

УДК 811.111:339.133.3

Gritsuk A., Kondratuyk E., Korzun O.

Charity in Business

Belarusian National Technical University
Minsk, Belarus

Socially significant activities go in different ways. We are motivated to do charity work by the desire to change the world for the better. However, in business, charity helps to attract employees, customers, develop their image, and thus contributes to business growth. This is confirmed by real cases, examples of which you will find below.

What is traditional charity?

The traditional charity includes:

Fundraising – the collection of voluntary donations in cash or other form for charitable activities organized by the company itself;

Sponsorship – the provision of resources in cash or other form to a non-profit / charitable organization to support its activities (for example, holding charity events);

Grant management – increasing the employee's charitable contributions from the company's funds or providing funds to the employee so that he or she can donate them to a non-profit organization that he or she chooses;

Endowment – collection of donations for a non-profit organization (NPO) which are transferred to the management company to finance the legal activities of a non-profit organization (for example, the formation of a salary fund for corporate social responsibility managers who establish business processes in commercial companies).

The foundation of any charitable activity is employees. Without their initiative or interest, it is impossible to develop

corporate social responsibility. From this point of view, traditional charity is the simplest way to involve employees into charitable activities: they do not need to spend a lot of their time, effort and emotional energy. Traditional charity is a quick start to the development of a CSR (corporate social responsibility) culture in the company.

What business purposes does traditional charity fulfill?

Companies involved in the charity show to the whole society and its customers that they are trustworthy, as well as the fact that the company conducts its activities ethically, taking care of society, culture and the environment. Charity is a tool for detaching itself from competitors and helps attract both talented applicants and new consumers.

People are really willing to support companies, knowing that the business donates part of the profits to charity. For example, the outdoor clothing brand Patagonia has pledged to donate 100% of its sales revenue after Black Friday in 2016 to environmental nonprofits. The company expected sales of \$ 2 million, but the company's initiative was supported, and as a result, its revenue amounted to \$ 10 million [1].

Another company, Warby Parker, increased brand appeal and customer loyalty, and an increase in sales. The company donated similar frames from each pair of glasses sold to non-profit organizations around the world to provide residents of poor countries with optics.

Developing relationships with employees

Many people want to help those in need, but they can't find the time or simply don't know how to do it. Participation in events organized or partially sponsored by employers allows employees to engage in charity work without remorse that they spend less time with their family / friends or have given up sports.

Employees of the top 1000 companies according to Fortune say that they would like to participate in socially

significant activities of the company. For example, they believe that making donations and engaging in volunteering will help them in personal development and strengthen relationships with colleagues [1].

Team Building

When raising funds, employees traditionally interact with colleagues from other departments, get acquainted with those whom they did not know before. Later, "like-minded people" begin to communicate outside of work, which contributes to the unity of the team of the entire company, as well as the development of its corporate values.

Retention of employees by increasing their engagement

When a company gives employees opportunities to express themselves, it inspires them with a sense of pride for themselves and their organization. Namely, a sense of belonging to the company and sharing its values increases their loyalty and, as a result, employee engagement. A well-developed corporate culture contributes to employee retention. According to an internal survey by O. C. Tanner, 78% of employees who participate in charity events fully share the company's values and say that they are proud of it. At the same time, 57% of respondents believe that due to participation in socially significant activities, their mood has improved and there is an emotional charge [2].

Building business partnerships

Participation in charity events organized by several companies expands the network of contacts of participants as well as allows you to build relationships between companies and conduct co-branded promotions.

In 2012 Land Rover sponsored the project "Hero" created jointly with the NPO Red Cross. The project was created to show that with the help of the new Land Rover model, it is possible to help people in hard-to-reach areas of the population. So the company launched a campaign to move from

Birmingham to Beijing with the famous Norwegian traveler Bear Grylls and also provided several vehicles to NPOs for rescue work. This provided excellent product positioning for Land Rover, as the company showed its car in action and justified this by the social significance of the project.

In conclusion, it should be noted that socially significant activities have a positive effect on the financial performance of the organization in the long term due to the development and retention of employees.

It is expected that over the next two years, the global volume of donations from corporate employees to NPOs will grow by 25%. Employees are looking for new ways to maintain balance and personal life, so they are starting to try something new, in particular, they are more actively involved in corporate charity and volunteering.

References:

1. Why companies do charity [Electronic resource]. – Mode of access: <https://medium.com/@Giveback>. – Date of access: 20.03.2021.
2. Charity and business: goals, types, examples [Electronic resource]. – Mode of access: <https://www.gd.ru/articles/9471-blagotvoritelnost-i-biznes>. – Date of access: 21.03.2021.