

Wk 5 strategic philanthropy for organizations



Strategic Philanthropy for Organizations This paper explores the benefits of Strategic Philanthropy for organizations. In this paper, several examples have been used to demonstrate how strategic philanthropy has been incorporated in different corporations' overall strategy for performance improvement. As discussed in this paper, variables such as customer loyalty, organization reputation, employee commitment, investor attitude are key outcomes of Strategic Philanthropy. Strategic Philanthropy therefore forms part of the broader philosophy that outlines how involvement in citizenship can assist corporations improve their performance

Strategic Philanthropy for Organizations

Strategic Philanthropy refers to the practice of organizations in which they channel their charitable activities towards specific course that is expected to benefit their organizational objectives. In this course, philanthropy is a means used by different firms to benefit other organizations while advancing their business interests at the same time. Strategic philanthropy is associated with organizations and not individuals thus executed by the top management of organizations such as the board of directors and several departments.

Philanthropy plays an important role in developing and retaining customer loyalty. According to Fioravante (2010), eighty percent of Americans are more loyal to an organization that contribute towards course that they have interest. Moreover, Valor (2007), survey demonstrated that most consumers have greater trust for companies that are associated with certain kind of social activities that give back to community. Increased customer loyalty have indirect benefits such as increased customer satisfaction, increased productivity and quality, employee commitment, profitability and reduced

legal and regulatory interventions. For example, GTE greatest concerns are technology and literacy; hence the organization through its foundation distributed \$30 million in 1999 (Debbie & Ferrell, 2002).

Strategic philanthropy target customers' concerns and interests in provision of resources that aim at building trust. As stated by Valor (2007), enhancing trust and acceptability among the consumers can be achieved through developing strong consumer loyalty thus gaining competitive advantage.

Coca-cola has always linked its operating practices and resources with the stakeholders concerns. For example, the company has channeled not only its resources but also expertise to environmental issues. According to Debbie & Ferrell (2002), the company has provided expertise and financial support to organizations that respond to water conservation, water quality and waste reduction. In this regard, the company benefits customers, other bottlers, regulators, employees, suppliers and other corporations with similar goals thus gaining competitive edge and loyalty.

It is also important for corporations to think strategically in choosing the right business partners for their own benefit. As stated by Valor (2007), philanthropic goals and societal concerns forms one of the bases for choosing business partners. An example is the Freeplay Group Limited of South Africa which was formed on the slogan, " making money and making a difference" (Fioravante, 2010). The company manufactures radios that are intended for use by the poor people who don't have access to electricity or where batteries are not readily available. However the radios have now been introduced in many other countries across Africa with different brands such as Harrods, RadioShack and Sharper Image. Freeplay Group has partnered with other investors such as Rotary International, Pension trust and liberty as

well as other community organizations (Debbie & Ferrell, 2002). These organizations implement programs that benefit the communities using the radios mentioned above.

In conclusion, it is evident that the resources, expertise and outcomes that are attributed to by Strategic Philanthropy are the same to those sought for in a marketing context. Strategic Philanthropy suggests how corporations use their resources and competencies strategically to benefit stakeholders while advancing the overall goals of those organizations. It is therefore important to note that Strategic Philanthropy forms part of the broader philosophy that outlines how involvement in citizenship can assist corporations improve their performance. It is also important to note that variables like customer loyalty, organization reputation, employee commitment, investor attitude are key outcomes of Strategic Philanthropy.

Reference

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