



THE FUTURE OF COMMUNITY INVOLVEMENT

A summary of Three Hands' research on the future of community involvement

October 2010

So why did we do this?

Community engagement is part of corporate responsibility (CR) and CR is morphing into sustainability. Sustainability involves tackling the big stakeholder issues, national and global in nature. We wanted to know where this leaves community engagement – the poor cousin of CR or integral to the future of sustainability?

Community involvement – not what it says on the tin

Before understanding the future of community involvement (CI), we need to understand what it means today. Community involvement is not just about community; yes, it's about being a good neighbour, but it's really about connecting to broader society, about "the corporation being a citizen", connecting with the broad stakeholder issues. It's local, national and global.

It's about people. Community involvement provides the human interaction, the outreach. CR may be broader than CI, but "CI is what ensures companies don't operate in a vacuum".

The Chairman's wife is dead

The Chairman's wife did not tend to be interested in social issues that were material to the business, or that employees had particular expertise in. Now we "have to look at where our company, our people, our skills" can make a difference. We address social issues through the capability and skills of our people.

We also link community involvement with risk management. We use it to engage in stakeholder issues of relevance to the business. And we also use it to understand a community better, if we want to do business there.

But – and this is a big but – this is often at odds with what employees want to do. They want to paint, garden, bash brambles. (See employee engagement below for more on this.) So it seems the Chairman's wife is alive and well in some circles – not good news for CR managers who want to link employee activities with the relevant social issues.

Charities should know their place

Yes they should. They need to realize that they are... experts in their fields, delivery partners, collaborators, critical to companies' community involvement programmes, providers of expertise and outreach. "We would never enter into an issue without a charity partner."

The charity of the year won't have time to settle in and realize the potential of the relationship. It needs to be long-term, multilayered, formal and flexible – with hard outcomes for both sides. Charity relationships are critical to the future of community involvement.

Employees – why what they want to do isn't what you want them to do

We already know that community involvement can be a tool to motivate employees and drive their morale. And we also know that employees' (especially younger ones) expectations of their jobs are changing – they want their companies to demonstrate a wider purpose in society.

But we don't know how to deal with the fact that "there is a huge gap between what we want to do as a business and what our employees want to do". (See the Chairman's wife above.) Skills-based volunteering is increasing, but there is still too much unskilled, one-off activity taking place. Many employees might not be aware of the strategic relevance of community involvement.

So, provide freedom of choice or stick to your strategic guns? "A good CI programme includes scope for people to participate in what they are interested in. 80% strategic and 20% flexible is the right balance." And local involvement provides the most potential for the flexible bit.

Strategy – the facts and the dreams

We think things like “a good community programme is commercially relevant” and that “CI should have economic impact”. That is partly why there is such an appetite to measure and evaluate CI (see below). Being commercially relevant and having economic impact means things like CI helping us to recruit the right people (whether school-leavers or STEM graduates) or helping us to understand a community where we would like to do business.

But this happens on two levels – demonstrable and intuitive. Sometimes you can demonstrate the impact on the bottom line (through, for example, programmes that engage customers or when a CI programme contributes to the winning of a big tender), but more often than not “there is a belief that what we do feeds into the bottom line, but it’s instinctive”.

If you’re a bank that invests in an employability programme, because in principle if more people are employable, then more people will be employed and will need bank accounts, you’ll never know if you opened more bank accounts as a result. If you’re a pharmaceutical company who needs the UK to be producing more STEM graduates, you won’t know how many more good STEM graduates you recruited as a result of your education programme. But in both cases you do know that it’s the right thing to do.

So being instinctive is OK for some companies. “It makes sense on an in-principle level and we can make a business case without hard facts. This is not the same as complacency.”

More on this in the next section...

If you want to manage it, measure it. Well, you can try...

This is a hot topic. There is strong consensus that measurement is becoming more and more important, that we need to demonstrate the impact for budget purposes, that we need to show how CI benefits the business in tangible ways – not least because of the recession.

But there is also consensus that it is not easy. Inputs, OK. Outputs, OK. Outcomes, especially longer term ones, are a different matter. As one of us said, “you can’t measure the unmeasurable”. It is sometimes OK to not try to track back to measure the impact on the bottom line (see the banking and pharma examples above).

But on the whole, it’s time to be braver. Measure more, evaluate everything.

It’s not easy making predictions, especially about the future...

But we tried, and this is what we said:

We think that community involvement will be the engine for engaging in the bigger social issues – which means it’s not just community involvement, it’s societal engagement too. And some of us think that the social context of the triple bottom line will be driven by CI.

This means that CI will become more important as sustainability develops. Indeed, the distinction between community, CSR and sustainability will become more and more artificial. CI will be a critical part of stakeholder engagement and there will be more expectation that companies will play a wider role in society.

Our other top 5 predictions:

1. CI will drive innovation. “By connecting with society, we will tap into new ideas, new innovations.” We will co-create with charities and communities.
2. Companies will become a more explicit part of communities and there will be a greater ‘totality’ of support for communities and society involving varied and comprehensive activity from commercial sponsorship to volunteering.
3. Everyday business behaviour will have to be consistent with the values of CI – all parts of the business will have to “walk the talk” – otherwise we won’t stand up to scrutiny from the outside.
4. Issues such as climate change, food security and water shortages will stretch the definition of community – but CI will include these big global issues.
5. Companies will work with each other on issues of common interest.

We interviewed Sustainability/ CSR/ Community heads at 9 major FTSE organisations, all ranked in the top 25 of the CR Index. For more information contact Jan Levy at Three Hands – jan@threehands.co.uk / 020 7921 4401