

Foundation Degree in Payroll Management

Year 3

Work Based Project FDPP 2336

**Investigate the attributes of a
successful Payroll Giving scheme
and the company conditions needed
to launch such a scheme within the
Company**

By 'the author'

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Chapter One: Introduction

The Prime Minister, David Cameron, believes that the UK will benefit from its citizens contributing to The Big Society. He says that one way to do that is to donate to charity.

"I think it would be good if we had more philanthropic giving, more charitable giving" (Cameron, 2011)

Introducing and encouraging 'THE COMPANY' staff to participate in a Payroll Giving (PG) scheme will help support The Big Society.

Several years ago the 'THE COMPANY' made a PG scheme available to staff. However only two employees joined initially and since then no action has been taken to promote the scheme. As the original members have since left the 'THE COMPANY', other than the payroll administrator, it appears that none of the 'THE COMPANY''s 36 permanent staff is aware of this scheme and no-one participates. Staff members may already donate to charity, but miss out on the tax saving benefits achieved by donating through a PG scheme.

The 'THE COMPANY' works with several PG organisations and it is important for 'the Company's credibility that it leads by example by operating a successful PG scheme.

This study will explore the factors which motivate individuals to donate to charity, and the conditions which make a PG scheme successful. This study will then use these findings to make recommendations on how the 'THE COMPANY' should introduce a PG scheme to its staff. This report will be made available to the 'THE COMPANY' Chief Executive Officer (CEO) and the Board of Directors to assist them in their strategic planning.

There are a number of changes to this study from the original proposal, largely in response to the research findings.

It was initially proposed that the secondary research would focus on the factors affecting PG and then consider how to motivate staff to join the scheme or devise an effective strategy for communicating the benefits of PG. However, in response to findings from the primary research indicating that staff were already motivated to join a scheme which would

allow them to enjoy the tax benefits of PG, the themes of the literature review were amended to the following:

- exploring the factors which motivate individuals to donate to charity;
- the effect of the recession on charitable giving; and
- exploring the issues affecting the success of a PG scheme.

The number of interviews undertaken also increased once research began. Initially the proposal suggested qualitative interviews with four categories of PG stakeholders. After reflecting on the responses to the initial interviews with both a PG administrator and a PG agency, the sample size was increased to include additional respondents in both these segments to enable the responses collected to be placed into wider context.

The responses also revealed that research should be undertaken with a Professional Fundraising Organisation (PFO), which had not been considered in the proposal as the importance of this role only emerged during analysis of the research results.

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Chapter Two: Literature review

Donating to charity through payroll is a relatively new concept having recently celebrated its 25th anniversary (Geared for Giving, 2012), and this modernity is reflected in the range and sources of literature available. Despite extensive searches in libraries, booksellers, online book repositories such as Google Books and online libraries at academic institutions such as the Worcester College of Technology and Bolton University the range of books available on the topic of charitable giving is extremely limited; and of those which are available none have been transcribed into e-books.

Therefore, the majority of literary resources for this study are journals, articles and research papers published on charity related websites.

This chapter reviews three themes which have emerged from the research, are relevant to the study and were covered in the introduction.

Theme 1

Exploring the factors which motivate individuals to donate to charity.

Theme 2

The effect of the recession on charitable giving.

Theme 3

Exploring the issues affecting the success of a PG scheme.

2.1 Theme 1

The first focus of this review is to explore the factors which motivate individuals to give to charity. Bekkers & Wiepking (2011, p.928) assert that there are eight factors driving charitable giving; these are:

1. awareness of need;
2. solicitation;
3. costs and benefits;
4. altruism;
5. reputation;
6. psychological benefits;
7. values; and
8. efficacy.

These factors are not exhaustive and can be affected by other moderating factors which weaken or strengthen their influence (Bekkers & Wiepking, 2011). Walker (2002, p.136) suggests that the accuracy of such studies remains largely untested, partly because of economists' lack of interest in motivations and partly because of the lack of appropriate data. Walker (2002, p.137) does however, go on to propose a model of influence which includes similar factors to those of Bekkers & Wiepking (2011).

Ho (2006, p.ii) states that there are effects of motivations and demographics in the decision to give charitably, but then goes on to say that what exactly those motivations are in the highest giving individuals is not very clear.

Looking in more detail at each of the factors suggested by Bekkers & Wiepking (2011, p.929):

Awareness of need

"...the first prerequisite for philanthropy. People have to become aware of a need for support." (Bekkers & Wiepking, 2011, p. 929)

Research carried out by Bekkers (2008 cited in Bekkers & Wiepking 2011, p.930) suggests that people who have relatives suffering from specific illnesses are more likely to give to charities fighting those illnesses. This is supported by Walker (2002, p.144) who states that the personal experience or knowledge of people targeted by charities (e.g. having friends or family suffering from cancer) brings an important personal, emotional influence on deciding whether to give.

Solicitation

A large majority of all donations occur as a result of solicitation i.e. being asked to donate (Bekkers & Wiepking, 2011). In the 1996 Independent Sector survey on Giving and Volunteering, 85% of donations followed a request for a contribution (Bryant, Slaughter, Kang & Tax, 2003 cited in Bekkers & Wiepking 2011). Ho (2006, p.6) disagrees with this assertion suggesting that being asked to give is only the third most influencing factor on whether an individual donates, however Walker (2002, p.139) cites Halfpenny et al (1992, 1993, 1994) who found that 74% of the population had been approached to make a charitable donation and of those over 90% gave at least once.

Costs and benefits

"Donors will always be better off not making a donation and keeping their money for themselves" (Sargeant & Jay, 2004, p.100).

It is obvious that giving money costs money. But when the cost of a donation is lowered, giving increases (Bekkers & Wiepking, 2011).

Tax benefits are found to be the most important motive for PG in the UK (Romney-Alexander, 2002a), however when employers match the charitable contributions of their employees Okunade & Berl (1997 cited in Bekkers & Wiepking 2011, p.933) found that employees give more.

The cost of a donation sometimes involves more than just money. A survey found that people who perceive fewer obstacles to giving are more likely to do so (Smith & McSweeney, 2007).

There are a number of suggestions as to the benefits felt by those who donate, the most common being that people give because society as a whole, including the giver, will benefit from the charitable donation (Walker, 2002).

Altruism

Oxford University Press (2012) defines altruism as "*disinterested and selfless concern for the well-being of others*". Bekkers & Wiepking (2011, p.936) suggest that an obvious reason for individuals giving to charity is because they care about the consequences of donations for beneficiaries. However, both Ho (2006) and Walker (2002) challenge this approach with Ho (2006, p.2) suggesting that altruism does not lead to philanthropy as it is nearly impossible for someone to act with pure altruism and Walker (2002, p.134) asserting that altruism is in conflict with Darwin's theory of over-riding self-interest and the survival of the fittest.

Burlingame (1993) accepts both these theories and suggests that charitable actions are neither pure egoism nor pure altruism but some form of both blended together.

Reputation

Giving is usually viewed as a positive thing to do (Charities Aid Foundation, 2005 cited in Bekkers & Wiepking, 2011). People who give to charitable causes are respected by their peers whilst not giving can damage a person's reputation (Bekkers & Wiepking, 2011). Ho (2006,

p.5) supports this theory suggesting that giving is merely a game of follow the social leader. Walker (2002, p.151) concurs stating that giving in a public place, witnessed by others, generates a feeling of social prestige.

Psychological benefits

People feel good when they give to charity, and the more they give the better they feel (Walker, 2002). Bekkers & Wiepking (2011, p.938) support this theory commenting that "*giving is an almost automatic emotional response, producing a positive mood.*" They also suggest reasons why people experience pleasure when giving, observing that people may alleviate feelings of guilt, feel good for acting in line with the social norm or feel good for acting in what they feel to be an altruistic way.

Values

There are many studies which suggest that individuals with religious beliefs are more likely to give to charity than those without. However, research carried out by Hall & Febrarro (1998 cited in Walker, 2002, p.142) suggests that belief systems not attached to a particular faith may also influence whether a person gives charitably. This research goes on to suggest that childhood influences and cultural background provide each individual with a unique belief system which will ultimately determine a person's attitude towards giving.

This approach is supported by Ho (2006, p.11) whose research found that although charitable giving is greater amongst those belonging to a religious congregation, marital status, education and owning a home were the strongest drivers in charitable giving.

Efficacy

Individuals need to know that their contribution is going to make a difference. Survey studies reveal that people are less likely to give if they feel their contribution will not make a difference (Smith & McSweeney, 2007). The perception of efficacy can be influenced by third parties (Bekkers & Wiepking, 2011). A matching offer by a third party (e.g. one's own employer) can have a legitimising effect because people think that the third party has enough confidence in the organisation to offer the matching contribution (Bekkers & Wiepking, 2011).

2.2 Theme 2

Sargeant & Hartsook (2008) suggest that an increase or decrease in income has the potential to impact on an individual's charitable giving. The last few years have seen a worldwide recession. When considering introducing a PG scheme it would be useful to understand the impact these economic difficulties have had on charitable giving. The second theme of the review will explore whether the recession has had any effect on charitable giving.

Charities Aid Foundation (CAF) & National Council for Voluntary Organisations (NCVO) (2009) assert that the length and severity of a recession will impact on the levels of charitable donations. Yet recent evidence suggests that this may not be the case. In 2007-08 individual giving in the UK reached a peak of £10.6 billion, however this fell to £9.9 billion in 2008-09 (CAF & NCVO, 2009) coinciding with the UK economy entering a recession in the second quarter of 2008.

Despite this, the median monthly donation remained relatively stable, only dropping from £11 in 2007-08 to £10 in 2008-09 suggesting that people were still trying to give what they could but reducing the amount of their donation (CAF & NCVO, 2009). By 2010-11 the median donation per month had risen once again to £11. (CAF & NCVO, 2011).

Since then, in spite of the continued recession, charitable giving has risen once more and after inflation adjustments, the value of donations in both 2009-10 and 2010-11 is constant at £11 billion (CAF & NCVO, 2011). This finding is supported by Chapman (2010) who states that analysis of the UK's top 500 charities found that although there was a slight decrease in voluntary income from legacies and major philanthropic organisations as a result of the economic downturn, there was continued generosity from donors.

Cass (2011) asserts that charitable giving in the UK is recession-proof, with the proportion of donations as a percentage of household spending remaining at 0.4% since 1988. This optimism is maintained by Payments Council (2011) which reports that 86% of Britons are defying the recession by donating to charity with 37% of respondents planning to maintain or increase their charitable giving next year whilst only 23% of respondents plan to decrease their donations.

2.3 Theme 3

The final theme of this review explores the issues affecting the success of a PG scheme. The review looks at whether individual attributes make a person more or less likely to give, and whether there are any actions a business can take which will make its PG scheme more likely to succeed.

Donor characteristics

According to CAF & NCVO (2011) women are more likely to give than men and this has remained the case for many years. In 2010-11 61% of women donated to charity compared with 56% of men (CAF & NCVO, 2011). The average amounts given were also higher for women with a median donation of £13 compared with £10 amongst men (CAF & NCVO, 2011). These findings are supported by Walker (2002, p.142) who states that more women give than men, and women give to more charities than men.

Age is also a factor when determining who is most likely to give with women aged 45-64 the most likely to donate to charity (CAF & NCVO, 2011).

Giving also varies according to occupation, with those in managerial and professional occupations more likely to give (70%) than those in routine and manual occupations (52%) (CAF & NCVO, 2011).

Awareness of tax reliefs

PG is available to employees on PAYE if their employers offer a scheme. Donations are made direct from salary before tax, and the tax relief is given to the donor, thus reducing the cost of the donation (Pharoah & Walker, 2002).

PG became tax effective in 1987. Since then, it has grown steadily, but has never reached the success of PG in the USA, where it accounts for the highest yielding and lowest cost form of fundraising (Romney-Alexander, 2002a). In the UK in 2010-11 only 3% of charitable donations were made through PG (CAF & NCVO, 2011).

Research shows tax reliefs have small effects on total giving (Pharoah & Walker, 2002). But this view is contested by Romney-Alexander (2002b,

p.88) who suggests that the tax incentive is an important aspect of PG and can be a significant factor for donors on lower incomes.

Although there is little evidence of any strong link between levels of tax benefits and levels of giving, Pharoah & Walker (2002, p.82) suggest that lack of knowledge is the key factor restricting the take up of tax benefits.

Awareness of a PG scheme

Romney-Alexander (2002b, p.87) asserts that lack of knowledge about a PG scheme is another factor affecting donations; suggesting that unless a scheme is well promoted many employees remain unaware of its existence. Workplace Giving Needs You! (2011) supports this assertion stating that the best schemes, raising the most funds for charities, are those where effective and creative promotions are available and awareness of the scheme is high. Romney-Alexander (2002b, p.89) suggests that PG schemes have huge potential if only their benefits were more widely understood.

Word count 2076

Chapter Three: Methodology

This chapter will discuss how the research was undertaken to establish staff attitudes towards giving and the factors that make up a good PG scheme.

3.1 Overall approach

Dawson (2009, p.14) states that the first step when undertaking any research is to determine the methodology, or the general principle which will guide the research.

Qualitative research uses interviews or focus groups to explore attitudes, behaviours and experiences whilst quantitative research is a means of generating statistics through questionnaires (Dawson, 2009). In this study it is vital to understand the attributes of a successful PG scheme, which is best understood using qualitative research to obtain an in depth opinion. However, the aim of the study is to devise a PG scheme for the 'THE COMPANY', so quantitative research is needed to understand which elements of PG appeal to the most members of staff.

3.2 Action Research

Somekh (1995, cited in Denscombe 2003, p.74) describes Action Research (AR) as being an integration of research and application of the knowledge gained. This description is taken further by McNiff (2012) who states that AR

"...does not begin with a fixed hypothesis. It begins with an idea that you develop. The research process is the developmental process of following through the idea, seeing how it goes, and continually checking whether it is in line with what you wish to happen."

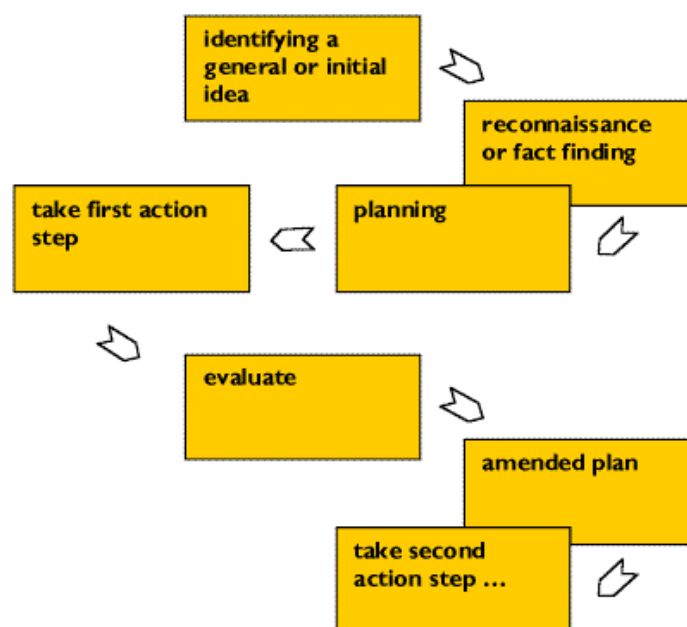
This theory perfectly fits the topic of this study which is to devise a PG scheme for the 'THE COMPANY' based on, and evolving through, the knowledge and experiences of the research respondents.

McNiff (2012) suggests AR should follow the basic steps below:

- review current practice;
- identify an aspect to investigate;

- imagine a way forward;
- try it out and take stock of what happens;
- modify the plan in the light of findings, and continue working in this new way (try another option if the new way of working is not right);
- monitor the actions;
- review and evaluate the modified action.

These steps are the basis for research in this study, using the process of planning, acting, observing and reflecting, then feeding the reflections from one cycle into a further cycle enabling insight through a continuing spiral of AR cycles alternating between action and reflection.



(Smith, 2007)

3.3 Methods used in this study

Denscombe (2003, p.132) argues that although the four research methods of questionnaires, interviews, observations and documents could be seen as competing with each other, they can actually complement each other by combining to produce differing but mutually supporting ways of collecting data.

This theory supports the research methods used in this study which include both quantitative and qualitative research in the form of interviews, documents and a questionnaire.

3.3.1 Quantitative Research

Quantitative research is used to provide a reliable value for measurement or to test a particular hypothesis (McMillan & Weyers, 2009).

Questionnaires are used to collect information which can be used as data for analysis Denscombe (2003). Working on the theory that if you want to find out something about people and their attitudes you should simply ask them (Denscombe, 2003) a questionnaire was designed (Appendix B) which all 'THE COMPANY' employees were invited to complete and which aimed to establish:

- their attitude towards giving;
- their understanding of PG, and the benefits it can offer;
- whether a scheme should be set up for 'THE COMPANY' staff;
- whether they would consider joining;
- and if so, under what criteria?

The questionnaire included several questions testing reaction to possible characteristics of the PG scheme with the aim of incorporating the most popular features into the final product.

The questionnaire was produced using SurveyMonkey, an internet survey tool. Before issue, the questionnaire was reviewed by the work based mentor for this study. Once the content had been agreed the questionnaire was emailed to all 'THE COMPANY' staff (Appendix C) including a link to the survey and setting out the ethical standards of the research as outlined in the proposal. Email distribution was chosen because 'THE COMPANY' staff are located nationwide therefore face to face discussions were not an option. This distribution method raised concerns about the number of staff who would respond, however Denscombe (2003, p.51) suggests this is not an issue and evidence indicates that emailed questionnaires are actually preferred. This was borne out by the return of 17 completed 'THE COMPANY' questionnaires, a response rate of 47%.

Research findings from Chapter Two show that age and gender have an effect on the likelihood of an individual donating to charity (CAF & NCVO, 2011). A cycle of AR suggested the need to establish the demographics of 'THE COMPANY' staff. However, as there are very few males employed by the 'THE COMPANY' it would have been difficult for anonymity to have

been preserved if the questionnaire at Appendix B requested gender and age of respondent. It was therefore necessary to obtain the specific staff demographics by requesting a statistical breakdown of this data from the payroll database (Appendix D).

3.3.2 Qualitative Research

Qualitative research methods result in descriptive textual information, in contrast with quantitative methods where results are usually summarised numerically (McMillan & Weyers, 2009).

Qualitative research was planned within the following sectors:

- administrator in a company already operating a successful PG scheme;
- approved PG agency;
- PG Awards judge;
- the payroll manager of the 'THE COMPANY'.

Findings from the first three sectors inform the necessary criteria for devising and introducing a successful PG scheme. The fourth gives an understanding of any issues affecting the 'THE COMPANY' payroll software or processes.

After another AR spiral reflecting on the responses to the initial interview with a PG administrator, the sample size was increased to include two additional respondents from different sizes of organisation to enable the responses collected to be placed into wider context.

Further reflection also led to a change of approach towards PG agencies. Initially the proposal suggested interviewing a PG agency to understand the issues and factors affecting the success of a scheme. However, as the aim of the study is to suggest a scheme for introduction at the 'THE COMPANY', the decision was made to research several agencies with a view to recommending a suitable provider to the CEO and Board of Directors.

AR reflection arising from interviews with PG administrators also suggested that research should be undertaken with a PFO, which had not been considered in the proposal because the importance of this role only emerged during analysis of research results.

Denscombe (2003, p.166) describes the different types of interview used for qualitative research as being structured, semi-structured or unstructured.

Structured Interviews

A structured interview involves tight control over the format of the questions and answers and is very like a questionnaire as each respondent is faced with identical questions (Denscombe, 2003). Dawson (2009, p.29) states that structured interviews are often used in market research and can be conducted face to face, by telephone or email. This structured method of collecting information was used to email PG agencies with a list of questions, enabling a direct comparison of products, services and costs.

Semi – structured Interviews

A semi-structured interview still has a clear list of issues to be discussed, but is more flexible in the order in which questions are answered, allowing the interviewee to speak more freely about the issues raised (Denscombe, 2003). This technique was used in telephone interviews with all respondents except the PG agencies. This ensured the interviewees had the scope to discuss topics not previously considered by the interviewer. It was this fluidity which provoked much of the AR discussed earlier in this chapter.

Qualitative Topic Guides for all interviews (Appendices E to I) were created which also included ethical statements.

Summaries of the responses for each segment are shown at Appendices J to N.

Word count 1294

Chapter Four: Data Analysis

To design a PG scheme for the 'THE COMPANY' which stands the most chance of becoming successful it is necessary to understand the factors affecting charitable giving, and the specific requirements and characteristics of 'THE COMPANY' staff. This chapter will analyse the data obtained through primary and secondary research detailed in Chapters Two and Three, and will form the basis of the conclusions and recommendations to follow.

4.1 Factors affecting PG

4.1.1 Awareness

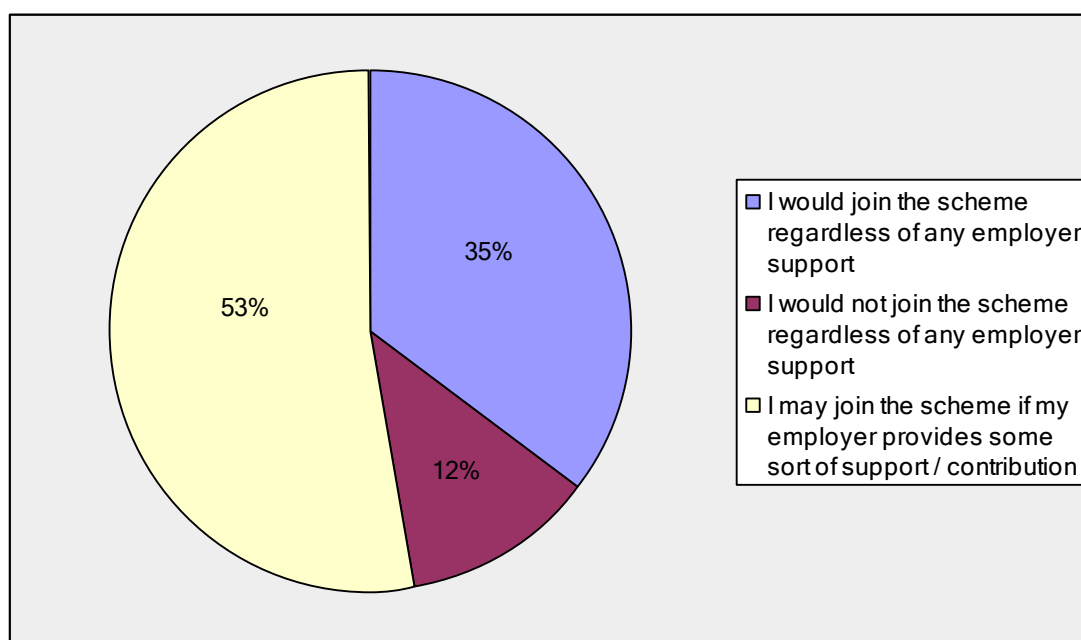
Romney – Alexander (2002a, p.84) suggests that tax benefits are the most important motive for PG in the UK, however the quantitative survey of 'THE COMPANY' staff (Appendix B Q1) found that 53% were not aware of the benefits afforded by PG.

This lack of awareness of 'THE COMPANY' staff is mirrored nationally as CAF & NCVO (2011) reports that only 3% of charitable donations in 2010-11 were made through PG. Pharoah & Walker (2002, p.82) suggest that lack of knowledge is the key factor restricting the take up of tax benefits. Romney-Alexander (2002b, p.89) concurs, suggesting that PG schemes have huge potential if only more people were aware of their existence and understood the benefits. It is interesting that all of the PG administrators surveyed (Appendix K) stressed the importance of annually promoting the PG scheme to employees.

Additionally all the PG administrators recommended engaging the services of a PFO. Qualitative research with a PFO (Appendix N) shows that the role of a PFO is to engage with employees, raising awareness of the company's PG scheme and the benefits it affords. The research also suggests that a PFO will maintain momentum, ensuring annual awareness campaigns which may otherwise founder if left to the organisation to arrange alone.

Furthermore Okunade & Berl (1997 cited in Bekkers & Wiepking) found that employees give more when their employers match their donations. Bekkers & Wiepking (2011) agree, suggesting that employees are more likely to donate if their employer has enough confidence in the organisation to match the contribution. This is corroborated by the 'THE COMPANY' staff survey (Appendix B Q7) where 53% of respondents said they would be more likely to join the scheme if the 'THE COMPANY' also made some sort of contribution.

There are many ways in which an employer can support and encourage their staff to donate through Payroll Giving. These range from making some sort of donation to charity themselves, or paying for the cost of administering the scheme. Please indicate if some sort of employer contribution would affect your decision as to whether to join the scheme.



4.1.2 The Economy

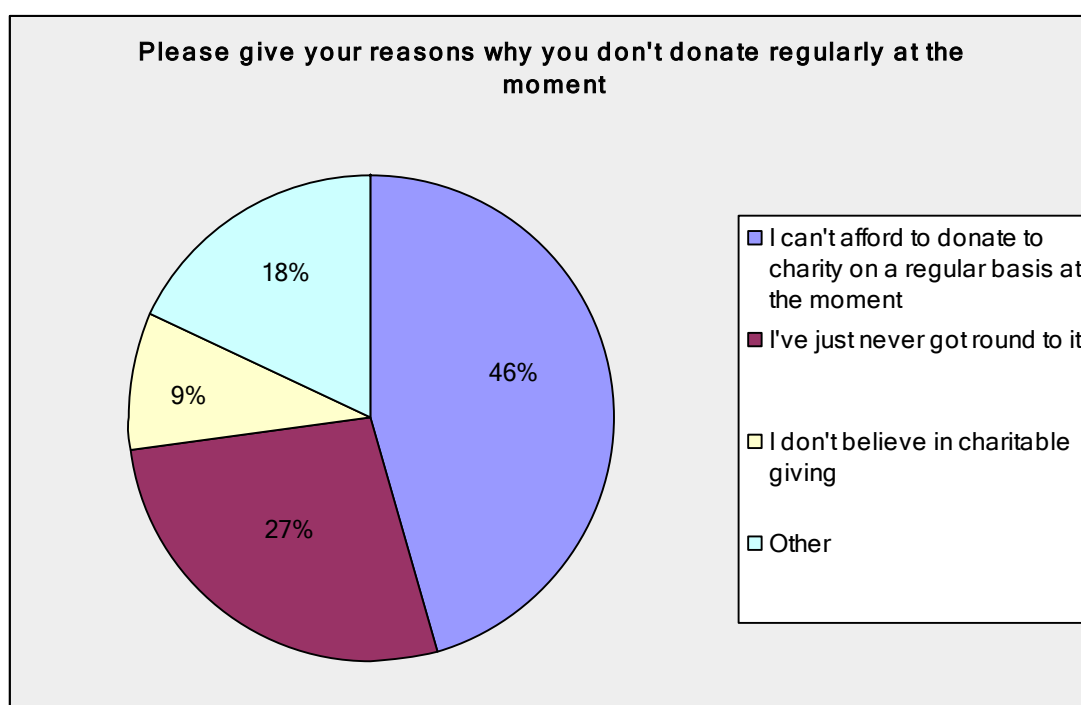
CAF & NCVO (2009) predicted that charitable donations would be affected by a long, deep recession. As the recent global recession has not yet abated this theory could have an impact on the success or otherwise of the launch of a 'THE COMPANY' PG scheme. However, despite a slight dip in donations in 2008-09 (CAF & NCVO, 2009) the median donation in 2010-11 was back to 2007-08 levels (CAF & NCVO 2011).

Cass (2011) states that charitable giving in the UK is recession-proof and this view is supported by the Payments Council (2011) which reports that

86% of Britons currently donate charity with 37% planning to increase their donations in the next year.

Research amongst PG administrators summarised at Appendix K supports these findings, with all respondents stating that the number of employees participating in their PG scheme has not reduced during the recession, although one respondent did comment that some employees had reduced their contribution in recent times.

However, the survey of 'THE COMPANY' staff (Appendix B Q2) does not corroborate such a positive picture with only 35% of staff who responded currently donating to charity regularly, with 46% replying that they cannot afford to make regular donations at the moment. (Appendix B Q3)



Yet, despite this current behaviour, when asked if they would be interested in joining a 'THE COMPANY' PG scheme, 53% of respondents agreed, with a further 29% saying they would perhaps join at a later date (Appendix B Q4)

4.1.3 Donor Characteristics

The statistical breakdown of 'THE COMPANY' staff by age and gender (Appendix D)

shows that 66% of the workforce is female. Furthermore, 44% of the workforce are women over the age of 45.

Walker (2002, p.142) states that more women give to charity than men. CAF & NCVO (2011) go further asserting that women aged 45-64 are the most likely to give to charity. The high proportion of 'THE COMPANY' employees fitting the segment most likely to give charitably indicates that there would be a good participation rate in the future PG scheme. This, coupled with the suggestion that those in professional occupations are more likely to give than those in manual occupations (CAF & NCVO, 2011), may account for the response to Question 4 at Appendix B in which 53% of respondents were interested in joining a scheme, which is a disproportionately high rate compared with the participation rate of the schemes amongst PG administrators at Appendix K in which respondents report scheme membership of 2% 20% and 40%.

4.2 Requirements of a 'THE COMPANY' PG Scheme

4.2.1 Employer Contribution

The results of the staff survey (Appendix B), when looked at in conjunction with the characteristics of those most likely to give charitably, suggest that the 'THE COMPANY' PG scheme is likely to have a good participation rate.

Section 4.1.1 identifies that 'THE COMPANY' employees are more likely to join the 'THE COMPANY' PG scheme if their employer makes some kind of contribution.

Although any matching payments or costs associated with running the scheme can be offset against profits, thereby reducing the corporation tax liability (CAF & NCVO, 2011), for the purposes of this study a straight forward cost analysis has been prepared (Appendix O), which does not include any offsetting of costs.

There are various ways in which employers can contribute to a PG scheme. The cost analysis at Appendix O considers three:

- The 'THE COMPANY' pays the administration fees;
- The 'THE COMPANY' pays the administration fees and matches the first donation of each PG scheme member;
- The 'THE COMPANY' pays the administration fees and matches PG member donations.

When preparing the cost analysis it has been necessary to make a series of assumptions:

- There were 17 respondents to the staff survey which equates to 44% of the workforce.
- Of those who responded, nine said they were interested in joining the scheme which equates to 53%.
- Given the ratio of men to women in the 'THE COMPANY' workforce, and the CAF & NCVO (2011) research which suggests that women are more likely to donate than men, it would not be safe to assume that 53% of the workforce, equating to 19 employees, will join the scheme.
- The cost analysis therefore assumes that 15 members of staff will join the 'THE COMPANY' PG scheme.
- CAF & NCVO (2011) suggests a median donation of £13 per month for women and £10 for men. Qualitative research amongst administrators of existing PG schemes suggests an average PG donation of £10 per month. The cost analysis assumes an average donation of £10 per donor per month.

4.2.2 Service requirements

Survey results at Appendix B reveal the most requested services as being:

- Regular donations to a favourite charity (29%)
- Regular donations to several charities (24%)
- Charity "cheque book" enabling donations to be made at any time (29%)

4.3 Additional factors

During one of the qualitative interviews with PG agencies, it became apparent that the 'THE COMPANY' already has a contract with that agency to provide the 'THE COMPANY' with a PG scheme.

This again involved a period of AR in which the situation was evaluated before further research was undertaken. On pursuing the matter further it was established that the contract can be terminated by giving three months notice and there are no financial penalties involved if the contract ends.

Word count 1241

Chapter 5: Conclusions

When considering the research into the factors which motivate individuals to donate to charity, and the conditions which make a PG scheme successful the following conclusions can be drawn:

Motivation

It is apparent that there are many reasons why individuals donate to charity; however personal background and experiences along with actually being solicited to give are strong influences.

Once the decision to give has been made, matching contributions from a third party, such as the 'THE COMPANY' as an employer, can increase the number of donations and the amount given.

Research of 'THE COMPANY' staff suggests that the introduction of a PG scheme will be welcomed

The recession

Despite the continued pressure on household incomes, individuals are still giving charitably. Although there has been a slight drop in donations during the recent recession, this was largely down to individuals reducing the amount they gave rather than stopping donating altogether. This is very encouraging for the 'THE COMPANY' as it suggests that the recession will not have an adverse impact on the introduction of the 'THE COMPANY's PG scheme.

A successful 'THE COMPANY' PG scheme

Research shows that women give more than men, and employees in professional occupations give more than manual workers. As a high proportion of 'THE COMPANY' employees fit this criteria and have indicated they would be interested in joining the scheme, it is likely that a 'THE COMPANY' PG scheme will be successful.

There is common agreement that awareness of PG schemes and their associated benefits is low, and that raising this awareness has a positive impact on charitable giving. Engaging a PFO will significantly raise and maintain the awareness of the 'THE COMPANY' PG scheme amongst staff. Although the 'THE COMPANY' has an existing contract with a PG agency, it

is expensive in comparison with others offering similar products and service levels. As there is no penalty for terminating this contract it need not be a factor when determining a future provider.

These conclusions form the basis of the recommendations at Chapter Six.

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Chapter Six: Recommendations

- To maximise awareness of both the PG scheme and the benefits it brings to charitable giving, the 'THE COMPANY' should engage the services of a PFO – Workplace Giving being the preferred supplier. The PFO should also help engage a PG agency.
- The 'THE COMPANY' should introduce a PG scheme. The two preferred suppliers based on cost and requested product range are Charities Trust and Charitable Giving. Using the experience and knowledge of the PFO, the CEO and 'THE COMPANY' Board should contact both these suppliers, aiming to introduce a scheme to the 'THE COMPANY' by Christmas 2012.
- The 'THE COMPANY' should terminate the contract with The Charity Service due to the increased costs of that organisation's scheme with no extra benefit.
- The 'THE COMPANY' PG scheme to be launched at the staff meeting being held on 14 December 2012.
- The 'THE COMPANY' should commit to an annual promotion. This should take the form of a short presentation from the PFO during either the Christmas brainstorming or summer teambuilding events.
- To ensure all new entrants are made aware of the scheme, the 'THE COMPANY' induction programme should include information about its PG scheme.
- To engage with employee giving, the 'THE COMPANY' should make a financial contribution to the donations of its staff. The minimum

contribution being that the 'THE COMPANY' pays the administration fees of the PG agency.

- The 'THE COMPANY' Board should examine the cost analysis included within this report at Appendix O alongside the 'THE COMPANY' finance report to consider an additional contribution in the form of matched contributions.

Word count 263

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