

## Can CSR and volunteering mix?

Employee volunteerism works better as an engagement tool for human resources than as a CSR tool



An Edelweiss employee interacting with schoolchildren in Wada district, Maharashtra. Photo: Aniruddha Chowdhury/Mint

**Mumbai:** Up until last year, when corporate social responsibility (CSR) was not a compliance issue, companies had various ways of showing that they are made up of responsible citizens.

From teaching children, painting classrooms, building homes and, more recently, running marathons to raise money, employees dabbled in all kinds of activities. Employees went back feeling good about their good deed for the day and the human resources heads about having found a meaningful way to engage employees.

Besides the social good that can come out of volunteering, it had an impact on the company too. Vodafone Foundation, the philanthropic arm of the telecom service provider, has a flagship CSR initiative called World of Difference (WoD). As part of the initiative, more than 128 skilled employees have spent 56,910 hours volunteering since 2011. The company saw that 85% of those who volunteered were more visible in the eyes of their colleagues and 96% of them became more effective in their jobs, said P. Balaji, director, regulatory, external affairs and CSR, Vodafone India.

Even though the benefits are clear, the CSR rule, according to the Companies Act of 2013, allows companies to only claim 5% of the CSR expenditure towards administrative costs and capacity building. "This is because companies with large employee strength can have every employee contribute about an hour each to a non-profit (and allocate that salary amount towards CSR spend). And companies would easily meet the CSR spend with this," said Parul Soni, global managing partner, Thinkthrough Consulting, a New Delhi-based CSR consultant.

Sure enough, employee volunteering does come with its share of challenges. "Employee volunteering had mostly been about the feel-good factor. For meeting their needs, the whole organization (the NGO) would come to a standstill to manage them. And it wouldn't add any value to us," said Vanessa D' Souza, chief executive officer (CEO) of the Society for Nutrition, Education and Health Action (SNEHA).

"We plan our volunteering schedules for the year and align it with corporates, but at that time, some of their people suddenly become unavailable, and unfortunately that would be the time when we badly needed that resource," said Asha Sharath, who takes care of donor engagements for Bengaluru-based Akshara Foundation. This resulted in the NGO having to get the resource by paying for it. At other times, employees signed up for an event and failed to turn up. "Only 30-40% of employees turn up for such events," said Sharath.

Because of some of these challenges, employee volunteering perhaps works better as a tool for engaging employees rather than a prescribed CSR-related activity. Others disagree.

"When volunteering is done effectively, it can be a significant resource for non-profits since it allows them access to specialist skills that would otherwise have been prohibitive for them," said Shankar Venkateswaran, chief of Tata Sustainability Group, a group-level entity. The salt-to-steel conglomerate set up a platform last year called Tata Engage that allows all of its 600,000 employees across companies to come together and volunteer.

In the last one year, it has seen 70,000 registered volunteers clocking in over 400,000 hours under the Tata Engage programme. Encouraged by the response, in August, it launched a new initiative called Engage+, which gives employees a chance to go on paid deputation for up to six months for strengthening the systems of non-profits, and in return gain professional and leadership experience.

Since volunteering also needs an employee's complete involvement, firms such as Edelweiss are letting employees decide how they want to volunteer.

"Employees at different stages of their career want to engage in different activities. While senior-level employees prefer giving their expertise, junior employees prefer what are typically feel-good activities," said Vidya Shah, CEO of EdelGive, the financial services firm's non-profit arm. Moreover, Shah said, not all employees want to do what they do in their job with the NGO. While 40% of Edelweiss's 6,000-plus employees were involved in volunteering, only about 12% were involved in skill-based volunteering.

Global companies such as IBM and NetApp that had been carrying out a bulk of their CSR activities through skill-based employee volunteering say they will not give up on volunteering even though they cannot show much of these activities under CSR. "Employee volunteering is in the core of our DNA. We can't roll it back, but now that we have to comply with the law, we will also make grants to NGOs," said Sonali De Sarker, who heads human resources at NetApp, and also takes care of CSR.

NetApp has employee volunteering programmes in all the countries it is present in and gives its employees five days of leave in a year to volunteer.

Hexaware, an IT consulting firm that had mostly carried out all its social good through its employees volunteering for blood donation drives, is now looking to give to NGOs in order to meet the CSR guidelines. "In fact, we are seeing more employees wanting to volunteer after the law, as they know the company is going to be spending a large amount on it. We will look to continue the employee volunteerism programmes even though we can't monetize it," said Amberin Memon, CSR head, Hexaware.

Some experts say the law does not take into account the importance of employee volunteerism. While all over the world "employee engagement" is an important component of CSR, neither Section 135 nor the CSR Rules give any cognizance to it, said Noshir Dadrawala, CEO, Centre for Advancement of Philanthropy.

"Companies may carry out CSR activities through employee volunteering, but it cannot be monetized and reported as 'CSR Spend' under the current Act and Rules. This is unfortunate," said Dadrawala.

Bhaskar Chatterjee, chairman of the Indian Institute of Corporate Affairs, who drafted the CSR guidelines, said skills are useful only to a certain extent. "In the larger scheme of things, the contribution they make through this is too little," he says.