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***Rationale for Corporate Philanthropy: Syncretism & Altruism***  
***The Case of Homelessness in Mulhouse (France)***

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**Abstract**

This paper investigates businesses' approaches to homelessness; a social issue that is not often included in the agenda of Corporate Social Responsibility (CSR). It aims to provide an appraisal of the challenges facing the private sector on how business resources can strategically – i.e. preserving business interests – and effectively – i.e. meeting the needs of homeless people – contribute to the quest for social cohesion and the combat to eradicate homelessness. Theoretical propositions are drawn by integrating existing research on corporate philanthropy. These propositions are further developed using a case of business commitment to help homeless people in Mulhouse (France).

The analysis leads to capture two dominant instrumental corporate values or pathways to CSR: solipsism and conspicuousness. Altruism is further identified as the genuine desire from agents of management to make a difference in society. This translates into (often discretionary) business philanthropic engagement. Altruistic commitment is understood to be limited to the willingness-to-act of business managers and the competence of the company in providing adapted solutions to help homeless people.

**Key words:** corporate philanthropy, homelessness, altruistic CSR, issue centrality.

## INTRODUCTION

Carroll and Buchholtz (2000, p. 33) define Corporate Social Responsibility (CSR) as to encompass “*the economic, legal and philanthropic expectations placed on organizations by society at a given point in time*”. Crane and Matten (2007, p. 50) comment that “*by using the idea of philanthropy in a business context, the model incorporates activities that are within the corporation’s discretion to improve the quality of life of employees, local communities and ultimately society in general.*”

Business philanthropy implies that for-profit organizations implement social programs or initiatives which are designed by society. In theory, corporate philanthropy comprises a rich variety of issues among which the combat against social exclusion is advanced by Lépineux (2005) to be prominent. In practice, however, the agenda of corporate philanthropy includes complex social challenges only if companies are pressured to do so by their primary stakeholders; and even then, their effectiveness to provide solutions is debatable (Fassin, 2009). Pater and van Lierop (2006) maintain that, although a majority of companies are inclined to contribute to the resolution of complex social issues, they cannot systematically find intervention subjects adjusted to their identity and in which to make constructive use of their capacities as organisation. While Crane and Matten (2007) note the propensity of corporate philanthropic activities to harmonise with economic responsibilities of remaining efficient and profitable, Siegel (2009); Blowfield and Murray (2008); and Porter and Kramer (2002) further describe the increasing tendency of businesses to adopt a more strategic view of philanthropy, selecting causes that are aligned with business goals – i.e. cause-related or affinity marketing.

Combat to reduce and ideally eradicate homelessness is a complex social challenge that is rarely adopted by businesses as an intervention subject. In fact, the issue can be deemed incongruous to the central mission of businesses to generate growth and create value for shareholders. The complexity of the issue, its distance to traditional business approaches to CSR and the challenges of ‘making a business case’ for companies involvement suggest that business intervention may require partnerships with the government and non-governmental organisations to maximise the impact of responsible practices to reduce homelessness.

This article examines the case of homelessness in Mulhouse (France) to define the possible routes towards business philanthropy in the current globalised, increasingly competitive conjuncture, wherein the pursuit of business sustainability is prevalently economically driven. In essence, the aim is to provide an appraisal of the challenge facing the private sector on how business resources can strategically – i.e. preserving business interests – and effectively – i.e. meeting the needs of homeless people – contribute to the quest for social cohesion with specific emphasis on the combat to eradicate homelessness.

## THEORETICAL FRAMEWORK

Some examples can be discussed in order to demonstrate that the inclusion of homelessness in the CSR agenda through partnerships is *practicable* – i.e. appropriate and commendable (Lantos, 2002) – insofar as it underpins a long-term managerial vision (Porter & Kramer, 2002, 2006; Sully de Luque, Washburn, Waldman, & House, 2008) and a strategic and considered rationale. Murphy (2006) sheds light on the cases of New York, Dallas and San Diego to demonstrate that cities can get people off the streets through the application of a business logic, thus thinking about homelessness in terms of performance-based contracting,

consumer-centric solutions, and ROI (Return On Investment) – simply by giving homeless people what they want: a room of their own. This approach proves to be *cost-effective* in that, Murphy (2006) explains, it may imply fewer expenses than those likely to be invested in letting homeless people in the streets – including, e.g. cost of jail time, shelter costs, emergency room visits, and hospital stays. Increasingly bought by both the public and private sectors, the provision of private housing has proved successful in such cities as Phoenix and San Francisco where companies like PG&E, Gap, Charles Schwab, and J. P. Morgan support the plan (Murphy, 2006). These companies are thus engaged in cooperative actions whereby the compatible interest is to favourably adjust the *cost-benefit* balance of homelessness by providing homeless people with a private house and potentially remedy homelessness-related harms and concomitant costs. This can be seen as an example of firm’s adaptability as its adaptive capacity to changes in its environment (Vazquez, Brust, Plaza Ubeda, & Natenzon, 2009) – i.e. capacity to deal with the altering affects of homelessness.

### **Strategic CSR as a means to combating homelessness**

Waldman, Siegel and Javidan (2006); Chen, Pattern and Roberts (2008); and Guzmán and Becker-Olsen (2010) point to the maintenance of a positive image for the firm and pressure from stakeholder groups as catalysts for strategic decision making in the direction of CSR. Strategic CSR, as Lantos (2002) puts it, should improve corporate image and increase motivation and loyalty, primarily among employees and customers. Strongly entrepreneurial, the rationale for the conduction of homelessness initiatives may reflect a strategic ambition of businesses – for which homelessness is often viewed as a hindrance to sustainable development – to sustain a favourable image. Yet, senior management may not be willing to let the organisation do too much with regard to the homeless issue since it could lead the organisation to stray from its main business concerns (Waldman et al., 2006).

The implementation of effective CSR initiatives or strong, innovative alliances to end homelessness can thus be driven by a strategic approach to CSR demanding the engagement of businesses and its senior management. This engagement can be motivated by the dissemination of positive public image (Chen et al., 2008; Waldman et al., 2006) – i.e. CSR as “*a brand building tool*” (Guzmán & Becker-Olsen, 2010) – and/or the formation of a sustainable shield to ensure that business operations are preserved from homelessness-related, anti-cohesion, threatening affects of loitering, crime and debris. In fact, the tactics of businesses (especially retailers), Wolch, Rahinian and Koegel (1993) observed, often aim to minimise the presence of homeless people for fear of discouraging other customers.

### **Altruistic CSR and the syncretism of corporate philanthropy with economic objectives**

Keijzers (2003) tones down the role of stakeholders’ pressure and strategic intent as driver of CSR and holds that companies have an intrinsic motivation as citizens (corporate citizenship) to contribute to the general welfare. The *altruistic* practices of firms to alleviate various social ills within a community or society, such as homelessness, refers to what Carroll (2000) terms philanthropic responsibilities and what Lantos (2002) calls altruistic CSR. Lantos (2002) discussed the ethicality of altruistic CSR conceiving of philanthropic CSR as activities that are not necessarily beneficial to the firm’s financial position and can alter part of the profitability. Yet, capitalism – “*an avatar of modern barbarity*” (Bevan & Corvellec, 2007, p. 209) – is a given which exploitative nature has to be ameliorated (Lantos, 2002); in particular, businesses are to accept duties beyond their original purpose of delivering profits for the stockholders.

Some studies of SMEs (Kantis, Ishida, & Komori, 2002; Vives, 2006) suggest that SMEs do not exclusively operate as profit-maximising firms. They are obviously concerned to make a profit but they tend to have a focus on *satisfactory profits* rather than *maximum profits*. In other words, managers/owners are to achieve other objectives enabling to increase their self-satisfaction such as products that the owners like or “*helping others that are less fortunate*” (Vives, 2006, p. 40). Therefore, as advanced by Quinn (1997), arguing the *business case* for CSR may be less relevant to SMEs which owners are putatively more inclined to be driven by altruistic, ethical or religious motives.

While Margolis and Elfenbein (2008); and Mackey, Mackey and Barney (2007) refute the idea that CSR must be systematically linked to profitability; in particular SMEs may have a different conception of profitability; the condition underpinning the moral tenability of philanthropic CSR is often the achievement of a syncretic (Berger, Cunningham, & Dumright, 2007; Carroll & Shabana, 2010) equilibrium with shareholder interests and shorter term, quantifiable outcomes (Sully de Luque et al., 2008) or foreseeable goals of profit maximisation (Jensen, 2002). CSR is viable only to the extent that corporations are convinced that there is some *payoff* to the investment (Devinney, 2009). Devinney (2009, pp. 45-56) comments:

“...*the holy grail of CSR – ‘doing well by doing good’ – is an illusory goal that is noble in spirit but unachievable in practice... Corporations can be made more virtuous’ on some dimensions, but this will invariably involve a price on other dimensions.*”

Albeit framing a societal investment in terms of shareholder interest may be misguided (Margolis & Elfenbein, 2008), it is objective to postulate that a significant part of the *raison d’être* of businesses is to provide dividends to their shareholders. Devinney (2009) points to the fact that corporations have conflicting virtues and vices that ensure that they will never be truly socially responsible. The decision-making process concerning social initiatives is often strategy-oriented and opportunistically focuses on providing tangible returns to the firm (Carroll & Shabana, 2010; Jensen, 2002; Peloza, 2006; Siegel, 2009). In fact, while Vives (2006) argues that SMEs may be more inclined to be altruistic, he also acknowledges the impact of economic restrictions on SMEs as an obstacle to the *irrational* development of CSR activities. For instance, Cloke, Milbourne and Widdowfield (2000) report the reaction of the business community to homelessness in Taunton (England) as an ordering of priorities which clearly places profit – hence shareholders’ interests – before people.

As noted by Devinney (2009), there is no explicit consensus among scholars on whether corporate altruism can be universally viewed as beneficial or detrimental to businesses. A number of authors (Carroll & Shabana, 2010; Falck & Heblich, 2007; Jensen, 2002; Porter & Kramer, 2002) contend that CSR is a way for both companies and society to prosper. While McWilliams, Siegel and Wright (2006); and Peloza (2006) point to the difficulty of measuring the costs and benefits of CSR activities as an empirical issue to be resolved, Sully de Luque et al. (2008); Falk and Heblich (2007); and Peloza (2006) assert that strategic practice of CSR can work so long as it underpins a long-term view of profit maximisation on the principle that if a company treats society well, society will return the favour. Porter and Kramer (2002, p. 68) insist on the link between a company’s philanthropy and its competitive context:

“*There is no inherent contradiction between competitive context and making a sincere commitment to bettering society.*”

If corporate philanthropy is context-focused, they concede, not only the social impact is strengthened but the investment of resources is justified by the new set of competitive tools offered (Porter & Kramer, 2002; Waddock, Bodwell, & Graves, 2002). In this respect, it is critical to understand where and how the homeless population can act as an anti-catalyst to competitiveness and impede the interrelations between the four elements of the local business environment that shape potential productivity: factor conditions, or the available inputs of production; demand conditions; the context for strategy and rivalry; and related and supporting industries (Porter & Kramer, 2002, 2006). Positioning the homeless population within this competitive framework and associated them with a detrimental impact on the firm's market value (Mackey et al., 2007) can legitimately, or coercively, lead to the intervention of the private sector. Cloke et al. (2000) emphasise the emerging recognition from the business community that homelessness and begging – likely to engender loitering, crime and debris – have a detrimental affect on trade indeed.

Significant evidence from a large body of researchers (inter alia, Berger et al., 2007; Mackey et al., 2007; Orlitsky, Schmidt, & Rynes, 2003; Peloza, 2006; Porter & Kramer, 2002) converge to the conclusion that the market rewards businesses' social activities. They suggest at minimum a neutral, and quite likely a positive, correlation between CSR initiatives and corporate financial performance.

Therefore, arguing that homelessness can be a CSR issue – fundamentally philanthropic or altruistic – implies that business engagement to reduce homelessness may generate a syncretic equilibrium with economic performance. Altruistic CSR is viewed as essentially driven by corporate values and managers' beliefs. To be effective (or generate syncretism), it requires the *ambidextrous* ability to manage seemingly divergent tasks such as preserving existing business while at the same time aiming for entrepreneurial opportunities and alignment with society's expectations (Kollman & Stockman, 2008). It is hence viable to propose that businesses can collaboratively – within the context of homelessness partnerships/alliances – or independently – via charitable donations, endogenous actions – engage in the combat to eradicate homelessness and operate as what Devinney (2009) terms instruments by which certain social policies and practices can be achieved. Businesses can adopt certain highly visible and relevant practices that are consistent with social expectations while leaving the essential operations of the business intact (Chen et al., 2008). An important condition is the willingness-to-act of the powerful business lobby (Cloke et al., 2000) which is implicitly acknowledged to be dictated by the Kantian rationale, deontological requirement of syncretic equilibrium of corporate altruism with shareholder interests.

### **Framing business commitment perspectives to reduce homelessness**

CSR governance structures – as the range of management methods leading to, e.g., homelessness commitment – can be inferred from the patterns of low/high involvement of resources a firm is willing to accept and centrality (Husted, 2003) of the issue – as illustrated in **Figure 1**.

Centrality refers to the extent to which the cause being supported matches and harmonises with the company's activities, products and services (Martinez & Agüero, 2005). It thus bridges CSR activities to firm resources and core competences and constitutes a potential stimulus that invests businesses with the informed choice to adhere to a particular course of action. The most closely related is the issue to corporate central purpose, the highest level of

corporate involvement can be expected. It is more costly and risky, thus incompatible, for a company to invest in homelessness if the issue does not proximally relate to business core operations.

Husted (2003) distinguishes three governance modes, i.e. charitable contributions, collaborations and in-house, endogenous engagement. Most frequently utilised, charitable contributions – as the decision to outsource homelessness activities in the form of corporate philanthropy – consists of the transfer of financial and/or other resources from the firm to non-profit organisations who undertake charitable, social, educational, community or scientific work (Husted, 2003). This *neutral*, delegating approach implies low involvement and is deemed most appropriate in situations when firm competences do not match the competences needed to undertake that activity; that is, homelessness is not central to the firm's activity. Charitable intentions may represent a business duty, especially for companies who have harmed the public good or improved upon it and need to make up for it (Stoll, 2008), or a strategy to mitigate exposures to their social legitimacy brought about by poor performance in other social domains (Chen et al., 2008). Corporate philanthropy through charitable contributions can therefore be seen as an act of legitimisation (Chen et al., 2008). The legitimacy theory, according to Shocker and Sethi (1974), prescribes that the continued existence and development of any social institution, including business, depends on its social legitimacy. Lindblom (1994) adds that organisations are seen to be legitimate when their goals, methods of operation and outcomes meet the expectations of those who confer legitimacy – e.g. government representatives, local authorities, consumers. Managers who engage business resources in the quest to reduce homelessness may thus perceive that such philanthropic initiatives can potentially improve their legitimacy status. Firms may use charitable contributions to project an image of positive social performance (Chen et al., 2008). Failures to meet the expectations of those who confer legitimacy are called “*legitimacy gaps*” (Sethi, 1979, p. 66).

Collaborative practices are different governance modes which translate into partnerships between firms and stakeholders, as depicted in **Figure 1**. The firm commits resources in order to carry out homelessness activities jointly. In **Figure 1**, the dotted line suggests an interdependent relationship between the donor and recipient, where the donor and recipient partner on a specific project and work together (Husted, 2003). Hollender (2004) observes that businesses are often looking for non-profit partners to help them in the CSR process. That is, it is probably not on the agenda of businesses to build constructive community relations with the homeless population in the area. The firm may not have the experience and expertise needed to develop those relationships; it is hence sensible to create partnerships with associations who can help to address those challenges in a responsible manner. Husted (2003) reports the example of Benetton who collects used clothing at its stores and distributes them to the needy in the Third World via partner organisations. This approach is likely to prevail in situations when centrality of the cause is not deemed strong enough to engage in independent homelessness programs.

Finally, in-house, endogenous engagement – as the decision to internalise homelessness activities – is characterised by extensive corporate participation in the planning, execution and evaluation of social projects (Husted, 2003) such as mentorship programs. In **Figure 1**, the solid line surrounding the donor and the recipient translates the dependency between both entities which are part of the same organisation. In this process, outside non-profit participants are not solicited. This governance mode facilitates the task of meeting specific company and homeless needs and is argued to be most appropriate when the actions to be

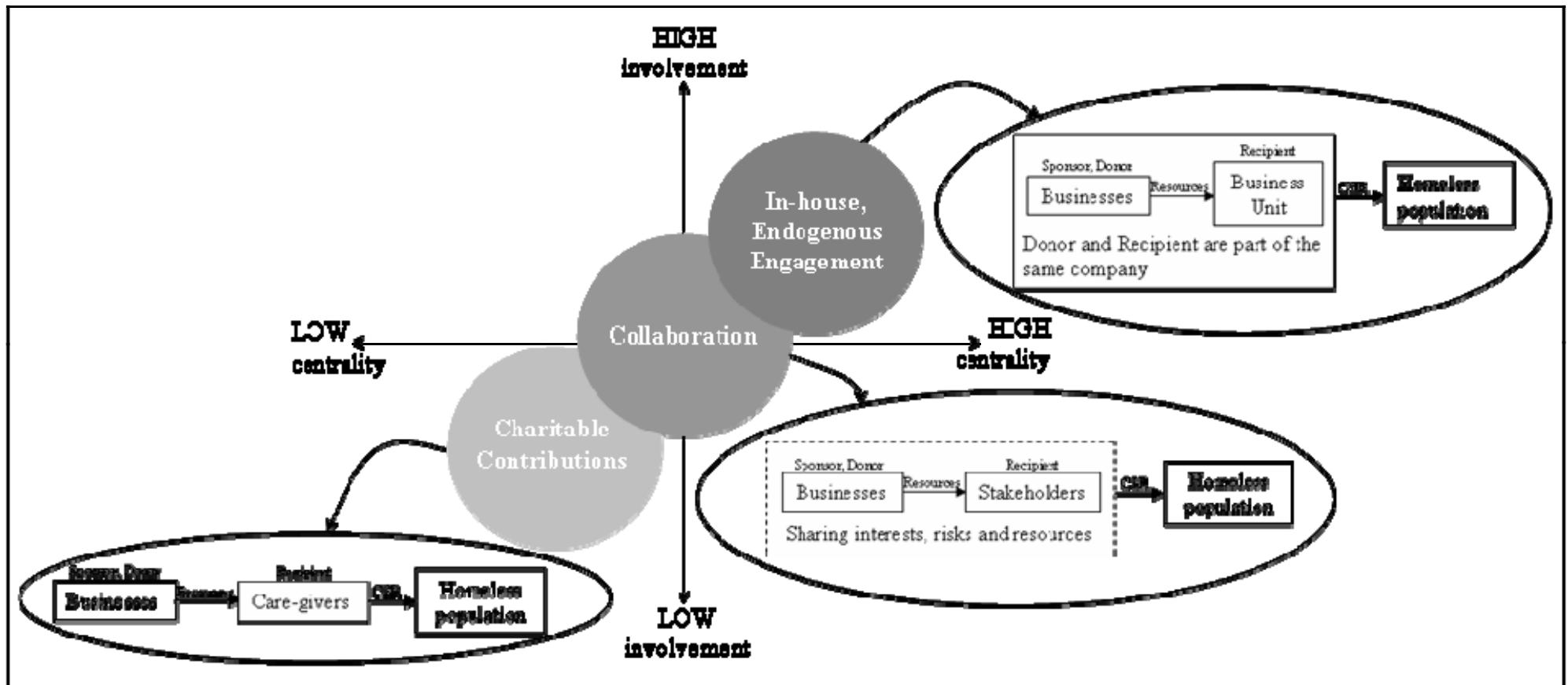
undertaken are likely to reinforce and catalyse the core business activities (Martinez & Agüero, 2005) – i.e. conditions of high centrality. For instance, Porter and Kramer (2002) relate the participation of Cisco Systems in implementing a non-profit service named ‘Community Voice Mail’. This service intends to provide homeless people with free access to their individualised voice mailbox from a public phone. On a similar line, AGL (an Australian energy company) is paying the energy bills of homeless shelters during the winter and encouraging employees’ involvement through volunteer initiatives around homelessness (Porter & Kramer, 2002).

These governance solutions are associated with different degrees of involvement in the quest to tackle homelessness (**Figure 1**). Drawing on the case study of Taunton (England), Cloke et al. (2000) contend that altruistic CSR is highly dependent on the approval of the business community to initiate a course of action. They further stress on the fact that partnership mechanics – membership, agenda, business and outcomes of the partnership network – are often implicitly controlled by the *powerful business lobby* which generates power discrepancies in the decision-making process. It is thus pertinent to discuss how *ethical* decisions are taken within businesses and the role of agents of management in determining the position of the firm vis-à-vis homelessness.

**FIGURE 1**

**Framing business commitment perspectives to reduce homelessness: mapping and depicting the governance modes, i.e. charitable contributions, collaboration, and in-house, endogenous engagement**

*Source: author's own construction.*



## **The key role of agents of management to infuse corporate values and sensitiveness into the firm**

To understand why business organisations are engaging in CSR, Aguilera et al. (2007) argue that corporations are being pressured not only by external actors such as NGOs and the government but also internal actors – e.g. employees. The degrees of internal and external pressures can diverge according to the national system in which the corporation is embedded (Aguilera et al., 2007). The establishment of a strategic social or philanthropic agenda indicating corporate awareness (at the meso level) of the Other – e.g. homeless individuals – or exposition to alterity – e.g. state of being homeless – can therefore emerge externally or internally through the micro level (Aguilera et al., 2007) from personal conviction or values of individual agents of management whose proximity and sensibility to the cause ultimately determine the possibility of engaging firm’s resources. A division is therefore suggested between the potentially ethical micro (individual) level and the (putatively) tokenistic meso (organisational) level (Aguilera et al., 2007).

Hollender (2004) praises the need to become clear about what are the values of the company prior to bringing socially responsible goals to life. These values should be constructed within the organisation, need a collective approbation, most essentially from the top of the company (Hollender, 2004). The implication is that corporate values are instilled by agents of management whose sensitiveness vis-à-vis the homeless cause determines the possibility of corporate homeless or philanthropic engagement (Hollender, 2004; Martinez & Agüero, 2005). Sully de Luque et al. (2008) distinguish visionary leaders who are more inclined to adopt stakeholder values demonstrating great sensitivity to environmental and social ills from autocratic leaders who emphasise profitability and other financial measures as the primary strategic decision criteria. Rocha and Ghoshal (2006) convey the importance of deontological (Kant, 1993) and sentimental (Smith, 1976) human motivations – respectively associated with autocratic and visionary leaders – which consider others’ interests as ends. Aguilera et al. (2007) suggest a conceptual model integrating theories of organisational justice, corporate governance, and varieties of capitalism to advance that organisations’ commitment to CSR is driven by instrumental (preserving short-term shareholder interests), relational (considering stakeholder interests, legitimation and collective identity), and moral motives (stressing stewardship interests and higher-order values). Secchi (2007) further discerns three conceptions of the role of the firm: utilitarian, in which “*the corporation is intended as a maximising ‘black box’ where problems of externalities and social costs emerge*” (Secchi, 2007, p. 351); managerial, where “*problems of responsibility are approached from inside the firm*” (internal perspective, Secchi, 2007, p. 355); and relational, according to which “*the type of relation between the firm and the environment are at the centre of the analysis*” (Secchi, 2007, p. 360). While these ways of framing CSR exclusively represent a classification of theories or an actual state of theories, as Secchi (2007) puts it, empirical contributions or extensions deriving from such concepts are required and would be highly valuable to deepen the understanding of the role of businesses in society.

### **THE CASE OF MULHOUSE, FRANCE**

28 qualitative semi-structured interviews were completed in Mulhouse (North-East France) to gain insight into experiences, meaning or motives behind decisions and comprehend the mechanics of/ rationale for business philanthropic commitment. The data collection method comprises interviews with 15 homeless individuals, 8 presidents/ members of associations and 5 business managers (from a temporary agency, a retailer, an IT company, a car manufacturer,

and a business consultant employed by the chamber of commerce) who consented to participate under the condition of confidentiality, their names and companies are thus not cited in this article. Their opinions are confronted to develop coherent answers to the questions and issues raised in the previous discussions. Field observations complement the study, notably to corroborate the findings and ensure the accuracy of the analysis.

This qualitatively-designed research attempts to address the why (preserving corporate image or reputation, enhancing competitiveness, managers' individuals sensitiveness to a cause?), when (centrality of the homeless cause, affinity marketing?), and how (charitable contributions, partnerships or endogenous practices?) of corporate philanthropy in general and business commitment to homelessness in particular.

The data analysis process is inspired by the requirements of grounded theory and latent content analysis. The analysis is extended to an interpretative reading of the symbolism underlying field notes and recorded verbal communications (Berg, 2009). The technique proposes to infer the deep structure or meaning of discourses. With regard to this study, the discourse of an interviewee about business commitment to homelessness is semantically assessed for how solipsistic, conspicuous or altruistic it is. This leads to the construction of a pattern of business philanthropic commitment.

## **THE MECHANICS OF AND RATIONALE FOR BUSINESS PHILANTHROPIC COMMITMENT**

There exist very few examples of business collaborative or endogenous commitment to the homeless cause in Mulhouse. Interview participants concede that engagement of businesses mostly occurs via charitable contributions or punctual (ephemeral) events of collaboration. Firm's philanthropic commitment is further prescribed by the possibility of discretionary investment of agents of management. The apparent distance of the business community toward homelessness signals that combat versus homelessness is incongruous with short-term, strategic goals of economic growth. The discussion now turns to the analysis of the potential and/or disposition of businesses to provide support to homeless people with considerations not only for the condition of syncretic equilibrium but the potential sensibility of individual agents of management. The examination of the case of homelessness in Mulhouse ultimately leads to propose a model framing the mechanics of and rationale for business philanthropic commitment.

### **Pathways to syncretic equilibrium of CSR with goals of economic growth**

An essential thesis discussed in this article is that the condition underpinning the moral or ethical tenability of philanthropic CSR is often the achievement of a syncretic equilibrium with shareholders' interests and shorter term and/or quantifiable outcomes, immediate goals of economic growth. The term *syncretic* is intentionally used to translate the meaning of an attempted harmonisation (Rocha & Ghoshal, 2006) of divergent objectives. That is, business philanthropic outputs can arguably alter part of the firm's (immediate) profitability, and, reversely, the quest for short-term economic performance may discard *peripheral* philanthropic activities. The term *syncretism* was applied by Berger et al. (2007) to define a management philosophy, an overarching approach to business. The narrative behind it posits that business commitment to homelessness is only viable to the extent that businesses are convinced that there is some *pay-off* to the investment (Devinney, 2009). The analysis of

business commitment to reduce homelessness enables to identify two pathways to syncretic coherence or equilibrium: solipsism and conspicuousness.

Solipsism is advanced herein as an approach to CSR whereby philanthropy is not integrated into the firm's social agenda and CSR operations are limited to the firm's most central natural and social environment; in other words, the solipsistic firm manifests sufficiency with regard to its disposition to accept CSR duties. This approach entails a focus on firm's strategic interests and a denial of the possibility of any expertise, competence other than wealth creation. It falls in line with the utilitarian conception of Secchi (2007) and the idea of instrumental motives towards CSR suggested by Aguilera et al. (2007).

Jean-Luc Sutter (President of the homelessness association ALSA) asserts that *"companies must find interests in terms of communication and benefits; that is why they are more likely to engage in 'buoyant markets', targeting causes which are linked to the business activity."* Solipsism is conceived as an instrumental corporate value that helps the firm to progress toward the terminal corporate value of economic performance. This approach is arguably an anti-catalyst to business philanthropy. The perception or fact that firm's activities are distal to the cause generates philanthropic passiveness; yet it does not imply a hermetic position vis-à-vis society. In fact, a solipsistic firm can be perceived as a good corporate citizen insofar as it complies with normative ethical or moral standards towards the environment and society. An interviewee of the business community (manager in a car manufacturer) comments: *"...our company has the social mission to provide quality to our customers, generate wealth. We must use business resources in a considerate and strategic way. Wasting or losing control of our resources would not help to eradicate social harms so our engagement towards society is scrutinously measured."* The rationale converges with Porter and Kramer who advocate context-focused CSR commitment in the quest for a new set of competitive tools. That is, the car manufacturer would merely engage in environmental or social programs which closely relates to its activity – e.g. greenhouse effect, road safety and urban mobility. As framed in **Figure 2**, the lack of proximity and exposure to the homeless population and weak sensibility to the cause constitutes a rationale for ethical/CSR sufficiency in the case of a solipsistic company. Lilian Bick (president of the association 'Espoir') explains: *"there is a detachment from companies. I think that we are on parallel routes, our respective interests don't converge."*

Conspicuousness refers to the strategic adoption of philanthropy within the firm's social agenda. It can be associated with the relational motives towards CSR proposed by Aguilera et al. (2007). While one interviewee from the business community represents a case of conspicuousness, the phenomenon is often reported among study informants from associations and the business community. Nour Ahmat-Brahim (from ALSA) conveys that his association has *"a partnership with the company Kronembourg and one of the conditions is to associate the company's image to various events organised by ALSA... The company is shaping its reputation through its engagement with ALSA."* Conspicuousness is conceived as an instrumental corporate value which coincides with the responsibility of agents of management to generate and maintain a positive public image as terminal corporate value. It implies that corporate image and identity are central factors. This approach practically translates into public disclosure and opportunistic, tokenistic appropriation of CSR outputs – mostly in the form of charitable contributions. It aims to signal corporate awareness and sensibility to social ills, whether interest in the homeless cause is heedful or perfunctory, and influence the public's perception about the legitimacy of the organisation. Conspicuousness represents an act of corporate legitimisation (Chen et al., 2008). The positive reputational affect on the company is the common denominator of philanthropy – i.e. socially useful

purpose – and shareholders’ utilitarian interests. A manager of a store in Mulhouse gives a pertinent appraisal of this approach to homelessness commitment: “...when we engage part of the firm’s resources to help associations, it is our responsibility to make sure that people ultimately associate the name of the company with the initiative, it is just a fair ‘intangible’ (perhaps more tangible in the long-term) return on investment.” **Figure 2** illustrates the idea that the impacts of proximity, exposure and sensibility are not sufficiently strong vis-à-vis the homeless cause and within the conspicuous organisation to initiate higher level of involvement than charitable contribution. This feeds back to the idea proposed by Waldman et al. (2006) of a reluctance of senior managers to let the organisation be excessively involved for the homeless population as they estimate that it could lead the organisation to stray from its main business concerns.

Though these pathways to syncretic coherence or equilibrium do not necessarily generate homelessness outputs (this issue may not be integrated into the strategic social agenda of the firm), they allow for a *two-edged sword* effect with *synchronous* respect to commercial – i.e. shareholder value creation – and CSR objectives – i.e. wider stakeholder value creation. Homelessness associations tend to agree in the perception of conspicuousness as the dominant narrative on CSR practices. They also agree that the drive for conspicuousness in companies conspires against engagement in the homeless cause. It is generally conceded that the homeless cause is not a “*buoyant market for business communicators*” (Jean-Luc Sutter) or “*attractive enough in terms of image*” (Anne-Marie Weibel, president of the association SURSO) with a view to constructing an appealing corporate reputation. While conspicuousness appears to be the privileged and minimally engaging pathway to business commitment to reduce homelessness, it tends not to be as effective in terms of reputational impact as when social responsibility is applied to different, supposedly more *sensible* causes – e.g. disabled children, battered women, old age, etc.

Yet, decisions and actions of members of the business community are not systematically driven by the unique *raison d’être* of economic growth – which would amply corroborate the view of Bevan and Corvellec (2007, p. 209) of capitalism as an “*avatar of modern barbarity*”. The analysis further points to an alternative phenomenon in that the sensibility of individual agents of management can also be heralded as an altruistic pathway toward corporate homeless commitment and ultimately complete the rationale for business philanthropy.

### **The proximal, altruistic Corporate Homeless Sensitiveness**

An important assumption in this paper is that the values and social performance of companies are essentially determined by its agents of management. The moral sensibility of these agents – as it transpires in the interviews and field observations completed in Mulhouse – is awakened by the degree to which they are exposed to the *Other* – i.e. homeless people. For instance, exposure can occur when the manager of an IT company holds a close friendship with someone who works with an association such as ‘Les Restaurant du Coeur’. Through this friendship, the IT company would be indirectly exposed, sensitised to the issue and would possibly allocate time and resources for the cause. The manager of the IT company explains: “...the act of helping needy people is a natural engagement, a conviction or aspiration that I inherited from my family. Having a close friend who works full-time with ‘Les Restaurants du Coeur’ enables me to fulfil this mission mostly through the provision of computers or other related furniture and IT training when I can allow some time for it.”

Three key phases can be extracted from this discourse. That is, (1) sensitiveness, i.e. “*natural engagement*”, “*conviction*” and “*aspiration*”; (2) proximity and indirect exposure, i.e. “*a close friend*” working with an association; and (3) business philanthropic commitment, i.e. charitable contributions – “*provision of computers*” – and collaboration – “*training*” activities.

Corporate homeless philanthropy may hence be internally constructed and conditioned by the (discretionary) sensibility – as the degree to which people are mobilised by an appeal to their feelings of compassion and perhaps guilt – and proximity of individual agents of management. The condition of exposure to the state of homelessness potentially stimulates the feeling of responsibility for the homeless individual. A homeless interviewee explains: “*I am in touch with a real state manager who gives me some work because he knows my situation. He trusts me and wants to help me!*”

Altruism, or moral motives (Aguilera et al., 2007), is hence the virtuous translation of certain degrees of proximity, exposure and sensibility that invest (as instrumental corporate value) individual agents of management with the disposition to implement specific kinds of actions to venture toward the terminal corporate value of bettering society and tackling homelessness. Jean-Robert Yapoudjian (director of the association ACCES) acknowledges that “*there are companies who get genuinely involved but it is almost systematically because one of the key decision-makers is sensible to social ills.*” Proximity, exposure and sensibility to the homeless cause are motivating powers determining the propensity of agents of management to gain acumen into the range of emancipative impediments of homeless people – which are mainly socio-economic, psychogenic, cultural, legal or physical – and easing the firm into implementing adapted solutions – i.e. provide financial support, training, healthcare, etc – to reinforce the capacity of resilience of homeless individuals.

Moreover, sensibility is arguably socially constructed in that it may be transmittable to other members of the organisation via intellectual stimulation of all or part of the firm’s human assets and possible engagement of material assets to ultimately constitute Corporate Homeless Sensibility (henceforth, CHS) or business philanthropic commitment. The manager of a store in Mulhouse explains: “*I have always managed to convince some of my colleagues in the office, especially the director of the store, to engage in social initiatives and use some of the business resources.*”

CHS is often discretionary. For instance, the IT managers cited earlier does not expect his altruism to perform as a marketing tool or an act of corporate legitimation (Chen et al., 2008) for long-term economic growth. This feeds back to the notion of satisfactory profits suggested by Vives (2006). Unlike conspicuousness, genuine philanthropy happens to be hidden or confidential and easily transferable to other members of such a definite social context as a firm.

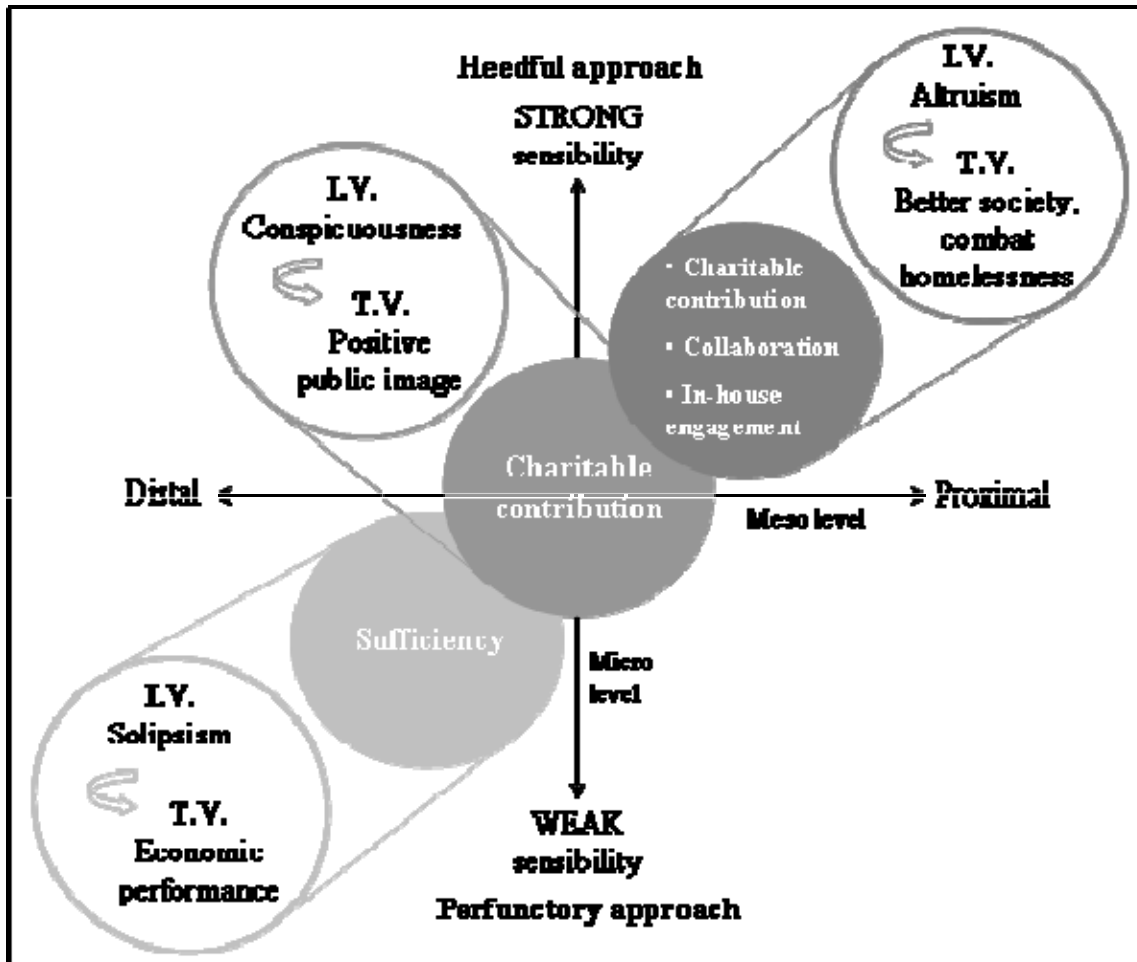
**Figure 2** illustrates that the impacts of proximity, exposure and sensibility – as the instruments of firm’s centrality to homelessness (proximal organisation) – are sufficiently strong vis-à-vis the homeless cause and within the altruistic organisation to generate business philanthropic involvement in the form of charitable contributions, collaboration and/or in-house, endogenous engagement. Philanthropic commitment is nevertheless restricted to the possibilities offered by the firm in terms of competences and resources – which questions the applicability of endogenous governance modes – and must conform to local regulations; in particular, the transfer of material or pecuniary resources needs to follow a rigorous process in order to ensure compliance with safety standards and financial stability of the organisation.

**FIGURE 2**

**Framing business philanthropic commitment in function of two elements:**

- The condition of centrality to the cause; from proximal to distal organisation;
- Three distinct nexuses of Instrumental (corporate) Values (I.V.) and Terminal (corporate) Values (T.V.) instilled into the organisation by individual agents of management in accordance with their proximity, exposure and sensibility to the cause; from heedful to perfunctory approach.

*Source: author's own construction*



To sum up, the analysis distinguishes three distinct CSR routes inhibiting – i.e. solipsism – or motivating – i.e. conspicuousness and altruism – business philanthropic involvement with specific focus on the issue of homelessness. Conspicuousness and altruism – generating CHS – set the firm’s propensity to adopt specific governance modes and produce business philanthropic outputs – i.e. charitable contribution, collaboration or in-house engagement. While corporate in-house commitment to the homeless cause is not currently applied in Mulhouse, charitable contributions and collaboration practices – mostly between businesses and associations – appear to represent the most commonly applied pathways to business philanthropy. Indirect engagement – i.e. supplying tangible resources to associations, as

commended by Hollender (2004) – is thus deemed most appropriate by the business community. In fact, businesses may not be able to provide independent responses to homelessness with the same effectiveness and efficiency as professional care-givers whose specific mission is to continuously offer the required level of expertise, i.e. awareness – familiarisation with the developmental, emancipative impediments associated to homelessness – and responsiveness, adaptability – proposing adequate strategies and key resources to combat homelessness. Jean-Luc Sutter comments: “*business altruism exists, we know people who are very interested in supporting the homeless cause but they usually don’t have enough knowledge about the issue.*”

### **Limitations and possible extension**

Since the application focuses on the case of homelessness in Mulhouse, the proposed evaluation of business philanthropic mechanics is expected to be hardly generalisable to other cases insofar as the results are strongly contingent on the corporate and social context. However, the framework proposed in **Figure 2** is arguably an extensible approach to business philanthropy which can be tested in different contexts – to other cities and social or environmental ills.

The project is therefore to be extended in terms of empirical value in order to enhance its robustness. Further studies testing the empirical validity of the research findings would generate invaluable acumen into the understanding of business philanthropic commitment and potential to address such an urgent issue as homelessness. In particular, quantitative contributions would enable to establish the rate of occurrence of each pathway to philanthropic engagement identified in this analysis.

## **CONCLUSION**

The article examines homelessness as a potential philanthropic CSR issue in an attempt to comprehend the why, when and how of business philanthropic engagement. The analysis is essentially based on meanings, convictions (or perceptions) and experiences of homeless people, social care-givers and business managers.

Prior to presenting the empirical results of a qualitative study completed in Mulhouse, the examination of the literature leads to formulate an essential argument about the role of businesses in society and the moral tenability of philanthropic CSR as to be conditioned by the achievement of a syncretic equilibrium or coherence with shareholders’ interests and short-term goals of economic growth. In other words, CSR activities should be elaborated in a rationale, calculative fashion.

The analysis of business homelessness commitment in Mulhouse enables to propose two dominant pathways to syncretic equilibrium: solipsism and conspicuousness. While the solipsistic firm is likely to be reluctant to consider philanthropic engagements, conspicuousness is put forward as the strategic adoption of philanthropy within the firm’s social agenda. The objective of a conspicuous business is to influence the public’s perception about the legitimacy of the organisation through advertisement of charitable initiatives.

Altruism is finally discussed as an alternative to *syncretism*. It reflects a genuine desire from agents of management to make a difference in society which translates into (often discretionary) business philanthropic engagement. The viability of this pathway and choice of a specific governance route are limited to the extent to which a firm is competent to address the issue of homelessness. The implication is that the applicability of governance modes is issue-specific.

As proposed in **Figure 2**, the three dominant pathways are understood to be inferred from the patterns of low/high sensibility of agents of management at micro-level and the degree of centrality to the cause at meso-level.

The relevance of appraising how businesses may commit resources to reduce homelessness is justified by the amplification of the phenomenon and saturation of social care-givers. Further investigations – qualitatively or quantitatively designed – would therefore bring considerable value to the quest to eradicate homelessness and to reveal new insights regarding philanthropic programmes that could make important contributions both to research and to the practice of corporate philanthropy.

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