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# The Marketing of Employee Volunteerism

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**ABSTRACT.** Employee volunteerism can be an effective strategy for increasing the effectiveness of corporate philanthropy. However, in order to be effective, volunteer initiatives should be directed by the firm to ensure a strategic fit and focus on the core competencies of the firm. Therefore, internal marketing strategies are needed to ensure managers receive employee support. Our research quantitatively extends research by Peloza and Hassay (*Journal of Business Ethics* 64(4), 357–379, 2006) who argued that employee volunteerism is motivated by egoistic, altruistic and organizational citizenship motives. Our findings suggest that volunteer opportunities that fulfill egoistic and organizational citizenship motives will be effective, but that the altruistic motive is not significant. We also find that formal policies concerning manager recognition or time off are not effective, providing more discretion for individual managers. Implications for managers seeking to increase the effectiveness (and therefore support the business case) of their corporate philanthropy are discussed.

**KEY WORDS:** corporate social responsibility, donations, employees, philanthropy, social exchange theory, structural equation modeling, volunteerism

Employee volunteerism represents an opportunity for firms to enhance their investments in corporate philanthropy in a number of ways. First, it sends a signal to consumers and other stakeholders that the firm is more committed and exerting more effort to the cause (when compared to traditional cash donations), and firms that are seen to be more committed and putting forth more effort in their philanthropic initiatives can expect to receive increased rewards from the market (Drumwright, 1996; Ellen et al., 2000; Hess et al., 2002). Second, as Porter and Kramer (2002, p. 58) argued, firms that

actively engage in not only creating economic impacts but also in creating social impacts can expect higher returns from their philanthropic investment: “True strategic giving...addresses important social and economic goals simultaneously, targeting areas of competitive context where the company and society both benefit because the firm brings unique assets and expertise.” Finally, firms that encourage employee volunteerism are more desirable to potential employees, and report lower turnover costs (de Gilder et al., 2005; Turban and Greening, 1997). This is especially true when the firms’ employees feel an affinity to the cause and the firm manages the volunteerism initiative with the employee stakeholder in mind (Berger et al., 2006; Lindgreen and Swaen, 2005).

Firms appear to have awakened to the potential of employee volunteerism programs. According to the Points of Light Foundation (2000), 49 percent of U.S. firms report incorporating their volunteer programs into their business plans in 1999, up from only 19 percent in 1992. However, Rog et al. (2003) reported that employee participation in workplace volunteer programs is low, ranging from 5% to 30%. Therefore, although companies and their philanthropic initiatives are poised to take advantage of employee engagement, the recruitment of employees into volunteer programs appears to be unsuccessful. Although companies may be able to mandate employee participation in volunteer programs, mandatory volunteerism has been shown to lower commitment to the cause and lead to other negative consequences (Stukas et al., 1999). This underscores the need for companies to develop internal marketing programs that encourage employees to proactively volunteer on behalf of the company.