

Seek Project:

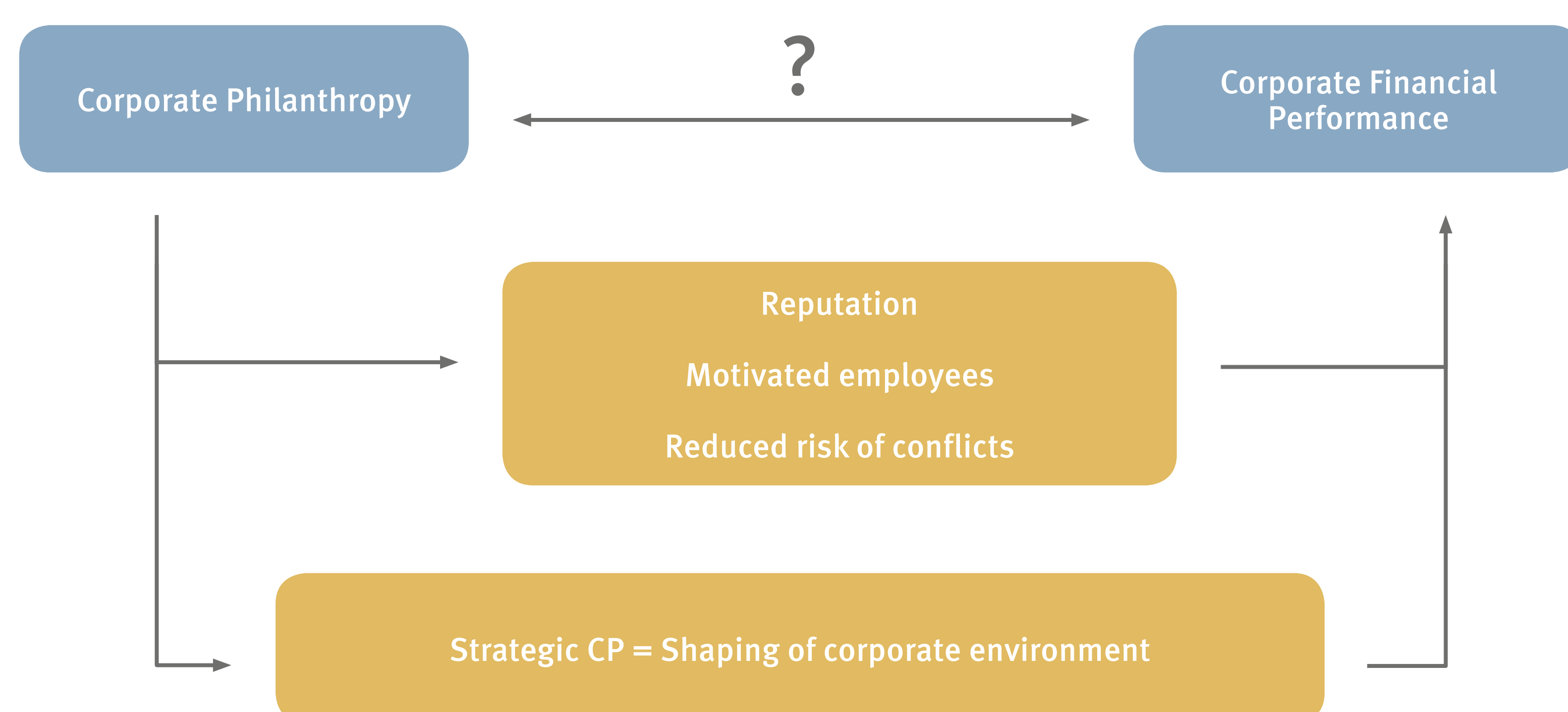
How Philanthropy Affects Corporate Competitiveness in Europe

Motivation

*“The European Union is concerned with **corporate social responsibility** as it can be a positive contribution to the strategic goal decided in Lisbon: to become the most **competitive** and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and **greater social cohesion**.”*

European Commission: Promoting a European framework for Corporate Social Responsibility, 2001

Explanatory Note



Research Topic

- ▶ CSR is a very broad concept
 - ➔ Project focus: Corporate Philanthropy (CP) as a facet of CSR since it is easier to measure and quantify
- ▶ Political institutions show interest in such corporate philanthropic activities, but knowledge about CP in Europe is rather limited.
 - **Extent** to which European companies engage in CP
 - **Reasons** why these companies get involved in CP
 - **Payoffs** from engaging in CP activities

Research Team

- ▶ **René Bekkers**, Center for Philanthropic Studies, VU University Amsterdam
- ▶ **Sarah Borgloh**, ZEW
- ▶ **Dick de Gilder**, Department of Organization Sciences, VU University Amsterdam
- ▶ **Manuel Halter**, ZEW
- ▶ **Diana Heger**, ZEW
- ▶ **Theo Schuyt**, Center for Philanthropic Studies, VU University Amsterdam

Research Questions

- ▶ **Guiding question:**
To which extent do companies **improve their financial performance and competitive situation** through corporate philanthropy?
 - Project looks at Germany and the Netherlands, two EU countries with different philanthropic traditions.
- ▶ Which charitable **causes** do companies support and which **forms** of CP are employed?
 - CP comprises giving, sponsoring, corporate foundations, employee volunteering and cause-related marketing.
- ▶ Are CP activities part of a specific **corporate strategy** or are they rather **unfocussed**?
 - Companies may use CP either strategically to foster long-run performance or unsystematically due to certain demand factors.

Project Description

	Objective	Methods
Work Package 1	<ul style="list-style-type: none"> Identification of channels through which CP affects financial performance and vice versa 	<ul style="list-style-type: none"> Literature review Eight executive interviews per country (GER and NL)
Work Package 2	<ul style="list-style-type: none"> How do companies communicate their CP activities? Is CP employed strategically? 	<ul style="list-style-type: none"> Qualitative analysis of the annual reports of the 100 biggest listed companies in GER and NL for the years 2006 to 2010
Work Package 3	<ul style="list-style-type: none"> Collection of data on CP activities in Germany and the Netherlands Is there an interrelation between CP and financial performance? 	<ul style="list-style-type: none"> Online survey among German and Dutch companies Econometric analysis
Work Package 4	<ul style="list-style-type: none"> Obtaining additional insights from existing data 	<ul style="list-style-type: none"> Econometric analysis of tax data

Some First Results

	Germany	Netherlands
Fields of CP	Mostly sectors related to companies' business instead of unfocussed activities	
Forms of CP	<ul style="list-style-type: none"> Monetary donations and sponsoring Corporate volunteering not widespread 	<ul style="list-style-type: none"> Sponsoring, donations and man-power Corporate volunteering is widespread
Scope of CP	<ul style="list-style-type: none"> Local (regional) scope dominates 	<ul style="list-style-type: none"> Very diverse, both local and national activities
Time dimension of CP	Shift towards more long-term strategic commitments and development of company policy	
Motivation for CP	Not only image concerns; also sense of duty to “give something back” and to “advance” the community	
Competitiveness and CP	<ul style="list-style-type: none"> Most companies believe in competitive advantages through CP activities 	<ul style="list-style-type: none"> Companies are reluctant to link competitive advantages and CP activities