



# SCIENCE *of* GENEROSITY

## CORPORATE GIVING: A LITERATURE REVIEW

Brandon Vaidyanathan  
Center for the Study of Religion and Society  
University of Notre Dame

October 2008

## Abstract

In recent years, a significant amount of literature has emerged on the topic of Corporate Giving, which is embedded in the broader discussion about Corporate Social Responsibility. Studies show that while managers appear to have increasingly come to see the need to integrate or fit corporate philanthropic activity with the company's core mission and strategy, the actual practice of such "strategic philanthropy" seems to be weak. Employee Volunteer Programs also seem to be growing in importance, but empirical research on these is scant. Some reliable evidence exists for a positive relationship between philanthropic activity and firm reputation as well as financial performance. However, there are important methodological problems with most studies, such as small, non-representative samples of firms and low response rates, which limit what we are able to say about American corporations in general. The lack of consensus in the literature on how to measure various aspects of the phenomenon is another obstacle to overcome. Yet, for these very reasons, the potential for future exploration is rich, and based on the literature reviewed, important avenues for further research will be recommended.

## Executive Summary

Charitable corporate giving in the United States has seen significant increase over the past several decades, and has also been the focus of much debate. The present report is a comprehensive review of academic articles as well as professional periodicals and foundation research reports on the topic—literatures which seem to be disparate realms of conversation with little exchange or overlap—in order to understand and evaluate the current state of research.

The topic of corporate giving finds itself embedded in the broader debate about Corporate Social Responsibility. Here, while some argue that the only responsibility of corporations is to make profits for its shareholders, others insist that the responsibilities of the corporation extend beyond to a broader range of stakeholders. Over the past few decades, however, a significant amount of literature has insisted that the firm's social and financial responsibilities need not be incompatible. Corporate social responsibility and corporate giving, it is argued, can and should be strategically aligned with the organization's core competencies in order to benefit society as well as generate returns for the company. Certain key themes emerge from this literature:

### **Strategic Philanthropy: Rationale and Practice**

- Philanthropy as competitive advantage: Several scholars present corporate philanthropy as a cost-effective means for companies to improve their broader competitive context.
- Strategic alignment: Scholars argue that unless philanthropic activity is aligned with the company's core competencies, it cannot create sustainable social impact.
- Need for serious empirical research: While proponents of this approach usually present anecdotal examples in support, which could be considered best-practices, substantive research on this proposition is lacking.

### **Employee Volunteering**

- Benefits of Employee Volunteering Programs (EVPs): The available literature suggests several possible benefits of EVPs, including employee development (e.g., initiative, responsibilities, improved skills and competencies), improved public perception (company reputation in communities), and improved operations (cross-functionality and client-relationships). Reports of positive impacts on recruitment and retention also suggest that EVPs can serve as a cost-effective substitute for training and skills-development programs.
- Paucity of research: Empirical research on Employee Volunteering Programs (EVPs) is sparse. Further work needs to be done especially to measure the impact and outcomes of EVPs.

## Reputation

- Positive impact on reputational capital: Empirical evidence shows an overall positive effect of corporate philanthropy on the firm's reputation. Scholars suggest that corporate giving bolsters a firm's reputational or moral capital, which in turn serves as a form of insurance.
- Signaling effect: Philanthropic activity can sometimes indicate a firm's credibility. In industries with high competition and advertising intensity, corporate giving and profits are positively related; conversely, in industries with low competition and advertising intensity, the relationship is negative.
- Perception of authenticity: Studies suggest that philanthropic activity needs to be perceived as genuine in order to positively impact reputation, else it could have a negative effect.

## The Bottom Line

- Evidence for positive and negative relationships: Empirical studies exploring the relationship between a firm's social performance and financial performance are mostly inconclusive. Recent studies suggest an inverse U-shaped relationship: philanthropy contributes to financial performance up to a certain point, after which agency costs and direct costs come into play.
- Need for further research: Recent reviews have criticized the variability and inconsistency in methods and measures used in these studies. Further work needs to also examine and explain the the relationship between corporate giving and financial performance in both directions.

A key issue in the literature pertains to **methodology**:

- Conceptualization: Theorization and operationalization of key concepts is inadequate. Without clear definitions, it is difficult to know what to measure and how.
- Measurement remains a problem: Several researchers report the need for better databases. Most measures used have yet to be replicated; hence we know little about their reliability.
- Sampling: Several studies are based on cross-sectional samples across multiple industries at a particular time period, neglecting the importance of industry-specific contexts and time. Other studies have small samples, low generalizability, and suffer from social desirability bias.
- Response rates: The low response rates of studies raise concerns of systematic biases.

The literature reviewed points to several **avenues for future research**:

- Better conceptualizations /operationalizations of constructs, with clearer measurement-criteria ;
- Tests of existing theoretical propositions and of the validity of existing scales;
- More studies of industry-specific and firm-specific factors;
- Detailed, comparative studies across sectors/industries as well as countries;
- Higher response rates in large-scale surveys;
- More attention to biases in interviews (e.g., leading questions; social desirability bias);
- More nationally representative and longitudinal research;
- Better data: existing databases are severely limited;
- Studies of internal processes of strategic philanthropy and the role of organizational cultures;
- More efforts to bridge the gulf between academic and professional literatures on the topic.

## Table of Contents

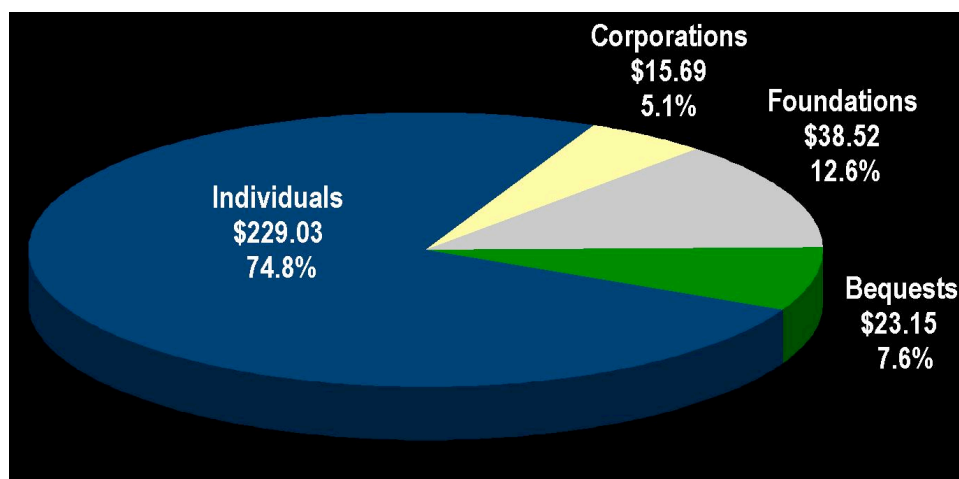
Introduction .....	6
The Legitimacy of Corporate Philanthropy.....	8
Philanthropy and the Corporate Social Responsibility Debate .....	10
Strategic Philanthropy: Rationale and Practice .....	13
Employee Volunteering.....	21
Reputation.....	26
The Bottom Line: Philanthropy and Financial Performance.....	30
Directions for Future Research.....	37
Appendix: Methodological Concerns .....	39
Bibliography .....	44

## Figures and Tables

Figure 1: 2007 Charitable Giving.....	6
Figure 2: Four Approaches to Corporate Philanthropy.....	15
Table 1: Approaches to Corporate Philanthropy in the CSR Literature .....	11
Table 2: Themes and best practices from interviews with corporate giving managers....	17
Table 3: Examples of Strategic Philanthropy Initiatives and their Returns to Companies	18
Table 4: The 2006 Deloitte / Points of Light Volunteer IMPACT Study.....	22
Table 5: Theoretical Propositions on Philanthropic Activity and Moral Capital .....	27
Table 6: Summary of findings of empirical studies on CSP-CFP relationship.....	30

## Introduction

The topic of corporate giving has become increasingly important to executives and scholars alike. Studies claim that corporate philanthropy in the United States has risen steadily over the last several decades (Guthrie, Arum, Roksa and Damaske 2008:857; Useem and Kutner 1986), although when analyzed as a percentage of profits, the trend has been mostly one of decline (Porter and Kramer 2002:57; Seifert, Morris and Bartkus 2004:135). Yet, despite the recent economic downturns, several Fortune 100 companies reported increases in their charitable giving in 2007. Total corporate giving for the year, excluding sponsorships, was estimated at \$15.69 billion (*Giving USA 2008*: 79, 77), which is still a significant contribution, while comprising only about 5 percent of total charitable giving in the country (Figure 1 below).



**Figure 1: 2007 Charitable Giving**  
Source: Giving USA Foundation™, *Giving USA 2008*

Three basic types of literature can be found on the topic of corporate giving: (1) Academic literature, consisting mostly of theoretical propositions and empirical studies (e.g., *Journal of Business Ethics*, *Business and Society*); (2) Professional literature, consisting of articles and books addressed mainly to practitioners and managers: these explore some theoretical issues, but are generally more prescriptive and highlight best-practices across companies (e.g., *Harvard Business Review*; Solomon and Hansen's [1985] *It's Good Business*); and (3) Research reports produced by research centers and foundations: these also address managers and executives, but are based on

empirical studies, typically surveys and interviews across companies. While highlighting important themes and trends across companies, they are not always methodologically rigorous (e.g., *Committee Encouraging Corporate Philanthropy; Points of Light Foundation*). Cross-references across the above three categories are rare, which creates the impression of disparate conversations. The present review, for this reason, attempts to tie together these different literatures.

The discussion on corporate giving is embedded in a broader phenomenon of Corporate Social Responsibility (CSR), which in itself is a hotly debated issue. Here some argue that corporations should steer clear of social issues altogether (Friedman 1970); others criticize CSR efforts such as corporate philanthropy as being merely tools for public relations or legitimization (Chen, Patten and Roberts 2008). Some believe that businesses need to commit themselves as citizens to the broader society (Logsdon and Wood 2002). Others argue that this is illusory because the legal and economic structures within which corporations operate is fundamentally fraught with ethical problems (Doane 2005). Still others insist that there is no necessary conflict here, and that philanthropic activity aligned with the core competencies of the company allows the firm to make more efficient and sustainable contributions to social issues, while simultaneously benefiting in return (Porter and Kramer 2002, 2006). Such “strategic philanthropy” today extends beyond cash donations to include employee volunteer programs and long-term partnerships with recipients.

Yet, making this “business case” for CSR and corporate giving seems easier in theory than in practice. Various authors, as we will see, attest to the difficulty of measuring either the social impact of corporate giving or the returns to the company. However, many of the aforementioned arguments in the debate have been in play for well over a century. It is important therefore to first get a sense of this history, in order to adequately understand the importance of the phenomenon of corporate giving, and why it merits further study.

## The Legitimacy of Corporate Philanthropy

The question of whether companies should at all engage in charitable giving has long been the subject of heated debate. In the nineteenth century, several court rulings rendered the use of corporate funds for charitable purposes effectively illegal. The *Proprietors of the Charles River Bridge v. Proprietors of the Warren Bridge* case (1837) prohibited the use of corporate funds for activities unrelated to the chartered aims of the corporation, which allowed stockholders to sue their companies for such “*ultra vires*” actions (e.g., the *Davis et al. v. Old Colony Railroad Co.* case [1881] and the *Hutton v. West Cork Railway* case [1883], cited in Sharfman 1994:243-244; see also Wren 1983).

Nonetheless, corporations attempted to justify making contributions to schools, libraries, YMCA facilities, etc. in company towns as an employee recruitment strategy. During economic downturns toward the end of the nineteenth century, corporations increasingly began to contribute funds towards charitable purposes, and were able to defend themselves against stockholders’ *ultra vires* claims in court by arguing that these were legitimately business-related, since they directly benefited employees (the *Steinway v. Steinway & Sons et al.* case [1896] and the *Main v. C.B.&Q. Railroad* case [1899], both cited in Sharfman 1994:245).

Debates, both in courts as well as in general discourse, about the legitimacy of such corporate giving continued on into the twentieth century. These were additionally shaped by several conflicting forces: an anti-business sentiment in some contexts, which rejected corporate donations as being tainted or defiled (Bremner 1987:108, Gladden 1895:886, cited in Sharfman 1994:246); the prevalence of laissez-faire arguments claiming that it was immoral for companies to give away stockholders’ money; increasing scrutiny of corporate activities by journalists as well as the federal government; and a proliferation of charitable organizations, which made it increasingly difficult for companies to ascertain criteria for donations or to choose between solicitors (Sharfman 1994:246-249). In addition, several court cases still continued to rule corporate philanthropic activities as *ultra vires*. A notable example is the case of *Dodge v. Ford Motor Co.* (1919), which set the precedent for the norm of shareholder profit maximization, with the ruling insisting that a “corporation is organized and carried on primarily for the profit of the stockholders,” which rendered inexcusable “the



nondistribution of profits among stockholders in order to devote them to other purposes” (Dodge v. Ford Motor Co. 1919:31, cited in Sasse and Trahan 2006:31; cf. Bainbridge 2003).

By the 1920s, however, both federal as well as state governments began to pass legislations to make it easier for corporations to donate money. In general, there seemed to be a growing public sentiment in favor of corporate philanthropy. This is reflected, for example, in the words of the prominent business leader of the time, Cyrus McCormick, who held fast to the belief that “every company or organization of men doing business in any community... is in duty bound to do something to help build that community, aside from the things required by the law or the things beneficial to itself” (1931:277).

Nevertheless, legal legitimization of corporate philanthropy was not established until 1953, with the ruling of the U.S. Supreme Court in the case of *A. P. Smith Manufacturing Co. v. Barlow et al.* The ruling seemed to reflect a growing perception of the positive role of the corporation in society (see Sharfman 1994:255-256). This era saw the proliferation of several books emphasizing the “social responsibilities” of business (e.g., Bowen’s [1953] *Social Responsibilities of the Businessman*; Eells’s [1956] *Corporate Giving in a Free Society*; and Heald’s [1957] *Management’s Responsibility to Society*). This notion of “corporate social responsibilities” became increasingly important, with several scholars attempting to clarify and explain the concept (see Carroll 1999 for an extensive review of the early literature on CSR).

## Philanthropy and the Corporate Social Responsibility Debate

The legal green-signal by the Supreme Court in the *A.P. Smith* case did not by any means imply a public consensus on the topic, and this notion of “social responsibilities” became the focal point for much debate over the years to come. Theodore Leavitt, for one, cautioned against the “dangers of social responsibility” (1958). Perhaps the most famous critical voice came from Milton Friedman, who in his 1970 *New York Times* article argued that the only “social responsibility of business is to increase its profits.” Friedman’s argument here was not novel in emphasizing the claim that the corporation belongs to its shareholders, and hence, decisions on corporate resources should be oriented solely to maximizing profit for shareholders. When management spent money on matters which did not maximize profit, Friedman contended, they were spending money which should rightly be returned to investors. Echoing the *Dodge v. Ford Motor Co.* complaints, Warren Buffett recently found himself having to terminate Berkshire Hathaway’s charitable giving program due to shareholder concerns in this regard (see Buffett 2003). Some also argued that corporate philanthropy was essentially an “agency cost,” which may bring benefits to individual executives and managers by improving their personal reputations or opportunities for advancement (Galaskiewicz 1997), but this ultimately comes at the cost of shareholder wealth (Brown, Helland and Smith 2006).

A variety of responses emerged, sharing the conviction that it was possible to justify the notion of corporate social responsibility. In mapping out the topography of this literature, Garriga and Melé (2004) identify four main approaches to the topic, each of which is relevant to the topic of corporate philanthropy (see Table 1 on the next page): (1) “instrumental theories,” where CSR activities are seen as instrumental to wealth creation (e.g., strategic philanthropy; cause related marketing); (2) “political theories,” which emphasize the social power and related duties of corporations (e.g., corporate constitutionalism ; corporate citizenship); (3) “integrative theories,” which argue that business needs to integrate social demands and social values for the sake of growth and survival (e.g., public responsibility; corporate social performance); and (4) “ethical theories,” which focus on the normative questions of the business-society relationship (e.g., universal rights; sustainable development).

CSR Theory	Approach to Corporate Philanthropy	Characteristic Texts
Instrumental	Strategic Philanthropy	Porter and Kramer (2002)
Political	Corporate Citizenship	Smith (1994); Carroll (1999)
Integrative	Corporate Social Performance	Carroll (1979, 1991)
Ethical	Normative Stakeholder Theory	Freeman (1984)

**Table 1: Approaches to Corporate Philanthropy in the CSR Literature**

Source: Garriga and Melé (2004)

However, these notions are not so clearly delineated in the literature. For example, some equate corporate citizenship with strategic philanthropy (Smith 1994); others consider strategic CSR as being distinct from “instrumental” uses of CSR (Martin 2002). Porter and Kramer (2002, 2006), while emphasizing the “competitive advantage” of CSR, disagree with instrumental approaches such as cause-related marketing, which they insist should be evaluated as marketing and not philanthropy.

Similarly, another notion that cuts across these categories is the concern with looking beyond financial responsibility to shareholders and considering as well the company’s relationships with its various stakeholders, including employees, customers, local communities, NGOs, media, government, as well as the broader natural and social environment. “Stakeholder theory” (Freeman 1984) attempted to broaden the scope of corporate responsibility to emphasize the importance of satisfying multiple stakeholder groups. Scholars working along this vein have insisted that the corporation needs to assume responsibility for all of its diverse constituents and be committed to the well-being of society at large (Post, Preston and Sachs 2002:16-17). However, not all scholars are sold on this matter. Some contend that “[d]espite its association with social responsibility and corporate philanthropy, stakeholder theory, in reality, provides little guidance for CSR decisions beyond what Friedman or other shareholder maximization adherents would suggest”; indeed, “it has no prescription for how to balance competing accountabilities” (Sasse and Trahan 2004:34). Others such as Peter Drucker have argued it is in the very “self-interest” of corporations to contribute to creating “a healthy society” (1984, cited in Drucker 2001:52). Business, in Drucker’s view, “ought to ‘convert’ its social responsibilities into business responsibilities” (Carroll 1999:286); i.e., corporations should seek to “turn a social problem into economic opportunity and economic benefit, into productive capacity, into human competence, into well-paid jobs, and into wealth” (Drucker 1984, cited in Carroll 1999:286). Even Friedman (1970), despite his critique of

the “social responsibility doctrine” as being harmful to the free society, admitted that companies may have to invest resources in the local community, in order to attract better employees for example.

After several decades of debate, what progress has been made? Even on this question, as de Bakker, Groenwegen and den Hond (2005) note, there is no consensus. While some have argued that progress in the debate is inherently impossible because of the normative nature of the subject (Matten, Crane and Chapple 2003), from their bibliometric analysis of 30 years of research on the topic, de Bakker et al. find that this view is not substantiated (2003:309). Their analysis reveals that there is some sense of development over time from vague conceptualizations towards more clarification and theory-testing, including the development of specialized research areas such as issues-management, corporate citizenship and corporate philanthropy (2003:311). However, this “progressive” tendency is somewhat obscured by the perennial introduction of new concepts and theorizations, possibly reflecting changing societal perspectives (as Carroll 1999 also argued).

Institutional pressures also play an important role in this story (Campbell 2007). Corporate executives find themselves increasingly under pressure from various stakeholders such as activists, media, governments, non-governmental monitoring organizations, consumers, and even other corporations, to assess the social impacts of their practices. Some of this is reflected in the notion of Corporate Social Performance (Carroll 1979, 1998; Wood 1991a, 1991b). This view pays simultaneous attention to the company’s economic, legal, ethical, as well as discretionary obligations. Part of the shift in the discussion over the years is a move away from macro-level and normative discussions about CSR to a focus on its management and its effect on profit (Lee 2008). CSR, as a result, has become “an inescapable priority for business leaders” (Porter and Kramer 2006). Since financial performance remains a non-negotiable for the survival and growth of any corporation, various scholars as well as professionals have come to insist that CSR activities, including and especially corporate giving, need to be aligned with the core competencies of the company, so that the firm can make more efficient and sustainable contributions to society while simultaneously fulfilling its economic objectives (Bruch and Walter 2005; Porter and Kramer 2002, 2006; Smith 1994).

## Strategic Philanthropy: Rationale and Practice

While corporate philanthropy may not yield direct tangible results to companies, scholars argue that it nonetheless needs to be viewed as a strategic investment which can yield significant returns to the company. This approach goes beyond merely charitable donations, to the offering of expert advice, employee volunteers, technological support, and long-term commitment to targeted social problems. What is stressed here is the interdependence of business and society: corporations, in order to thrive, need healthy societies (Drucker 2001:52; Porter and Kramer 2006:83), and need to invest in developing the context within which they operate, for the sake of their own survival.

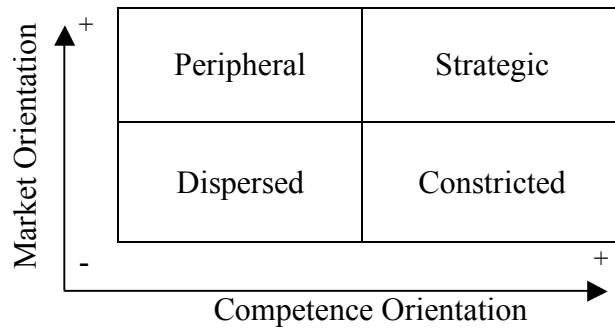
Furthermore, in today's competitive climate, without such social investment, companies will find it increasingly difficult to manage the pressure of various external stakeholders (Margolis and Walsh 2003). At the same time, unless the approach to philanthropy is strategic and deliberative, these efforts will not be sustainable, and could actually end up harming a society which depends on them. Furthermore, philanthropic activity could in a sense serve as a form of "reputational capital" (Fombrun 1996; Jackson 2004), or as a means of co-opting stakeholders (Pfeffer and Salancik 1978). As a result, as various studies confirm, the idea of strategic philanthropy has become increasingly important to managers (Buchholtz, Amason and Rutherford 1999; Post and Waddock 1995; Saiia et al. 2003; Werbel and Wortman 2000). However, there is insufficient empirical research on the way it is actually practiced (Smith 1996), and some of the literature suggests that this practice is rather weak (Brammer, Millington and Pavelin 2007; Campbell and Slack 2008; Foohey 2004; Porter and Kramer 2002, 2006).

While, as Margolis and Walsh (2003) have noted, very few attempts have been made to theorize how and why corporate giving should lead to shareholder wealth, there is abundant literature offering prescriptions on *how* strategic philanthropy should be carried out, and what returns it can produce. Quite often, specific examples from leading companies are provided as best practices.

For example, Craig Smith, in his 1994 *Harvard Business Review* article, was among the first to announce that this "new corporate philanthropy" was being carried out successfully by industry giants such as IBM, AT&T, Reebok, and several others. By linking charitable giving to corporate strategy, these companies were "corporate citizens"

who had found ways to align “a broad view of self-interest” with a commitment to the greater good (1994:107). As a result of this approach, these companies manage to “increase their name recognition among consumers, boost employee productivity, reduce R&D costs, overcome regulatory obstacles, and foster synergy among business units” (p.105). As Paul Godfrey notes in his critique of a similarly-focused article, the tendency here is to rely “on anecdotes rather than research and on specific stakeholder relationships rather than general theoretical principles and constructs” (2005:781). While rigorous empirical research and theorizing are doubtless important (Smith, for example, acknowledges the vital need for serious research in his 1996 chapter), it is important to examine this literature because it provides important insights into the motivations and rationales of practitioners committed to this approach.

Strategic philanthropy is presented as distinct from other approaches to charitable giving. Bruch and Walter (2005) provide one such typology (see Figure 2): (1) Dispersed philanthropy, which consists of mostly uncoordinated, disparate charitable initiatives without clear decision-criteria. This is typically the approach used in corporate donations and tends to be based on personal preferences of managers or board members rather than a strategic assessment of stakeholder needs and core competencies. As a result, such initiatives run the risk of being misunderstood by directors, management and employees, and of being ineffective to beneficiaries in the long run. (2) Peripheral philanthropy, which is highly oriented towards external demands and expectations and can improve company reputation, customer demand, and attractiveness to employees. But, not being tied to the company’s core competencies, these activities can seem irrelevant or superficial and are unsustainable in the long-term. (3) Constricted philanthropy, which bases philanthropic activity on the company’s core competencies but neglects to address the needs and expectations of key stakeholders. Thus, it runs the risk of being seen as irrelevant or superfluous. (4) Strategic philanthropy, which they consider the most effective approach, integrates a concern for external stakeholder and market expectations while paying attention to the company’s internal core competencies. This approach can arguably generate sustainable social benefits while also improving employee motivation and corporate reputation.



**Figure 2: Four Approaches to Corporate Philanthropy**  
 Source: Bruch and Walter (2005)

Strategic philanthropy, in this view, “can be the most cost-effective way for a company to improve its competitive context, enabling companies to leverage the efforts and infrastructure of nonprofits and other institutions” (Porter and Kramer 2000:61). The argument is not that competitive gains for the corporation can be directly traced to the social benefits of its philanthropic activity. Rather, corporate giving can contribute to the competitive context within which the company operates, simultaneously affecting (1) factor conditions (e.g., charitable contributions can be seen as an investment in educated personnel and improved infrastructure); (2) demand conditions (e.g., donations of Cisco and Apple helped improve the size of their local market and the sophistication of local customers); (3) related and supporting industries (e.g., American Express’ investment towards education in the Travel and Tourism Academies helps strengthen the industry, which benefits the company in return); and (4) policies supporting competition, such as improved governance, transparency, and other factors affecting productivity (Porter and Kramer 2002:60-62). Yet these authors insist that companies need to be focused on identifying where philanthropic activity can add value, be very selective about which grantees they support, and help them perform more efficiently. Rigorous measurement and evaluation becomes important here.

Another point that advocates of strategic philanthropy insist on is that it needs to take place at a global level. Quelch and Rangan, for example, argue that multinationals need to “shift their corporate-giving approach from charitable to strategic, and, crucially, from domestic to global” (2003:17). They recommend that global firms (1) conduct a global audit of charitable giving (cash as well as in kind) and compare them against sales, profits, and proportion of employees in that country; (2) focus on specific initiatives

which fit with the company's image and competencies, and which are not being pursued by others; (3) allocate two-thirds of global giving to these initiatives, and leave the rest to local managers' discretion; and (4) set aside a percentage of sales and/or profits for managers to allocate to strategic philanthropy, and train and evaluate managers along these lines.

### **Performance of Strategic Philanthropy**

Prescriptions aside, what evidence is there for actual strategic performance on the part of companies? Saiia et al. (2003) surveyed a sample of 126 corporate giving managers in the US in companies with established giving programs for at least five years, and who contributed at least \$200,000 annually. Nearly all managers in their sample across industries confirmed an increasingly strategic emphasis in their approach to corporate philanthropy. The shift, according to these managers, was not merely towards strategizing about philanthropy (“philanthropic strategy”) but towards actual strategic philanthropy. This distinction was proposed by Post and Waddock (1995), philanthropic strategy meaning a more systematic and methodical approach toward philanthropic processes, and strategic philanthropy meaning more deliberative effort to integrate core competencies of the company with social impact. While Saiia et al.'s (2003) study makes limited claims to generalizability, their respondents report that more professionalism is being demanded of them, in terms of evaluation standards and scrutiny of activities.

Similarly, a recent study by the Center for Philanthropy at Indiana University (2007) of 10 companies recognized as leaders in corporate giving—Boeing, Cisco, General Mills, IBM, Levi Strauss, Procter & Gamble, Starbucks, Target, Toyota and Wachovia—showed an emphasis on accountability, measurement, and maximizing social impact. While these findings are clearly not meant to be generalized to American corporations as a whole, they allow us to understand the priorities articulated by corporate giving managers in major corporations which could have a mimetic effect in other companies. Since the managers and firms were not anonymous in the study, the possibility of social desirability bias is high. Nonetheless, several of the below themes were mentioned by many respondents, and could serve as indicators of phenomena worth



further investigation. These main themes and practices emerged from interviews with executives at these firms:

- Strengthening internal / close linkages: This can be done through initiatives such as employee-directed giving (e.g., dollars for doers, employee volunteering); nonprofit board membership; customer-directed giving (cause-related marketing); and grants to local community nonprofits.
- Strengthening external / distant linkages: This involves supporting long-term, global-level commitments to important issues; for example, drinking water safety (Proctor & Gamble); HIV/AIDS prevention (Levi's).
- Holding "dialogues": This entails bringing corporations into conversation with nonprofits and the public (consumers/community members), by means of innovative communications channels (blogs, social networking websites, wikis, etc.)
- Identifying priority needs: These have to be consistent with the business' goals, and where the firm's contribution can create impact.
- Recognizing recipients as partners: This means engaging in formal long-term partnerships, rather than donor-recipient relationships; seeking out financially-stable nonprofits; and setting up clear parameters, limits and expectations.
- Discontinuing certain practices: These include sponsorships; cash-only donations; repeated funding for the same programs (to avoid dependency); and annual applications (seeking multi-year instead).
- Engaging employees at various levels of the company to spread responsibility and 'buy in': Examples here include Community Involvement Teams (e.g., Levi Strauss); training managers in philanthropic approaches; selecting partners based on the employee expertise the company can offer (e.g., Cisco); equipping employees with useful online tools (e.g., IBM); and sponsoring nationwide volunteering.
- Effective communication: Important here would be increased transparency in decision-making; online application processes with clear guidelines and specific priorities; and communicating to stakeholders in a non-boastful and non-manipulative way.
- Measuring the actual social impact of initiatives: This would mean measuring, for example, increases in literacy rates rather than number of books donated. While considered important, this factor still remains a challenge for companies.

**Table 2: Themes and best practices from interviews with corporate giving managers**  
Source: Center on Philanthropy (2007)

In addition, the professional literature provides several examples from Fortune 500 companies of what these authors consider successful strategic philanthropy initiatives. Such initiatives, they argue, have provided significant social benefits while at the same time yielding important returns to the corporation, thus adding value to both business and society. While these should by no means be considered representative of US

corporations as a whole, they are concrete examples of best-practices adopted by leading companies, which these authors hope that others will emulate:

<b>Company</b>	<b>Contribution</b>	<b>Return</b>	<b>Source</b>
American Express	Contributed to travel and tourism industry in Hungary: “executive on loan” to tourism officials; made donations to local university; provided training in tourism industry.	Company managers became well-connected to major players in industry.	Smith (1994)
AT&T	Set up family-care fund to help female employees with opening and supporting daycares.	Improved company morale; resolved disputes with unions.	Smith (1994)
Dreamworks SKG	Provided education/training for low-income students.	Company gained trained recruits; Strengthened the entertainment sector.	Porter and Kramer (2002)
Safeco	Partnered with nonprofits to provide affordable housing and better public safety.	Insurance sales increased in four test markets.	Porter and Kramer (2002)
AOL	Contributed free online resources for educators and students (AOL@school).	Company increased specialized expertise; improved long-term demand for its products.	Porter and Kramer (2002)
IBM	“Reinventing Education” program: Provided IT solutions for schools. 25% cash, 75% in-kind (research, consulting, software, equipment).	K-12 education business became profitable (which was previously not so).	Bruch and Walter (2005)
3M	Launched partnerships with universities; provided curriculum-development and infrastructure.	Company was able to train and recruit frontline talent.	Ricks and Williams (2005)
Microsoft	Entered \$50 million partnership with American Association of Community Colleges; contributed to employee volunteering and curriculum development.	Company gained trained IT workers; initiative contributed to company growth.	Porter and Kramer (2006)
Marriott	Provided 180 hours of paid classroom and on-the-job training for unemployed persons.	Recruited 90% of trainees; lowered recruiting cost; had high retention rate.	Porter and Kramer (2006)

**Table 3: Examples of Strategic Philanthropy Initiatives and their Returns to Companies**

Despite the prevalence of such examples, however, several authors argue that typical attempts at corporate philanthropy and CSR are unsuccessful. Various reasons come into play here: managers often buy into the false assumption that the business-

society relation is one of antagonism rather than interdependence; they waste money and energy on public relations efforts that are more “cosmetic” than anything else; the measurement criteria as well as data used to evaluate corporate social impact are often highly problematic (Porter and Kramer 2006:79, 80, 81). They are highly critical of cause-related marketing and, unlike Smith (1994), insist that it should not be considered strategic philanthropy (2002:58; 2006:83). Furthermore, they insist that when philanthropic activity is used simply as a means to improve corporate reputation or to satisfy various stakeholders, they end up reducing it to merely a public relations game, which is ultimately unhelpful:

A firm that views CSR as a way to placate pressure groups often finds that its approach devolves into a series of short-term defensive reactions—a never-ending public relations palliative with minimal value to society and no strategic benefit for the business. (P.82)

Studies suggest that it is likely more often the case that corporate philanthropy programs *do not* measure or evaluate the returns on their contributions, or even evaluate the work of recipient organizations after funding them (Marx 1999). This echoes Bruch and Walter’s observation that very few companies are actually able to practice strategic philanthropy: “Most companies’ philanthropic activities lack a cohesive strategy and are conducted in a piecemeal fashion, causing investments in corporate philanthropy to often simply dissipate. In most cases, executives dismiss this ineffectiveness as an inevitable part of philanthropic engagement” (Bruch and Walter 2005:49).

Additionally, despite the growing trend of the *language* of strategic philanthropy, evidence of execution has been found to be weak. Foohey (2004), for example, found that corporate philanthropy programs at American Express, AT&T, JP Morgan Chase, and PepsiCo were often not communicated well to customers and investors and that results were rarely measured or quantified. A recent global cross-sectional survey of CEOs conducted by McKinsey and Co. (2008) found that less than 20 percent of their respondents considered their companies to be very or extremely efficient at aligning business and social goals with their corporate giving activity. This suggests that the actual practice of strategic philanthropy may be much weaker than it might appear from the

discourse (also see Brammer et al. 2007 and Campbell and Slack 2008 for similar findings in the UK).

In order to avoid typical mistakes when it comes to corporate philanthropy, Bruch and Walter (2005:54-55) offer the following suggestions, which summarize the key problems as well as best practices of strategic philanthropy we have seen above: (1) Companies should track the impact of their initiatives, by specifying clear goals from the outset and assessing to what degree they are able to meet stakeholder needs and expectations as well as advancing the company's core competencies; (2) Companies should clearly define their philanthropic commitment and specify limits and exit options, in order not to become overcommitted; (3) Rather than ad hoc decisions, clear principles and guidelines need to be in place in order to better justify and evaluate decisions on philanthropic activity; (4) Effective communication with important stakeholders regarding charitable activities is crucial for these efforts to be sustainable.

## Employee Volunteering

In addition to charitable donations of monies, an increasingly important form of corporate giving involves time and expertise, in the form of employee volunteering. Several companies have adopted employee volunteer programs (EVPs), in which companies sponsor employees to spend time volunteering, typically in partnership with local nonprofit organizations. The phenomenon, however, is relatively recent, and as de Gilder et al. (2005:144) note, there is very little available in terms of serious empirical research or theory on employee volunteering. While empirical research on employee volunteering programs (EVPs) is sparse, the available literature suggests several benefits of EVPs.

### Returns on Employee Volunteerism

According to Peloza, Hudson and Hassay (2008), employee volunteering can (1) signal to stakeholders a greater degree of commitment on the part of the firm to the cause at hand, which in turn can yield greater rewards from the market (Drumwright 1996; Ellen et al. 2000; Hess et al. 2002); (2) allow the company to meet social and economic goals simultaneously by strategically contributing its expertise (Porter and Kramer 2002); and (3) improve recruitment and retention of employees (de Gilder et al. 2005; Turban and Greening 1997; Berger et al. 2006; Lindgreen and Swaen 2005).

In 2006, Deloitte Inc. and the Points of Light Foundation conducted a nationally representative survey on employee volunteering in nonprofits (Table 4). *The 2006 Deloitte / Points of Light Volunteer IMPACT Study*, based on a nationally representative sample of 750 white-collar workers and 200 nonprofit directors and managers, found that the majority of nonprofit leaders considered volunteers' workplace-skills as being valuable, and that they would benefit significantly if these corporate volunteers skills could be targeted towards improving the practices of their organizations. However, less than 40 percent of these nonprofit leaders reported that they worked with corporate volunteers, and even fewer reported utilizing these employees' specific work-skills. Unfortunately, since the study does not report response rates or the sampling frame of companies and industries selected for the study, it is not clear how generalizable these results are and whether there might be any systematic biases.

**Key Findings of the 2006 Deloitte / Points of Light Volunteer IMPACT Study**

- 90% of nonprofit leaders considered volunteers' workplace skills as valuable to the nonprofit.
- 77% of nonprofit leaders said they could benefit significantly from corporate volunteers focused on improving their organization's practices, but only 57% reported that they were actually effective in using their volunteers' workplace skills to this end.
- 62% of nonprofit leaders reported they did *not* work with any companies that provided volunteers.
- 12% of nonprofit leaders reported matching tasks with volunteers' specific work-skills.
- 73% of employee volunteers considered their workplace skills as valuable to the non-profit.
- 40% of volunteers reported actively seeking opportunities to use their workplace skills when volunteering.
- 40% of employee volunteers believed that the greatest contribution their company could make to their community was to allow employee volunteering (37% stated financial donation).
- 29% of volunteers believed that what their non-profit organizations could benefit from the most was their specific workplace skills.
- Only 19% of volunteers reported primarily using their workplace skills while volunteering.
- 63% of volunteers claimed that volunteering had positively affected their careers.

**Table 4: The 2006 Deloitte / Points of Light Volunteer IMPACT Study**

Source: Deloitte (2006)

Another study conducted by Deloitte (2007) on a sample of 1000 young adults (18-26 year olds) focusing on recruitment claims that 62 percent of young adults say they would prefer to work for companies which give them volunteer opportunities with nonprofits. Eighty percent of this sample identified themselves as volunteers already. The study was conducted online and based on a nonrandom sample, and since we know little else about the sample and about the various sources of error and bias, we cannot infer much from its conclusions. This only serves to reinforce the need for rigorous empirical research.

### **The Business Case for Volunteering**

In making the business case for volunteering, a report put together by the Points of Light Foundation (2005) notes that EVPs can generate returns on investment by improving employee morale and loyalty, recruiting, skills development, and company image and reputation. However, there seems to be precious little reported in terms of ways to measure the impact and outcomes of employee volunteer programs, and they note that EVP managers are typically reticent to measure outcomes. What they propose is

a strategic approach to measuring the effectiveness of EVPs, which involves (1) developing a relevant conceptual framework by identifying the key business goals of the EVP (i.e., deciding on the specific return on investment that the company wants to achieve) and collaborating with stakeholders to communicate the impact of what is proposed; (2) clearly defining the questions which need to be answered to determine whether the EVP is meeting its goals, as well as the measurement scheme (i.e., what metrics will answer the questions, and what data collection methods to use). Here they recommend building on existing metrics and established procedures and modifying or innovating if needed; (3) implementing the measurement scheme to test the conceptual framework (Is the EVP meeting the goals identified? If yes, then communicate this clearly to stakeholders; if no, then modify the EVP). Involving key stakeholders in the measurement process from the very beginning is crucial in order for the data to be seen as relevant to the company (Points of Light 2005).

### **What do Successful EVPs Look Like?**

In 2005 and 2006, the Points of Light Foundation organized a series of Awards for Excellence in Workplace Volunteer Programs, during which 36 companies were selected by an independent panel of judges as being “Excellent EVPs.” While no information is provided about which firms were evaluated and under what criteria, the list includes recognized firms such as Accenture, Cisco, Deloitte & Touche, Hasbro, and others, which make the reports worth examining.

Despite the significant variation in the structure of successful EVPs, the Points of Light Foundation (2007a) notes that most of them share several key structural elements: “an organizational home that is community-oriented, such as a community relations department or company foundation; a program name; one or more employee volunteer councils; and an operating budget of over \$45 per employee for workplaces with 10,000 or fewer employees, and of over \$14 per employee for workplaces with more than 10,000 employees” (2007a:4).

Volunteer activities in these “Excellent EVPs” involve on average 32 percent of employees, who volunteer 16 hours a year. These firms pay attention to promoting business benefits (improved employee morale, teamwork, company image, and

workplace skills); incorporating volunteering into other business functions (e.g., professional development, customer relationship management); and offering group events, ongoing volunteer opportunities, and in-office volunteering. Such activities need to be aligned to the company mission, and to be supported as priorities. Certain companies dedicate a “day of service” every year; others loan out employees to do full-time paid volunteer work; others offer travel service sabbaticals and structured skills-based volunteering (Points of Light 2007b).

In terms of policies and procedures, they noted that “Excellent EVPs” were characterized by three key policies: “Release time for volunteering, dollars-for-doers grants, and employee awards programs” (Points of Light Foundation 2007c:4).

According to the Points of Light Foundation (2006a), the top trends affecting EVPs today are: (1) Recognizing the importance of skill-based volunteering; (2) Active rebranding efforts of companies to overcome stereotypical image of volunteers and to present volunteering as attractive; (3) An increase in disaster-response volunteering; (4) Increasing focus on diversity (racial, ethnic and cultural); (5) Cause-focus (e.g., taking initiative to understand key social issues and working towards solutions); (6) Aligning volunteering to business objectives; and (7) Developing effective measures of results and outcomes—which remains the key challenge.

### **Motivation and Participation**

In their study, de Gilder et al. (2005) set out to examine the motivating factors as well as impacts for employees of an employee volunteering program at ABN AMRO in the Netherlands. Using a survey instrument, they compared employee volunteers in the program (who volunteered on company time) with those who do not volunteer, as well as those who volunteer only in their free time. Their results showed that the program and the experience of volunteer work was very positively reviewed by participants. Additionally, they found that people whose colleagues engaged in volunteer work were more likely to volunteer themselves, although they admitted that the direction of influence here cannot be clearly established (2005:150). One of the weaknesses of their study, they as they themselves have acknowledged, is that the differences between the three groups that the authors are interested in examining are very small. The specificity of their case study, the



small response rate (40 percent overall), the fact that it was conducted rather soon after the EVP was started, and the limited amount of time that employees dedicate to this program (36 hours a year) are other important limitations of the study. These authors also raise some possible negative effects, which did not appear in this study, but merit examination in future studies on the topic: such programs could attract unproductive or unmotivated employees, or create tensions between those who participate in this program and those who do not (de Gilder et al. 2005:150-151).

While several US firms report that they have adopted EVPs, the rate of employee participation in these programs is rather low—typically between 5 percent to 30 percent (Rog, Pancer and Baetz 2003)—reflecting the fact that recruitment of employees into such programs is not all that successful, and that managers need to better market these programs to employees (Peloza et al. 2008). But what motivates employees to participate in EVPs? In a survey of 429 employees from nine companies, Peloza et al. found that employees were primarily motivated by what they call “egoistic motives,” e.g., doing something different from the routine; career-related benefits; and social interaction. An interesting finding of their study is that employees seem to value meeting new people outside their work-group *more* than interacting with their co-workers. In addition, they find that among these individuals, EVPs did not have a cannibalistic effect on other forms of volunteering or even charitable donations (Peloza and Hassay 2006 reported similar findings). Future research would do well to investigate whether such findings are more broadly generalizable, as well as whether the gains reported by employees differ in any way from their motivations and expectations for participating in EVPs.

Clearly, much more research needs to be done into EVPs in order to assess their effectiveness as well as social impact. While it perhaps may be the case that companies which “do not leverage employee volunteering ... may be foregoing substantial gains,” it is important to recognize that “more rigorous studies are necessary to truly establish the factual case and to identify what employee volunteer program components lead to which benefits” (Points of Light Foundation 2006b:3).

## Reputation

Whether explicitly stated by authors or not, one of the key mechanisms by which corporate philanthropy is assumed to contribute to shareholder wealth is by improving the firm's reputation. Wartick (2002:374) notes that perhaps the most widely used definition of corporate reputation is that of Charles Fombrun: "a perceptual representation of a company's past actions and future prospects that describes the firm's overall appeal to all of its key constituents when compared with other leading rivals" (1996:72). This construct of reputation, according to Fombrun and Shanley, represents "publics' cumulative judgments of firms over time" (1990:235), which reflects the ability of these firms to meet the expectations of its various stakeholders. Their study provided empirical support that the level of charitable giving and the presence of a corporate charitable foundation were positively associated with corporate reputation, a result which several subsequent studies have confirmed (e.g., Brammer and Millington 2005; Fombrun 1996; Himmelstein 1997).

How does reputation link corporate philanthropy to shareholder wealth? According to Godfrey (2005), it does so by serving as a form of reputational or moral capital. When stakeholders positively evaluate organizational actions as well as the imputations about the organization and its actors, philanthropic activity can generate what he calls positive "moral capital." This moral capital can then serve as a form of insurance to protect the firm's relational assets, by mitigating the negative assessments and sanctions that can result when the firm's actions adversely impact these stakeholders' interests. Yet, this mode of insurance can work only when the firm's actions are perceived as sincere and not ingratiating.

Since the concept of strategic philanthropy lacks a clear stopping rule—terms such as "strategic" or "stakeholder interest" are too fuzzy and are rather unhelpful when it comes to definitional clarity—he draws on risk-management principles and insurance theory in order to identify an "optimal level of philanthropic activity" that a firm needs to undertake in order for it to generate value (Godfrey 2005:782-783). Thus, the link between corporate giving, moral capital and shareholder wealth is drawn out in a series of testable propositions, listed on the following page:

**Philanthropic Activity and Moral Capital: Godfrey's (2005) Propositions**

1. Philanthropic activity that is (a) highly consistent with the community's ethical values will lead to greater positive moral evaluation in that community; (b) in opposition to the community's ethical values will lead to its negative moral evaluation; (c) neutral toward the community's ethical values will produce a neutral moral evaluation.
2. (a) The more a community views a company's philanthropic activity as genuine reflection of its motivations and character, the greater the firm's positive moral evaluation. (b) Conversely, if its philanthropic activity is viewed by the community as inauthentic, instrumental or ingratiating, its moral evaluation in that community will be more negative.
3. High act-based and actor-based positive moral evaluation by a target community will lead to greater positive moral capital generated by the philanthropic activity.
4. Positive moral capital mitigates degradation in the firm's relational wealth when bad acts (i.e., offensive to some stakeholder) occur.
5. Positive moral capital mitigates severity of stakeholders' sanctions against the firm when bad acts occur.
6. Philanthropic moral capital will have: (a) the least *mens rea* value when it contradicts salient examples of the firm's moral behavior; (b) moderate *mens rea* value when it reinforces such moral capital based on the firm's behavior in other areas; and (c) the highest *mens rea* value when the firm's moral capital or evaluations on its firm's behavior in other areas are ambiguous.
7. Companies with higher levels of relational wealth will have a higher optimal level of philanthropic activity than those with lower relational wealth.
8. Companies with higher firm-specific risk profiles will have a higher optimal level of philanthropic activity than those with lower ones.
9. Companies with higher industry-specific risk profiles will have a higher optimal level of philanthropic activity than those with lower ones.

**Table 5: Theoretical Propositions on Philanthropic Activity and Moral Capital**

Source: Godfrey (2005:784-792)

Empirical evidence supporting some of Godfrey's propositions can be found in several studies. Williams and Barrett's (2000) study provided empirical evidence of a positive relationship between corporate giving and reputation, showing that the positive effect of philanthropy on reputation is stronger for companies that violate regulations (environmental, health and safety). This suggests that philanthropy might serve as an attempt to boost company reputation after it has committed illegal actions. They note that such reparation of the firm's reputation is possible only partially.

Similarly, Chen et al.'s (2008) study showed that levels of corporate giving were higher among those who ranked worst on the KLD index for environmental issues and

product safety, which suggests that corporate philanthropy could have been used as a means of rebuilding a tarnished reputation. In Gan's (2006) study, corporate giving rates were significantly related to government scrutiny (court cases), and the effect was further amplified when these cases had media coverage. Similarly, Werbel and Wortman (2002) in their study found that philanthropic activity over time tends to increase following negative media exposure. These studies provide some support for Godfrey's (2005) notion of moral capital.

Patten's (2007) research on the response to the 2004 tsunami relief effort by 79 US companies found that companies that announced larger monetary contributions generated more positive market reactions than those who made smaller donations, with the curious exception of companies that donated exactly \$1 million (2007:605). This possibly reflects a market perception of the \$1 million gift as simply an attempt to garner goodwill, which would provide support for Godfrey's (2005) argument that in order to add value to the firm, corporate giving needs to be perceived as a genuine commitment on the firm's part. However, these firms did not suffer any negative market reactions, which Godfrey (2005) also hypothesized.

Some suggest that corporate giving has a "signaling effect" about the firm's credibility (Fisman, Heal and Nair 2006). In industries where competition and advertising intensity are high, there is a positive relationship between corporate giving and profits; conversely, when these are low, the relationship is negative. Thus, philanthropy might serve as a signaling device to indicate the reliability of the firm and its products (Fisman et al. 2006).

Another way in which reputation might play an important role in generating shareholder wealth is when it comes to recruitment. Turban and Greening (1997) examined the relationship between a firm's social performance and the perceptions of its reputation and attractiveness as an employer. For CSP ratings, they relied on the Company Profiles index developed by Kinder, Lydenberg and Domini (KLD), which rates firms on nine dimensions of social performance, five of which are used for research: community relations (including charitable giving), treatment of women and minorities, employee relations, treatment of the environment, and quality of services and products. Controlling for firm size and profitability, the authors found that higher CSP was

associated with higher reputation and attractiveness-as-employers. Their approach was modified and replicated by Albinger and Freeman (2000), who found a positive statistically significant relationship between job-seekers' perception of the attractiveness of a potential employer and the social performance of a firm (measured by KLD index). Furthermore, the strength of this relationship was seen to increase with the degree of job-choice (based upon educational background). This suggests that CSP can be a source of competitive advantage to attract more highly qualified job candidates. It is not clear from these recruitment studies, however, to what degree the effect of charitable giving *alone* matters: the use of aggregate measures of CSP in these studies leaves us unable to assess the differentiated effects of corporate giving. Such efforts are all the more important in light of Chen et al's (2008) study which shows a negative relationship of corporate giving with certain other CSP measures. More work needs to be done when it comes to defining and conceptualizing corporate reputation, and Wartick (2002) is worth quoting here:

As we use existing or developing measures of corporate reputation, are we really measuring what we want? Do the data focus on what we want and need to know? Are the measurement devices valid and reliable? As Fombrun (1998) noted, "a true reputational index... can only result from sampling a representative set of stakeholders on a *conceptually relevant* [italics added] set of criteria" (p. 338). How do we know that which is conceptually relevant when such a small amount of well developed theory exists? (P. 389)

## The Bottom Line: Philanthropy and Financial Performance

A key question which has preoccupied researchers is the relationship between corporate social performance (CSP), which includes corporate philanthropy, and financial performance (CFP). Several reviews analyzing this literature alone have been published in recent years (Aldag and Bartol 1978; Arlow and Gannon 1982; Aupperle, Carroll, and Hatfield 1985; Cochran and Wood 1984; deBakker et al. 2005; Griffin and Mahon 1997; Margolis and Walsh 2001, 2003; Orlitzky, Schmidt, and Rynes 2003; Pava and Krausz 1996; Preston and O'Bannon 1997; Richardson, Welker, and Hutchinson 1999; Roman, Hayibor, and Agle 1999; Wokutch and McKinney 1991; Wood and Jones 1995).

Much of the literature is interested in one aspect of the direction of this association; studies either focus on whether corporate social performance and corporate philanthropy contribute to or detract from profitability (e.g., Bowman and Haire 1975; Sturdivant and Ginter 1977) or whether profitability leads to increased philanthropy, what is known as “slack resource theory” (e.g., Seifert et al. 2004; Useem 1988; Waddock and Graves 1997). Very few studies have attempted to assess the relationship in both directions. Margolis and Walsh in their 2003 *Administrative Sciences Quarterly* article assessing 30 years of research list 127 studies which try to empirically assess the relationship between CSR/CSP and financial performance. Table 4 below presents a summary:

### **Summary of empirical studies on CSP-CFP relationship, 1972-2002**

- Growing number of empirical studies on the topic
  - 1970s: 17 studies; 1980s: 30 studies; 1990s: 68 studies
- **1972-2002: 127 studies**
  - 109 studies (85.8%) assess the impact of CSP on CFP
    - 54 (49.5% of 109) report positive statistically significant relationship
    - 7 (6.4% of 109) report negative statistically significant relationship
    - 28 (25.7% of 109) report non-significant relationships
    - 20 (18.3% of 109) report mixed findings
  - 22 studies (17.3% ) predict impact of CFP on CSP
    - 16 studies (72.7% of 22) report a positive relationship

**Table 6: Summary of findings of empirical studies on CSP-CFP relationship**

Source: Margolis and Walsh (2003:273-274)

## **Does Corporate Philanthropy Benefit the Bottom Line?**

The typical approach to answering this question has been to simply count the numbers of studies which show positive, negative, or inconclusive results (e.g., Griffin and Mahon 1997; Margolis and Walsh 2001). Several reviewers have argued on this basis that the results in the aggregate are simply inconclusive; in fact, reviewing the very same set of studies has led researchers to vastly different conclusions (Griffin and Mahon 1997; McWilliams and Siegel 2001; Roman et al. 1999).

An important factor which contributes to this lack of clarity, these reviewers note, is the tremendous degree of variation across these studies when it comes to the measures and standards used to assess social performance (e.g., various reputation rankings, charitable donations, etc.) or financial performance (e.g., accounting measures, market measures, various combinations). There is very little replication of existing measures and scales, which poses questions for their reliability and validity. In addition, there are sampling problems; e.g., industry-specific effects are often lost because most of studies are conducted using large cross-sectional samples across many industries. Frustrated by such inconsistencies, some scholars even called for a moratorium on research of this topic (Margolis and Walsh 2001).

However, Orlitzky et al. (2003) argue that drawing such conclusions on the basis of such vote-counting is erroneous, because it effectively takes these studies at face-value, disregarding their various theoretical and methodological problems. As an alternative, they argue that psychometric meta-analysis can take such deficiencies into account, allowing them to assess these previous findings in a more accurate way. This allows them to reassess the studies and draw the below conclusions from the literature:

(1) across studies, CSP is positively correlated with CFP, (2) the relationship tends to be bidirectional and simultaneous, (3) reputation appears to be an important mediator of the relationship, and (4) stakeholder mismatching, sampling error, and measurement error can explain between 15 percent and 100 percent of the cross-study variation in various subsets of CSP–CFP correlations. (P. 427)

Part of what may explain some of the ambiguity in the findings is that the CSP-CFP relationship has both positive and negative elements. Here some have posited an inverse-U shaped relationship between corporate philanthropy and financial performance (Barnett and Solomon 2006; Bowman and Haire 1975; Sturdivant and Ginter 1977), and

a recent study of 817 firms over a 13-year period shows strong empirical support for this proposition (Wang, Choi and Li 2008): corporate philanthropy contributes to financial performance only to a certain point, upon which increasing philanthropy has a negative effect on financial performance. In addition, they have found that industry dynamism has a strong moderating effect, i.e., firms operating in more turbulent competitive environments can benefit more from philanthropy.

However, as Van der Laan et al. (2008) note, even if we accept the positive sign on the CSP-CFP relationship, we still do not know enough about the mechanisms which drive this relationship. Wang et al. (2008) have proposed that philanthropy can lead to better signaling of reputation and increased cooperation and support from stakeholders, which in turn leads to more control over critical resources. In addition, negative effects of corporate philanthropy can be due to direct costs (e.g., too much giving) as well as agency costs. This latter aspect is stressed by Brown et al. (2006), whose study finds that corporate philanthropic activity is positively associated with board size and negatively associated with debt-to-value ratios (see also Brammer and Millington 2005 here), from which they suggest that philanthropic activity could be a sign of agency costs (i.e., managers and directors are under less scrutiny and can give more to their preferred causes). Similarly, Wang et al. (2008:143) note that another difficulty in finding definitive financial impacts of corporate philanthropy is because firms may engage in philanthropic activity for reasons which may not have financial implications. For example, it may be primarily because top managers may belong to certain social networks where others do the same (Galaskiewicz 1991; Marquis et al. 2007), or because other firms in the industry engage in such philanthropic activity (Galaskiewicz and Burt 1991).

### **What are the predictors of corporate giving?**

Carroll (1979, 1991) places corporate philanthropy at the top of the CSR pyramid, as a discretionary responsibility over and above economic, legal, and ethical obligations. As a result, it could be expected that there would be little pressure on executives to exercise such responsibilities—for example, to meet the demands of charities—and so managers may choose to be charitable if they have abundant or slack resources (Waddock



and Graves 1997). Seifert et al. (2003) examined the effect of available resources (operationalized as cash flow) on philanthropic activity, using multiple measures of corporate philanthropy (cash and non-cash) as well as financial performance (accounting-measures as well as market-measures), and found a positive but not statistically significant relationship. Similarly in a later study, the same authors found that firms with more slack resources (cash flow / sales) contributed relatively more (annual donations / sales) (2004:150). While they found no significant effect of philanthropy on financial performance, they found a negative effect of ownership concentration (number of blockholders) on donations and a positive effect of differentiation (selling, general and administrative expenses as a percentage of sales) on donations.

Another key factor that affects corporate giving is firm size (Amato and Amato 2007; Boatsman and Gupta 1996; Galaskiewicz 1997; Wood and Jones 1995). While some studies did not show a statistically significant relationship of firm size with corporate philanthropy (Seifert et al. 2004), Amato and Amato's (2007) research confirms a cubic relationship between firm size and the level of giving. This means that that for small firms, generous corporate giving is important for building customer relationships at the local-community level which are needed for competitive advantage. For large firms, on the other hand, which deal with more public visibility and scrutiny, corporate giving can serve as a means of acquiring the necessary goodwill, making reparations to tarnished reputations, and so on, which provides support for the arguments of Williams and Barrett 2000 and Godfrey 2005 (Amato and Amato 2007). To put it simply, financial slack can afford a company moral slack.

### **Other problems to consider**

There are other factors which affect corporate giving rates. For example, Gan's (2006) study found a significant relationship between governmental scrutiny (i.e., court cases) and corporate giving rates. Interestingly, the less-publicized cases (involving agencies such as the EPA, FDA, FTC, etc.) have a negative effect on giving, suggesting that these companies begin to divert their funds elsewhere. On the other hand, news and media coverage has a significant positive effect on corporate giving, and this is amplified further in tandem with government agency court cases (those involving the federal

government having the most impact). However, this study also found evidence that situations of greater need (e.g., reflected by GDP, poverty rates, etc.) had a significant impact on corporate giving, suggesting that corporate philanthropic motives are not purely instrumental but also altruistic. Similarly, other studies show that legislative, environmental, and organizational factors matter as well. For example, unionized firms tend to give more; firms with institutionalized giving programs support education more; and higher tax rates are significantly associated with increasing local orientation of corporate philanthropy (Guthrie et al. 2008:870-871).

Some scholars have also argued that any relationship between corporate philanthropy and financial performance is possibly spurious. McWilliams and Siegel (2000) found that the effect of CFP on CSP became neutral upon introducing R&D intensity: firms committed to CSR also invest in R&D. Choi and Wang (2007) also note a spurious effect between philanthropy and financial performance, because both commitments arise from an underlying set of *managerial values*. The implications of this view are that “the constraints imposed on managers who value benevolence and integrity may be costly, because these constraints will also reduce the potential financial benefit that these managers can bring to the firm and its shareholders” (p. 354). They note that this view resonates with the argument of Werbel and Carter (2002) that imposing agency constraints on corporate decision-makers may in fact ultimately lead to negative financial consequences.

A further complication arises when we consider the problematic tendency in the literature to treat the notions of CSP and CSR in a monolithic fashion, as Barnett and Salomon (2006) have pointed out, which prevents us from seeing divergent and contradictory elements within these constructs. Most of the studies above have included corporate philanthropy as a dimension of CSP or CSR in trying to assess whether these either lead to improved financial performance or are a result of financial performance. But is corporate philanthropy really an indicator of social responsibility or social performance? In order to examine the relationship between corporate giving and social performance—the former being typically assumed as the top of the CSP pyramid (Carroll 1979, 1991)—Chen et al. (2008) examine the relationship between corporate philanthropy and other dimensions of CSP: employee relations, environmental

performance and product safety (using the KLD index). Their findings indicate that when it comes to environmental performance and product safety, a larger percentage of firms that perform *worse* on the social performance dimensions make donations than those without such problems. Furthermore, the *extent of giving* is greater for these firms who perform worse.

While it is not surprising that firms attempt to use philanthropy as a means to mitigate reputational harm (Williams and Barrett 2000), such findings seriously call into question the typical conceptualization of corporate giving as synonymous with social performance. In cases where corporate philanthropy is used as a tool of legitimization (Downling and Pfeffer 1975), it might allow companies to get away with poor social performance (Chen et al. 2008; see also Patten 2002). In such cases, equating corporate philanthropy with CSP—especially considering that indexes such as the KLD include philanthropy as a measure of CSP—is shown to be highly problematic.

Overall, in light of these considerations, these results are not easy to assess. However, scholars have also pointed out that there has been simply too much emphasis on finding a pragmatic solution to the CSR debate, in the absence of adequate theorization and conceptualization. As a result we are faced with the frustrating challenge of trying to compare diverse and at times incompatible conceptualizations. As Margolis and Walsh (2003:278) note, “The imperfect nature of these studies makes research on the link between CSP and CFP self-perpetuating: each successive study promises a definitive conclusion, while also revealing the inevitable inadequacies of empirically tackling the question.”

David Vogel questions what he considers the seeming obsession of CSR advocates to *prove* that CSR is *always* good business sense: “[E]ven if it were possible to convincingly demonstrate a positive causal link between CSR and business financial performance, it is unclear what this would prove” (2005:34). The fact that some companies can be profitable because of being socially responsible or engaging in philanthropic activity does not necessitate that their competitors would fare just as well by emulating these practices. Whether or not there is a positive significant relationship between corporate giving and philanthropy, Vogel argues, is completely irrelevant to making a business case for corporate giving: if marketing and advertising expenditures,

for example, can in themselves tell us nothing about whether a firm is profitable or not, it is unreasonable to imagine that data on philanthropy will be such a predictor: “Why should we expect investments in CSR to consistently create shareholder value when virtually no other business investments or strategies do so?” (Vogel 2005:33)

This does not mean that the research endeavor should be abandoned. Rather, as Lee (2008) notes, perhaps a focus on proving the allegedly obvious, pragmatic returns on social investment has entailed a neglect of more fundamental theorizing about the phenomenon at hand. In similar vein, Margolis and Walsh caution budding researchers “[b]efore rushing off to find the missing link between a firm’s social and financial performance, all in hopes of advancing the cause of social performance,” to take more seriously the task of reexamining our assumptions and theories about the nature of the relationship between business and society (2003:297). In other words, unless we examine first things first, we are bound to run into insurmountable obstacles.

## Directions for Future Research

The various gaps and recommendations in the literature reviewed, and especially concerns with methodological problems (see Appendix) point to several avenues for future research:

1. Better conceptualization and operationalization of notions such as social impact or performance. This would also entail more focus on theorization, especially in order to understand what possible causal mechanisms could link philanthropy, social performance, and financial performance, and under what conditions. Such theoretical work is especially needed on employee volunteering. Conceptual and definitional clarity should contribute to better and clearer measurement criteria, especially with regard to notions such as “social performance” or “social impacts.” In addition, researchers have noted that it would be especially helpful to further assess the relationship between corporate philanthropy and other elements of corporate social performance (e.g., corporate governance and community relations).

2. Scholars have noted the need to replicate existing scales in order to assess validity. Also, existing theoretical propositions posited by various studies merit further testing.

3. More studies are needed to examine industry-specific and firm-specific factors when it comes to the effects of corporate giving. Several studies have focused mainly on large firms, and it is important to assess differences in small and medium sized firms. Furthermore, it would be helpful to examine in more detail at specific relationships between corporations and beneficiaries, to possibly assess the corporate “footprint,” and also to look at differences across beneficiaries.

4. Scholars have also pointed out the need for more detailed comparative studies across sectors/industries in order to examine such cross-sectoral differences. Similarly, since several authors have emphasized the need for global-level corporate giving, scholars have expressed the need for more cross-national research on corporate giving.

5. Serious efforts should be made to improve response rates in surveys. In cases where this is not possible, care should be taken to look into possible systematic biases, and not to over-generalize findings.

6. Interview-based studies, especially those which report names of organizations and individuals interviewed, should be especially wary of asking leading questions and the possibility of social desirability bias in responses.

7. Several studies have been conducted using large-N samples which are not nationally representative. There is also an abundance of cross-sectional studies along this vein, and a paucity of longitudinal studies. Future research should prioritize longitudinal and nationally representative endeavors.

8. Since several authors have complained about the limitations of popularly used databases such as the *Fortune* survey and the KLD index, efforts should be made to develop better datasets which are not subject to these flaws. Efforts should also be made to include noncash giving measures.

9. Several authors have pointed to the need for studies of the internal processes of strategic philanthropy across firms, and the possible role of organizational cultures in this regard. Ethnographic studies would be particularly helpful in shedding light on these dimensions.

10. There seems to be an unfortunate gap between literatures in academic journals, professional journals, and various research institutions dedicated to studying corporate philanthropy. In order to further the state of knowledge and research, it would be important to improve communication and collaboration between these diverse avenues of research. It has been one of the aims of the present review to contribute towards bridging this gulf.

## Appendix: Methodological Concerns

Several important concerns about methodology, data, sampling and measurement are raised in the literature:

### 1. Conceptualization

Several authors have pointed to the lack of adequate theorization on CSR, CSP, the causal mechanisms which link corporate giving to financial performance, reputation, volunteering, and the various other issues we have examined in this review (e.g., Godfrey 2005; Margolis and Walsh 2003; Vogel 2005; Wartick 2002). As some have suggested (Lee 2008; Vogel 2005; Margolis and Walsh 2003), many of the problems in the literature are a result of a pointless chase for definitive pragmatic solutions to the business-society debate. Without an adequate theoretical foundation, it becomes impossible to develop sound concepts and constructs which can be clearly defined and operationalized.

An example of the problem of definitional clarity is pointed out by Wartick (2002) in his analysis of the definition of reputation. He notes that while reputation is necessarily a perceptual measure, it can be quite problematic to conceptualize it as a grand aggregation of stakeholder perceptions, as is commonly done (Fombrun 1996). To do so runs into the danger of equating as synonyms different categories of perception (image, identity, standing, reputation), or implicitly assigning equal value to all the stakeholder groups of a corporation (Wartick 2002:375-378). To illustrate the problem this causes, he provides a hypothetical example where three companies, A, B, and C, are given different rankings on a scale of 0-10 by various stakeholders: owners, employees, customers, suppliers, and community. If we were to simply add these scores, the company which wins in the sense of having the highest aggregate score turns out to be the one that was ranked no more than a 5 or 6 by each stakeholder, whereas each of the other two were highly favored by some stakeholders and disliked by others. While a solution to this problem would be to add weights (e.g., weighting owners at 0.5, employees at 0.2, and each of the others at 0.1), it no doubt raises the question about what the basis of the weighting scheme should be. While he does not propose to solve this problem, Wartick calls our attention to the common tendency to set out to measure

concepts without adequate definitions in place, and thus with an inadequate sense of what we are trying to measure (2002:376-380).

## **2. Measurement issues**

Aside from definitional problems, there are measurement problems in the data which make comparison very difficult. For example, in measuring financial performance, different studies use either accounting-based or market-based measures. Additionally, some companies engage in nonmonetary (in-kind) charitable giving, which often is unreported. Similarly, the inconsistent use of diverse proxies and measures of social performance poses a problem.

Such problems plague even some of the studies which are frequently cited supportively. For example, one such study (Bowman and Haire 1975) used the proportion of lines in the annual report dedicated to CSR as a proxy for corporate citizenship. In assessing the relationship between this count and the firms' 5-year ROE, they found a U-shaped relationship between CSR and financial performance. However, relying on line-count measures as an indicator of corporate citizenship and ROE as a financial measure (which reflects not just profitability but also leverage) are misleading, as Aupperle et al. noted (1985:452).

Another problem cited frequently in reviews of the literature is the variety and inconsistency in measures of concepts such as financial performance and social performance. For the former, studies use various accounting-based and market-based measures, usually in combination. In their review of 25 years of research, Griffin and Mahon (1997:11-13) list 80 different measures of financial performance used, of which over 70 percent were used only once; as a result, it is difficult to say much about the validity and reliability of many of these.

In measuring social performance, studies rely variously on environmental awards; mutual funds screens; the Council on Economic Priorities (CEP) ratings; the Kinder, Lydenberg and Domini (KLD) ratings; *Fortune* reputation survey ratings; or charitable donations. The latter category itself includes a range of possible sources—self-reported donations; the Corporate 500 Directory; the Taft Corporate Giving Directory—



and while most studies don't include noncash giving, some attempt to construct proxies, such as donations from the firm reported by recipients).

Researchers have noted several problems with some of these indexes. The *Fortune* MAC survey, while used in several important studies (McGuire et al. 1988; Fombrun and Shanley 1990; Wokutch and Spencer 1987) has come under much criticism for its “perceptual limitations and ambiguity” (Griffin and Mahon 1997:14; cf. Carroll 1991; Wokutch and Spencer 1987; Wokutch and McKinner 1991), and for a possible “halo effect” (Perry 1994, 1995a, 1995b, all cited in Wartick 2002:382).

The Kinder, Lydenberg, Domini and Co. index (KLD), while offering the advantage of multiple rating criteria for social performance, lacks a weighting scheme (Waddock and Graves 1994; Vogel 2005:31). Furthermore, companies' products can simultaneously be rated as a strength and weakness, which “effectively nullifies any adverse effects or potential benefits of a company's product line, so long as the company is diversified enough to have a broad product line” (Griffin and Mahon 2007:15). Furthermore, its various dimensions are collapsed into a single index in some studies, which masks important differences and problems, such as the association of high corporate giving with poor environmental and safety performance noted by Chen et al. (2008). Griffin and Mahon in their study found that the *Fortune* survey and the KLD seemed to be measuring similar things, and raised suspicions as to whether KLD was measuring image or reputation more than social performance (1997:26).

Porter and Kramer (2006:81) have also questioned the problem of diverse and inconsistent measures of what are allegedly the same construct. In assessing social impact, people can use indexes which use vastly different criteria, e.g., the Dow Jones Sustainability Index (which includes economic performance in its index, and weights customer service nearly 50 percent more than corporate citizenship) or the FTSE4Good Index (which includes neither economic performance nor customer service). Furthermore, even if criteria and weightings can be decided upon, there is the problem of assessing whether the criteria have been met. Here they note that “[m]ost media, nonprofits and investment advisory organizations have too few resources to audit a universe of complicated global corporate activities. As a result, they tend to use measures

for which data are readily and inexpensively available, even though they may not be good proxies for the social or environmental effects they are intended to reflect” (2006:81).

### **3. Sampling**

Most empirical studies on the matter, as Griffin and Mahon (1997) point out, focus mostly on large cross-sectional samples across multiple industries. What is consequently neglected is the importance of industry-specific contexts, and the significant variation across industries in industry effects on social and natural environments, as well—a fact which several other scholars have pointed out (Wokutch and Spencer 1987:74; Davidson and Worrell 1990:8; Carroll 1979:501). Griffin and Mahon’s (1997) contention is that the diversity across industry contexts (i.e., specific industry-effects, which previous multi-industry studies neglected) could have been masked.

Conversely, other studies have too small a sample to allow generalizability. There is a concern especially with data from studies in which the respondents can be identified (e.g., the corporate giving manager of the named company). These are likely to be subject to biases such as social desirability, and self-reported data in such cases should at least be verified with other sources.

Results when reported without such considerations can be rather misleading. For example, a recent Financial Times report that corporate charitable giving in the US went up by 5.6 percent (Financial Times 2008) is based on a survey of member companies of the Committee Encouraging Corporate Philanthropy, an international forum of CEOs dedicated to this cause. Clearly the representativeness-claims here are limited.

### **4. Response Rates**

A further problem, even once conceptualization and measurement issues can be resolved, is the unreliability of data, since several studies report results from surveys with abysmally low response rates. A telling example here might be Marx’s (1999) national survey, claiming a representative sample, which had a response rate of 226 of 2315 contacted, i.e., 9.7 percent. Saiia et al’s (2003) survey on strategic philanthropy garnered a usable response rate of 126 firms of 806 (i.e., 15.6 percent). Several research reports

(e.g., Deloitte 2006; McKinsey 2008) simply do not report response rates, thus leaving us unable to assess the potential for various systematic biases in the data which could distort findings. Such problems need to be taken a lot more seriously because, as Porter and Kramer note, “[c]ompanies with the most to hide are the least likely to respond” (2006:81). Unfortunately, several researchers report that many corporations contacted simply do not participate on surveys related to charitable giving as a matter of policy. This remains a serious hurdle to overcome.

## Bibliography

- Albinger, H. and S. Freeman. 2000. "Corporate Social Performance and Attractiveness as an Employer to Different Job Seeking Populations." *Journal of Business Ethics* 28(3):243-253.
- Aldag, R. J., and K. M. Bartol. 1978. "Empirical studies of corporate social performance and policy: A survey of problems and results." *Research in Corporate Social Performance and Policy* 1:165-199.
- Amato, L. and C. Amato. 2007. "The Effects of Firm Size and Industry on Corporate Giving." *Journal of Business Ethics* 72:229-241.
- Andriof, J. and M. McIntosh (eds.). 2001. *Perspectives on Corporate Citizenship*. Sheffield: Greenleaf.
- Arlow, P. and M. J. Gannon. 1982. "Social responsiveness, corporate structure, and economic performance." *Academy of Management Review* 7: 235-241.
- Aupperle, K., A. Carroll and J. Hatfield. 1985. "An Empirical Examination of the Relationship between Corporate Social Responsibility and Profitability." *The Academy of Management Journal* 28(2):446-463.
- Barnett, M. 2007. "Stakeholder Influence Capacity and the Variability of Financial Returns to Corporate Social Responsibility." *Academy of Management Review* 32(3): 794-816.
- Barnett, M. and R. Solomon. 2006. "Beyond Dichotomy: The Curvilinear Relationship Between Social Responsibility and Financial Performance." *Strategic Management Journal* 27:1101-1122.
- Berger I., P. Cunningham and M. Drumwright. 2006. "Identity, Identification and Relationship through Social Alliances." *Journal of the Academy of Marketing Science* 34(2):128-137
- Boatsman, J. and S. Gupta. 1996. "Taxes and Corporate charity: Empirical Evidence from Micro-Level Panel Data." *National Tax Journal* 49(20):193-213.
- Bowman, E. and M. Haire. 1975. "A Strategic Posture toward Corporate Social Responsibility." *California Management Review* 18(20):49-58.
- Buchholtz, A., A. Amason and M. Rutherford. 1999. "Beyond Resources: The Mediating Effect of Top Management Discretion and Values on corporate Philanthropy." *Business and Society* 38: 167-187.

Buffett, W. E. 2003. Berkshire Hathaway Annual Report. Available online <http://www.berkshirehathaway.com/2003ar/2003ar.pdf>. Retrieved September 6 2008.

Brammer, S. and A. Millington. 2005. "Corporate Reputation and Philanthropy: An Empirical Analysis." *Journal of Business Ethics* 61:29–44.

Brammer, S. A. Millington and S. Pavelin. 2006. "Is Philanthropy Strategic? An Analysis of the Management of Charitable Giving in Large UK Companies." *Business Ethics* 15(3):2006.

Bremner, R. 1987. *American Philanthropy*. Chicago: University of Chicago Press.

Brown, W., E. Helland, and J. K. Smith. 2006. "Corporate philanthropic practices." *Journal of Corporate Finance* 12(5): 855-877.

Bruch, H. and F. Walter. 2005. "The Keys to Rethinking Corporate Philanthropy." *MIT Sloan Management Review* 47(1):49-55.

Buchholtz, A. K., A. C. Amason and M. A. Rutherford. 1999. "Beyond Resources: The Mediating Effect of Top Management Discretion and Values on Corporate Philanthropy." *Business and Society* 38: 167–187.

Burke, L. and J. Logsdon. 1996. "How Corporate Social Responsibility Pays Off." *Long Range Planning* 29(4):495-503.

Burlingame, D. F. and D. R. Young (eds.). *Corporate Philanthropy at the Crossroads*. Bloomington: Indiana University Press

Campbell, J. 2007. "Why would corporations behave in socially responsible ways? An institutional theory of corporate social responsibility." *Academy of Management Review* 32(3):946-967.

Carroll, A. 1979. "A Three-Dimensional Conceptual Model of Corporate Social Performance." *Academy of Management Review* 4(4):497-505.

Carroll, A. 1991. "Corporate Social Performance Measurement: A Commentary on Methods for Evaluating an Elusive Construct." Pp. 385-401 in *Research in Corporate Social Performance and Policy* vol. 12. Edited by J. E. Post. Greenwich CT: JAI Press.

Carroll, A. 1996. *Business and Society: Ethics and Stakeholder Management*. Cincinnati: International Thomson Publishing.

Carroll, A. 1998. "The Four Faces of Corporate Citizenship." *Business and Society Review* 100(1):1-7.

Carroll, A. 1999. "Corporate Social Responsibility: Evolution of a Definitional Construct." *Business and Society* 38:268-295

Center on Philanthropy at Indiana University. 2007. *Corporate Philanthropy: The Age of Integration*. Retrieved 10 September 2008. Available online at <http://www.philanthropy.iupui.edu/Research/Corporate%20giving-Target%20project%20July%202007.pdf>

Choi, J. and H. Wong. 2007. "The Promise of a Managerial Values Approach to Corporate Philanthropy." *Journal of Business Ethics* 75:345-359.

Chen, J., D. Patten and R. Roberts. 2008. "Corporate Charitable Contributions: A Corporate Social Performance or Legitimacy Strategy?" *Journal of Business Ethics* 82(1):131-144

Cochran, P L. and R. A. Wood. 1984. "Corporate social responsibility and financial performance." *Academy of Management Journal* 27:42-56.

*Corporate 500: Directory of Corporate Philanthropy*. 1994-95. 13<sup>th</sup> edition. San Francisco: Project Management Institute.

Davidson, W. N. and D. L. Worrell. 1990. "A Comparison and Test of the Use of Accounting and Stock Market Data in Relating Corporate Social Responsibility and Financial Performance." *Akron Business and Economic Review* 21(3):7-19.

de Bakker, F. G. A., Groenewegen, P. and den Hond, F. 2005. "A Bibliometric Analysis of 30 years of Research and Theory on Corporate Social Responsibility and Corporate Social Performance." *Business and Society* 44(3):283-317.

de Bakker, F. G. A., Groenewegen, P. and den Hond, F. 2006. "A Research Note on the Use of Bibliometrics to Review the Corporate Social Responsibility and Corporate Social Performance Literature." *Business and Society* 45(7):7-19.

de Gilder, D., T. Schuyt and M. Breedijk. "Effects of an Employee Volunteering Program on the Work Force: The ABN-AMRO Case." *Journal of Business Ethics* 61:143-152.

Deloitte and the Points of Light Foundation. 2006. *The 2006 Deloitte / Points of Light Volunteer IMPACT Study*. Retrieved 10 September 2008. Available online at [http://www.pointsoflight.org/downloads/doc/about/mediacenter/Volunteer\\_IMPACT\\_Survey\\_Results\\_Tables.doc](http://www.pointsoflight.org/downloads/doc/about/mediacenter/Volunteer_IMPACT_Survey_Results_Tables.doc)

Deloitte. 2007. *Highlights of the 2007 Deloitte Volunteer IMPACT Study of Gen Y (18-26 year olds)*. Retrieved September 20 2008. Available online at [http://www.deloitte.com/dtt/cda/doc/content/us\\_comm\\_volunteerimpact\\_survey\\_results2007.pdf](http://www.deloitte.com/dtt/cda/doc/content/us_comm_volunteerimpact_survey_results2007.pdf)

Doane, D. 2005. "The Myth of CSR." *Stanford Social Innovation Review* (Fall). Retrieved September 10 2008. Available online at [http://www.ssireview.com/pdf/2005FA\\_Feature\\_Doane.pdf](http://www.ssireview.com/pdf/2005FA_Feature_Doane.pdf)

Donaldson, T. and L. Preston. 1995. "The Stakeholder Theory of The Corporation: Concepts, Evidence and Implications." *Academy of Management Review* 20(1):65-91.

Dowling, J. and J. Pfeffer. 1975. "Organizational Legitimacy: Social Values and Organizational Behavior." *Pacific Sociological Review* 18(1):122-136.

Drucker, P. 1984. "The new meaning of corporate social responsibility." *California Management Review* 26:53-63.

Drucker, P. 2001. *The Essential Drucker*. New York: Harper-Business.

Eells, R. 1956. *Corporate giving in a free society*. New York: Harper Brothers.

Ellen P., L. Mohr and D. Webb. 2000. "Charitable Programs and the Retailer: Do they Mix?" *Journal of Retailing* 76:393-406.

Drumwright, M.E.1996. "Company Advertising With a Social Dimension: The Role of Noneconomic Criteria." *Journal of Marketing* 60 (4):71-88.

*Financial Times*. 2008. "Slowdown Fails to Dent US Corporate Charity." June 3. Retrieved September 10 2008. Available Online at [http://www.corporatephilanthropy.org/press/inthenews/N094\\_FT\\_060308.pdf](http://www.corporatephilanthropy.org/press/inthenews/N094_FT_060308.pdf)

Fisman, R., G. Heal and V. Nair. 2006. "A Model of Corporate Philanthropy." Working Paper. Wharton School of the University of Pennsylvania. Retrieved September 10 2008. Available online at <http://knowledge.wharton.upenn.edu/papers/1331.pdf>

Fombrun, C. 1996. *Reputation: Realizing Value from the Corporate Image*. Boston: Harvard Business School Press.

Fombrun, C. and M. Shanley. 1990. "What's in a Name? Reputation Building and Corporate Strategy." *Academy of Management Journal* 33:233-258.

Foohy, Pamela. 2004. "Theory and Evidence. Corporate Philanthropy: Strategic in Nature, Poor in Execution." Unpublished Bachelor's Thesis. Stern School of Business, New York University. Retrieved September 10 2008. Available Online at [http://w4.stern.nyu.edu/emplibrary/Pamela\\_Foohy\\_honors\\_2004.pdf](http://w4.stern.nyu.edu/emplibrary/Pamela_Foohy_honors_2004.pdf)

Foundation Center. 2008. *Key Facts on Corporate Foundations*. Retrieved September 10 2008. Available online at [http://foundationcenter.org/gainknowledge/research/pdf/keyfacts\\_corp\\_2008.pdf](http://foundationcenter.org/gainknowledge/research/pdf/keyfacts_corp_2008.pdf)

Freeman, R. 1984. *Strategic Management: A Stakeholder Approach*. Boston: Pitman Publications.

Freeman, R. and R. Philips. 2002. "Stakeholder Theory: A Libertarian Defense." *Business Ethics Quarterly* 12(3):331-349.

Friedman, M. 1970. "The Social Responsibility of Business is to Increase its Profits." *New York Times Magazine* 33 (September 13):122-126.

Fry, L. W., G. D. Keim and R. E. Meiners. 1982. "Corporate Contributions: Altruistic or for Profit?" *Academy of Management Journal* 25:94-106.

Fryxell, G. and J. Wang. 1994. "The Fortune corporate 'reputation' index: reputation for what?" *Journal of Management* 20(Spring):1-14.

Galaskiewicz, J. 1989. "Corporate Contributions to Charity: Nothing More than a Marketing Strategy?" Pp. 246-60 in *Philanthropic Giving: Studies in Varieties and Goals*, edited by Richard Magat. New York: Oxford University Press.

Galaskiewicz, J. 1991. "Making Corporate Actors Accountable: Institution Building in Minneapolis-St. Paul." In Walter Powell and Paul DiMaggio (eds.), *The New Institutionalism in Organizational Analysis*, pp. 293-310. Chicago: University of Chicago Press.

Galaskiewicz, J. 1997. "An Urban Grants Economy Revisited: Corporate Charitable Contributions in the Twin Cities, 1979-1981, 1987-89." *Administrative Science Quarterly* 42: 445-471.

Galaskiewicz, J. and R. Burt. 1991. "Interorganization Contagion in Corporate Philanthropy." *Administrative Science Quarterly*: 88-106.

Gan, Ailan. 2005. "The Impact of Public Scrutiny on Corporate Philanthropy." *Journal of Business Ethics* 69:217-236.

Garriga, E. and D. Melé. 2004. "Corporate Social Responsibility Theories: Mapping the Territory." *Journal of Business Ethics* 53:51-71.

*Giving USA 2008: the annual report on philanthropy for the year 2007*. 2008. Indianapolis, IN: Giving USA Foundation.



Gladwin, T. and J. Kennelly. 1995. "Shifting Paradigms for Sustainable Development: Implications for Management Theory and Research." *Academy of Management Review* 20(4):874-904.

Godfrey, P. 2005. "The Relationship between Corporate Philanthropy and Shareholder Wealth: A Risk Management Perspective." *Academy of Management Review* 30(4):777-798.

Griffin, J. J. and J. F. Mahon. 1997. "The Corporate Social Performance and Corporate Financial Performance Debate: Twenty-five Years of Incomparable Research." *Business and Society* 36, 5–31.

Guthrie, D., R. Arum, J. Roksa, and S. Damaske. 2008. "Giving to Local Schools: Corporate Philanthropy, tax incentives and the Ecology of Need." *Social Science Research* 37:856-873.

Halme, M. and J. Laurila. 2008. "Philanthropy, Integration or Innovation? Exploring the Financial and Societal Outcomes of Different Types of Corporate Responsibility." *Journal of Business Ethics*. DOI 10.1007/s10551-008-9712-5.

Halme, M. and J. Niskanen. 2001. "Does Corporate Environmental Protection Increase or Decrease Shareholder Value? The Case of Environmental Investments." *Business Strategy and the Environment* 10(4), 200–214.

Heald, M. 1957. *Management's responsibility to society: The growth of an idea*.

Heald, M. 1970. *The social responsibilities of business: Company and community, 1900-1960*. Cleveland, OH: Case Western Reserve University Press.

Hess D., N. Rogovsky and T. W. Dunfee. 2002. "The Next Wave of Corporate Community Involvement: Corporate Social Initiatives." *California Management Review* 44(2):110–125

Himmelstein, J. L. 1997. *Looking Good and Doing Good*. Bloomington: Indiana University Press.

Hillman, A. and G. Keim. 2001. "Shareholder Value, Stakeholder Management, and Social Issues. What's the Bottom Line?" *Strategic Management Journal* 22:125–139.

Husted, B. and J. Salazar. 2006. "Taking Friedman Seriously: Maximizing Profits and Social Performance." *Journal of Management Studies* 43(1):75–91.

Jackson, K. 2004. *Building Reputational Capital: Strategies for Integrity and Fair Play that Improve the Bottom Line*. New York: Oxford University Press.

Jones, T. M. 1995. "Instrumental Stakeholder Theory: A Synthesis of Ethics and Economics." *Academy of Management Review* 20:404-437.

Keim, G. 1978. "Corporate Social Responsibility: An Assessment of the Enlightened Self-Interest model." *Academy of Management Review* 3(10):32-40.

Leavitt, T. 1958. "The Dangers of Social Responsibility." *Harvard Business Review* 36(September-October):41-50.

Lee, M. 2008. "A review of the theories of corporate social responsibility: Its evolutionary path and the road ahead." *International Journal of Management Reviews* 10(1):53-73.

Lev, B., C. Petrovits and S. Radhakrishnan. 2006. "Is Doing Good Good for You? Yes, Charitable Contributions Enhance Revenue Growth." Working Paper. Social Sciences Research Network (July 2006). Retrieved September 10 2008. Available online at <http://ssrn.com/abstract=920502>

Levy, R. 1999. *Give and Take: A Candid Account of Corporate Philanthropy*. Boston: Harvard Business School Press.

Lindgreen A. and V. Swaen. 2005. "Corporate Citizenship: Let Not Relationship Marketing Escape the Management Toolbox." *Corporate Reputation Review* 7(4):346-363.

Logsdon, J. and D. Wood. 2002. "Business Citizenship: From Domestic to Global Level of Analysis." *Business Ethics Quarterly* 12(2):155-187.

Margolis, J and J. Walsh. 2001. *People and profits? The search for a link between a company's social and financial performance*. Mahwah, NJ: Erlbaum.

Margolis, J. and J. Walsh. 2003. "Misery Loves Companies: Rethinking Social Initiatives by Business." *Administrative Sciences Quarterly* 48: 268-305.

Marquis, C., M. Glynn, and G. Davis. 2007. "Community Isomorphism and Corporate Social Action." *Academy of Management Review* 32:925-945.

Martin, R. 2002. "The Virtue Matrix: Calculating the Return on Corporate Responsibility." *Harvard Business Review* 80(3):69-75.

Marx, J. D. 1999. "Corporate Philanthropy: What Is the Strategy?" *Nonprofit and Volunteer Sector Quarterly* 28: 185-198.

Matten, D., A. Crane, and W. Chapple. 2003. "Behind the Mask: Revealing the True Face of Corporate Citizenship." *Journal of Business Ethics* 45(1-2):109-120.

Matten, D. and A. Crane. 2005. "Corporate citizenship: towards an extended theoretical conceptualization." *Academy of Management Review* 30(1):166-179.

McCormick, C. 1931. *The Century of the Reaper: An Account of Cyrus McCormick, the Inventor of the Reaper: of the McCormick Harvesting Machine Company, the Business He Created: and of the International Harvester Company, His Heir and Chief Memorial*. Boston: Houghton Mifflin.

McGuire, J. B., A. Sundgren and T. Schneeweis. 1988. "Corporate Social Responsibility and Firm Financial Performance." *Academy of Management Journal* 31(4):854-872.

McKinsey & Co. 2008. *The state of corporate philanthropy: A McKinsey global survey*. McKinsey Quarterly (February). Retrieved September 20 2008. Available online at [http://www.mckinseyquarterly.com/The\\_state\\_of\\_corporate\\_philanthropy\\_A\\_McKinsey\\_Global\\_Survey\\_2106\\_abstract](http://www.mckinseyquarterly.com/The_state_of_corporate_philanthropy_A_McKinsey_Global_Survey_2106_abstract)

McWilliams, A. and D. Siegel. 2000. "Corporate Social Responsibility and Financial Performance: Correlation or Misspecification?" *Strategic Management Journal* 21:603-609.

McWilliams, A. and D. Siegel. 2001. "Corporate social responsibility: A theory of the firm perspective." *Academy of Management Review* 26: 117-127.

McWilliams, A., D. Siegel and P. Wright. 2006. "Corporate Social Responsibility: Strategic Implications." *Journal of Management Studies* 43(1):1-18.

Orlitzky, M., F. Schmidt and S. Rynes. 2003. "Corporate Social and Financial Performance: A Meta-Analysis." *Organization Studies* 24(3):403-441.

Patten, D. 2002. "The Relation Between Environmental Performance and Environmental Disclosure: A Research Note." *Accounting, Organizations and Society* 27(8):763-773.

Patten, D. 2008. "Does the Market Value Corporate Philanthropy? Evidence from the Response to the 2004 Tsunami Relief Effort." *Journal of Business Ethics* 81:599-607.

Pava, M. L. and J. Krausz. 1996. "The association between corporate social responsibility and financial performance: The paradox of social cost." *Journal of Business Ethics* 15:321-357.

Peloza, J. and D. Hassay. "Intra-Organizational Volunteerism: Good Soldier, Good Deed and Good Politics." *Journal of Business Ethics* 64(4):357-379.

Peloza, J., S. Hudson and D. Hassay. 2008. "The Marketing of Employee Volunteerism." *Journal of Business Ethics* DOI 10.1007/s10551-008-9734-z.

Pfeffer, J. and G. Salancik. 1978. *The External Control of Organizations: A Resource Dependence Perspective*. New York: Harper and Row.

Points of Light Foundation and the Center for Corporate Citizenship at Boston College. 2005. *Measuring Employee Volunteer Programs: The Human Resources Model*. Retrieved September 10 2008. Available online at [http://www.pointsoflight.org/downloads/pdf/networks/business/Measuring\\_Employee\\_Volunteer\\_Programs-The\\_Human\\_Resources\\_Model.pdf](http://www.pointsoflight.org/downloads/pdf/networks/business/Measuring_Employee_Volunteer_Programs-The_Human_Resources_Model.pdf)

Points of Light Foundation. 2006a. "Top Seven Trends Affecting Employee Volunteer Programs." *Workplace Volunteering Brief* 1. Retrieved September 10 2008. Available online at [http://www.pointsoflight.org/downloads/pdf/networks/business/Top7\\_Trends\\_Affecting\\_EVPs.pdf](http://www.pointsoflight.org/downloads/pdf/networks/business/Top7_Trends_Affecting_EVPs.pdf)

Points of Light Foundation. 2006 b. "A Summary of the Current State of Knowledge: Using Employee Volunteering to Benefit HR Departments." Retrieved September 10 2008. Available online at <http://www.pointsoflight.org/downloads/pdf/networks/business/POLFToolTipsFlyer4.pdf>

Points of Light Foundation. 2007a. "How the Best Employee Volunteer Programs Structure Themselves." *Benchmarks of Excellence Series* 1. Retrieved September 10 2008. Available online at [http://www.pointsoflight.org/downloads/pdf/networks/business/How\\_the\\_Best\\_EVPs\\_Structure\\_Themselves.pdf](http://www.pointsoflight.org/downloads/pdf/networks/business/How_the_Best_EVPs_Structure_Themselves.pdf)

Points of Light Foundation. 2007b. "Magnitude and Nature of Volunteering at the Best Employee Volunteer Programs." *Benchmarks of Excellence Series* 2. Retrieved September 10 2008. Available online at [http://www.pointsoflight.org/downloads/pdf/networks/business/Magnitude\\_Nature\\_of\\_Volunteering\\_at\\_the\\_Best\\_EVPs.pdf](http://www.pointsoflight.org/downloads/pdf/networks/business/Magnitude_Nature_of_Volunteering_at_the_Best_EVPs.pdf)

Points of Light Foundation. 2007c. "Policies and Procedures of the Best Employee Volunteer Programs." *Benchmarks of Excellence Series* 3. Retrieved September 10 2008. Available online at [http://www.pointsoflight.org/downloads/pdf/networks/business/Policies\\_Procedures\\_of\\_the\\_Best\\_EVPs.pdf](http://www.pointsoflight.org/downloads/pdf/networks/business/Policies_Procedures_of_the_Best_EVPs.pdf)

Porter, M. and C. van der Linde. 1995. "Green and Competitive: Ending the Stalemate." *Harvard Business Review* 73(5):120–134.

Porter, M. and Kramer, M. 2002. "The Competitive Advantage of Corporate Philanthropy." *Harvard Business Review* 80(12):57-68.

Post, J. and S. Waddock. 1995. Strategic Philanthropy and Partnerships for Economic progress, Philanthropy and Economic Development. Pp. 167-191 in *Philanthropy and Economic development*. Edited by R. F. America. Westport CT: Greenwood.

Post, J., L. Preston and S. Sachs. 2002. *Redefining the Corporation: Stakeholder management and Organizational Wealth*. Stanford: Stanford University Press.

Preston, L. and D. O'Bannon. 1997. "The corporate social-financial performance relationship: A typology and analysis." *Business and Society* 36: 419-429.

Preston, L. and J. Post. 1975. *Private Management and Public Policy: The Principle of Public Responsibility*. Englewood Cliffs NJ: Prentice Hall.

Quelch, J. and V. K. Rangan. 2003. "Profit Globally, Give Globally." *Harvard Business Review* 81(12):16-17.

Reilly, W. 1992. "Environment, Inc." *Business Horizons* 35:9-11.

Richardson, A., M. Welker, and I. Hutchinson. 1999. "Managing capital market reactions to corporate social responsibility." *International Journal of Management Reviews* 1(1):17-43.

Ricks J. Jr. and J. Williams. 2005. "Strategic Corporate Philanthropy: Addressing Frontline Talent Needs Through an Educational Giving Program." *Journal of Business Ethics* 60:147-157.

Rog, E., S. Pancer and M. Baetz. 2003. *Corporate Volunteer Programs*. Toronto: Canadian Center for Philanthropy.

Roman, R., S. Hayibor, and B. Agle. "The relationship between social and financial performance: Repainting a portrait." *Business and Society* 38:109-125.

Salzmann, O., A. Ionescu-Sommers and U. Steger. 2005. "The Business Case for Corporate Social Responsibility: Literature Review and Research Options." *European Management Journal* 23(1):27-36.

Sasse, C. M. and R. T. Trahan. 2006. "Rethinking the new Corporate Philanthropy." *Business Horizons* 50:29-38.

Saiia, D. H., A. B. Carroll and A. K. Buchholtz. 2003. "Philanthropy as Strategy: When Corporate Charity Begins at Home." *Business and Society* 42, 169-201.

Seifert, B., S. A. Morris and B. R. Bartkus. 2003. "Comparing Big Givers and Small Givers: Financial Correlates of Corporate Philanthropy." *Journal of Business Ethics* 45, 195–211.

Seifert, B., S. A. Morris and B. R. Bartkus. 2004. "Having, Giving, and Getting: Slack Resources, Corporate Philanthropy, and Firm Financial Performance." *Business and Society* 43, 135–161.

Salzmann, O., A. Ionescu-Sommers and U. Steger. 2005. "The Business Case for Corporate Social Responsibility: Literature Review and Research Options." *European Management Journal* 23(1):27-36.

Sharfman, M. 1994. "Changing Institutional Rules: The Evolution of Corporate Philanthropy, 1883-1953." *Business and Society* 33(3):236-269.

Simpson, W. G. and T. Kohers. 2002. "The Link Between Corporate Social and Financial Performance: Evidence from the Banking Industry." *Journal of Business Ethics* 35:97–102.

Smith, C. 1994. "The New Corporate Philanthropy." *Harvard Business Review* 72(3):105-116.

Smith, C. 1996. "Desperately Seeking Data: Why Research is Crucial to the New Corporate Philanthropy." Pp. 1-6 in *Corporate Philanthropy at the Crossroads*. Edited by D. Burlingame and D. Young. Bloomington: Indiana University Press.

Solomon, R. and K. Hansen. 1985. *It's Good Business*. New York: Atheneum.

Spencer, B. A. and G. S. Taylor. 1987. "A Within and Between Analysis of the Relationship between Corporate Social Responsibility and financial Performance." *Akron Business and Economic Review* 18(3):7-18.

Stanwick, P. A. and S. D. Stanwick . 1998. "The relationship between corporate social performance and organizational size." *Journal of Business Ethics* 17(2):195-204.

Sturdivant, F. 1979. "Executives and Activist: Test of Stakeholder Management." *California Management Review* 22(Fall):53-59.

Sturdivant, F. and J. Ginter. 1977. "Corporate social Responsiveness: Management Attitudes and Economic Performance." *California Management Review* 19:30-39.

Tracey, P., N. Philips and H. Haugh. 2005. "Beyond Philanthropy: Community Enterprise as a Basis for Corporate Citizenship." *Journal of Business Ethics* 58:327-344.

Turban, D. and Greening, D. 1997. "Corporate Social Performance and Organizational Attractiveness to Prospective Employees." *Academy of Management Journal* 40(3):658-672.

Useem, M. and S. I. Kutner. 1986. "Corporate Contributions to Culture and the Arts: The Organization of Giving and the Influence of the Chief Executive Officer and of Other Firms on Company Contributions in Massachusetts." Pp. 93-112 in *Nonprofit Enterprise in the Arts: Studies in Mission and Constraint*, edited by Paul DiMaggio. New York: Oxford University Press.

Useem, M. 1988. "Market and Institutional Factors in Corporate Contributions." *California Management Review* 30(2):77-88.

Van der Laan, G., H. Van Ees and A. Van Witteloostuijn. 2008. "Corporate Social and Financial Performance: An Extended Stakeholder Theory, and Empirical Test with Accounting Measures." *Journal of Business Ethics* 79(3):299-310.

Van Marrewijk, M. 2003. "Concept and Definitions of CSR and Corporate Sustainability: Between Agency and Communion." *Journal of Business Ethics* 44:95-105.

Varadarajan, P. and A. Menon. 1998. "Cause-Related Marketing: A Coalignment of Marketing Strategy and Corporate Philanthropy." *Journal of Marketing* 52(3):58-74.

Vogel, D. 2005. *The Market for Virtue: The Potential and Limits of Corporate Social Responsibility*. Washington DC: The Brookings Institution

Wartick, S. L. 2002. "Measuring corporate reputation: definition and data." *Business and Society* 41 (4):371-92.

Wang, H., J. Choi and J. Li. 2008. "Too Little or Too Much? Untangling the Relationship Between Corporate Philanthropy and Firm Financial Performance." *Organization Science* 19(1):143-159.

Werbel, J. and S. Carter. 2002. "The CEO's influence on Corporate Foundation Giving." *Journal of Business Ethics* 40:47-60.

Werbel, J. and M. Wortman. 2000. "Strategic Philanthropy: Responding to Negative Portrayals of Corporate Social Responsibility." *Corporate Reputation Review* 3, (2):124-136

Williams, R. and J. Barrett. 2000. "Corporate Philanthropy, Criminal Activity, and Firm Reputation: Is There a Link?" *Journal of Business Ethics* 26:341-350.

Wokutch, R. E. and B. A. Spencer. 1987. "Corporate Saints and Sinners: The Effects of Philanthropic and Illegal Activity on Organizational Performance." *California Management Review* 29(2):62-77.

Wokutch, R. E. and E. W. McKinney. 1991. "Behavioral and Perceptual Measures of Corporate Social Performance." Pp 309-330 in *Research in Corporate Social Performance and Policy* vol. 12. Edited by J. E. Post. Greenwich CT: JAI Press.

Wood, D.J. 1991a. "Social Issues in Management: Theory and Research in Corporate Social Performance." *Journal of Management* 17(2):383-406.

Wood, D.J. 1991b. "Corporate Social Performance Revisited." *Academy of Management Review* 16(4):691-718.

Wood, D. J. and R. E. Jones. 1995. "Stakeholder Mismatching: A Theoretical Problem in Empirical Research on Corporate Social Performance." *International Journal of Organizational Analysis* 3(3):229-267.

Wren, D. 1983. "American Business Philanthropy and Higher Education in the Nineteenth Century." *Business History Review* 57:321-347.