

One size fits all? Four strategies for an effective corporate citizenship programme

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Corporate Citizenship (CC) is a buzzword. More and more companies are using their knowledge, means and staff to benefit a social cause. Companies wanting to establish a CC programme are often unsure what type of CC best suits their company. Do they listen to the wishes expressed by their employees and focus on what is agreeable to them, or is it better to come up

with a programme that results from the company's own core business and core values? Experience has shown that company-specific strategies are the most effective CC solution.

As far as I am concerned, corporate citizenship really says what an organisation is all about and what it seeks to be. Every company or corporate foundation must look into which strategy best suits its mission, organisation and corporate culture. Therefore, it is by definition a strategic choice, which means there is no one-size-fits-all CC programme.

Four strategies

Inspired by FSG Managing Director and academic author Mark Kramer (<http://www.fsg.org/people/mark-kramer>), and thanks to my own research and the meetings I have had with the Corporate Citizenship Knowledge Lab (<http://www.rsm.nl/maatschappelijkebetrokkenheid>), I have concluded that there are at least four ways to establish an effective CC programme: a 'cluster strategy', a 'diffuse strategy', a 'focused strategy' and a 'coalition strategy'. Each approach comes with its own objectives and challenges.

1. Cluster strategy

A cluster strategy involves a company – and perhaps its employees – selecting several categories they consider important, which match their organisation's core values. A good example of this is provided by the VebeGo Group, a large and international family business that focuses on facilities management services and health care. The company supports the VebeGo Foundation (<http://www.vebegofoundation.nl/>), whose mission is to support underprivileged persons. Within this category, the foundation focuses on two clusters: work (entrepreneurship) and health care.

The advantage of this strategy is that it closely matches the organisation's core values and is supported by many employees throughout the company – at the very least by those who share an affinity with the organisation's core values. This type of strategy has the potential for long-term partnerships and significant social impact.

The challenge here is for organisations to be careful not to quickly lapse into certain known patterns, thus causing the employees involved to start considering these things as normal. If this happens, people may lose sight of CC and resign themselves to it. It is vital that employees be inspired to continue participating by means of new and stimulating initiatives, which may or may not be undertaken with the same partners for the sake of continuity, but with new initiatives thrown in for good measure.

2. Diffuse strategy

In a diffuse strategy, the focus is not so much on a specific theme or cluster, but rather on what certain stakeholders require, e.g. employees or consumers, individuals or civil society organisations. For instance, the Nuon Foundation (<http://www.nuonfoundation.nl/>) focuses on encouraging Nuon employees to do volunteer work. The volunteering activities they support are very diverse, because the foundation seeks to encourage people to do volunteer work that matches their personal interests.

Another type of diffuse strategy is provided by ING Nederland Fonds (<https://www.ing.nl/de-ing/over-de-ing/betrokken-bij-de-samenleving/het-ing-nederland-fonds/index.html>), which focuses on society's need to 'support individuals and organisations who are taking an initiative to strengthen the Netherlands'. The foundation particularly focuses on individuals and consumers and the initiatives they undertake, and awards grants to highly diverse projects. This strategy is effective if you seek to be actively engaged in many stakeholders' lives and in the various parts of society you support, which may help your

organisation receive support from many parties. The challenge in such a strategy is, for ING Nederland Fonds, to ensure that its fund receives sufficient high-quality applications, and for Nuon Foundation, to get its people to take action of their own accord and (partially) organise their volunteer efforts themselves.

3. Focused strategy

The focused strategy is the strategy most commonly used if a company's CC programme is linked to its core business (or the core business of the most significant sponsor of the corporate foundation). Such foundations will often issue statements such as 'we give what we do best' and let their employees apply their knowledge and expertise. The activities undertaken by the Vodafone Foundation (<https://www.vodafone.nl/over-vodafone/wie-zijn-wij/in-de-samenleving/vodafone-foundation/>) fit in well with this strategy. The advantage of this strategy is that there is great potential in the resources the foundation can use, and that it is an easy story to explain to external parties. After all, if you are a mobile phone company, it is easy to communicate to others that the foundation that bears your name is involved in mobile phones too.

The challenge here is that employees are only asked to contribute their professional knowhow and expertise, but are not really granted the opportunity to contribute what they consider important. In addition, both eagle-eyed individuals and the Dutch Tax and Customs Administration may be a little sceptical of the intentions and actual methods of such programmes, particularly if the corporate foundation holds ANBI status. For instance, the foundation could be used to explore new markets, and might even serve a commercial purpose. This does not constitute an issue to a company, but a foundation holding ANBI status might be subject to a Tax and Customs Administration investigation.

4. Coalition strategy

In a coalition strategy, several parties enter into a partnership so as to be able to address a specific issue.

In practice, such a strategy may involve actual business rivals collaborating in order to solve a problem. This is what sets such a strategy apart from the 'focused strategy', where there is just one company committed to helping resolve a certain problem. For instance, the Delta Lloyd Foundation (<http://www.deltalloydfoundation.nl/>) has such a strategy. It has established a coalition with other business partners, civil society organisations and government agencies in order to solve the problems associated with mounting debts.

The advantage of such a strategy is the potential for social impact and innovation, which is greater if major parties are united. However, collaboration sometimes involves waiting for the various parties to arrive at a consensus, which means the process can be slow. Management of coalitions born out of such partnerships tends to be very time-intensive and complex, due to the involvement of different parties which all have their own interests and priorities. Moreover, the various parties often all have their own jargon and corporate cultures, which can be hard to unite.

Change

The four strategies outlined above provide companies with a good starting point for determining which approach suits them best. Once a strategy has been implemented, it is vital that CC managers consider the pros and cons of said strategy every once in a while. For instance, it is quite possible that a particular strategy works well for a period of time and helps the CC programme or corporate foundation involved realise its mission and attain its objectives, but has to be revised anyway, due to changes in society, the company or the company's relationship with major stakeholders. Corporate citizenship also requires long-term involvement on the company's part.

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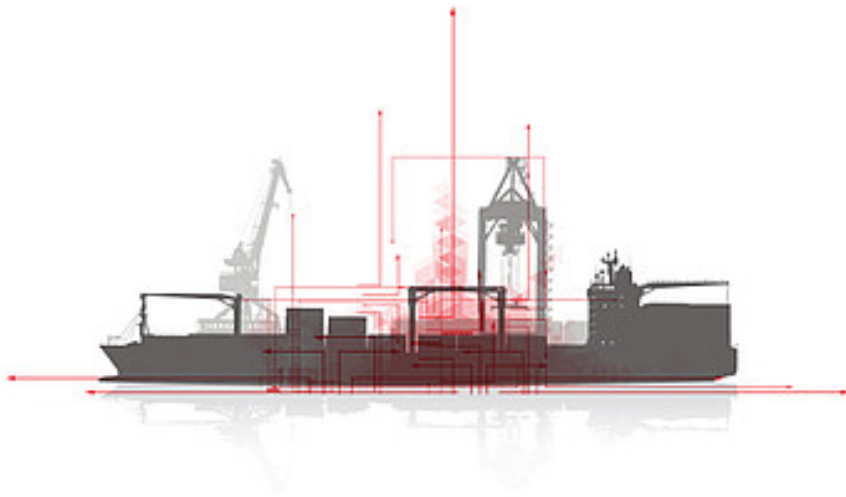


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