Beyond cheque-book public relations

Corporate giving is perhaps, the most revealing dimension of a company’s social commitment. Assistant Professor Eugene Tan underlines the need to move beyond the visible public relations and mere cheque-book giving.

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Corporate giving is basically, about contributing to society, even as it is also used as a means for improving employee relations and loyalty, enhancing corporate reputation, managing reputational risk, and to secure tax exemptions.

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Corporate giving, or corporate philanthropy, is the most visible expression of a company’s corporate social responsibility (CSR) footprint. Essentially, corporate giving is about business enterprises contributing part of their profits, resources, and time to charity, or to address specific community needs.

What is less appreciated is the latent reality that corporate giving is also, perhaps, the most revealing dimension of a company’s social commitment.

Can we re-imagine corporate giving going beyond the bland, generic acts of cheque-book philanthropy where the photo opportunities, public relations, and “feel-good” effects seem to be the order of the day?

Does corporate giving in Singapore reflect pragmatic altruism? Or is it more a case of corporate instrumentalism, strategic branding, and peer pressure to keep up with competitors?

The question that faces corporate givers in Singapore today is not “why give?” but rather, how to give in a way that is transformational for both the giver and beneficiary? We ask these questions to cajole all stakeholders – givers, recipients, and the government alike – to examine how corporate giving in Singapore can be revitalised.

Giving & receiving

The fundamental challenge is to mobilise corporate giving as an innovative opportunity to work with beneficiaries and other givers, so that the relationship is not fashioned as a transaction between giver and recipient. In other words, how can corporate giving be remodelled to remove the rigid distinction between “giver” and “recipient”? If that distinction
is blurred or removed, corporate giving is more likely to be sustainable, impactful and acts as an agent of change.

It is relevant and timely to speak of “corporate receiving” as well: here, the giver benefits in tangible and intangible ways, such that collaboration between the parties creates interdependence, empowerment and a positive impact for the recipient, society and business.

As such, corporate giving needs to be rejuvenated to create a relationship where there is shared value creation which builds on and sustains shared values of the giver and beneficiary. This enables the corporate giving to be sustainable and transformational.

The State of Giving: Inaugural Study of Singapore’s Giving Landscape (NVPC, 2005) captures very well the baseline for our giving landscape. That survey reported that in 2004 average annual corporate giving was a meager $21,847, or 0.22 percent of pre-tax corporate profit. Most of the giving was by publicly-listed companies with about 1,000 employees and averaging 27 years of corporate existence.

Social services, education, health, community/grassroots, and youth were the five most popular sector recipients. Singaporeans and the corporate sector are certainly making up for lost time where volunteerism and philanthropy are concerned.

The focus on giving in Singapore has been on the individual. In 2007, Senior Minister Goh Chok Tong exhorted wealthy Singaporeans to make Singapore a “giving society” where high net-worth individuals are encouraged to contribute at least half a percent of their annual income to help others and to support worthwhile causes.

It is timely to boost corporate giving. Encouraging the long-standing “many helping hands” approach — through volunteerism, individual and corporate philanthropy — signals the importance and urgency of maintaining and enhancing social cohesion in the years ahead, especially with the Singaporean society becoming more diverse and complex, with potentially more pockets of unmet needs.

Yet, a giving society can only come about if corporate philanthropy is scaled up since the potential of business enterprises to create change and the impact is significant.

To revitalise corporate giving, business enterprises must strive to collect data and evidence to examine the social and corporate benefits of their corporate giving. In short, giving has to be aligned with the corporate strategy and regarded as an investment with all the attendant key performance indicators.
Sustained giving

This means moving from “situational corporate giving” to “sustainable corporate giving”. The former is about giving in response to a pressing need such as the 2004 Indian Ocean tsunami disaster. In contrast, the latter is about giving that sustains the partnership between giver and beneficiary, creating behavioural change that inspires long-term thinking and impact. There is the impact of the multiplier effect in the sustainable giving approach.

Corporate giving efforts need to embrace causes, issues, socio-political trends that impact upon the business enterprise and society. The best corporate giving opportunities come from areas where the business is aligned to relevant issues. This drive towards organic corporate giving emphasises the focus of aligning corporate giving with business strategy, making it sustainable, impactful and innovative.

For example, a business enterprise and its employees should be engaged in the charity and the cause when they give. The giving can be structured to help the charity invest in self-sustaining social enterprises to generate the charity’s needed income stream.

Too often, corporate giving is conceived in self-limiting terms where the giver responds to an appeal, or identifies a suitable activity to support because it attracts visibility. Similarly, the beneficiary depends on the gifts, in cash or in kind, to run its activities and pay its bills.

To be sure, traditional corporate philanthropy is important and necessary since charities and causes depend on a certain income stream to continue their good work.

To move corporate giving to a new level, companies must go beyond cheque writing towards a more purposeful approach where corporate giving motivates leadership, change and actually makes a difference within the giver and beneficiary. Corporate giving ought to be more widely appreciated and practised as going beyond philanthropy.

We live in an interdependent world. The health of our community relies on successful individuals and corporate citizens accepting the obligation to take care of the less privileged and less fortunate. It is also a hallmark of a gracious and compassionate society. Corporate giving can do more.