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Spring 2024 | Thursdays 4-7pm, Hart 3008

Data Analytics for Managerial Leadership

WK 4 & WK 5

TOPICS TO COVER

- Social entrepreneurship

- Environment, social, and governance (ESG)

- Corporate philanthropy

Social entrepreneurship

OVERVIEW QUESTIONS

What are some criticisms for social enterprise research?

ISSUES IN THE NEWS

Osberg, S. R., & Martin, R. L. (2015, May). Two keys to sustainable social enterprise. Harvard Business Review.

READINGS

Anheier, H.K., & Toepler, S. (Eds.). (2020). The routledge companion to nonprofit management (1st ed.). Routledge.

- Ch 31. Social enterprise (pp. 457-466)

Tan, W. L., & Yoo, S. J. (2015). Social entrepreneurship intentions of nonprofit organizations. Journal of Social Entrepreneurship, 6(1), 103-125.

ENTREPRENEURS: DEFINITION

Social entrepreneurs (Nash, 2010)

- Who seek to align economic value creation with social purpose activities

DRIVERS OF SOCIAL ENTREPRENEURSHIP

In response to market & gov failure:

To meet social goals & market goals

CURRENT RESEARCH ON ENTREPRENEURSHIP

Definitional issues

- Blurring the boundaries: Social enterprises include NP, FP, & hybrid organizational forms (Dees, 1998; Martin & Osberg, 2007)

Environment, social, and governance (ESG)

OVERVIEW QUESTIONS

What is ESG? What are the examples used by corporations?

READINGS

Nekhili, M., Boukadhaba, A., & Nagati, H. (2021). The ESG–financial performance relationship: Does the type of employee board representation matter? Corporate Governance: An International Review, 29(2), 134-161.

Crifo, P., Escrig-Olmedo, E., & Mottis, N. (2019). Corporate governance as a key driver of corporate sustainability in France: The role of board members and investor relations. Journal of Business Ethics, 159, 1127-1146.

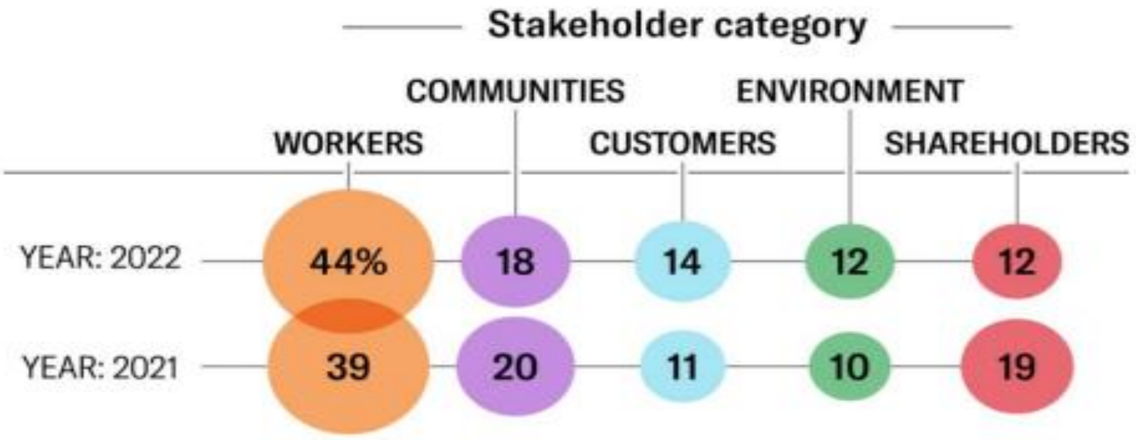
ISSUES IN THE NEWS

Henisz, W. (2023, Nov 20). The value of corporate purpose. Harvard Business Review.

ESG ISSUES THAT MATTER THE MOST TO PEOPLE (Benjamin et al. 2023)

Preferences by Segment

Aggregated probability that a random respondent would rank a category of corporate behavior as most important, by stakeholder and demographic.



(Source: HBR, July 18, 2023)

ESG efforts made by corporations

- ESG vs. CSR (corporate social responsibility)
- ESG disclosure and reporting efforts
- ESG governance imperative (leadership appointment, inclusion of employees in the boards)

ESG AND CSR

"CSR encompasses how a firm approaches its operational framework toward sustainability"

"ESG focuses more on the measurable outcome concerning a firm's sustainability performance"

Source: Jennifer Oetzel

ESG and philanthropic industry

ESG AND ITS RELEVANCE TO AREAS OF CIVIL SOCIETY

ESG Backlash Will Affect the Future of Philanthropy and Impact Investing

by Michael Moody

Source: Moody, 2023, p.27 (https://johnsoncenter.org/blog/esg-backlash-will-affect-the-future-of-philanthropy-and-impact-investing/)

HOW ESG MAY AFFECT PHILANTHROPIC ORGS?

Private foundations & public charities

- “Decision making on endowment investment that aligns with agency’s philanthropic missions”
- “ESG investments underperform and prioritize politics over free markets”
- “ESG measures are easily manipulated”

(Source: Moody, 2023, p.28)

Corporate philanthropy

READINGS

Sargeant & Shang (2017). Chapter 17 & 18

Lenkowsky (2012). Chapter 12

Finley et al (2021)

Faulk et al (2016)

OVERVIEW QUESTIONS

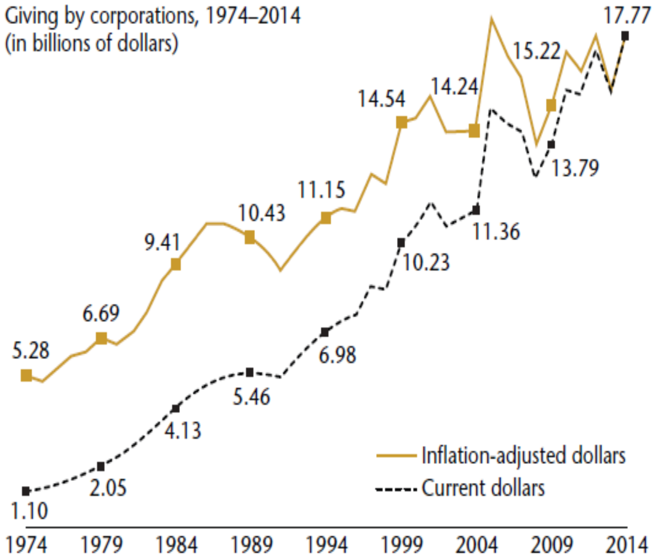
Why do corporations and foundations give?

ISSUES IN THE NEWS

Klein, P. (2015, May). Are Nonprofits Getting in the Way of Social Change? Stanford Social Innovation Review.

GIVING FROM CORPS & FOUNDATIONS

FIGURE 17.1 CORPORATE GIVING, 1974–2014 (BILLIONS OF US DOLLARS)

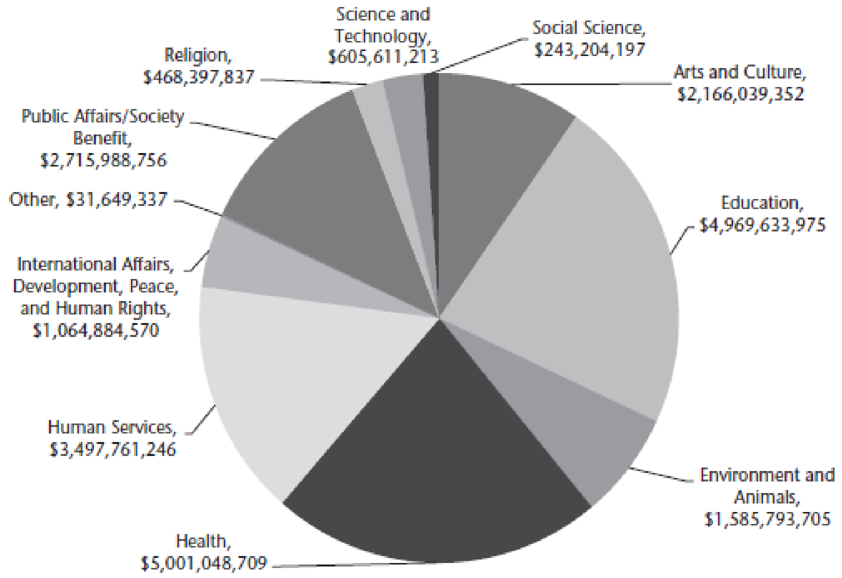


Source: Giving USA: The Annual Report on Philanthropy for the year 2014 (2015). Chicago: Giving USA Foundation. Reproduced with kind permission.

(Source: Sargeant and Shang, 2017)

GIVING FROM CORPS & FOUNDATIONS

FIGURE 18.3 DISTRIBUTION OF GRANTS FROM FC 1000 FOUNDATIONS BY SUBJECT AREA, 2012 – DOLLAR VALUE OF GRANTS



Source data: Provided by The Foundation Center, June 2016, www.foundationcenter.org

(Source: Sargeant and Shang, 2017)

WHY DO CORPS GIVE? (Sargeant & Shang 2017)

Corporate productivity or neoclassical model

- To directly or indirectly achieve a higher level of profitability

WHY DO CORPS GIVE? (Sargeant & Shang 2017)

Ethical or altruistic model

- To address community need and local issues

WHY DO CORPS GIVE? (Sargeant & Shang 2017)

Political model

- To deflect unwanted attentions; reduce negative consequences of impacts

WHY DO CORPS GIVE? (Sargeant & Shang 2017)

Stakeholder model

- To meet stakeholders’ interests