

# Corporate Philanthropy is not the same as CSR

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Corporate Philanthropy is not  
the same as CSR. **However...**

# Plan

- My experience in CSR
- Definitions of CSR
- Definitions of Corporate Philanthropy
- How both concepts interact
- Conclusion/Discussion

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Haute Ecole d'Ingénierie et de Gestion  
du Canton de Vaud



Corporate Governance

Sponsoring

Corporate  
Responsibility

Sustainable development

Corporate Citizenship

Sustainability

**Corporate Social Responsibility**

Creating Shared Value

Business Ethics

**Corporate Philanthropy**

# What is CSR? European Commission, 2002

Corporate Social Responsibility is a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis.

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# What is CSR? European Commission, 2011

The Commission has defined CSR as **the responsibility of enterprises for their impact on society**. CSR should be company led. Public authorities can play a supporting role through a smart mix of voluntary policy measures and, where necessary, complementary regulation.

Companies can become socially responsible by:

- following the **law**;
- integrating social, environmental, ethical, consumer, and human rights concerns into their business **strategy** and operations.

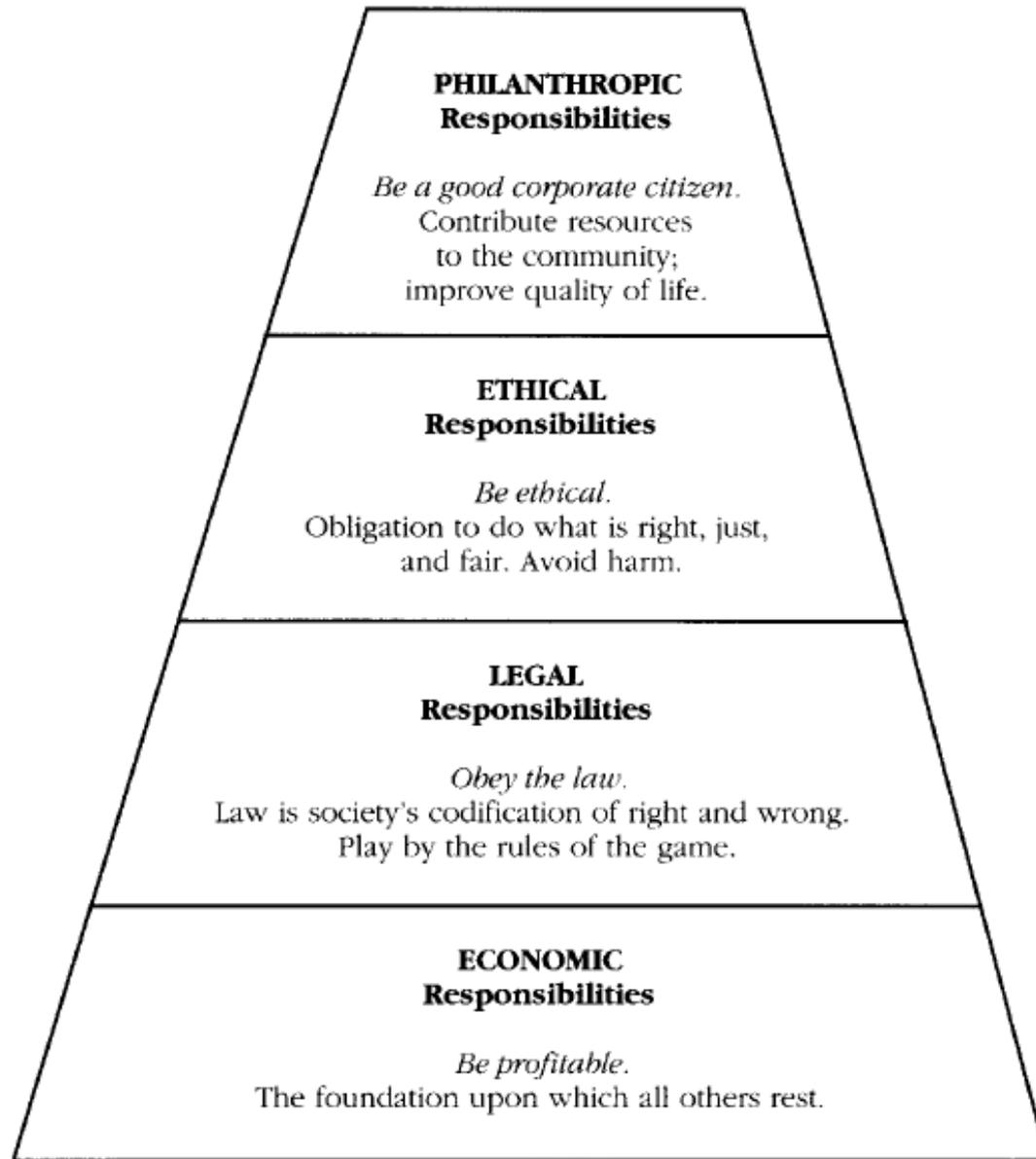
# What is Corporate Philanthropy?

- “the practice of **giving** money, property and time **for the love of humankind** [...] Most corporate philanthropy activities either consist of providing monetary contributions to causes favored by employees and community leaders or arranging for employee volunteers to support education, health and welfare organizations.”
  - James Henderson (January 2008), Leveraging Corporate Philanthropy for Competitive Advantage

# What is Corporate Philanthropy?

- “Corporate philanthropy is most closely associated with **benevolent** (and often religiously-minded) Victorian entrepreneurs, such as Lord Leverhulme, George Cadbury and Joseph Rowntree. **Early nineteenth-century** business titans such as Andrew Carnegie and John Rockefeller earned similar reputations for charitable largesse in the US.”
  - Oliver Balch, Deconstructing CSR: Corporate Philanthropy, Ethical Corporation, May 8, 2017

**Figure 3**  
**The Pyramid of Corporate Social Responsibility**



## Philanthropic Components (Responsibilities)

1. It is important to perform in a manner consistent with the philanthropic and charitable expectations of society;
2. It is important to assist the fine and performing arts;
3. It is important that managers and employees participate in voluntary and charitable activities within their local communities;
4. It is important to provide assistance to private and public educational institutions;
5. It is important to assist voluntarily those projects that enhance a community's «quality of life.»

Source: CARROLL A., The Pyramid of Corporate Social Responsibility: Toward the Moral Management of Organizational Stakeholders, Business Horizons, July-August 1991.

# **CSR is sustainable, Corporate Philanthropy is not**

CSR actions become part and parcel of the way in which a company carries out its business.

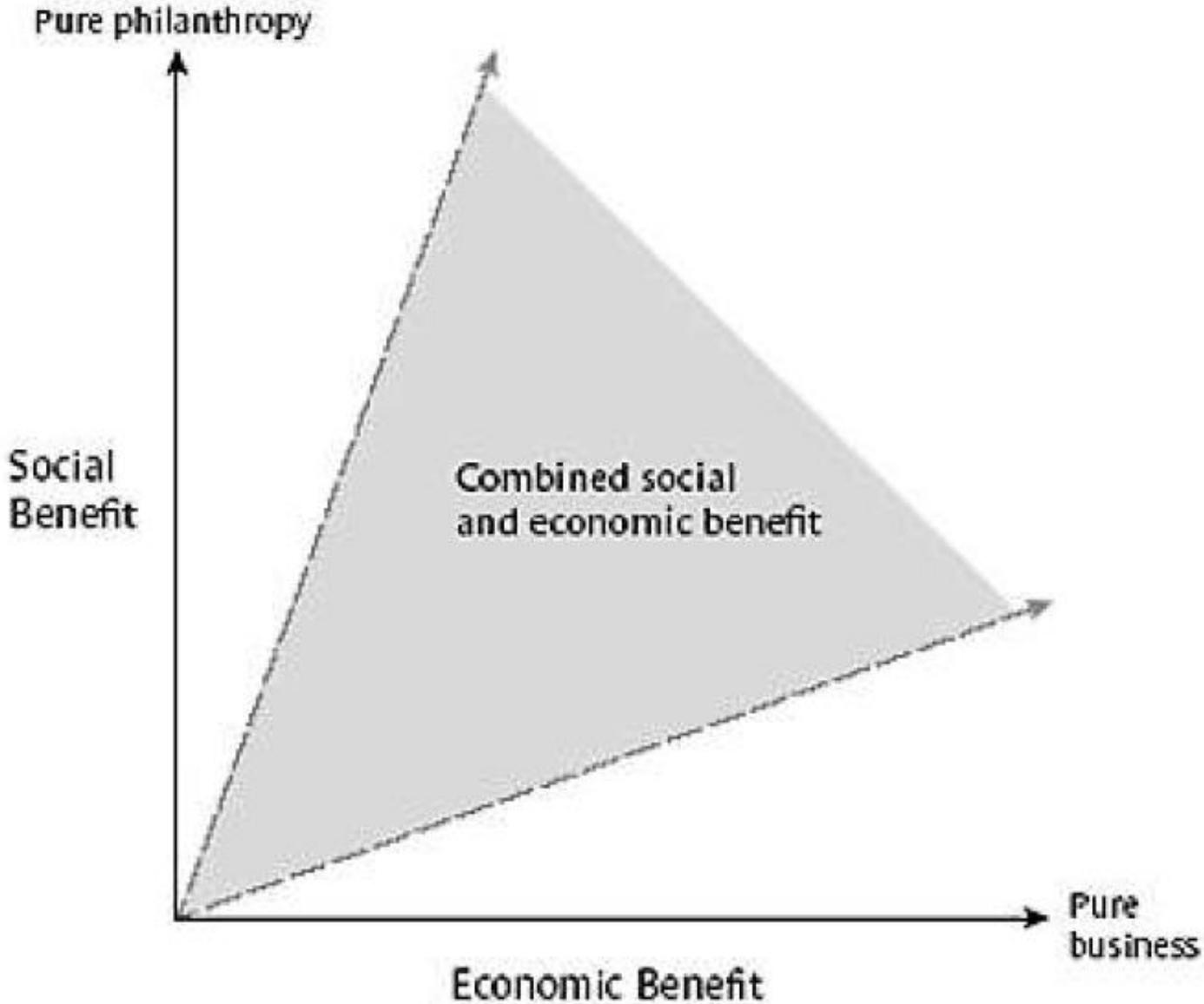
Corporate Philanthropy depends on the whims of the company directors at a particular time.

## **CSR is before profit**

If companies are not profitable, they should not behave responsibly?

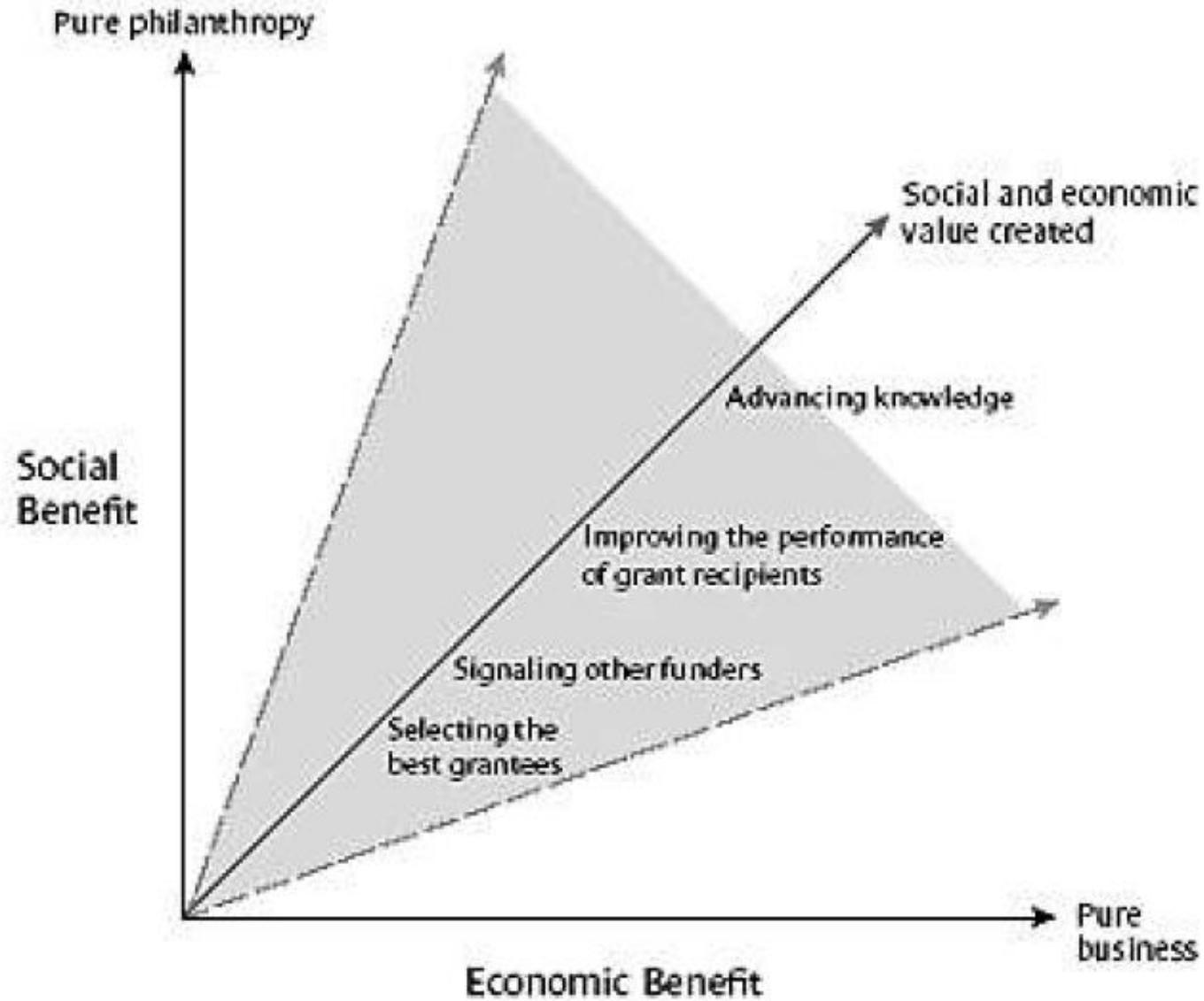
However...

# A Convergence of Interests



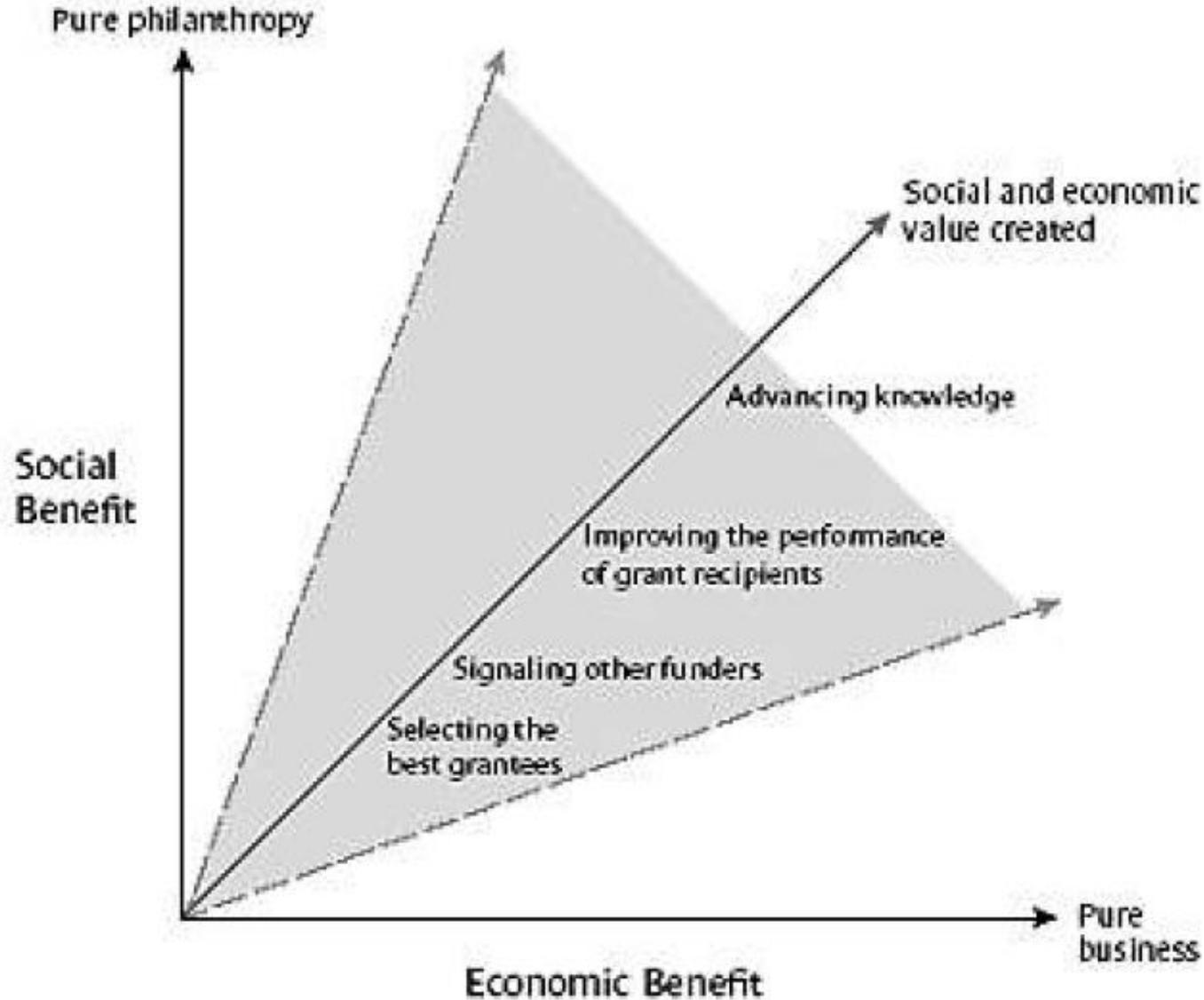
Source: PORTER M., KRAMER M., The Competitive Advantage of Corporate Philanthropy, Harvard Business Review, December 2002 issue.

# Maximizing Philanthropy's Value



Source: PORTER M., KRAMER M., The Competitive Advantage of Corporate Philanthropy, Harvard Business Review, December 2002 issue.

# Maximizing Philanthropy's Value



«The concept of **shared value** can be defined as policies and operating practices that enhance the competitiveness of a company while simultaneously advancing the economic and social conditions in the communities in which it operates.»

Source: PORTER M., KRAMER M., Creating Shared Value, Harvard Business Review, January-February 2011.

Source: PORTER M., KRAMER M., The Competitive Advantage of Corporate Philanthropy, Harvard Business Review, December 2002 issue.

# Summary

- Definitions of CSR and Corporate Philanthropy;
- Why they are not the same;
- CSR and Corporate Philanthropy as a continuum.

# Thank you!

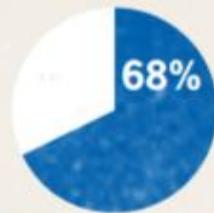
<http://juliengoy.com/>

<https://responsabilite-sociale.com/>

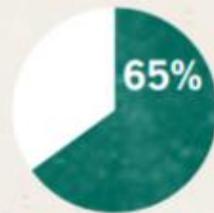
## Initiatives

- Vast majority of businesses are involved with local charities, either through donating time, money or products/services
- Businesses are working to reduce their environmental impact, with increasing numbers calculating the carbon footprint of their operations

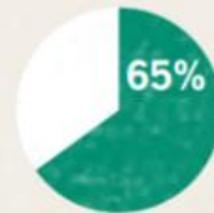
### Key initiatives



Donated money to community causes/charities



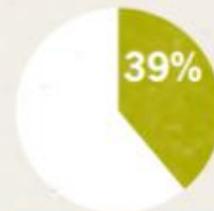
Participated in community/charity activities



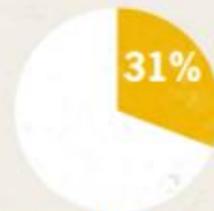
Improved energy efficiency or waste management



Donated products/services to a charitable organisation



Changed products/services to reduce their environmental impact



Calculated your carbon footprint

Source: Corporate social responsibility: beyond financials, Grant Thornton International Business Report 2014, p.2.

# Context-focused Philanthropy – a 5-step process

1. Examine the competitive process in each of the company's important geographic locations.
2. Review the existing philanthropic portfolio to see how it fits this new paradigm.
3. Assess existing and potential corporate giving initiatives against the 4 forms of value creation.
4. Seek opportunities for collective action within a cluster and with other partners.
5. Rigorously track and evaluate results.

Source: PORTER M., KRAMER M., The Competitive Advantage of Corporate Philanthropy, Harvard Business Review, December 2002 issue.