



ENGAGE EMPLOYEES FOR LIFE™

The Business Case for
Corporate Alumni Programs:
Alumni Motivations and
Organizational Returns

2019



JULY 2019 — A JOINT RESEARCH REPORT



ILR School
Cornell University



EXECUTIVE SUMMARY

Annually for the past five years, Conenza has surveyed Corporate Alumni Program managers to measure their views about the value of Corporate Alumni Programs to their organizations and publishes the results in a benchmarking report.

The data from the surveys reveals that the popularity of Corporate Alumni Programs continues to grow as more companies worldwide proactively build relationships with former employees and receive an incredible return in the form of brand ambassadors, boomerangs, and business developers.

Insight into the evolution of Corporate Alumni Programs from the perspective of Alumni Program managers is only part of the story. What do the participants in Corporate Alumni Programs — an organization’s former employees — think about the value of the programs? What are their motivations for staying connected to a former employer? What benefits should organizations expect from sponsoring a Corporate Alumni Program?

To find out, Conenza collaborated with Cornell University’s School of Industrial and Labor Relations to create this research report that captures the alumni’s perspective.

The goals of the joint research are twofold:

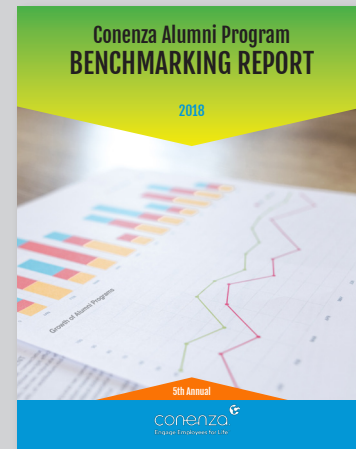
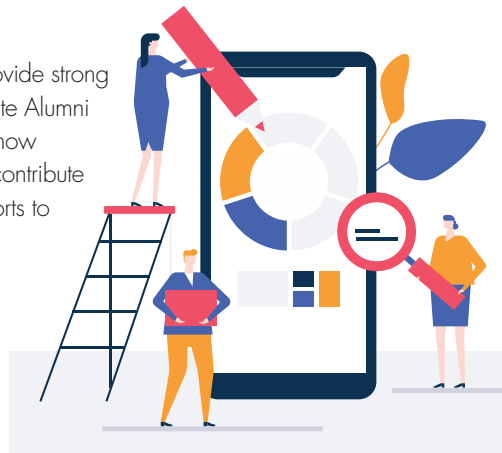


Understanding the value that Corporate Alumni Programs provide to the sponsoring organization (“the sponsor”).



Identifying the underlying reasons that drive alumni to participate in Corporate Alumni Programs and how these reasons vary based on alumni characteristics.

The findings from this research provide strong evidence for the value of Corporate Alumni Programs and deliver insight into how Corporate Alumni Programs can contribute meaningfully to organizations’ efforts to engage employees for life.



THE CONENZA ALUMNI PROGRAM BENCHMARKING REPORT

The fifth annual **Conenza Alumni Program Benchmarking Report** reveals that Corporate Alumni Programs are growing in maturity and recognition. Organizations are beginning to understand the value of Corporate Alumni Programs as a way to extend their relationships with employees by engaging them for life. Companies employ Corporate Alumni Programs to drive business initiatives, including:

- **Leveraging the strategic talent pool** — up to 15% of new hires from alumni rehires and referrals
- **Enhancing employer brand** — companies with Corporate Alumni Programs have on average 16% higher Glassdoor ratings
- **Generating business development and partnership opportunities** — on average 36% of alumni stay in the former employer’s ecosystem
- **Developing brand advocates** — alumni brand advocates are five times more valuable than regular customers

Go to conenza.com for a copy of the benchmarking report.



EXECUTIVE SUMMARY

KEY FINDINGS

The likelihood that alumni will contribute valuable returns to an organization increases with the individual's involvement in the Corporate Alumni Program.

Specifically, an alumni's involvement with one additional feature of a Corporate Alumni Program can enhance the likelihood that the individual will:

- Recommend the company's products or services by an average of 16% (range: 6% to 32%)
- Recommend the company as a workplace by an average of 13% (range: 5% to 29%)
- Recommend the alumni program to others by an average of 19% (range: 11% to 51%)



Alumni consistently cited the alumni newsletter, the alumni online platform, and individualized emails as the most frequently used and most valuable types of alumni offerings.

Alumni Program managers should pay specific attention to these three benefits as they are likely to provide the highest returns on investment.

Factors such as sex, ethnicity, age, and the reason for exiting the organization play an important role in determining the type and strength of alumni's motivations to participate in a Corporate Alumni Program.

Alumni choose to participate in a Corporate Alumni Program based on four primary motivations:

1. To advance **career** goals
2. To connect with others for **social** purposes
3. To support the organizational **mission** or goals
4. To address **pragmatic** needs such as saving time, money, or resources

Therefore, Corporate Alumni Programs must be designed to provide benefits and offerings that address these specific motivations.



4 STEPS TO WIN-WIN

Corporate Alumni Programs deliver long-lasting value to organizations and alumni. Identifying what alumni want — and why — enables companies to deliver benefits that generate meaningful returns.

1

UNDERSTAND ALUMNI CHARACTERISTICS

- Age
- Ethnicity
- Gender
- Reason for Organizational Exit

2

MAP ALUMNI CHARACTERISTICS TO ALUMNI MOTIVATIONS

- Career-Minded
- Mission-Driven
- Pragmatic
- Social-Focused

3

ENGAGE ALUMNI WITH ALUMNI PROGRAM BASED ON MOTIVATIONS

- **Career-Minded:** Job Board
- **Mission-Driven:** Alumni Directory and News Sources
- **Pragmatic:** Benefits/Perks
- **Social-Focused:** In-Person Events

4

REALIZE POSITIVE RETURNS FROM ALUMNI

- Increased Net Promoter Scores® (NPS)*
- Positive Advocacy for Organization
- Apply to Be Rehired or Consult
- Develop New Customer Relationships



***Net Promoter Score (NPS)** is a tool that gauges the loyalty of customers, employees, alumni, etc. — as individuals or groups — toward an organization by measuring their willingness to recommend a company's products, services, or workplace in a range from -100 to 100.



PROJECT OVERVIEW AND ALUMNI DEMOGRAPHICS

The joint research of corporate alumni by Conenza and Cornell University breaks new ground. No firm or scholar has previously explored the drivers and experiences that former employees have with Corporate Alumni Programs.

Between May 2018 and January 2019, surveys were distributed to alumni participants in four Corporate Alumni Programs. The sponsoring organizations operate in a variety of sectors, including management consulting, telecommunication and media, software, and nonprofit.

The survey included questions about:



Alumni were asked about their usage or involvement with the following 12 Corporate Alumni Program benefits:

- 1 Alumni online platform — software solution that includes a variety of features, including benefits 2 through 7
- 2 Member directory
- 3 Groups
- 4 Messaging
- 5 Benefits page
- 6 News page
- 7 Job board
- 8 Webinars
- 9 Alumni newsletter
- 10 Individualized emails
- 11 In-person events
- 12 Other social networking platforms such as Facebook, Twitter, and LinkedIn

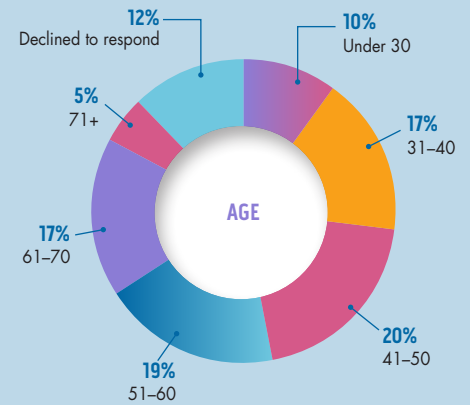
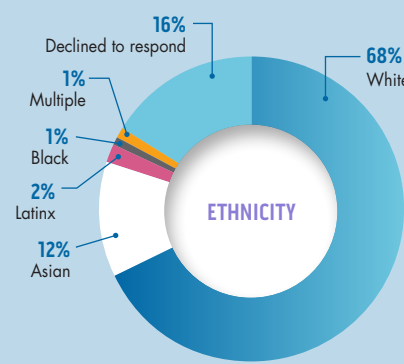
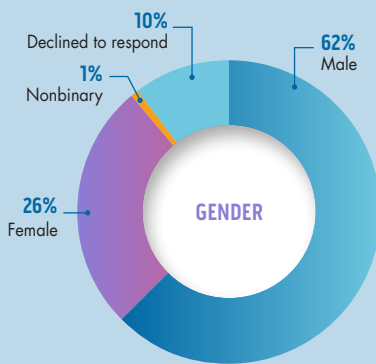
In total, 1,861 alumni from around the world responded to the survey. The response rates from individual Corporate Alumni Programs ranged from 9% to 19%.



PROJECT OVERVIEW AND ALUMNI DEMOGRAPHICS

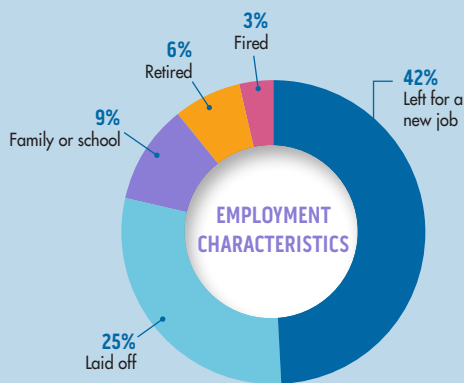
ALUMNI DEMOGRAPHICS

We found strong trends in demographics from alumni respondents. This highlights the importance of understanding how the company's workforce demographics might influence the composition of the alumni membership. It also emphasizes the importance of gaining more knowledge about how to identify and segment alumni membership as it grows in number and diversity.



EMPLOYMENT CHARACTERISTICS

Alumni exited their organizations for a variety of reasons, including:



Additionally, we asked alumni about the relationships between current and former employers. Interestingly, 36% remained in the former employer's ecosystem working as either a client (15%), partner (12%), vendor (5%), or competitor (4%). When alumni stay employed in the sponsor's economic sphere, they gain valuable experience and knowledge that can be leveraged if they are rehired.



CORPORATE ALUMNI PROGRAM ROI

Alumni managers often report that the primary goals of Corporate Alumni Programs are brand advocacy, talent acquisition, and business development.

We asked alumni directly about the contributions or returns they are willing to provide to their former employer that support these goals. These returns were measured using NPS methodology, which asks alumni about the likelihood that they will recommend:



Findings strongly indicate that Corporate Alumni Programs are key to supporting organizational goals. Greater involvement in the Corporate Alumni Program was consistently associated with increasing the NPS for the organization. In other words, as alumni use more of the offerings provided by the Corporate Alumni Program, they are more likely to provide recommendations that are beneficial for the organization and for the Alumni Program.

Results from the use of a single additional benefit from the Alumni Program:

16%



average increase in the likelihood that alumni will recommend the company's products or services

Range: 6% to 32%

13%



average increase in the likelihood that alumni will recommend the company as a place to work

Range: 5% to 29%

19%



average increase in the likelihood that alumni will recommend the alumni program to others

Range: 11% to 51%



MOTIVATIONS DRIVING PARTICIPATION IN CORPORATE ALUMNI PROGRAMS

WHAT DRIVES ALUMNI TO PARTICIPATE IN CORPORATE ALUMNI PROGRAMS?

Survey results uncovered four primary motivations that drive alumni involvement.



CAREER-MINDED

Advance professional goals related to their jobs, careers, or businesses



SOCIAL-FOCUSED

Develop social relationships and/or belong to a group or community



MISSION-DRIVEN

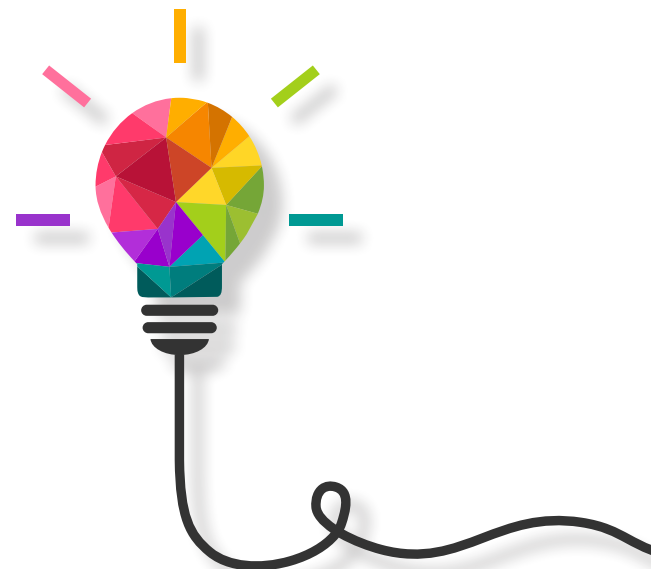
Contribute to the organization's mission or a collective goal that they cannot achieve alone



PRAGMATIC

Access benefits to save time, money, or effort

Not only do the alumni themselves vary in their reasons for participating in Corporate Alumni Programs, but the dominant motivations within Corporate Alumni Programs also differ. Although some Corporate Alumni Programs have alumni who are strongly driven by pragmatic motivations, other programs have alumni who are predominantly motivated by mission-driven or social motivations. Just as each organization has its own culture, Corporate Alumni Programs have unique "cultures" that can influence decisions about how to structure and allocate resources.





SEGMENTING YOUR ALUMNI MEMBERS BASED ON MOTIVATIONS

Today, most organizations are striving to have a more diverse workforce. Alumni in Corporate Alumni Programs reflect this increasing diversity and, as a result, have varying needs.

It is important to understand the different segments of the alumni membership to strategically manage the Corporate Alumni Program.

Alumni have certain expectations based on observable characteristics such as gender, minority status, and age.

Our findings suggest:

- Female alumni have stronger career, social, mission-driven, and practical motivations compared to male and nonbinary alumni.
- Alumni who identify as ethnic minorities tend to have strong career and mission-driven motivations.
- Although alumni's career motivations decrease with age, their social motivations tend to increase.

In addition to demographic characteristics, the reasons why alumni left the organization influenced their motivation to participate in the Corporate Alumni Program.

- Alumni who were laid off have lower career motivations but higher practical motivations.
- Alumni who left for a new job have higher career motivations but lower mission-driven and practical motivations.
- Alumni who leave to start their own businesses generally have higher career, social, and mission-driven motivations.

These findings have important implications for how alumni managers might strategically manage their Corporate Alumni Programs. To better meet the needs of alumni and enhance the value of Corporate Alumni Programs, alumni managers should collect and consider demographic information and exit information to make data-driven decisions about how to manage their Corporate Alumni Programs.





UNDERSTANDING THE ROLE OF ALUMNI BENEFITS

Across the Corporate Alumni Programs included in the survey, three benefits were consistently rated as the most used and most valued.

These core alumni benefits are:

- The alumni newsletter
- The alumni online platform
- Individualized emails

Because of their popularity and the value they provide to alumni, these three benefits should form the foundation for Corporate Alumni Programs.

Alumni Program managers should pay specific attention to these three benefits because they often lead to the highest returns on investment. Specifically, these benefits have the strongest associations with the likelihood of recommending the company's products and/or services, as well as recommending the Corporate Alumni Program.

In addition to the three core alumni benefits, alumni motivations are important because they are predictive of individual benefit use.

- Alumni with stronger career motivations are more likely to use job boards or attend career fairs.
- Alumni with stronger social motivations are more likely to attend in-person events and other networking opportunities.
- Alumni with stronger practical motivations are more likely to take advantage of perks or discounts provided by the program.
- Alumni with stronger mission-driven motivations are more likely to use a wider range of benefits, including the online platform, the member directory, newsletters, and emails.

Although alumni with greater career, social, and practical motivations are likely to use specific types of benefits to meet their wants and needs, alumni with greater mission-driven motivations tend to use a variety of benefits to learn more about the organization and stay connected to the organization's operations and goals.

LINKING ALUMNI BENEFITS TO SPECIFIC OUTCOMES

As previously mentioned, in general, the more that alumni use or get involved with offerings from Corporate Alumni Programs, the greater the likelihood that alumni will provide valuable returns to the organization. However, the ways in which alumni support their former employers are linked to the specific alumni offerings that they use or participate in.

- Use of job boards increases the likelihood that alumni will apply for jobs at the company, be interested in freelance or contract work, participate in a mentoring program, and develop business-to-business relationships for the organization.
- Use of in-person events increases the likelihood that alumni will recommend the alumni program to others, participate in a mentoring program, and provide industry insight.
- Use of alumni perks or the online platform increases the likelihood that alumni will recommend the Corporate Alumni Program to others.
- Use of the member directory increases the likelihood that alumni will recommend the organization as a place to work.
- Use of the news page increases the likelihood that alumni will recommend the products and services of the organization.





BRINGING IT ALL TOGETHER: ENGAGING EMPLOYEES FOR LIFE

Combining all the insight derived from the survey provides a clear picture for understanding how to engage employees for life.

Our findings suggest that demographics and employment characteristics are the strongest indicators of the motivations that are most likely to compel alumni to participate in a Corporate Alumni Program. These motivations are the guiding force that lead alumni to utilize particular Corporate Alumni Program offerings, and this ultimately leads to specific contributions provided by alumni who support their former employers.

ALUMNI CHARACTERISTICS	ALUMNI MOTIVATIONS	PARTICIPATION IN ALUMNI OFFERINGS	RETURNS TO THE ORGANIZATION
<ul style="list-style-type: none"> · Women · Minorities · Younger alumni · Left for a new job · Left to start a business 	<ul style="list-style-type: none"> · Career-Minded 	<ul style="list-style-type: none"> · Job Board 	<ul style="list-style-type: none"> · Apply for rehire · Do freelance or contract work · Mentor employees or alumni · Develop B2B relationships
<ul style="list-style-type: none"> · Women · Minorities · Older alumni · Left to start a business 	<ul style="list-style-type: none"> · Social-Focused 	<ul style="list-style-type: none"> · In-Person Events 	<ul style="list-style-type: none"> · Recommend Alumni Program · Mentor employees or alumni · Provide industry insight
<ul style="list-style-type: none"> · Women · Minorities · Left due to a layoff or restructuring 	<ul style="list-style-type: none"> · Pragmatic 	<ul style="list-style-type: none"> · Benefits/Perks 	<ul style="list-style-type: none"> · Recommend Alumni Program
<ul style="list-style-type: none"> · Women · Minorities · Left due to a layoff or restructuring · Left to start a business 	<ul style="list-style-type: none"> · Mission-Driven 	<ul style="list-style-type: none"> · Online Platform · Directory · Newsletter · News Page · Groups · Emails 	<ul style="list-style-type: none"> · Recommend products & services · Recommend Alumni Program · Recommend as a place to work · Provide industry insight · Develop B2B relationships

TOPLINE RESULTS SUPPORT THE NEED FOR CORPORATE ALUMNI PROGRAMS

Findings from the Conenza and Cornell University research strongly indicate that Corporate Alumni Programs are key to supporting organizational goals. Greater alumni involvement in the Corporate Alumni Program was consistently associated with increasing returns to the organization. In other words, as alumni use more of the programs' offerings, they are more likely to provide recommendations that are beneficial for the organization and the Corporate Alumni Program. From the alumni's perspective, they need to feel like they are getting value out of the benefits to validate their participation.

FOR MORE INFORMATION ABOUT CORPORATE ALUMNI PROGRAMS,

contact Conenza at info@conenza.com or visit conenza.com.

If you would like more information on this Report or would like to provide feedback for future reports, please contact us at info@conenza.com.