured), and that all grantmaking decisions are made at the main office/headquarters in the country or at the regional level.
- Donations by MNCs can be made in a variety of different ways:
 - * 24% of the MNCs give directly to international organizations overseas;
 - * 29% give indirectly through U.S.-based organizations; and
 - * 48% give both directly and indirectly.

Workplace Giving Campaigns

Less than half of the MNCs (41%) have a workplace giving campaign in all or some of their countries. Of those companies, 67% match employee contributions in all or some of the countries.

A much higher percentage (67%) of the foreign companies have workplace campaigns, and 75% of them match their employees’ contributions. Almost two-thirds (63%) set a cap on the matched amount.

Matching Gifts Programs

Although Matching Gifts programs have been used in the United States for many years, they are still relatively new overseas. Matching gifts programs are commonly used in times of disaster to raise funds for victims.

Specific findings related to Matching Gifts include:

- 41% of the MNCs report having an established or a pilot program in some countries/locations.
 - * 60% of the MNCs report that their international programs are different than their U.S. Matching Gifts program.
- Only 27% of the participating foreign companies say they have Matching Gifts programs.

Volunteerism

Almost all of the participants indicate that their companies encourage and support employee volunteerism outside the United States. Other specific findings related to volunteerism include:

- Almost three-quarters of the MNCs permit their employees to volunteer during the workday; however, slightly less than one-quarter have a formal release time policy.
- Three-quarters of the foreign companies allow employees to volunteer during the workday, and 75% of these companies leave it to the supervisor’s discretion.
- 59% of the companies provide employees in overseas locations with paid time-off to volunteer, but only 27% of these companies have a corporate-wide policy.

Sponsorships and Signature Programs

Eighty-two percent of the MNCs provide sponsorships outside the United States. But just 9% do so in all their locations, compared with 73% doing so in some of their locations. Sponsorships of charitable dinners and fundraisers, such as walk-a-thons, are the most popular events.

Significant findings on the respondents’ signature programs include the following:

- 36% of the MNCs report having either a signature program or significant partnership with a nonprofit organization outside the United States.
- Looking at the sites, 30% have signature programs and/or significant partnerships. Some MNCs have a common program throughout all their sites, and others have different programs across sites. In addition, some sites support more than one significant partnership.

Disaster Relief

Eighty-two percent of MNCs say all or some of their locations provide disaster relief assistance; however, the majority of the efforts are coordinated by their U.S. headquarters. The same is true for funding. Although the disaster relief efforts come from various sources, the majority of companies (89%) report that either all or part of the funding for disaster relief efforts comes from their U.S. foundation or corporate contributions departments.

Measurement, Evaluation, and Tracking

Measurement and evaluation are critical to demonstrating the value of a company's CI contributions and activities. That said, however, only 41% of the MNCs formally evaluate their global community involvement programs. For those that do evaluate their global programs, the process appears to be a team effort. Those most likely to conduct the assessment include the headquarters staff in conjunction with the overseas sites, and an external consultant.

Sixty-four percent of the MNCs evaluate all or some of the overseas programs. The majority of the overseas sites (81%) rely on their CI staff to evaluate the programs and/or agencies funded by them.

Communication

Survey findings regarding communication include the following:

- The vast majority (82%) of the MNCs communicate on a regular basis with their overseas contributions staff, and 91% of MNCs regularly share information on their community programs with employees located in all (59%) or some (32%) of their overseas locations.
- 95% of the overseas sites communicate directly with their employees on the CI activities of their company within the country.
- All the foreign companies feel it is important to communicate with their employees about their CI activities.

Conclusion

Multinational companies aiming for enhanced global citizenship must carefully assess the best way to build and sustain a global CI program without straying from overall business goals—or alienating overseas communities or employees. The key to success? *An “adopt and adapt” approach.*

At its most basic level, adopt and adapt means combining the adoption of a global community involvement strategy *and* having the flexibility to allow for adaptation based on different cultures, needs, norms, and values. It is communicating the same overall corporate message worldwide, but delivering it in a manner tailored to meet the needs and expectations of very different constituents around the world.



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