Shared Value and Philanthropy: the Potential Role of Corporate Foundations

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Abstract

This paper deals with the topic of research of Corporate Foundations (CFs), aiming at stressing how these organization have been studied so far, and how it could be possible to reconsider their role in the domain of philanthropic initiatives. In particular, this study aims to reconsider the phenomenon of Corporate Foundations under the shared value perspective, highlighting the ability of these organizations to respond to requests of multiple categories of stakeholders. Through the analysis of CFs peculiarities the study will underline the characteristics that are suitable for taking into consideration the potential role of CFs, by means of creating value for both society and firm. Thus, this paper aspires to contribute to the growth of knowledge in the field of Corporate Foundations by adopting an integrated perspective, and by providing suggestions for stimulating new directions for further inquiry.

Key Words: Corporate foundations, shared value, CSR, corporate philantrophy

Introduction

The relationship between business and society has been significantly discussed in the last decades (Scherer and Palazzo, 2011) but it represents an issue which is continuously investigated and reconsidered along the evolution of our economic systems. Recently the debate has been enriched by the emerging perspective of Shared Value (Porter and Kramer, 2011; O'Toole and Vogel, 2011), which assumes that is it possible to create a new capitalism in which firms can create economic value by creating value for society. This perspective implies the coexistence of social responsibility, sustainability, and philanthropy issues as crucial for the development of activities suitable for creating shared value.

The idea of creating value for both firms and society has been traditionally associated also with strategic philanthropy (Campbell and Slack, 2008). Within this perspective, this research wants to put a question on the potential role of Corporate Foundations (Corporate Foundations, from here on CFs) (Anheier, 2001) in the ongoing debate. These organizations, in fact, embody some characteristics that are potentially suitable to meet the interests of multiple stakeholders, and may therefore be particularly suitable for creating value for society and business.

Within this perspective, this research wants to put a question on the potential role of Corporate Foundations in the CSV context, by analyzing whether the fundamental characteristics of these organizations are suitable to the creation of shared value.

The paper is then structured as follows: in the first part we give an overview of the modern statement of social responsibility and of the definition of shared value, looking afterwards at a brief contextualization of philanthropic activities under the shared value perspective. The description of Corporate Foundations introduces a significant part of the study, in which we describe how these organizations can create value. The final part of the paper individuates the characteristics of corporate foundations that can enable the creation of shared value, namely the close ties between the foundation and its founder firm, and the integration mechanism, as well as the limitation of our approach and ideas for further researches.

Corporate social responsibility, shared value and corporate philanthropy

Corporate Social Responsibility (CSR) has been defined as the voluntary integration of social and environmental concerns in business activities (Carroll, 2000; Carroll & Shabana, 2010).

The role of firms toward society has been mostly intended as the expression of an ethical orientation (Garriga and Melè, 2004), as a tool for meeting the expectations of the community and of multiple stakeholders (Waddock et al., 2002) and avoiding reputation risks (Bebbington et al., 2008), and as a mean for obtaining a competitive advantage (Russo and Fouts, 1997; Porter and Kramer, 2006; Mackey, 2009). The debate has discussed for a long time whether CSR can only represent a discretionary element, disconnected from the business logic, or whether it can create value for the enterprise (Scherer and Palazzo, 2011).

Recently, academic and managerial attention has been dedicated to the ability of social initiatives to create value, for both the firm and the society, in line with the development of the 'shared value' perspective (Porter and Kramer, 2011).

The Creating Shared Value (CSV) perspective assumes the possibility to create a new form of capitalism in which firms can create economic value by creating value for society, as every societal need can represent a business opportunity (Mackey, 2009; O'Toole and Vogel, 2011; Porter et al., 2012). Firms are supposed to create shared value only through the redefinition of their operating models (Spitzeck and Chapman, 2012; Pfitzer et al., 2013).

This original theoretical approach sought to elevate the role of CSR activities at a strategic level (Maltz et al., 2011), but it originated a significant debate in the academic world, as various contributions pointed out various critical issues related to this perspective (Beschorner, 2013; Hartman and Werhane, 2013; Crane et al., 2014). In particular some academics have put in evidence (Crane et al., 2014) the actual lack of originality of this concept, already present in the academic and managerial area, though with different nomenclatures. Furthermore, critics contest a superficial approach to the conflict that often opposes social and economic goals, which cannot be bounded only with regard to the creation of a competitive advantage. However, what seems to differentiate the 'shared value' perspective from other approaches, given the need to integrate social and economic value (Emerson 2003; Hart and Milstein, 2003, Prahalad and Hart, 2002; Elkington, 1999), is the idea that it is possible to solve social issues in order to create economic value, and that a growing number of firms could decide to deal with these issues in order to increase their profits.

CSV has been considered also in analogy with the concepts of 'strategic' and 'instrumental CSR' (Porter and Kramer, 2006; Donaldson and Preston, 1995), which consider the solution of social issues a crucial element for enhancing the competitive positioning of the firm. However, CSV goes beyond a mere ethics- or compliance-driven perspective (Font et al., 2016), as it aims at creating value for the company and for the communities within which the company operates (Maltz & Schein, 2012; Pfitzer, Bockstette, & Stamp, 2013) through a radical change in the way the firm perceives its business model, and in the way it interacts with customers and local communities (Porter and Kramer, 2011).

Such a radical change must be expressed first of all within the corporate culture and values, as well as in strategy (Pfitzer et al., 2013). Thus, at the operational level three main ways for achieving economic success and creating shared value have been proposed (Porter and Kramer, 2011): (1) reconceiving products and markets, meeting societal needs through the redefinition of existing product or through innovation; (2) redefining productivity in the value chain, with the aim of creating synergies with societal issues; (3) enabling local cluster development, which allows firms to improve their productivity while addressing gaps or failures in the framework conditions surrounding the cluster.

Accordingly, CSV has put in evidence the importance of satisfying the unmet needs already existing in the market (Porter et al., 2012), reconsidering innovatively how value is created along the value chain in order to have a positive effect on society (Pfitzer et al., 2013), and considering that the development of its local environment can positively affect firm's activities. The main difficulty related to this approach is represented by the fact that it is often controversial to balance short-term costs against long-term externalities (Porter and Kramer, 2006; Font et al., 2016).

Shared value and strategic philanthropy

CSV is considered potentially able to foster sustainable business innovation and to sustain growth, by reconnecting economic and societal success with a long-term perspective. CSV, in particular, considers social issues under a business-oriented perspective, implying the need of equilibrium between costs and outcomes. This approach may result similar to strategic philanthropy (Spitzeck and Chapman, 2012), for the way it takes care of the effectiveness of social outcomes in comparison to investments (Porter and Kramer, 2006).

The intent to create value both for firms and society has been traditionally associated also to the strategic approach to philanthropy or so called strategic philanthropy (Campbell and Slack, 2008). Strategic philanthropy, in fact, is expected to satisfy some of the company's ethical obligations to stakeholders (Gan, 2006) and to provide the firm with increasing profits (Buchholtz et al., 1999), through a consistent synergy between philanthropic activities and firm's core business and activities (Brown et al., 2006). Thus, philanthropy represents a field which could be suitable for creating shared value mainly by enabling local cluster development and creating value for firms (Smith, 1994; Porter and Kramer, 2002). If reconsidered beyond a mere grant-making nature, philanthropic activities may actually play a significant role (Bruch and Walter, 2005), by aligning social and economic goals (Saiia et al., 2003), and by pursuing long-term interests (Porter and Kramer, 2002), especially when philanthropic and business goals are seen as mutually enhancing (Rumsey and White, 2009).

Considering the field of strategic philanthropy, a potentially flexible form for creating a synergy between social and economic goals is represented by Corporate Foundations (CFs), a dedicated body (Anheier, 2003) in charge of managing firm's philanthropic activities. Since corporate philanthropy has become more relevant, a significant number of firms has decided to reassign such activities to CFs (Anheier, 2001) in order to have an holistic approach, with specific resources and competences. CFs are intended to support charitable causes and to create advantages for the firm at the same time (Porter and Kramer, 2002; Hemphill, 2004; Pedrini and Minciullo, 2011), two goals that potentially embody the substantial conditions for creating shared value.

Within this perspective, this research wants to put a question on the potential role of Corporate Foundations in the CSV context, by analyzing whether the fundamental characteristics of these organizations are suitable to create shared value by enabling the development of the local environment.

Corporate foundations

In order to understand the potential role of CFs for CSV, it is useful to provide the reader with a brief summary on the nature of such organizations.

Although a significant number of studies in the field of corporate philanthropy, so far CFs have been scarcely investigated, as they represent a small subset in the generic category of private foundations, to the point that a generally accepted definition has not been yet identified (Anheier, 2001, 2003).

At the regulatory level, CFs do not have a unique shape, but despite the various European and non-European regulatory systems, there are some key features common to almost all contexts (European Foundation Center, 2003).

CFs are independent private law institutions aimed at serving specific or multiples public purposes (Salamon and Anheier, 1997). By contrast to charities, organizations aimed at exclusively nonprofit purposes (Sansing and Yetman, 2005; Irvin, 2007), corporate foundations (1) depend on a firm for funding (the "founder firm"); (2) have close ties with this firm due to annual endowments and non-financial resource dependence (employees, staff support, relations, knowledge and know-how) (Frooman, 1999); and (3) nearly always have corporate executives as members of their boards of directors (Webb, 1994; Anheier, 2001).

Thus, the majority of CFs income comes from a corporate source, through diverse channels, e.g. assets, regular donations, fundraising initiatives, but CFs receive also non-financial support (European Foundation Center, 2003).

The increased relevance of this typology of organizations registered in the recent years is the result of a convergence of some favorable conditions for identifying social problems, proposing solutions, supporting and cooperated with firms and public institutions (Sandfort, 2008). CFs, indeed, have a significant degree of autonomy and self-governance (Anheier, 2001), that allow them to flexibly manage significant resources, that can be invested without regard to public deliberations or market restrictions, coherently with the purpose of the founder firm (Jobome, 2006a).

CFs have been analyzed with regards to their forms of governance, potential conflict of interest, areas of activity, communication, and orientation to performance (Westhues and Einwiller, 2006; Jobome, 2006b; Ostrower, 2006; Cornforth, 2013; Minciullo and Pedrini, 2014, 2015; Minciullo 2016).

However, in the group of foundations, CFs reveal some characteristic potentially appropriated for developing a strategic philanthropy and creating shared value, which so far have not been stressed.

First of all, the ability to promote the convergence of multiple interests combining ethic goals and firm's interests starts from the motivations which may lead firms to the decision of constituting their own foundation.

Generally speaking, the aims which may encourage for-profit firms to set up their own foundation have been classified in the literature into three main categories, such as "ethical", "personal" and "strategic" (Carter, 2006; Bronn and Vidaver-Cohen, 2009). These reasons, however complex and diverse, can be contemporarily present and integrated with each other (Varcoe and Sloane, 2003), but the academic debate has not delved fully this possible interaction.

With regard to the ethical reasons, companies may fulfill their corporate philanthropy goals more accurately through CFs (Lee et al., 2009). Through a CF a firm has a dedicated instrument to apply and exhibit ethical and moral management, to carry out its responsibility as good corporate citizens to society, and to undertake social activities for the enrichment of society, particularly with a local scope (Carroll, 2000).

This assumption fits with some recent contributions, which underlined the discretionary nature of this kind of choices, and put in evidence that firms voluntarily decide how to allocate resources to charitable or social services activities (Ricks, 2005). Thus, ethical purposes are recognized as suitable for being positively conjugated with business purposes, rather than as a constraint (Rumsey and White, 2009), especially if considered in a local perspective.

The academic debate has also stated that the intention to engage in corporate philanthropy, more precisely through a CF, may derive from the personal motivation of top managers (Merchant et al., 2011). In particular, contributions have emphasized that top managers are interested in CFs both to pursue career advancement goals (Galaskiewicz, 1997; Werbel and Carter, 2002) and to undertake their individual ethical inclinations, eventually promoting initiatives in the local areas where the manager may be mostly recognized (Buchholtz et al, 1999; Salancik and Pfeffer, 1977).

Thus, ethical and personal reasons are aligned with the idea of creating value for society, but not for the firm, at least not directly.

CFs and value creation

The novelty of the shared value perspective is represented by the awareness of the need to respond at the same time to public's desire to see firms involved in bettering society (Lee et al., 2009) and to firm's desire to improve its competitive advantage of a firm (Sen and Bhattacharya, 2001; Porter and Kramer, 2002).

Philanthropic initiatives have been recognized as suitable to enhance firms' competitive advantage to the extent that they influence the decisions of the firms' stakeholders in their favor (Kurucz et al., 2008; Carroll and Shabana, 2010).

On this issue, the literature has focused on four main sources of competitive advantage connected with the establishment of a CF, such as (1) fiscal benefits, (2) employees engagement, (3) firm reputation and stakeholder management, and (4) direct control of philanthropic activities.

The quest for (1) tax benefits has been considered, for a long time, the primary motivation linked to the creation of a CF (Sansing and Yetman, 2005), thanks to favorable tax regimes available in many countries (King and Tchepournyhk, 2004). Thus, for-profit firms may benefit from the constitution of a CF by reducing tax liability, as it could be possible to give more consistent endowments in higher profit years, and less consistent endowments when profit are lower; another benefit is given by the opportunity to appreciate properties or stocks by providing the CF with these. In addition, a CF implies benefits for its founder firm because it can sell properties without paying capital gains tax on earnings, it has no limits for what concerns gifts, and can also deduct gifts to foreign countries (Webb, 1992). By contrast, CFs taxation rules imply a minimum percentage of total assets to be given out annually and excise taxes on earnings, but the relevance of these rules is often not enough relevant, in comparison with the described benefits (King Tchepournyhk, 2004). The fact that business can achieve a substantial tax advantage by providing financial support for CFs may nevertheless be useful to encourage a lasting commitment of companies in philanthropic activities, closely linked to economic benefits (Boesso et al., 2015).

(2) At present day employee engagement (Turban and Greening, 1997; Brown and Dacin, 1997) has been defined as a fundamental element to manage for improving firm's competitive advantage (Maignan and Ferrell, 2001a; Peterson, 2004). Recent studies have argued that pressures concerning CSR from internal stakeholder groups are becoming as considerable as the external ones (Smith, 1994; Waddock et al., 2002; Margolis and Walsh, 2003).

In this context, philanthropic activities play a positive role for promoting employee commitment, as reported by various studies related to the methods for enhancing employee morale (Buchholtz et al., 1999), employee retention (Griffin, 2004), and employee empowerment (Foster et al., 2009). Other contributes have underlined that employee engagement is even influenced by the quality and the intensity of corporate philanthropic activities (Post and Waddock, 1995), which can be organized according a coherent strategy or mainly assigned to employee volunteerism (McAlister and Ferrell, 2002).

Hence, as CFs are bodies dedicated specifically to philanthropic activities, an improvement in employee engagement could be realized more effectively through their activities. CFs, in fact, could are suitable for maximizing the benefit to the recipients as well as the indirect benefits for the company. As an example, the activities carried by CFs in this field could include providing services or support for workers and families, improving working environment, creating and transferring knowledge, supporting employee volunteerism, involving employees in charitable actions (Turban and Greening, 1996; Greening and Turban, 2000; Bhattacharya et al., 2008).

Employee engagement and fiscal advantages are important drivers for the decision of constituting a CF, but, considering the firm as a whole and its long-term perspective, it is possible to look at another important driver, the opportunity of controlling directly and effectively philanthropic activities.

(3) Through a CF, in fact, a firm can assign its philanthropic activities to a single dedicated body (Anheier, 2003), with specialized staff, structures and procedures. Therefore, a firm could be interested in constituting a foundation in order to ensure a continuous and prolonged commitment to charitable causes, and to foster a more efficient approach to the related activities (Petrovits, 2006).

Besides, a firm could be able to keep under control its philanthropic activities, exploiting benefits and avoiding potential damages for its reputation (Westhues and Einwiller, 2006).

A CF allows the firm not only to institutionalize philanthropic programs and activities, but also to let these activities reflect the organizational and local culture (Muller and Kraussl, 2011). The fact that the CF is an legally independent organization could seem as a threat of a minor control and of a reduced direct influence of top managers (Werbel and Carter, 2002), but it can be compensated by the frequency and the quality of the interactions with the founder firm (Minciullo and Pedrini, 2015).

In addition to the previous reasons, another reason for the creation of a CF is related with (4) the satisfaction of external stakeholders, a basic element for building a competitive advantage (Roberts and Dowling, 2002; Brammer and Millington, 2005). The improvement of the relationships with external stakeholders can be reached by many ways (Freeman, 1984; Donaldson and Preston, 1995; Frooman, 1999), but, under the perspective of this study, it is possible to focus on corporate reputation. In fact, according to extant research reputation embodies all the other methods (Bhattacharya et al., 2008), as it is intended to improve customers' image of the company (David et al., 2005), and to strengthen the bargaining force of the firm in negotiations with its stakeholders (Maignan and Ferrell, 2001b). Previous studies have already shown that the social activities of enterprises have a positive effect on its reputation (Fombrun et al., 2000), and that this applies in particular to philanthropic activities (Sen and Bhattacharya, 2001). Some studies claim that the main reason for the creation of a foundation is linked to a purely reputational purposes (Strachwitz, 1994; Toepler, 1996), but it has been also stated that philanthropic activities can legitimize the role of business in its environment, build deep ties with the territory, play an important role in local economic development and encourage the dissemination of knowledge and skills (Fombrun and Shanley, 1990). This can be particularly true with regard to CFs, as they symbolize an innovative and poorly imitated way to strengthen relations with customers (Bhattacharya and Sen, 2004), and manage corporate public relations (Marquardt 2001). Furthermore, the positive impact of CFs can be closely linked to the widespread perception that these organizations are more neutral and objective than companies, and therefore may appear more reliable in carrying out CSR activities (Westhues and Einwiller, 2006). Therefore, the presence of elements of impartiality along with integration factors could explain the greater chance to improve corporate reputation through the activities of the CFs.

In summary, CFs' purposes appear to fit with CSV perspective, as they respond at the same time both to public pressure, which calls for greater involvement of companies in a general process of improvement of society (Lee et al., 2009), and to the interest of the firm, which aims to increase its competitive advantage (Sen and Bhattacharya, 2001; Porter and Kramer, 2002). So, in the field of philanthropic activities, the creation of a CF could result as a tool to create value for the company and for society.

The hybrid nature of corporate foundations for CSV

It is now necessary to examine more thoroughly the distinguishing features of CFs, and in particular the close relationship between these organizations and their founder firms, in order to verify the presence of substantial elements that can create value in the presence of converging interests. The academic literature concerning corporate foundations identifies as distinctive characteristic of CFs the strong ties with the founder firm, intended as committed and reciprocal involvement, high level of trust, frequent and repeated interactions between the organizations (Rowley et al., 2000; Granovetter, 1973).

However, the literature on CFs has mostly investigated the nature of the financial flows, i.e. the forms through which financial assets are provided by the founder (initial endowment, periodic donations, profit share), and eventually linked to the economic performance of the firm (Varcoe and Sloane, 2003; Petrovits, 2006; Pedrini and Minciullo, 2011). In the CSV perspective, instead, we consider CFs more similar to subsidiaries in MNCs than to charities, mainly for the relevance of the activities carried out, and for the large group of stakeholder involved (Gnyawali et al., 2009). Notwithstanding the obvious differences in terms of vertical relationship, the hybrid nature of CFs requires to refer not only to nonprofit contributions, but also to valorize the potential ability of CFs to contribute to firm growth.

Thus, this study consider the strong link between CFs and founder firms an essential element to give CFs a strategic value and, therefore to make them able to foster CSV.

A fundamental element of this intense relationship is the total dependence of CFs from Founder Firms in terms of resources, both financial and non-financial.

First, founder firms represent the most important source of financial resources, which are established by the firm and provided through an annual endowment or other types of allocation, according to the withholding strategy. Second, founder firms provide CFs with other essential not financial resources, including employees, staff support, relationships, knowledge and know-how, ICT infrastructure, real estate infrastructure, administrative or legal services (Anheier, 2001, Ostrower, 2006).

It is clear that resources are key instruments for CFs, because these are essential for conducting operations and also strengthen the ties with the firm, due to their direct effects (Anheier, 2001).

Thus, it is widely accepted in the academic debate that philanthropic activities depend on available resources, often referred to as "slack resources" (Buchholtz et al., 1999; Waddock and Graves, 1997), and that there is a positive relationship between perceived resource availability and philanthropic giving.

Therefore, an appropriate level of resources is a discriminant element for achieving both organizational and social benefits (Thorne et al., 2003). This is particularly valuable not only for the intangibles, such as brand and reputation (Westhues and Einwiller, 2006), but also for knowledge and culture, given that the ability to transfer knowledge (Mitton et al., 2007) between the founder firm and its CF appears to be beneficial to both organizations (Minciullo and Pedrini, 2015).

Thus, the almost total dependence of CFs on founder firms in terms of resources strongly connotes these organizations compared to traditional foundations, usually depending on a number of founders and donors partners (Anheier, 2001).

Shared resources, in fact, strongly tie the fortunes of the CF to those of the founder firm, and supports their integration.

The integration between CFs and founder firms

Next to the sharing of resources is necessary to consider other forms of control and coordination through which the company can stimulate CSV through its CF activities. A company looking for a better and more meaningful interaction with its CF can refer to knowledge transfer mechanisms (Argote and Ingram, 2000; Miao, and Choe Song, 2011; Yamin, Tsai and Holm, 2011), which were analyzed both at the level of individual files (Minciullo and Pedrini, 2014) and at the level of more sophisticated transfer models (Minciullo and Pedrini, 2015). Such contributes verified that, depending on the organizational dimension on which intends to have a greater impact, and with a significant effect on 'approach to performance (Ostrower, 2006)

The influence of founder firms on CFs was analyzed with respect to the ability to orient the organizational model and areas of activity, and it was inferred that a clear and defined vision of the role of the CF may favor a subsequent alignment between organizational model, activities and operations (Pedrini and Minciullo, 2011), offering the opportunity to develop synergies between social interests and corporate interests. Thus, CFs may allow founder firms to have more control over their charitable programs, to coordinate with the business strategy, and assess their impact with business objectives and the needs of the community (Tokarski, 1999).

The strategic integration studies between company and CF have shown that the company leads the CF strategy through a significant representation in its board of directors (Anheier 2001) and through the performance appraisal systems (Boesso et al., 2015). Thus, recently the procedures of corporate governance have been applied to the context of CFs, with particular reference to some tools designed to improve organizational performance and increased transparency towards local stakeholders, by means of compliance and reporting systems (Conforth, 2013).

However, founder firms work to guarantee the CFs the appropriate level of autonomy required to properly conduct business, so they manage to balance the respective powers (Waters, 2011), in the delicate balance between autonomy and integration.

In conclusion we can say that the company's ability to strongly address the CF, through the resources and coordination and monitoring mechanisms, could make CFs propitious to the creation of value for the firm and for society. Indeed, the involvement of the founder firm in CFs initiatives through continuous interaction, ensures the alignment of the objectives of the two organizations. It also stimulates greater efficiency both at the social and at the organizational level. At present, however, this view has not been adequately explored by academic debate, which focused on more specific issues without offering an overview of the potential role of corporate foundations for CSV.

Conclusions, limitations and further research

This work aims to contribute to the literature on CSV and on CFs, in an attempt to put a question mark on the potential strategic role of these organizations, which embody many of the characteristics required to meet the interests of multiple stakeholders, creating value for society and for firms.

CFs have been analyzed for a long time only according specific points of view, based on reputation (Strachwitz, 1994; Toepler, 1996; Westhues and Einwiller, 2006), public relations (Marquardt, 2001), or philanthropy in general (Petrovits, 2006). This resulted in a limited discussion in the academic world about the peculiarities of these specific foundations and their potential, thus highlighting an unsuitable gap in the literature, with respect to the growing importance of the phenomenon (Anheier, 2001).

The recent debate on the creation of shared value, which has found legitimacy both in the academic world and in the practitioner field, proposed an alternative vision of businesses, usually considered suitable to effectively meet only one group of stakeholders (i.e. shareholders, customers, employees or communities).

This study wanted to highlight that, in this sense, corporate philanthropy, and especially the CFs, can play a significant role in fostering CSV by enabling local cluster development. CFs have some potentially decisive evidence to support companies in fulfilling their ethical purposes, in fostering the development of the community within which the company works, and in getting a unique form of competitive advantage.

The CFs are, in fact, a great opportunity to create synergies between philanthropic activities and the core business of the company, thanks to the complementary presence of multiple objectives, and in particular to the ability to favor the development of local communities. Thanks to the peculiar organizational characteristics, CFs are potentially offering high efficiency in serving a social purpose, together with the ability to sustain its competitive edge.

Compared to generic foundations, CFs respond to a multistakeholders perspective, thanks to the combination of the strong ties with the company and a considerable degree of autonomy, which allow a balanced and concrete approach to philanthropic activities. Therefore, companies could be interested in CFs as a strategic tool to gain many competitive advantages, through actions aimed at solving social issues that may imply an improvement at the organizational level.

This study has significant limitations that reduce the scope of the theoretical contribution. First, the main limitation of this study is the lack of specific literature concerning the analysis of the distinctive features of the CFs, which made it necessary to refer to articles from other streams and to obtain deductions. In the future, it will be possible to improve the presented framework, through the promotion of this kind of study with a better and more specific definition of the variables considered. In addition, this study doesn't take into consideration theories on the evaluation of social performance, an important issue which certainly deserves new and thoroughly investigations.

This line of research may identify some interesting implications for academics and professionals. Academics may be interested in the redefinition of the CFs, seen under the perspective of CSV, as well as in a business-like context. For practitioners, instead, however, it may be helpful to re-evaluate the relationship between the direct engagement of the firm and the increased ability to satisfy multiple stakeholders, creating synergies.

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