

# How to become a Corporate Citizen?

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## What is Corporate Volunteering?

Corporate Volunteering (CV) is a concept which has its origin in the US-American economical culture as a component of Corporate Social Responsibility (CSR). Essentially it is about a company's commitment to society beyond its normal business. They invest besides money also man-power and skills of their employees. Firms motivate their staff to do voluntary work and support them according to such activities. In contrast to the US, CV is a relatively new concept in Europe and especially Germany to improve community and society.

The development started about the beginning of the last century, which was the time of industrialization and big financial moguls like John Rockefeller and Henry Ford. Their way of doing their business was characterised by their rigorous fights against governmental involvement and unions, while they acted as private persons as philanthropists by investing vast amounts of their private fortune for universities and associations caring about social issues. These ambiguous acts of corporate giving caused that companies became involved in social

## Deutsche Bank and its commitment to Corporate Volunteering

issues for the first time. These dependencies of social commitment and business became even more obvious, when in the 1960s e.g. the civil rights movement raised the question of racial hiring or firms were criticised for doing business with countries with a strict apartheid-regime like South-Africa. This spiral of pressure onto compa-

nies built up by mass media and finally the occurring of the Internet in the 1990s led to a fundamental change in the way corporations dealt with social issues. "The old traditions of economy to wait for donation requests or to provide universal funds have recently given way to a more active corporate policy. Who nowadays wants to be



▲ Illustration 1: CSR hierarchy

seen as a good corporate citizen, endeavours to develop and carry out volunteering projects in cooperation with NGOs." (Janes, 2001)

This recent development bases at least on the fact that NGOs have become a real threat to companies. They can seriously harm their business by attacking their brands and making people sensitised for their concerns. A recent and widely known case is Nike, which was criticised for child labour and bad working conditions in their "sweatshops" in less developed countries. They reacted on this pressure by implementing rules for their suppliers to avoid such conditions, but it took many years to restore a good reputation.

#### **Benefits and characteristics of Corporate Volunteering programs**

It is not only welfare or goodwill for companies to get involved in CV activities, they can also profit by their commitment. Though this is not really measurable, the advantages are obvious as these activities cater for a better image of the firm in the eyes of the clients. They enhance communications and team-skills, social competence and leadership-skills of the employees. They thwart against the burn-out-phenomenon and improve the reputation of the company on the labour-market.

The motives to practice CV on the other hand can differ. It always depends on the firm's intention where to put the emphasis. One possibility is to set the focus on the internal effects of CV to have a positive influence on the employees, the development of their personnel and the way of working together effectively. Another possibility is the concentration on the external effects of CV, is to use it as a marketing tool aiming to attract as much public attendance as possible. Not at least a firm can practice volunteering because its employees want to act ethically, respectively out of an intrinsic motivation, which can be seen as the ideal reason for such a commitment to society.

In either case it is important that programmes are planned properly. A company that intends to implement CV-activities needs to act prudentially and gather lots of information in order to find an individual so-

lution to correspond the needs of its employees. Especially nowadays where the issue of CV, respectively CSR, is getting into the focus of public attention, it is important to have a programme that works effectively in the long-run and that is not only focused

## Infobox

■ **CSR - Corporate Social Responsibility** is the continuing commitment of business to act ethically correct and contribute to sustainable economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large.

■ **CC - Corporate Citizenship** is a company's obligation to be accountable to all of its stakeholders (shareholders, clients, employees, community, etc.) in all its operations and activities with the aim of achieving sustainable development not only in the economical dimension but also in the social and environmental dimensions.

■ **CV - Corporate Volunteering** is voluntary work of employees in a firm for social projects to commit in social belongings of their environment. From a firm's point of view of it means the assignment of human resources for public utility aims which go beyond the core business. CV is a part of Corporate Citizenship and includes also the support of existing social commitment of employees. It is used to develop corporate values and culture of a firm, to develop skills of employees and to add to the firm's credit.

■ **NGO - Non-governmental organization** is an organization that is typically independent of governments and founded for a certain idea that it fights for. The term is generally restricted to social, cultural, legal, and environmental interest groups having goals that are primarily non-commercial as well as financed by private sources. These organisations are one big driver of CSR-discussions and can exert big pressure on firms to act responsible. ■

on short peaks of public attendance. "(Schöffmann) admits: 'At a company, which aim it is to cover up fundamental mistakes elsewhere by using Corporate Volunteering, the shoot will backfire.' The employees won't let themselves be abused for that and consumers will punish such behaviour more and more." (Bittelmeyer, 2002)

#### **Situation and objectives of CV at Deutsche Bank**

Deutsche Bank (DB) is a worldwide operating bank house with more than 65,000 employees spread over 74 countries. 41.4% of the staff works in Germany and about 10,000 people in the headquarters in Frankfurt am Main. Corporate Citizenship of Deutsche Bank pursues goals to secure the company's long-term development and to generate values to protect resources and environment, to enhance the quality of products and services and to provide a transparent reporting. (Deutsche Bank, 2004) In rankings about CSR and sustainability DB was regularly evaluated positively.

At DB Germany the percentage of volunteers is at 2 % at the moment, while the participation in the UK is at more than 18%. Furthermore there is only one manager for CV in Germany compared to four internal and two external managers in the UK. As the figures show there is a quiet small attention given to CV in Germany compared to the benchmark UK. The reason for these low numbers is that CV in Germany is still mostly unknown and the advantages of it are not banded. Problems nowadays are besides little attention an inefficient communication-strategy and the search for qualified volunteers.

#### **Criteria for projects and future focus of Deutsche Bank**

DB wants to implement continuous and complementary projects. The goals are to invest in the society of tomorrow, encourage cultural variety and help to build a stable and global society and economy. Thus, the focus is set on the four topics: education, social work, art and music.

Regarding the staff it is important that a project combines features like the opportu-

		Additional qualification	
Authenticity	Social benefit	++	++
	Offensive orientation	++	++
	Reference to core business	+++	+++
Sustainability	Orientation on multipliers	++	+++
	Visible embodiment	+++	++
	Consistent implementation	+++	++
Advertence	High emotionality	++	+
	Integration of many employees	++	+++
	Uniqueness	+	+++
		Internet portal	

▲ Illustration 2: Evaluation scheme for project ideas

nity to do “good work” with a social background, having personal contact and experience variety. The internal benefit keeps the volunteers motivated, which is important as the publication of the activities inside the bank via word-of-mouth recommendation only works if the volunteer enjoyed his/her activity.

When choosing an external partner it is necessary to find an adequate organisation with the same goals to cooperate. It is neither necessary nor desired that the partner is very popular or present in the media, because too much public attention could lead to mistrust and loss of credibility of the bank's CV-programme.

**Evaluation scheme of DB for project proposals**

To evaluate projects, DB has created an evaluation scheme with three main criteria: authenticity, sustainability and advertence. According to authenticity, a project needs a social benefit to society to prove real commitment. With an offensive orientation DB

can make sure that this benefit and their commitment has a real impact. The reference to core business ensures the quality of the project and credibility of DB's offers. To achieve sustainability it is necessary to orientate on multipliers who publish the projects to others, and a visible embodiment is necessary as well as a consistent implementation. If nobody knew how the projects are organised and what they really do, it would be difficult to motivate people and keep projects running. If nobody takes note of an activity, it would also be problematic to motivate people and to inspire partners and sponsors. With achieving high emotionality and enthusiasm of participants word-of-mouth recommendation can be guaranteed and commitment will be sustainable. For this it is also useful to have many employees involved in the programme and to offer unique projects to keep them inspired.

**Theory and practice - new constraints out of everyday business**

Operative criteria when searching for new

projects are mainly given by the existing structure restrained in resources and ambitious goals. For example there are only small in-house resources, and the organisational effort must be limited to a minimum. So DB is interested in launching projects that are a kind of self-runners, which can be supported by internal sponsors or a small budget. The goal to refer to the core competencies of DB is also a constraint as there are so many possible projects with social background, but without reference to the white-collared banking-business. The barrier for employees to get involved in a project shall be as low as possible. Projects should be flexible with time, should have clear demands on volunteers and their tasks and the recruiting should be possible via multipliers. It is additionally difficult to motivate people without an incentive system like at DB UK, where free time or money is offered for the commitment. The rewards for volunteers in Germany are reputation, personal experience and the good feeling of having done something good for society. The external partner shall be pro-

fessional, located near to Frankfurt and shall bear no risk regarding reputation.

The bottom line is that DB searches for projects which follow the slogan "Quality, not quantity!". Projects shall be sophisticated and not addressed to the mass. And to put it into a nutshell, the goal is that few volunteers shall offer within small projects a more than satisfying result to the participants and a big social benefit to society.

**Project-idea: Additional qualification for unemployed**

This project will enable job searchers to versatile their qualifications, so long-term unemployed can get into practice again and learn about new developments, methods and necessary knowledge. They can "update" their qualification and can also show their possible next employer their wish to stay in practice and their willingness to find a new job.

DB can offer training opportunities with various contents to them. Some ideas are: project management, HR-Management, diverse financial issues, English-vocabulary for special topics, managerial skills, innovative ability, creativity methods, conflict-training, writing applications for a foreign country, knowledge management, sustainability management, rhetoric, moderation, business behaviour, etc.. Furthermore, case studies can be provided to exercise real working conditions.

It will be the task for DB to provide a supporting programme with the possibility to flexibly create an offer and avoid organisational effort after the kick-off phase. An external partner like an employment agency can connect unemployed persons and training offer. The agency can benefit because of the additional offer that they can provide to unemployed and to fill hard-to-fill vacancies. So we have a win-win-situation for unemployed to get qualification and for the external partner to offer additional services.

The benefit for the volunteers will be, besides their gained new qualification, a strengthened self-confidence and a widening of their own horizon by meeting people from other backgrounds. Possible risks of the project would be a lack of reputation

and quality of the courses by not contributing participants which can be avoided by tests and evaluation systems to get a certificate of successful participation.

**Project-idea: Internet Portal**

Using the Internet in CV is already common business concerning the publication of CV-projects. But it has hardly been used for the allocation of volunteers and projects. This is the main idea behind the concept of an Internet portal. DB-volunteers can register online with their profile of skills and interests, while social organisations can do the equivalent with the projects they have to offer and where they might need the support of a DB-volunteer. By the help of this standardized data a matching is done by a software making proposals which volunteer fits best to which project. The participants can then decide if they want to start working together.

Establishing an Internet portal is a project which corresponds well to the evaluation scheme of DB. Beyond that it offers several advantages like a continuous and long-term flow of projects to guarantee a bigger variety of tasks offered to the volunteers. Through the internet database also small organizations like sports clubs or choirs can be integrated in the CV-network of DB though they have only "small" projects to offer like the annual accounting report.

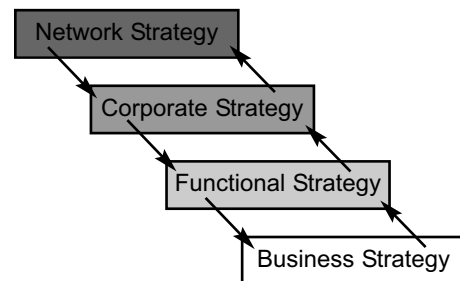
What makes the project finally fitting to DB's CV-activities is that it keeps the conditions given by DB for its future projects. It refers to core competencies such as human resources management and marketing. But also the projects mediated by the portal will address fields like accounting, financial investment consulting etc. The other point of DB's long-term orientation is that projects are designed to be continuously working.

**CSR-thinking shall be implemented in the strategy of DB**

The most known and discussed fact about DB's strategy is Ackermann's (CEO of DB)

statement, that he wants to raise the return on equity to 25% (Ackermann, 2004). But is there a connection between this goal and CSR respectively CV? To understand strategies of huge organizations, Huff's framework describes the interaction of the different levels (Huff 2002).

Primal at the functional level of CSR (functional strategy), the overall goal of "creating value for our people" is picked up, and afterwards concretised in the CV strategy.



▲ **Illustration 3: Framework of interactions**

But not only in the theoretical framework are big links missing between the overall strategy and the CV activities, also in the daily work and the mindset of executives. In Berlin, for example, DB's real estate fond plans to modernize the "Kurfürstendamm-Carré" and create a shopping mall in order to augment their revenues and to enhance fond performance. This will also mean to close or at least to move two traditional theatres which would be a big lost for this historical district of Berlin. But DB supports on the other hand culture projects with their own cultural foundation and spends lots of money to preserve theatres and arts. This ambiguous acting leads to heavy critique and proves CSR politics of DB superficial. Also the simultaneous announcement of extraordinary revenue and the cutback of 6400 jobs shows, that DB's strategists are not very sensible about social implications of their measures. That doesn't mean that cutting jobs is not socially and ethically correct, but there was no transparency about different options and alternatives.

But what does that mean for CV in detail? First, there are no measurable goals to follow, no figures describing the success of CV. The company will not change its overall

behaviour, but create an opportunity or an offer for its employees to commit in volunteering activities. But there is no top down sense-making, no incentives and bonuses, no supervisors who try to convince their employees. So when there is no sense-making and motivation by the company, the involvement of the employee depends only on his identification, personal connection and self motivation for the volunteering project. But if one employee is already really interested in a certain problem, he would already volunteer in his spare time and he doesn't need his employer to help him.

#### **The organizational structure of the CV-department and its link to innovation management**

To really support CV activities, a firm in general and the CV-department in particular need a very transparent, democratic and participative structure, which tries to attract interest of the employees and than guides them through the process of developing a volunteering project. A network within the organization, like "blackbelts" who ensure six sigma quality, would be useful to ensure that every employee could find and create his perfect volunteering project, responding to his local and personal needs and interests.

But the structure at DB is totally different, and resembles a "think tank structure". That means a very small business unit of sometimes only 2 persons collects all possible ideas for CV projects from all reachable sources and than identifies possible projects with a high strategic fit and develop these projects till they can be launched. At that point now they introduce the projects to the other people in the organization, their target group as possible participants who have little relation to the project and are harder to motivate to participate.

This "think tank" idea originally comes from innovation management (IM) and is less process- and more strategy-driven. It has a higher success ratio, because it can more easily overcome inertia and politic behaviour of a bigger group, but is totally intransparent and not always fair with the evaluation and selection of ideas (Jen-

zowsky 2005). But also the culture and therefore the employee profile of people working in a think tank should be different from other departments.

In IM, there are different barriers to overcome in order to create disruptive innovations and develop them to become new ventures. One of these barriers is called "path dependency". It means that technological change in a society depends on a quantitatively and/or qualitatively view on its own past (Mokyr, 1990). A company would not likely invent new technologies, which cannibalize revenues from its own existing and successful technologies. But if the firm doesn't do it, its competitors will do it in order to enhance its position. But CV is not the same as IM, so why did DB choose this "IM structure" for managing their CV activities? To understand this fact, it is necessary to analyze the employee's perspective on CV.

#### **Drucker's theory of a second career as a possible motivation**

"When work for most people meant manual labour, there was no need to worry about the second half of your life. You simply kept on doing what you had always done. And if you were lucky enough to survive 40 years of hard work in the mill or on the railroad, you were quite happy to spend the rest of your life doing nothing. Today, however, most work is knowledge work, and knowledge workers are not 'finished' after 40 years on the job, they are merely bored." (Drucker 2005)

On Drucker's perspective, a mid life crisis is just a sign of boredom. He constitutes that the relevant employees are good at their jobs, but they do "not learning or contributing or deriving challenge and satisfaction from their jobs" (Drucker 2005). He suggests different ways to build up a second career. His most promising idea is to start the second career much earlier than it is "needed" to react to boredom. So there is also a certain kind of path dependency on employee level. The employee needs to change its attitude and behaviour towards volunteering. So the target group of the CV-department are employees who do not al-

ready volunteer. At DB CV should be their real commitment and projects of their own initiative and not only putting the companies name on existing activities of their employees which they do in their biggest currently running CV-project. So if the employee had a positive attitude, he will already be volunteering in his spare time. But if he doesn't get the attitude, he won't be hit by his worst competitor, but hit when his midlife crisis arrives, his first job ends. He gets retired, bored or unsuccessful and misses occupation, success and acceptance.

To facilitate the second career, to open doors and to help them prepare answers to midlife crisis is the real value CV creates for DB employees. They are enabled to gain volunteering experience, maybe build personal connections to NGOs and social institutions and their horizon will be widened, so they can find an adequate volunteering idea more easily.

#### **CV as an ambidextrous organization**

The scientific concept of ambidexterity explains that every company which wants to be successful on the long run needs to master two abilities: adaptability and alignment.

Adaptability means to "move quickly towards new opportunities, to adjust to volatile markets and to avoid complacency" (Birkinshaw & Gibson 2004). This means for CV to create new projects which hit the needs of their employees. Alignment means "a clear sense of how value is being created on the short term and how actively it should be coordinated and streamlined to deliver that value" (Birkinshaw & Gibson 2004). So CV shall run already implemented projects and improve efficiency continuously.

Having these two elements within one organization does not mean within the same organizational unit at the same time. Normally, a think tank structure is typically used to cover the adaptability part, to create new ideas and to develop them to become new ventures or projects. When the new project is ready for the market, it will be handed over to an operative business unit or even a profit centre, which is specialized

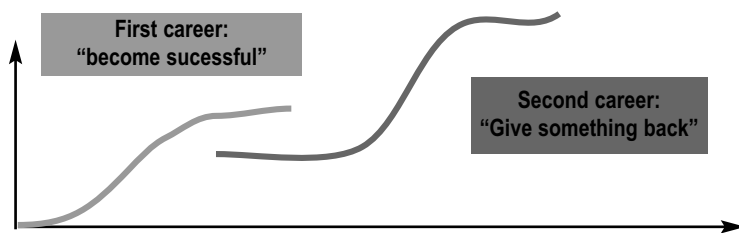
in alignment and in the exploitation of the project. In CV at DB there is no handover. The "think tank" unit runs all the projects on their own and through the whole lifecycle. Although the head of volunteering at DB knows that he is rather a creative person and an expert for innovations than an expert for organizing and optimizing already existing projects, he has to run the projects. The absence of a specialized organizational unit which runs the projects brings two negative impacts on the performance of CV. First, there are very limited resources in manpower, and a think tank structure is not an efficient organizational context to reach alignment and exploitation of projects. So without changing the amount of resources, the outcome could be increased by enhancing the structure. The single problem is that the actual resources of two employees can be hardly divided into two organizational units. Second, the existing structure has a huge impact on the choice of projects which will be developed. The scope of possible projects is scaled down enormously, because the head of volunteering at DB can not search for the projects with the biggest benefit for DB and the employees, but has to search for projects which do not require too many resources, so that they can be handled. He cannot use the benefits of a project as selection criteria, but only the costs. But, assuming that the organizational designers of the CV unit are aware of this problem, this situation shows clearly the CV and CSR strategy of DB. The goal is not to reach certain benefits, or even to maximize the benefits, but to spend a certain amount of money.

**CV at DB: "Real CSR", Marketing or HR Management Tool?**

The noblest approach to CSR is surely to understand the corporation as a part of society and to act ethically or make at least all ethical tradeoffs and the reasons for your acting transparent. The other extreme is to get totally oriented on the effect on your business performance - on the outside, the customers and their behaviour or on the inside, the employee and his behaviour. DB is not following the first approach. The CV

department is not facing the ethical problems that a bank has to deal with. They do not dare or want to dare to handle "hot" topics like debtor consultancy and help for people who are privately insolvent or the financing of mines and pipelines which des-

**Job Satisfaction and Occupation**



▲ Illustration 4: Drucker's theory of a second career as a possible motivation for commitment

stroy the environment in third world countries. They surely want to volunteer, but not in a way that affects their core business or that questions the ethic of certain elements of their business. On the other hand, they do not look at their effect on the outside at all. As well on the inside, they are not cannibalizing their efforts to impress their employees with large campaigns or continuous consideration. So they do not use CV in an opportunistic way, just as another measure to economical success. So what is CSR at DB then?

It can be described as a pilot project, which reacts to the changes in the relationship between the organization and the individual employee. It is an attempt to provide assistance to the employees, who lost their lifetime employability. In times, when jobs have to be cut off even when revenues increase, CV at DB tries to make the cutoffs more socially acceptable, not only from a financial perspective, but also from a psychological perspective on the purpose in life of the employee. So they facilitate the introduction and construction of a "second" career during their first career at DB. And of course, they are not unhappy about the numerous side effects on employee motivation and morale, on their image as employer and on the human capital development of their workforce. ■

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