

Honeywell Corporate Responsibility and Volunteerism

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Honeywell defines corporate responsibility as being sensitive and responsive to the concerns of our employees and their families, customers, investors, suppliers, and communities. Our commitment is based on four convictions. First, companies have an obligation to be involved in issues that face their communities and society. Second, it's good business to solve problems before government is called on to do so. Third, our employees expect us to act responsibly in community matters as well as in business. And last, we want to build public confidence in Honeywell and business in general.

ENVIRONMENTAL ASSUMPTIONS

Corporate Public Affairs initiates a list of current and long-range assumptions on the community climate. For 1985, the following "environmental assumptions" were formulated.

Economic Issues. The huge federal budget deficit, record trade deficit, serious debt problems in LDC countries and the growing interest in tax reform at state and federal levels all mean that economic issues will be the focus of attention in Washington and at state capitals. With respect to international economic activity, a growing set of issues relates to intangible products such as currency flows, services, technology transfer, information flows, and intellectual property rights.

International. Complexities of international trade and investment will make it more difficult for multinational businesses to operate without greater involvement in political, social, and educational policies in various countries and regions. U.S. governmental priorities will continue

to focus on policies to improve the business climate and competitiveness at home, resulting in an increase in U.S. protectionist pressures. The attractiveness of the Asia Pacific region for business expansion and low cost manufacturing will impact reindustrialization efforts here and abroad and affect the nature of relationships among our trading partners.

Education. The need to create school environments which foster innovation and excellence in elementary-secondary programs will take reforms beyond the normal emphasis on new technologies and basic skills. Increased community concern over K-12 education will include more serious business involvement. Similarly, enrollment and financial competition among universities and the drive for an international technological edge will stimulate academia and industry to seek closer ties with each other.

Government Regulation. Government activity will continue to grow at the state level. Full time legislatures with larger permanent staffs will enable state government to take a more active role in addressing legislation of concern to business. As a result, businesses, especially those companies with operations affected by differing state laws and who historically have opposed federal intervention in the conduct of business, will increasingly turn to the federal government to establish uniform standards under which to operate.

Corporate Community Involvement. Corporations will increase their community and volunteer initiatives, in response to appeals from government, industry, and community groups. Ironically, as this occurs, there will be greater suspicion of

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business motives, and greater uneasiness by nonprofit agencies who will skew their service priorities to obtain funding.

Unemployment. Minorities, youth, and displaced workers will continue to experience disproportionately high rates of unemployment. The growth of the Hispanic population, refugees, and migrant workers will continue to compete with traditionally unemployed persons for jobs, human resources, and other resources. Current job training and employment will be inadequate for those with the most limited skills.

Defense. Growing concern over nuclear issues, U.S. defense policies, and arms proliferation will accelerate tensions among business, citizens, and government.

Urban Problems. Local neighborhood groups will take greater responsibility for community strategies on employment, economic development, and human service. Business will be expected to deepen its commitment and develop new forms of collaboration with neighborhoods, local government agencies, and other companies.

Political Parties. The breakdown of broad based political parties in the U.S. will accelerate the trend toward a candidate-oriented political system with increased emphasis on single issues and greater ideological polarization between the two political parties.

Hazardous Waste. Public concern will increase over the storage and disposal of hazardous and nuclear waste created by the manufacturing of advanced technology products. Consequently, tensions will grow among business, community, governmental, and environmental interest groups.

Underclass. Depressed conditions (poverty, health, racism, education, public safety) of the underclass are creating a generation of people with no hope, marginal involvement, and little investment in the orderly functioning of major U.S. institutions. This group, primarily composed of non-white people, female single heads of households, the elderly, and children, are increasingly isolated from the rest of society.

Aging Population. Healthy, energetic older citizens will compete for resources

currently used to address the social needs of youth and baby boom populations, especially those in the growing over-85 population. Medical care costs will consume a larger share of the resources of the elderly, as they will be expected to pay for a larger share of their care. Many older workers will face increasing pressure to postpone retirement, concerned about financial security.

Family. As social and economic forces continue to stimulate changes in family structure and values, greater stress will be placed on individuals, the workplace, and social institutions.

Health Care. Health care costs and the health care delivery system will receive greater attention as important legislative and community issues.

Workplace Issues. Issues relating to the changing role of women in the workplace and changes in the office environment, brought about by the use of new technologies, will receive increased attention by activist groups and legislative bodies.

VOLUNTEERISM AS A RESPONSE

Corporate Community Relations objectives at Honeywell are as follows:

1. Develop personal involvement by division manager and staff.
2. Establish at least one special project.
3. Budget annually for community relations programs.
4. Maintain effective representation in principal community organizations.
5. Encourage volunteerism.
6. Provide leadership and support for field community action activities.
7. Implement an effective United Way year-round program and campaign.

We have developed a framework to better address external or community agendas from a business standpoint. There are four distinct levels of responsibility or stages. These are developmental and

cumulative; in most cases each step is important to the next in building responsible community initiatives.

The first level is characterized by *dollars* or simple sponsorship or funding of a community program. Although often the least important resource, money is nevertheless an increasingly important one, as it represents a conscious decision to endorse needed community projects. New ways to *leverage* dollars and to *seed innovative* ideas can make this level more serious.

The second—and probably the most critical—level is the involvement of *corporate people*. The volunteer resources of our people are a most important and underutilized asset. We've found that employees are eager to work together with the corporation in community service. And in the case of our *senior executives*, we expect them, *by virtue of their positions*, to initiate community programs in their operations and to personally participate. When the top management reviews annual operating plans in December, community involvement is reviewed and discussed by each division manager.

Volunteerism by our employees is a principal way we participate in the community. Both corporate headquarters and divisions have community relations objectives.

By bringing together these two resources—employees and dollars—we are able to move onto the third level of commitment: *Partnership*. It is our experience that corporations who join forces with community or public organizations to form partnerships develop the most effective strategies for solving problems.

These partnerships, developed by Honeywell people and funded in part by our dollars, lead us to the even more important, fourth level of development: *Internalizing* or incorporating this commitment to community concern *inside the company* to assure responsible conduct of our businesses on the very same issues. It is a reminder that responsibility starts at home, and we have to conduct our business internally in ways that relate to our public posture, and vice versa.

IMPLEMENTATION

Honeywell provides the following supportive tools:

A corporate staff that is matrixed with expertise and a liaison linkage with divisions to act as an advocate.

A Public Affairs Planning Tool.

Bi-yearly Public Affairs Conference.

A Manual - "Honeywell Involvement in the Community"

A Foundation allocation based on per capita and a community relations plan but with incentive dollars for special projects and bonuses for well-implemented plans.

Honeywell-initiated projects addressing these issues are a major focus for the company's involvement. The New York Student Development Program is an outstanding example of a divisional project. Its mission is to identify a small group (approximately 10) of low income, generally minority students with reasonably good grades, few marketable skills and limited support from home or school and then to:

train these students in areas of data entry/word processing;

orient the students to the world of work;

evaluate their performance; and

upon successful completion of the training, place them in entry-level jobs in other companies.

Another project is the Honeywell Retiree Volunteer Project (HRVP) a cooperative effort by Honeywell retirees and the company to involve retirees in volunteer activities in the community. Their involvement is related to their interests, abilities, desires and motivations. They can work in small or large groups of people or alone. The HRVP staff does follow-up with volunteers and agencies. The program also offers encouragement, appreciation and recognition to retiree volunteers. Al-

though community organizations promote volunteer activities, only a company-sponsored volunteer project can continue that valued link between the retiree and the company.

For further information, call or write: Jill Ragatz, Manager, Corporate Volunteer Programs, Honeywell, Honeywell Plaza - MN12-5162, Mpls., MN 55408, (612) 870-5874.

Ms. Ragatz wishes to give credit for many of these ideas to Ronald K. Speed, Director of Corporate and Community Responsibility at Honeywell.