How much is 1%?: Two paths to shareholder benefits and community investment

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ABSTRACT

This study compares the efforts of two organizations - Pledge 1% and 1% For the Planet - that are focused on asking companies to “pledge 1%.” It analyses the effectiveness of their respective models using a combination of literature review, expert interviews, and a comprehensive content analysis. By focusing on stakeholder benefits, relationships, intention and perception, it highlights how influential other stakeholders and public relations impact the company’s decision making around corporate social responsibility. Furthermore, the study uncovers the epicenter of what drives a company to choose one pledge or another. It concludes that CSR initiatives that are produced from pledges will only be successful if firms are able to form strategic partnerships with proven organizations and embrace shared value.

KEY WORDS: pledging; corporate social responsibility; stakeholder benefits; cluster influence
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Thank you for my family and friends for sticking by me, my boss for understanding me, and the professors for putting up with me.
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INTRODUCTION

Since the early 2000s, trends have shifted away from transactional corporate social responsibility (CSR) initiatives of the 1900’s to allow for innovative forms of CSR that tied global companies to their local communities. The irony of this trend is that it’s not exactly original. Porter and Kramer (2011) point out that in the 19th century and into the 20th century, companies were intrinsically tied to the communities where they operated and often supported schools, orphanages, medical services, housing, and more. With globalization taking hold of companies over the last few decades and multinational corporations becoming the norm, companies have started to revert back to practices of yore and adopt hyper-local initiatives led by their employees in a particular location. In an effort to adapt corporate philanthropy to the evolving corporate environment, companies have had to rethink their practices, experiment, and innovate to meet the changing needs of their communities and their shareholders.

Just before the turn of the century, in 1999, former Oracle executive Marc Benioff founded a cloud-based software company called Salesforce. At the same time that his company was incorporated, he also founded the Salesforce Foundation as a public charity. A year later, the foundation created and implemented a novel idea that would turn into a global movement of socially-conscious companies. The 1-1-1 model streamlines CSR efforts by simplifying the objective in a way that is as intelligible for company founders as it is for investors and other stakeholders: one percent of time, one percent of product, and one percent of profit.

In an effort to make the commitment even more appealing for members of the tech community, the model has since been expanded to include 1% of equity which, in the beginning for start-ups, is usually zero. As Angela Madura of Techstars, an investment firm that partners with the Salesforce Foundation, said, “it is easy to commit 1% when you don’t have anything to commit.”

In 2008, Marc Benioff joined forces with Atlassian Founder and CEO Scott Farquhar, Rally CEO and Founder Ryan Martens, and a Colorado-based organization called Entrepreneurs Foundation of Colorado to create Pledge 1% (P1). The purpose of Pledge 1% is to evangelize the 1-1-1 model “by inspiring early–stage corporate philanthropy” and allowing them to forge their own path to philanthropy without audits or reporting requirements. Following an onboarding call with the P1 team, every pledging
organization, or member, receives tools and resources to support their own philanthropic aims.

Going back to 2002, two other company founders had a similar idea. Yvon Chouinard, founder of Patagonia, and Craig Mathews, founder of Blue Ribbon Flies, started on a mission to take responsibility for the environment and give 1% of their revenue back to the environment—even if they weren’t profitable. Unlike Pledge 1%, 1% For the Planet (FtP) has a list of approved organizations who members can give to, who have shown that they are high-impact nonprofits. Additionally, the FtP team constructs meaningful relationships with signatories and requires that each company - or individual - submit annual tax information to track contributions and ensure that the signatory is in fact giving 1%.

Despite having such similar concepts, the last twenty years has shown key distinctions in how P1 and FtP operate, have manifested into significantly different outcomes for the thousands of companies who have signed on. This research evaluates the current body of literature relating to CSR and stakeholder theory, analyzes the differences in their models, and produces a set of practices that must be adopted in order to operate successful pledge organizations.

LITERATURE REVIEW

Overview of CSR and Pledging
Pledging is a common occurrence throughout the philanthropic world. Such popularity stems from the intentional nature that creates an expectation of specific behaviors, as opposed to a generalized attitude relating to what the behavior may be. The theory behind pledging is that the intention to do a specific action increases the likelihood that an actor will act on it with good intention (Cotterill et al., 2013). Relating to CSR, the purpose of pledging is to codify that intention to support the community and raise awareness for that community-centered intention.

Bhattacharya et al. (2009) describe a CSR action or initiative as socially responsible “to the extent that corporate resources (e.g. money and labor) are allocated to activities that are intended to improve societal welfare.” With this definition, they make the important distinction to allow for the possibility that there may be benefits for the company that may arise as the result of CSR and this possibility highlights two essential themes: 1) intention, and 2) perception. In order for any CSR initiative to be successful,
there must be an intention that is perceived as altruistic regardless of the outcomes. For example, when a start-up pledges 1% of their resources through Pledge 1%, the perception is that they are well-intentioned and altruistic. Actions following the pledge may or may not be in line with these intentions but so long as the perception of intention remains, so too will the benefits.

When a company is ready to act and allocate resources to an initiative, the most common vehicles for support are through grants, grants through foundations, matching gifts, in-kind contributions, and volunteering (Friedman, 2013); Pledge 1% has added equity as a vehicle for their members. Despite this, one definition of corporate philanthropy that is of particular interest for the purposes of this research is one that limits “philanthropy” to only include voluntary donations of corporate resources - specifically financial - “in the form of direct grants or through vehicles like corporate foundations” (Gautier & Pache, 2015). As such, those who have pledged product, time, or equity through Pledge 1% would not be considered philanthropic. The reason for this can be found in the perceptions that are rooted in stakeholder theory and attribution theory.

**Stakeholder Theory & Attribution Theory**

Stakeholder theory is rooted in the understanding that long-term sustainability for a corporation depends on the procurement of a large number of constituents, including stakeholders (Bhattacharya et. al., 2009), employees, and consumers. Each of these relationships represents unique sets of costs and benefits for the respective parties, and therefore, challenge managers and theorists alike to determine the most effective avenues for engagement (Bhattacharya et. al., 2009). While increased profits may benefit one shareholder, the fact that the profit was the result of unpaid overtime for another shareholder (e.g. employees) undermines the overall net benefit for the corporation. For this reason, it comes as no surprise that response to CSR initiatives by profit-driven stakeholders relies on the benefits the stakeholder receives as well as the type of benefit received (Bhattacharya et. al., 2009). Even within the same group of shareholders, such as a board of directors, perceptions of the same initiative can differ greatly among individuals (Bhattacharya and Sen, 2004; Sen et al., 2001).

For the purpose of this analysis, the term ‘shareholder’ reflects Carrigan’s (1997) definition that includes not only investors, but also employees, customers, and other business partners. Carrigan importantly points out that despite claiming an added benefit for the community, the majority of companies with CSR initiatives do not track the impact of such initiatives and therefore have no evidence to substantiate the claim. Those who do measure impact often fall victim to the “atheoretical approach” (Chen,
of measuring what is easily measured (e.g. number of meals given to the homeless), and neglecting to seek out the true value of a program (e.g. decreased food insecurity for the homeless). When shareholders assess an initiative, the what is not nearly as important as the why (Gilbert & Malone, 1995), and this is precisely the reason why pledges have such significant impact potential.

More and more over the last 20 years, consumer shareholders have become drawn to products and companies - like Salesforce or Patagonia - who garner higher satisfaction and better reputations due to the perception that they are socially responsible companies. These socially responsible companies tend to have greater customer loyalty (e.g. Bolton & Drew, 1991), positive word of mouth (Szymanski & Hernard, 2001) and customer’s willingness to pay premium prices (Homburg, Koschate, & Hoyer, 2005) - all of which can increase a firm’s market value. While these trends have clear implications, they should be seen only as potential outcomes that are mediated by several factors.

The first mediating factor relating to the market value is “moral capital.” Over the years, many social scholars have contributed to the development of the concept (e.g. Wang, 2015; Sison, 2003; Ratnapala, 2002), so for this research, Haidt’s 2012 definition of it being “the resources that sustain a moral community.” Li (2019) argues that it is philanthropy that confers moral capital on entrepreneurs and legitimizes other profit-driven decisions. In the context of CSR, moral capital also relates to the moral benefits that shareholders accrue in relation to the company. For example, If the moral capital amongst employees and stakeholders is low, CSR efforts are unlikely to foster positive perceptions and thus, are unlikely to increase market value. Not only does moral capital improve productivity, but it also increases talent retention because the company is able to focus more on their product and less on hiring new staff members.

Second, corporate abilities (i.e. product quality and innovativeness capability) moderate CSR’s relationship with market value; companies with low corporate abilities will result in a negative impact on the market value (Luo & Bhattacharya, 2006) and conversely, if a company is highly innovative like many of the tech companies affiliated with Pledge 1%, CSR can will likely have a positive impact on market value. As the market value increases, the strength between shareholders and the company strengthen and further support the sustainability of the firm.

“Innovativeness capability,” in relation to corporate ability, refers to a company’s ability to utilize internal knowledge of shareholders to produce new/updated technology, services, and “other new fronts” (Lou & Bhattacharya, 2009). Particularly for start-ups and manufacturers of niche goods, it is likely their innovativeness capability that will
determine their survival among their competitors. Significant benefit (e.g. increases in positive perception and/or market value), can be gained with a combination of substantial innovativeness capability and external assets (i.e. CSR efforts).

According to Bhattacharya et. al. (2009), there are two aspects of stakeholder perception to consider when adopting CSR initiatives. First, a stakeholder’s evaluation of a CSR initiative is based on the degree to which the lives of the beneficiaries are improved. For example, if the initiative is focused on giving low-income families access to the internet and 500 laptops with routers are given out, stakeholders are likely to view the initiative a success. In that same vein, if 100 routers are given out without devices to access the internet, these stakeholders would likely react negatively towards the initiative’s poor performance.

The second aspect of stakeholder perception relates to attributions. Attribution theory asserts that people tend to act as “naive psychologists” who seek to understand the behaviors of others by making assessments about focal objects’ thoughts, feelings, and intentions (Langan & Kumar, 2019). For the purpose of this research, this definition is expanded to include all shareholders and their attempt to understand a company’s motive for adopting a CSR policy and/or for supporting particular charities. A common example of this applies to individuals and companies who donate to a university - likely their alma mater (Harburgh, 1998). Because a higher level of prestige is garnered from such a donation compared to a donation of equivalent size to, say, to an after-school program, then some may attribute the gift to the donor’s desire to increase their standing in the community and display their influence.

It should be noted that nonprofits are also privy to the importance of prestige, and those who are able may choose to exploit that fact by offering public recognition in exchange for a gift (Harburgh, 1998). In fact, it is the marketing opportunity attached to gifts that leads companies to house their CSR efforts in their marketing team (Porter & Kramer, 2002) to ensure maximum utility from each philanthropic engagement and each nonprofit partnership. In order to ensure utility maximization, the company must determine their ultimate objective. If they seek to gain prestige from a contribution, a gift to a hospital or university will likely suffice. If, however, the company seeks to influence others and become a leader in the corporate philanthropy arena, they must invest time and resources in forming relationships with shareholders and gaining the support of the CSR initiative(s).

There are four different components of the stakeholder-company relationships that impact the relationship quality: identification (e.g., Berger et al., 2006; Maignan and
Ferrell, 2004; Sen and Bhattacharya, 2001), commitment (e.g., Morgan and Hunt, 1994), trust (Morgan and Hunt, 1994), and satisfaction (e.g., Crosby et al., 1990; Garbarino and Johnson, 1999).

**Identification:**
Morgan and Hunt (1994) define organizational identification as “the degree to which employees define themselves by the same attributes that they believe define their work organizations.” It is because of employee identification, that many companies like Salesforce and Google have adopted initiatives that empower employees to support organizations of their choosing in a variety of ways.

In 1994, Maignan and Ferrell conjured a new definition of identification that abandons the specificity of ‘employees’, in favor of one that includes all shareholders (e.g. employees, leadership, stakeholders, consumers, etc.). Identification, therefore, is experienced by all shareholders and all of those shareholders’ identification can affect the company. For that reason, while it is wise to avoid causes that are too specific, the ideal initiative(s) would address issues that are important to one or more of the stakeholder groups (Maignan & Farrell, 2004).

A large body of research (e.g. Elsbach 1999) finds that this type of identification can contribute to a person’s self-concept, and, along with that individual’s positive or negative cognitive relationship with their employer, can provide the basis of social identity. According to Morgan and Hunt (1994), employees who have a high degree of identification with their employer are likely to have a higher level of job satisfaction, commitment, and organization-positive behaviors such as an increased amount of effort exerted on behalf of the corporation.

**Commitment:**
Commitment is the persistent desire to maintain a valuable relationship (e.g. Morgan and Hunt, 1994) that involves a reciprocal exchange of resources over a period of time and thus, involves a psychological attachment to their partner. Although reciprocity is not a codified component of many partnerships, the presence of trust which should be central to all partnerships, compels parties to act in a way that is beneficial to their partner after having benefited from their partner’s actions.

**Trust:**
As described by Morgan and Hunt (1994), trust is the belief and confidence that the partner will act reliably and with integrity, and will uphold mutually understood agreements.
Satisfaction:
Satisfaction is an assessment of the purchase and consumption of a good or service over time (e.g., Crosby et al., 1990; Garbarino and Johnson, 1999). Because partnerships are - hopefully - lasting engagements, partners need to feel satisfied with the amount of benefits and resources given, and the benefits and resources received. Asymmetrical exchanges where a partner feels that they are giving more than receiving can lead to dissatisfaction and eventually the deterioration of the partnership.

Strategic Philanthropy & Shared Value
The concept of strategic philanthropy is rooted in philanthropy that is strategic, and considers the benefits to the firm in addition to the benefits provided to society (Maas & Liket, 2011). This “shared value,” whereby value is created for the company and the community alike (Porter & Kramer, 2011), requires more than “semantic connections” (Porter & Kramer, 2002) that simply link one thing to another and goes beyond the concept of responsibility.

When companies and shareholders stop viewing CSR as superfluous and start viewing it as an opportunity for impact, profit, competitive advantage and more, then they are able to realize the benefits of producing shared value. An optimist may say that this allows philanthropy to be win-win, where initiatives are both profitable and benefit the community, however, in order to do so, the direct and indirect impact of philanthropic activities must be measured (e.g. Tsotsotso, n.d.; Maas & Liket, 2011). Often this means reconfiguring the value chain, applying a shared value lens to every decision, and developing concrete and tailored metrics (Porter & Kramer, 2011). Strategic philanthropy is more than a transaction - it requires long-term buy-in from both the benefactor and the beneficiary (Rumsey & White, 2009).

Areas where shared value is transforming the value chain (Porter & Kramer, 2011):
- *Energy use and logistics:* increased cost of energy had already caused companies to rethink their energy use but nonetheless, companies have made significant strides with better technology, recycling, and more which all create shared value.
- *Resource use:* better utilization of resources like water as well as other materials will decrease costs and reduce the amount of material going to landfills
- *Procurement:* Companies can create shared value by rethinking its production methods. For example, rather than increasing operations in a low-income country, it would be better if the company invested in its existing facilities which
would result in increased production and would increase the lives of employees in the region.

- **Distribution**: Shared value can be created by spreading into low-income markets by empowering community members with the skills necessary to sell their product. Income in the community increases and so do profits as well as health and access to other resources for the community.

- **Employee productivity**: Case and point > Providing healthcare to employees costs significantly less than the cost of employee time off and loss of productivity when they are ill.

- **Location**: companies can reduce production costs by creating more centralized production operations while also significantly cutting down on emissions, increasing productivity, and increasing profits.

One of the obstacles that shared value and strategic philanthropy has faced is the neoclassical theory that asserts that social benefit can only occur as the result of increased costs and decreased profits (Porter & Kramer, 2011). Because of this belief, firms have historically been reluctant about adopting CSR measures out of the fear that stakeholders will see them as an irresponsible use of their money.

**Means-end Theory & Construal Levels**

Gutman’s (1982) means-end theory is based on two fundamental assumptions about consumer behavior: “(1) that values, defined here as desirable end-states of existence, play a dominant role in guiding choice patterns, and (2) that people cope with the tremendous diversity of products that are potential satisfiers of their values by grouping them into sets or classes so as to reduce the complexity of choice.” Underpinning the values and taxonomy are the attributes connected to each item in decision-making. In other words, if a person wants to buy a jacket, and the attributes related to product popularity lead them to choose between Patagonia and The North Face, means-end theory suggests that they would likely choose Patagonia if they value nature conservation.

According to the theory of means-end, consumers derive different kinds of benefits depending on the construal level. At the lowest level of construal, the benefit is tactile, tied to emotion, highly contextualized to the specific scenario, and focuses on how the means happened. At the highest construal level, the benefit is simple, non-contextualized, abstract, and not tied to emotion. For example, in terms of donations, money has a low construal level because it is tangible and has a direct, known result from its use. On the other end with a high level of construal is time, which is far less tangible, more conceptual, and does not have a set value attached to it. For
stakeholders, “helping the community” has a high level of construal where a particular initiative like a pledge likely has lower construal because there are more details involved. When comparing Pledge 1% and 1% For the Planet, 1% For the Planet - it can be argued - has a lower construal level because there are more specific facets associated with it (i.e. the donation of profit).

One study argues that because of the higher construal level of time, it is more difficult for people/consumers to assess the relative cost of time for one company versus another (Langand & Kumar, 2019). For example, if Petco and a local pet boutique each donate $100,000, the low construal level makes it simpler for people to determine that the relative cost is much higher for the boutique than it is for PetCo. However, because time has higher construal, saying that both donated 1000 hours in time is more difficult for people to evaluate.

As Langan and Kumar (2019) point out, the type of donation/contribution has a significant impact on perceptions of the particular initiative. Even though a donation of profit might have a more significant impact on the community, Langan and Kumar find that corporate donations of time are perceived as requiring more effort and as a result, lead people to believe that the motive is altruistic and adopt a positive view of the company. Furthermore, because many donations are seen as a relatively low cost in terms of available resources, shareholders may view a donation as an easy way out of doing something that requires more effort (like volunteering). This perception displays the mediating effect of perceived effort and motive on attitudes toward the company.

Part of the reason for this perception is that asking for time activates goals related to emotional well-being, whereas monetary donations elicit goals associated with economic utility (Liu & Aaker, 2008). It is vital to recognize the multidimensionality of consumers in order to go beyond their role in the economy and approach them as part of a family, community, and country (Luo & Bhattacharya, 2006). Positive perceptions require a pivot in perspectives from seeing customers as consumers, to seeing customers as shareholders who need to be treated as humans and whose views can impact the company’s bottom line.

Types of Benefits
For the various shareholders (e.g. pledge signatories, organization staff, donors, etc.), there are three different types of “causally connected” benefits that can be acquired: functional benefits, psychological benefits, and values (Bhattacharya et. al., 2009).
Functional benefits are those that are tangible and are produced as the direct result of the product or service. For example, a functional benefit of receiving a meal at a food bank is that it makes the person feel full and gives them nutrients. Psychological benefits are those that are related to the individuals psychological and sociological well-being. In the case of receiving a meal, the psychological benefit would be food security and the feeling that know where their next meal will come from. The last benefit is connected to an individual’s values can be affirmed in the end-state. The value connected to a meal at a food bank that has the functional benefit of a needed meal and the psychological benefit of food security, might be community support.

**METHODS**

**Quantitative**

Over the last twenty years, thousands of founders have made the decision to take a pledge with the intention of giving 1% of their profit, product, equity, and/or time to a community organization. The purpose of this research was to determine the unique characteristics of the two member populations and shed light on the relevant benefits associated with those characteristics. Because of the similar nature of Pledge 1% and 1% For the Planet, it was determined that a content analysis to assess the unique features of their respective members was conducted.

**Participants**

Both Pledge 1% and 1% For the Planet offer lists/directories of their members on their websites. The actual number of Pledge 1% members cannot be verified, however, their website claims that they have more than 11,000 members and their member’s page listed 1240 unique companies. Based on that, a random number generator was used to produce a 300 member sample.

1% For the Planet states that they have more than 3,000 members (corporate individuals). For the purpose of this study, only the 2600 corporate members in their directory were used to produce a sample of 338 companies through a random number generator.

**Design**

The content analysis looked at ten categorical variables (see Appendix D) and focused on information available on the website linked to the company on the member list or directory of the organization websites. One variable acted as an indication as to whether or not the link was functioning - if present - in an attempt to test the validity of the
members listed. As such, even members without functioning links were included in the study.

The other nine variables that looked at the company’s sector, branding practices, notable work in the community, size, and location. A series of chi-square tests compared members of each organization in relation to each of the variables (N = 638) using the PSPP software.

It should be noted that information for the location variable was supplemented by information stated in the 1% For the Planet website and/or LinkedIn in order to obtain a higher level of accuracy in the data, despite being a weakness in the overall study.

**Qualitative**
Expert interviews were conducted to supplement and support information obtained in the content analysis and literature review. They were not a focus for investigation and as such, no formal analysis was conducted, however, they’re insight proved helpful in providing contextual information and so methods related to those interviews are below.

**Participants**
Due to the variety of stakeholders affiliated with the two organizations, a series of interviews with individuals were conducted. Six of the eight participants were the result of 40 inquiries sent to randomly selected organizations.

Of the five participants interviewed from Pledge 1%, three were among a group of 10 (included in the 40) who were listed as “Partners” on the Pledge 1% website and therefore the interview did not have knowledge of what the nature of that partnership was prior to the interview. Unlike normal members, those in the Partner category were primarily foundations and investment firms. Of the five, one was a normal member. The last one was the head of the Atlassian Foundation which is the foundation created by the co-founder of Pledge 1%, and the individual was found through a professional connection of the interviewer.

Of the three participants from 1% For the Planet, one was the Membership Coordinator of FtP, and the other two were normal members of the organization and represent the tech and design sectors.

**Design & Procedure**
Ahead of the interviews, participants received information about the purpose of the interview, the research question of the paper, and five questions that would form the
basis of the semi-structured. Because of the diversity in participants and the breadth of information that could be provided by each, structured interviews would have been too limiting in their capacity to solicit the most relevant information.

Although the questions varied slightly depending on the individual’s relationship with the pledging organization, they all covered four key themes:

1. How their company got involved with the organization
2. What their level of interaction is with the organization
3. What benefits they think that they and others get from being affiliated with the organization
4. If there is anything they would like to see change in their relationship with the organization

Ideally, the interviews would have been conducted in person, however, due to the geographic locations of participants and barriers to social interaction as the result of 2020 pandemic, three interviews had to be conducted using a video-call service, four sent question answers through email, and one interview was done over the phone.
RESULTS

In order to determine whether organizations from Pledge 1% and 1% For the Planet had equal likelihood of being from the same industries, a chi-square test with 10 variables was conducted, \( \chi^2 (9, N = 638) = 306.59, p = .000 \). Based on the statistically significant results, we can conclude several things:

1. Signatories of Pledge 1% (87%) are more likely to have an unattainable type of business than signatories of 1% For the Planet (13%).
2. Signatories of Pledge 1% (93%) are far more likely to be in the software/internet/tech industry compared to signatories of 1% For the Planet (7%).
3. Signatories of 1% For the Planet (91%), are far more likely to sell goods (Category: Marketplace) than signatories of Pledge 1% (9%).
4. 1% For the Planet had a higher proportion of members who fell under the travel/outdoor/experience category (100%) where Pledge 1% did not have any (0%).
5. The two organizations had similar proportions of members in finance (P1 = 56%, FtP = 44%), marketing (P1 = 47%, FtP = 53%), and consulting (P1 = 57%, FtP = 43%).

The second variable checked to see whether or not the companies listed had working links, and whether one of the two organizations had more companies with broken links, \( \chi^2 (2, N = 637) = 8.66, p = .013 \). Based on the statistically significant results, we can conclude that Pledge 1% had more websites listed that had faulty links (61%) and had more companies without any links at all (60%).

The chi-square test focusing on whether or not one of the two organizations was more likely to have a foundation produced statistically significant results, \( \chi^2 (3, N = 638) = 16.83, p = .001 \). Based on the results, we can conclude that Pledge 1% organizations (80%), were far more likely to have foundations than 1% For the Planet members (20%).

The chi-square test focusing on whether or not one of the two organizations was more likely to clearly state how much they have contributed produced statistically significant results, \( \chi^2 (3, N = 638) = 16.20, p = .001 \). Based on the results, we can conclude that Pledge 1% organizations (22%), were far less likely to state their contribution than 1% For the Planet members (78%).

For organizations who did state their contribution, this variable looked at how much money was contributed, \( \chi^2 (3, N = 634) = 1.74, p = .628 \). Despite the lack of statistical significance from the chi-square test, because the conventional rule of thumb requires a sample size of at least 5, it is possible that a larger sample size would produce different results. The fact that the information collected indicates that overall, members of 1% For the Planet are more likely to have contributions below $100,000 (80%), and also more likely to have contributions above $500,000 (67%).

One of the widely accepted benefits of CSR is the marketing component that promotes positive perception by customers and potential customers. For that reason, a chi-square test was
conducted to see if one member group was more likely to take advantage of the marketing benefits than others, $\chi^2 (3, N = 634) = 105.58, p = .000$. The statistically significant results indicate that Pledge 1% members were far more likely not to have the Pledge 1% logo on their website (23%) than members 1% For the Planet (77%) with their respective logo.

The seventh variable checked to see whether or not the companies in either group were more likely to have webpages dedicated specifically to community-related efforts including their pledge, $\chi^2 (2, N = 638) = 33.98, p = .000$. Based on the statistically significant results, we can conclude that 1% For the Planet members were far more likely (73%) to have pages dedicated to the community than Pledge 1% members (27%).

Because of the nature of the pledges, it was important to investigate whether Pledge 1% members were as likely to contribute financial resources as 1% For the Planet members. Unlike 1% For the Planet members who indicate their financial contribution simply by adding the 1% For the Planet logo to their website, the Pledge 1% logo - if not clarified - can indicate contributions of profit, time, product, or any combination of the three. This variable checked to see whether or not the companies listed had working links, and whether one of the two organizations had more companies with broken links, $\chi^2 (2, N = 637) = 8.66, p = .013$. Based on the statistically significant results, we can conclude that Pledge 1% had more websites listed that had faulty links (61%) and had more companies without any links at all (60%).

The ninth variable looked at how many staff members they had based on the information on their website, $\chi^2 (7, N = 638) = 112.61, p = .000$. The statistically significant results indicate that members of 1% For the Planet are more likely (77%) to have teams of 15 or less than Pledge 1% (23%). Due to the push to solicit pledges from small start-ups with few employees, this highlights a trend among tech companies to omit including team members on their websites. The two member groups had about the same likelihood to have teams larger than 15.

The tenth and last variable focused on the location of the member companies to see if one group was more likely to be located in a particular area $\chi^2 (10, N = 637) = 105.35, p = .000$. Based on the statistically significant results, it is clear that 1% For the Planet has a higher presence in Europe (75%) than Pledge 1% (75%). 1% For the Planet also has more members from Asia (72%) than Pledge 1% (28%).
Heldt (2005) proves with an experiment of prosocial behavior that decision-making is influenced by the knowledge of other's actions. With relation to pledges, if a CSR initiative is presented as a prosocial opportunity, shareholders are far more likely to agree to it if they have the knowledge that it has already been adopted by others. In the cases of Pledge 1% and 1% For the Planet, tens of thousands of companies have already communicated their intention to support the community.

Particularly for founders of early-stage start-ups, the ability to be listed with companies like Salesforce without committing anything has allowed them to gain access to a valuable network of founders and funders. Dom Zeund, founder and CEO of Headbits and member of 1% For the Planet, says that he has been able to form collaborative partnerships as a direct result of the pledge and says that this alone, is worth the 1% of profit.

**General Benefits**

**Member Benefits**
According to Sun et. al,( 2019), “with the help of marketing capability, CSR gains sufficient strength to function as a performance driver and is immune from diminishing returns. This finding is in line with research suggesting that CSR can be one of the most powerful tools for winning the competitive marketplace and protecting firms from a downturn or crisis, given that it is handled in a well-organized manner.”

A crucial argument in favor of signing either pledge suggests that giving to nonprofits can increase income or business opportunities “by serving as a signal of wealth and reliability” (Harburgh, 1998). Contrary to this assertion, however, is the demographic makeup of each pledge’s membership.

**Talent Recruitment & Retention**
One of the most significant benefits for members is talent recruitment and retention that is the direct result of increased employee identification as the result of CSR efforts (Bhattacharya et al., 2008). Regarding talent, particularly for tech-related signatories of Pledge 1%, in terms of employee identification, the significance of the benefit is both impacted by the CSR initiatives of the potential employer and the tech community in the surrounding area. Thanks largely to the founders of Pledge 1% who have made
significant contributions to the community, create the perception of an industry-wide warm-glow that supports other appealing characteristics of the sector. For that reason, in order to compete for talent with the myriad competitors, founders may feel a degree of pressure to adopt similar practices as that their competitors have made. In this case, the employee gets the psychological benefit of identification, and employers get the functional benefit of attracting and maintaining talent.

**Employees**
The psychological benefits of a pledge are paramount for employees of the signatory. Because one of the four pledge items is time, companies can install a CSR initiative that promotes employees to use their professional skills to support the community. When an employee uses their professional skills to support a cause that they care about that is inadvertently also being supported by their employer, the lines between professional and personal lives begin to blur. The entire equation is produced as the result of a functional benefit of the employee-driven initiative which is being able to use work time to support a personal cause. From this comes the psychological benefit of feeling good about the employee feeling good about themselves in both their personal and professional lives. As a whole, the value of altruism becomes present both in themselves as individuals and also in the company they work for. Furthermore, by making it easier for people to transition more easily between personal lives and professional lives, the removed strain at ‘entry points’ is decreased thereby increasing productivity.

According to Morgan and Hunt (1994), employees who take part in activities related to causes experience significant changes in attitude, beliefs, and identities. By creating a minimally intrusive opportunity for employees to practice their skills and thereby increase the monetary value attached to each employee’s time, not only is the company receiving a more skilled workforce, but they also obtain a higher level of identification which can lead to employee loyalty and decrease turnover rates which can be costly (Bhattacharya et. al., 2009).

**Community benefits of CSR**
Interestingly enough, in all of the literature related to CSR, there is a dearth of research looking into the perceptions of those directly benefiting from the CSR initiatives. Self declared “writer, speaker, vegan, Pisces, and the former Executive Director of RVC” Vu
Le, author of the popular blog Nonprofit AF, declares that “CSR as a whole must undergo a necessary existential crisis and make some changes.” He - as a popular voice of the nonprofit sector - bravely vocalized in his 2019 piece titled “How corporate foundations and CSR need to evolve to be more effective partners with nonprofits”, the fact that as long as corporations “only see through the lens of how to increase brand awareness, [they] will not be an effective partner in addressing injustice.”

As one of the only people to take on the issue of CSR from the nonprofit perspective in a way that reaches industry professionals across the US, the reaction mirrors the exact problem the article showcases. Michelle Collier, Development Director of Reading Partners San Francisco Bay Area, said that when the article came out, she was so grateful that someone with a platform finally verbalized what she has felt for years, however, she also said that she didn’t want to share it publically out of fear of her corporate partners taking offense.

Epstein and Yuthas (2014) suggest that companies must make sure that investees’ work align with the objectives of the CSR effort. While there is a strong argument in strategic philanthropy for partnerships of this nature, it can be argued that the alignment should move the other direction. Rather than finding an organization who aligns with a pre-determined initiative, it would behoove firms to determine a cause, identify an organization with a proven impact, and align themselves with the work of the nonprofit. The terms “investee” and “recipient” have become ubiquitous within CSR literature and practices. In order for companies to have an impact - a true impact and not just marketing benefits - nonprofits need to be seen exclusively as partners. Just as the term “charity” has fallen out of favor over time, so too must the idea that nonprofits are helpless entities who are willing to bend over backward for a handout.

As a partner, the nonprofit is responsible for doing the work that creates impact and the corporate partner needs - at least in part - to ensure that the nonprofit has what they need in order to do that work. At the end of the day, two things alone often determine the community impact: 1) who money and resources are given to (Porter & Kramer, 2002), and 2) how much money and resources are given. If a company chooses a nonprofit without a proven impact already, giving them resources is unlikely to produce any direct benefit for the community. Unlike the private sector that weeds out under-performers through competition, nonprofits can survive as long as they convince a small number of people that they are doing good. For that reason, 1% For the Planet vets nonprofits as a part of their pledge so when a company selects an organization from the selection of approved organizations, both 1% For the Planet and the company can be sure that the contribution will have an impact.
The idea of community or social benefit is what many refer to as "impact". In other words, the assumed intention of any CSR or philanthropic effort is impact. Epstein and Yuthas (2014) argue that there are five questions central to the social impact creation cycle. The third question asks what steps will be taken and hones in on the need for a strategic theory of change and logic model in order to produce certain outcomes (i.e. impact). Following this is an interrogation of how those outputs will be assessed and how outcomes will be measured and analyzed in order to answer the fifth question: how can impact be increased?

Outcomes depend on factors at the organizational level and stakeholder level including the degree to which the level of CSR activity influences CSR programs, related benefits, and relationship quality. In other words, if stakeholders are able to engage in a CSR activity that strengthens the partnership and/or produces benefits and/or furthers the work of the CSR program, then outcomes will manifest proportionally. It should be noted that in addition to these factors, individual factors, the company, the program itself, and competitors are all moderating contingency factors that can also influence the outcome (Bhattacharya and Sen, 2004) by influencing both perceptions of the initiative and the functional benefits produced by the initiative. In addition to those factors, according to Bhattacharya et al. (2009), functional benefits (e.g. enhanced corporate performance) from a CSR activity are likely to be far greater with increased CSR-company fit due to the strategic nature of those relationships. Conversely, non-strategic partnership with less CSR-company fit are less likely to produce such outcomes.

**Pledge 1% Analysis & Shareholder Benefits**

**Member Benefits**
The targeted constituency of Pledge 1% is comprised of start-ups who have little to nothing to pledge at the time of signing. Again we highlight Angela Madura’s assertion that it is easy to pledge 1% of what you have when you have nothing to give. The content analysis that indicated the higher proportion of Pledge 1% members having faulty websites also underscores another point made by Madura. As an employee of an investment firm, she says that due to the nature of working with start-ups, it is not uncommon for start-ups to take the pledge and then be acquired by a larger company. When an acquisition occurs, more often than not, the start-up is required to adopt the CSR practices - if any - of their parent company.
In some cases, this can be a good thing. One Pledge 1% signatory, CodeBarrel, was acquired by Atlassian in 2019. Because Atlassian is also a member (and founder) of Pledge 1%, this change allowed the company to maintain - if not grow - their CSR efforts. In another case, like that of Gnip who was acquired by Twitter in 2014. Although Twitter does have its own CSR efforts, since it is not a Pledge 1% member, the objective of giving 1% has been eliminated. Furthermore, because a simple internet search will produce the finances of most start-ups using tools like Crunchbase, anyone interested in the financial status of the company can easily determine whether that 'signal' bears any legitimacy.

For this reason, increased income is likely not the core motivator for start-ups and industries who are less reliant on a specific consumer-base rather than client-base like those in investing, consulting, marketing, and design. Bhattacharya et. al. (2009) posit that stakeholders gain personal benefits either through direct involvement - like volunteering - “or through the mere knowledge, based on their subjective perceptions, of such initiatives.” This point is crucial as it supports the idea that a company - particularly a startup - can obtain a competitive advantage in talent recruitment merely by the perception of positive intentions (Porter & Kramer, 2002). It is likely that they are also able to increase their appeal to investors as the result of this perception and by the presence - as it is promoted by the 1% pledge - of other investors who are involved with the initiative.

The fact that so many founders have signed, constructs a start-up identity that both signatories and non-signatories benefit from. The fact that so many have embraced this apparent empathy for their communities signals to the public that the sector as a whole is pushing supports the initiative and supports the community regardless of whether or not they actually do. Furthermore, because of the nature of the pledge, such truth is rather irrelevant due to the fact that signatories are able to reap the benefits of the pledge without producing any evidence of having upheld any portion of it.
According to Clarkson (1995), the success of a CSR initiative relies largely on the development and maintenance of relationships with stakeholders. Pledge 1%, for that reason among others, created the Builders Club which allows companies to obtain access to a larger amount of resources, exert more influence, and develop stronger relationships with Pledge 1% through a contribution to the organization itself.

Those who decide to commit to the relationship and join the Builders group which involves a set of benefits for both parties, likely have higher-quality relationships with Pledge 1% than those whose relationship is limited to the transaction of pledge signing. Both of these relationships, the strong and the weak, are examples of how stakeholder level contingencies can impact the relationship and outcomes. Stakeholder level contingencies involve the degree to which a person - like a signatory - supports the focal issue (i.e. Pledge 1%). Because the person/company involved in the Builder relationship has a high level of support for Pledge 1%, they enhance the stakeholder-company relationship and positively influence the benefits produced for both parties. The individual who ends their engagement after signing displays less support for cause thereby undermining the relationship and benefits.

**Investor Benefits**
Unique to Pledge 1% is an additional moderating stakeholder in some of the relationships. Pledge 1% has partnered with several venture capitalists who promote the pledge to their investees thereby influencing them to adopt pro-social behavior. In the case of Techstars who is credited as being a founding partner of Pledge 1%, the suggestion for a client to sign the pledge is exactly that - a suggestion. Techstars gives some level of insight to the benefits of taking the pledge, and then hand off the relationship to Pledge 1% if the investee decides to move forward with the pledge.

Due to the profit potential of CSR initiatives, the investor has nothing to lose, and only profit to gain by suggesting the pledge. In this way, Pledge 1% and the investor can have a mutually beneficial partnership with minimal risk, and potentially significant gain.

**Organization Benefits**
The mission of Pledge 1% is not to increase corporate donations to a nonprofit organization. The pledge, at its core, is an advocacy organization that seeks to influence the intentions of an entire sector with less attention being paid to the behavioral outcome of those intentions. Furthermore, on a myopic level, the pledge attempts to influence individuals at each company by creating a foundation for them to develop intentions of their own that may turn into action. It is an attempt to construct and normalize a model of business that has CSR baked in as a crucial component, not as
an extraneous additive. Investor and consumer responses to CSR are mediated by attributes previously assigned to the company and consequently, because of the advocacy and reputation of Pledge 1%, the previously assigned attributes are likely to be based on the perception that the motives are genuine and altruistic.

This could be the key to the success of the 1% Pledge. By promoting the pledge to start-ups who have likely not built a reputation/brand, the public perceives this early step as being one that reflects the core values of the founders and company. This pathos of the founder personality is further supported on the organization’s landing page which seeks to appeal to founders by highlighting the fact that many - thousands - of other funders have already made this pledge.

Cluster Benefits
The fact that Pledge 1% group has such a significant number of tech companies who have a reputation as innovators may guarantee the positive impact of CSR on market value because the desired perception is already there. This also poses challenges to evaluate the moderating effect of CSR on start-ups. Due to the range of corporate ability even within startup, it is difficult to assess whether taking the pledge (i.e. publicly declaring to care for the community) has an impact on the pre-IPO value of the company. Either way, this warm-glow obtained by taking a pledge early on - particularly if the investor has already taken the pledge - may increase the likelihood of securing funding.

Unlike established companies, start-ups don’t have a customer-base or public perceptions, especially in their early and seed stages. According to Lou and Bhattacharya (2009), innovation is essential for catering to ever-changing customer needs. This ability to adapt is why the tech sector inherently consists of companies whose products are non-material and therefore, can be updated, changed, fixed, and modified without consideration for a supply chain or any other limitations that producing a tangible product presents.

Community Benefits
Because nonprofits are not a part of Pledge 1%’s model, the community has no direct benefit from the pledge. It is up to the company to identify organizations that they would like to support, and make their desired contributions. If the company identifies an organization that has not displayed an ability to fulfill its mission, the member is in a position where even a donation of $1 million can have virtually no impact on the targeted community.
1% For the Planet Shareholder Benefits

Member Benefits
Because of the turbulent nature of the tech industry, companies in this sector - with the exception of unicorns - are not generally thought of as wealthy and reliable. For that reason, Harburgh’s (1998) claim that community-driven efforts can increase income, is likely to have less of an effect on start-ups. Where it does have potential though, is in the niche-markets that are characteristic of 1% For the Planet members who are focused more on appealing to a specific demographic of customers than to wealthy investors.

Signatories of either pledge because they derive some utility of various proportions from the act of giving and/or signing a pledge (Andreoni, 1989). In the case of 1% For the Planet, the mediating effect of the membership accountability maximizes the utility of each corporate gift. By ensuring that a company does in fact give a gift to an organization with proven impact, 1% For the Planet is guaranteeing the actualization of a warm-glow.

Organization Benefits
1% For the Planet’s high level of involvement with members allows them to maintain high-quality relationships that allow them to benefit from word-of-mouth advertising. That relationship also allows them to systematically collect information related to their impact and elucidate the significant contributions made by its members. Not only do these metrics give them legitimacy as an organization among potential members, but it also positions them as leaders in the global fight against climate change.

Community Benefits
Unlike Pledge 1%, 1% For the Planet sustains mutually beneficial relationships with its nonprofit partners. Out of this relationship, the approved nonprofits are listed among other influential and effective nonprofit organizations that pledge members can choose
to fund. This marketing opportunity for the nonprofits opens the door for them to access corporate philanthropy money that otherwise may be difficult to solicit.

**Potential Shortfalls of the 1% Concept & Critique of Practice**

**Discouraged Giving**
An argument can be made for the 1% actually discourages giving. Inoue and Kent (2014) propose that companies are able to gain greater societal credibility when they put more effort into their philanthropic initiatives. For companies who have signed a pledge that suggest they only give 1%, giving more is not reflected anywhere by the organization facilitating the pledge and thus, if the company wants to increase the utility of giving say 5%, they alone are responsible for disseminating that information.

**Accountability & Measurement**
Another shortcoming of Pledge 1% in particular is the lack of accountability between the organization and the signatories. Despite literature indicating trends towards community-impact reporting, the content analysis indicated that Pledge 1% members were less likely to have community-focused pages which is where such a report would be located. Just like nonprofits who face similar limitations, small companies that make up the majority of members for both organizations lack the capacity to produce such materials. For this reason, it is of the utmost importance that pledging organizations like Pledge 1% and 1% For the Planet create systems to track philanthropic data from members and provide guidance on how to track their community investment themselves. From the outset of measurement efforts, both the company and the supported organization benefit from having a higher level of involvement in the alliance.

Morgan and Hunt (1994) find that in order to have a successful alliance, both parties need to be committed and connected to the ones they are working with. Both the company and the organization need to be present, active, and invested. How can a transaction produce a relationship? Anyone can go on the website, fill out a simple form, and that’s it - a new member has joined the pledge. If that new member isn’t sure what they want to pledge, that’s fine too. Pledge 1% allows such ambiguity in the online form that a founder/company can join without even selecting what they want to pledge, and instead, is given the option of deciding later. This means that behind the 11,000+ companies who have taken the pledge, there is significant stratification in commitment
ranging from companies who have pledged 1% of their time, profit, and product, to companies who have not decided to pledge anything at the moment.

Despite this significant stratification, all signatories reap a similar set of benefits. In other words, if a company takes the pledge and donates less than 1% of its time - and thus having nominal affect on the community - they receive they can receive the same recognition and functional benefits as a company who donates 1% of their profit, time, and product.

**Bandwagon Effect**

Another phenomenon at play is that of the bandwagon effect on the decision of what CSR initiative to adopt. In the broadest of senses, signing the 1% pledge is an initiative although unless the signatory is a Builder, they are not bound by any accountability measures. For that reason, given that the risk is non-existent for stakeholders, Pledge 1% represents the archetype of a vehicle primed for the bandwagon effect. As Bhattacharya and Sen (2004) point out, a moderating influence for stakeholder perceptions of an initiative can be found in initiatives of company competitors. That is, if a stakeholder sees an initiative that was successful (e.g. increased market value, increased productivity internally, good publicity, etc.) then they are likely to adopt the understanding and expectation that such an initiative at their company would be met with similar results.

Bhattacharya and Sen (2004) posit that the moderating influence of competitor initiatives relates to company perceptions as stakeholders often use knowledge of CSR initiatives of competitors as points of reference. Compounding this phenomenon in the case of Pledge 1%, and to some degree 1% For the Planet, is the bandwagon effect within certain industries and the warm glow effect that comes along with such association. A “warm glow” is the internal satisfaction that comes from act of giving and is magnified by having the amount of the donation publicly known (Andreoni, 1989). In 2020, one of the founders of Pledge 1% developed a significant warn-glow effect when Salesforce announced that it was donating $1 million to a local school district that can be used in any way the district sees fit. Because the company has a reputation of being altruistic that stems from their early commitment to the community, it is likely that this act was seen a purely altruistic act. For other companies who do not benefit from an existing reputation, the optics of contribution regardless of size may lead shareholders to attribute another perception.

By applying Andreoni’s (1989) model of “impure altruism” to the corporate context, we understand that the practice of such actions as signing a pledge is not always rooted in
altruism but rather a desire to take on the warm-glow attributed to other pledge signatories. This evaluation of the action is further supported by Hairburgh (1998), who found that individuals often give the minimum amount necessary to appear in a higher level of giving. A company’s impurely altruistic pledge is at times not rooted in a desire to support the community; the optics created by the pledge produce a functional benefit of increased marketing opportunities, however, as one venture capitalist employee put it, “it’s easy to pledge 1% of everything when you have nothing to give.”

RECOMMENDATIONS

Recommendation #1
Signatories could get more out of the relationship if they used it as an opportunity to form a strategic partnership with an organization that is related to their business. If they want to truly be strategic, they need to implement systems that support collection and analysis of impact-related data that inform their decisions about their CSR efforts. As a party of these systems, a dual, binocular perspective must be adopted to assess not only the profitability of the initiative from the corporate side of it, but also to assess the impact on society from a community-centered perspective (Mass & Liket, 2011). Given that stakeholder concern can arise from the costs (i.e. financial and time commitments) affiliated with CSR efforts, the impact of the concern can mitigated by optimizing expenditures through impact measurement. This supports long-term efforts to sustain and develop CSR efforts in ways that have proven, positive implications for the firm and the community (Mass & Liket, 2011). Not only would this give Pledge 1% a guarantee of impact, but it would also provide a valuable marketing and publicity opportunity for the start-up.

Currently none of the myriad definitions of CSR involve data-driven decisions. Moving forward, if companies have genuine concern for the community, they need to ensure that CSR is treated like everything else in their business and include indicators for success. Pledge 1% has had moderate success in fostering a culture of philanthropy, but what 1% For the Planet has done is mandate strategic philanthropy (at least in some degree) to support companies who want to align their business with nonprofits of a similar nature (e.g. a surfboard company supporting an ocean-related organization).

Even though small companies that are common in both organizations are less likely to measure their impact overall, they have the advantage of creating systems and practices that they can scale as they grow. An archetype of this strategy can be seen in the Sweden-based unicorn, Spotify. By strategically developing social and
environmental initiatives and corresponding systems for tracking and evaluation, they have been able to consistently report out and prove their impact to stakeholder and the broader public. While Spotify is an example of a larger trend as companies move towards tracking their impact, based on this study, none (except for B-corps that are required to do so) published their impact. The fact that firms are not required to publish their actual contribution, let alone their impact, underlines an inherent flaw in the way that CSR is being practiced.

With CSR initiatives, managers must not only focus on the community at large, but also must integrate components to maximize employee benefit through internal, community building efforts to remove the “distance between” themselves, their fellow workers, their organizations, their partners, and their wider community. Example of partnership between a company and an organization could be Salesforce and the Oakland schools.

Recommendation #3
Take the task of organization selection (i.e. determining an accepted degree of impact) away from companies and place that responsibility on the shoulders of the organization facilitating the pledge. Where companies should focus is impact evaluation. Corporations are uniquely positioned to undertake impact assessment when their philanthropic efforts are related to their business and they thus have the technical expertise and resources to tap into. One way to promote this is by reframing the concept of donating time. It is commonly understood that ‘time’ translates into volunteering in-person for an organization. If we alter this understanding to include impact assessment as a way to donate time, companies may be more likely to adopt measurement systems.

RECOMMENDATION #3: Embrace shared value. In order to create a partnership that optimizes the benefits for each partner, the exchange between partners must go beyond functional benefits like marketing. Developing committed relationships where individuals on both sides identify with their respective teams and trust that the partner will uphold agreements, provides each party with psychological benefits and connects to each person’s values thereby strengthening the partnership.

CSR partnerships have the potential to produce profit and competitive advantages for firms and valuable investment into the community. If founders and decision-makers understand that constructing their company with shared value in mind, they are not only able to benefit financially, but they are also able to set themselves up for future CSR efforts.
CONCLUSION

Besides that capacity to effectively bring about change, as a part of the partnership, the company and nonprofit must also establish what is doable and what is realistic. Especially with larger foundations, a common trope highlights the dissonance between companies who think that any organization would love a substantial gift and the nonprofit's ability to adjust to a sudden profit surge without the ability to rapidly expand their work.

Corporate social responsibility requires responsibility - it's about time that companies begin to take it. “The most powerful way to create social value, is by developing new means to address social problems and putting them into widespread practice” (Porter & Kramer, 2002). “The acid test of good corporate philanthropy is whether the desired social change is so beneficial to the company that the organization would pursue the change even if no one ever knew about it.”

At the end of the day, the pledge is a formality attached to the desire - no matter how great - to support the community. In order to maximize the sustainability and significance of the social effort, companies need to invest time and resources into releasing information internally (Groza et al., 2011), engaging employees in CSR efforts, and empowering employees to engage with the community in a way that reflects a value that is both personal and professional. As employees become activated, positive returns from CSR investments are likely to follow (Groza et al., 2011).
REFERENCES


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## Appendix A

<table>
<thead>
<tr>
<th>Variable Name</th>
<th>Variable Label</th>
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<th>Description</th>
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<tr>
<td>BIZTYPE</td>
<td>Business type</td>
<td>1 = financial, 2 = consulting, 3 = nonprofit, 4 = software, 5 = design, 6 = marketing, 7 = merchandise, 8 = travel/outdoor experience, 9 = food/beverage (including alcohol and pet food), 10 = other</td>
<td>The primary function of their business.</td>
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<td>If the link is function or if it was not provided.</td>
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<td>If there is a foundation attached.</td>
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<td>PAGE</td>
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<td>If there is a specific page for the company's community support, pledge, social impact, foundation, etc.</td>
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<td>SUPPORT</td>
<td>Type of community support</td>
<td>1 = financial, 2 = time, 3 = product, 4 = two or more, 5 = all three, 0 = n/a</td>
<td>What type of support they provide, as indicated explicitly (for Pledge 1% members) or through the 1% For the Planet logo.</td>
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<td>STAFF</td>
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<td>How many staff they have according to their website.</td>
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<td>Based in</td>
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<td>Where the company is located.*</td>
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*Information for this variable was supplemented by information stated in the 1% For the Planet website and/or LinkedIn.*