

Creating the Brand Image of Polish Corporate Foundations*

Creant la imatge de marca de les fundacions corporatives de Polònia

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Nowadays a change in the behavior of businesses in the market can be observed, and it is a result of the adoption of market orientation. This involves companies accepting the principle that a condition for success is offering products and services that customers perceive as carriers of extraordinary value. One example of this approach is the creation and development of the concept of Corporate Social Responsibility, which means the recognition of the company's strategy of achieving social objectives alongside business goals.

The CSR concept is also revealed by corporate philanthropy in selfless assistance offered to other market entities by businesses. This type of philanthropy may be pursued by corporate foundations established by businesses. This paper aims to present the way that Polish companies build their image.

Actualment, estem assistint a un canvi en les actuacions de les empreses com a resultat d'una adaptació a la nova orientació del mercat. Això significa que les companyies accepten el principi que la condició per l'èxit és oferir productes i serveis que els consumidors perceben com a portadors d'un gran valor afegit. Com a exemple d'aquest enfoc, trobem la creació i desenvolupament del concepte de Responsabilitat Social Corporativa (RSC), que significa el reconeixement de l'estratègia de la companyia en assolir objectius socials en paral·lel als resultats empresarials. El concepte RSC també queda evidenciat per la filantropia corporativa d'empreses que ajuden desinteressadament altres entitats. Aquest tipus de filantropia pot ser portat a terme per fundacions corporatives creades per les empreses. Aquest article estudia la forma en què les com-

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The author's research constituted the basis for the process of building an image of a corporate foundation by means of a query of secondary sources, i.e. reports on activities of non-governmental organizations in Poland, websites of foundations, websites of founders, and official social networking channels. The research results presented in the paper are preliminary.

Key words: brand image, corporate foundations, Corporate Social Responsibility, CSR, philanthropy.

panyies poloneses construeixen la seva imatge. La recerca de l'autor constitueix la base del procés d'estructurar la imatge d'una fundació corporativa per mitjà de consultes alternatives a fonts secundàries, com poden ser els informes de les activitats d'organitzacions no governamentals poloneses, webs de les fundacions i dels fundadors o els canals oficials de les xarxes de treball. Els resultats de la investigació tenen una consideració de naturalesa preliminar.

Paraules clau: imatge de marca, fundacions corporatives, responsabilitat social corporativa, RSC, filantropia.

Contemporary development of a civic society and a social market economy has triggered a necessity of joining economic goals with social actions for the benefit of stakeholders and the natural environment. It is fostered by adopting the concept of CSR- *Corporate Social Responsibility* which is a modern approach to organization management being both a philosophy as well as an action strategy. Such an approach to business management involves combining economic goals of a company with ethics of activities targeted at stakeholders and the natural environment (Rak, 2012: 445-458) which also creates a value added for customers and leads to an economic success in business. Customers' loyalty and investors' interests are enhanced, employees' morale is raised and stakeholders' relations are improved which positively influences a degree of realization of business goals i.e. efficiency of market actions undertaken by a company (Witek-Crabb, 2006: 168-176).

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CORPORATE SOCIAL RESPONSIBILITY- THE REASON FOR ESTABLISHING CORPORATE FOUNDATIONS

The development of the CSR concept reveals its adaptation areas. On the basis of social behaviour of entrepreneurs one may indicate four sings of such responsibility towards expectations of the society namely economic, legal, ethical and philanthropic one (Carroll and Bucholtz, 1993: 39; Causae et curae, Baran, 2006: 106) (see Table 1).

Table 1. Areas of corporate social responsibility

Areas of social responsibility	Examples of activities
Economics	profit oriented and ethical profit division; maximization of sales revenue, but to minimize the social costs; strategic decisions consistent with the interests of stakeholders; conducting transparent and policy division of the earned income.
Legal	compliance with the law - to comply with all regulations; compliance with regulations on environmental protection and consumer rights; compliance with labor law; anti-corruption; fulfillment of all contractual obligations; honoring warranty.
Ethical	avoidance of questionable behavior, adherence to accepted standards of operation; conduct consistent with the letter and spirit of the law; adherence to moral and ethical standards in force in the social environment and business; creating an organizational culture of companies in accordance with the mission and expectations of internal and external stakeholders; ensuring ethical leadership, which is the model of conduct for the entire organization.
Philanthropic	the focus on society and creating an attitude of the company as a corporate citizen; carrying out programs to support the society - eg. In education, health services, culture, public services; initiatives to improve the quality of social life; developing employee volunteering and charitable attitudes of employees.

Source: Carroll, A.B. and Bucholtz, A.K. (1993). *Business and Society. Ethics and Stakeholder Management*. Thomson Learning, South-Western College, p. 39; Causae et curae, Baran, G. (2006). "Społeczna odpowiedzialność biznesu a filantropia". III Sektor, 6, p. 106.

Examples of actions presented in table 1 classified as socially responsible may be treated as a code of good business practices whose compliance secures companies with ethical actions targeted at social well-being. The presented CSR options are complementary and may generate a value added which is favourable to enterprises, the environment and customers. However the area of "philanthropic" actions indicates the need of developing charitable and assistance actions by enterprises for the benefit of their social environment. Such a direction of corporate social responsibility completion is reflected by four CSR models (see Table 2).

Table 2. CSR models

Criteria	Model based on the shareholders' strategy	Model based on an altruistic strategy
Objective	profit	Providing the society with resources
Tools	Rationalization, one's own interest	Philanthropy
Measurement	Financial results	donations
Beneficiaries	shareholders	social groups
Benefits for business	financial	Measurable (further and nearer)
Timeframes	Short-term vision	Occasional actions
criteria	Model based on the reciprocal strategy	Model based on the corporate citizenship strategy
Objective	Mutual benefits	Sustainable development, transparency
Tools	PR and partnerships	corporate governance, ethical norms
Measurement	Reporting actions undertaken	holistic, triple bottom line
Beneficiaries	Enterprises, local community	Enterprise, partners, society (social groups)
Benefits for business	Financial, market, HR	Material and non-material
Timeframes	Mid or long-term vision	Long-term vision

Source: Galbreath, J. (2006). "Corporate social responsibility strategy: Strategic opinions, global considerations". *Corporate Governance*, 6(2), pp. 175-187; Iamandi, I.E. (2011). "The application of corporate social responsibility models in Romania in the context of the post accession to the European Union". *Economy Transdisciplinarity Cognition (ETC) Journal*, 14 (1), pp. 27-35; Causae et curae Teneta-Skwiercz, D. (2013). *Uwarunkowania realizacji koncepcji społecznej odpowiedzialności biznesu w przedsiębiorstwach polskich na tle doświadczeń Wielkiej Brytanii i Niemiec*. Uniwersytetu Ekonomicznego we Wrocławiu, Wrocław, p. 33 and further.

The above specification (Table 2) shows that two CSR models (i.e. "Model based on an altruistic strategy" and "Model based on the corporate citizenship strategy") present strategic actions of enterprises targeted at solving problems of social groups. One may also notice that only the model based on the corporate citizenship strategy undertakes social actions of a long-term nature. This model can apply the corporate social responsibility concept in partnership with other enterprises, local governments and social organizations. In such cases the company board does not have to initiate an idea or arrange activates but may give access to its resources (human, financial, product) to a social organization for the purposes of carrying out social tasks. As a result, social organizations together with enterprises undertake philanthropic actions on the behalf. However seeking co-operation to carry out social tasks may entail a risk of negative consequences resulting from bad co-operation, taking over image related benefits by partners, difficulties in identifying "prosocial achievements". Due to these reasons enterprises tend to undertake independent philanthropic actions and set up CSR departments of foundations in their own organizational structures (Arczewska, 2009: 22).

The following factors motivating enterprises to establish corporate foundations can be indicated:

- the need of separating social activities from business activities, excluding time devoted to social actions from working time spent to complete business objectives,
- the necessity of making philanthropic actions of enterprises professional,
- the need of elaborating a coherent CSR strategy by a parent company of a foundation complying with the requirement of coherence in foundation's actions and the CSR strategy of the company,
- building a pro-social image of an enterprise, improving a corporate image by contacting stakeholders on the non-business level,
- exposing individual social sensitivity of founders, „the normal heart”, empathy towards people in need,
- the need of pursuing a consistent and long-term strategy of social involvement of an enterprise,
- willingness to benefit from creating a pro-social image and reputation as an entity responsible for not only economic results but for solving urgent social problems,
- mitigating or avoiding negative consequences for business which may arise when a company cooperated with an independent foundation or a social organization.
- benefiting from the fact of establishing one's own foundation rather than carrying out CSR action within a company,
- taking care of a corporate organisation culture in the event of mergers and take-overs where foundations already existed in the environment of a partner company (Fundacje korporacyjne w Polsce. Raport z badania 2012 (2012), Polish Donors Forum, Warsaw).

There are numerous reasons for establishing corporate foundations however all of them are united by the need of gathering resources (financial, material and personnel) allocated to social activities (Rak, 2014: 247-249) which enhance possibilities of an enterprise to obtain a grant to solve urgent social problems.

CORPORATE FOUNDATIONS – COMMUNICATING THE BRAND

There is a long tradition of foundations in Poland despite their discontinuation in 1952 when pursuant to a decree the institution of foundations ceased (Frączak and Kuklik- Bielińska, 2009: 17 and further).

It was only in 1984 that the right to establish a foundation was restored resulting from initiation of system changes in Poland. Nowadays in Poland the basis for foundations' functioning is constituted by:

- the Foundation Act dated 6th April 1984 (Journal of Laws 1991, No. 46, item 203 as amended)
- the Act dated 24th April 2003. Regulations introducing the Act on Public Benefit and Volunteer Activities (Journal of Laws 2003, No. 96, item 874 as amended)
- the Act dated 24th April 2003 on Public Benefit and Volunteer Activities (Journal of Laws 2003, No. 96, item 873 as amended).

Foundations established pursuant to the legal acts above are non-profit organizations and are classified as entities of the civic society and the third (social) sector of the economy. In Poland in 2012 there were 11 thousand foundations and 72 thousand associations (excluding about 16 thousand Volunteer Fire Services). A yearly increase in the number of newly established social organization is observed. About 4 thousand associations and about 1 thousand foundations are registered per year (Przewłocka, Adamiak and Herbst, 2013: 15). It is worthwhile noticing that foundations operating in Poland are verified in terms of the type of the founder, sources of income and kinds of activities (European Foundation Centre, 2008: 10 and further). In particular corporate foundations constitute 7% in Poland whereas in West European countries they are the third biggest category of foundations after independent foundations and foundations supported by various government agencies (Bakalarz, 2008: 14). USA observes a growth in philanthropic actions undertaken by corporate foundations expressed by the number of grants provided and funds transferred to social purposes (The Foundation Center, 2011: 1).

Their main features defined by the European Foundation Centre are as follows (European Foundation Centre, 2005: 1):

- local governance and independence- corporate foundations have their separate executive board,
- credibility of income- they have assets (movable and immovable estate), a capital, they can run business activities,
- financing educational purposes concerning health, social issues and various public objectives.

Corporate foundations constitute a special type of foundations. They may be founded by enterprises, a few enterprises and people strictly connected to the enterprise (as long as there are relations between an established foundation and an enterprise) (Fundacje korporacyjne w Polsce. Raport z badania 2012 (2012), Polish Donors Forum, Warsaw).

The creation of brands of corporate foundations is most often¹ strictly connected to the strategy of the founding enterprise. A corporate foundation may be a tool of separating philanthropic activities from profit-targeted activities. Thanks to that the brand of the corporate foundations is connected to the founding company through positive outcomes of foundations activities transferred to the founder. The connected can also be pursued through:


- the same communication channels²

- the image of company customers may be identified with the image of supporting people³
- similar group of stakeholders⁴
- similar corporate identity
- offering the same product to a different social group⁵
- interest of the company owner⁶

The presented connections of a corporate foundation are not finite as organizations must adjust to the market reality and changes may occur.

It is interesting to analyse a visual identification of the corporate identity of corporate foundations. The results of the analysis gave rise to indicate the following models of branding namely (see Table 3).

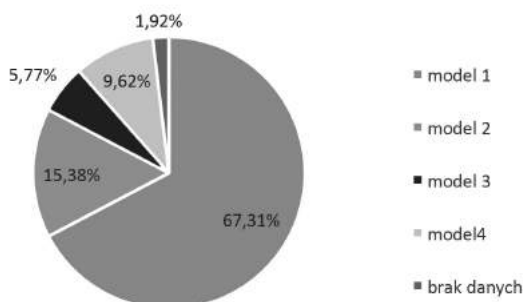
Table 3. Models of branding corporate foundations

Branding Models	Przykłady	
	Logo fundacji	Logo fundatora
A foundation takes the founder's name and their visual identification	 fundacja TAURON	 TAURON POLSKA ENERGIA
	 FUNDACJA SZTUKI POLSKIEJ ING	 ING
A foundation takes the founder's name	 DZIECI KTÓRE KOCHACIE FUNDACJA ARCHON	 archon BIURO PROJEKTÓW
	 Fundacja Śnieżki <i>Twoja Szansa</i>	 Śnieżka
A foundation accepts the visual identification without using its name	Fundacja Kronenberga citi handlowy	 citibank
A foundations does not use the founder's name or their visual identification system	 FUNDACJA	 JETLINE OUTDOOR

Source: own study based on the analysis of the functioning of the 104 foundations in Poland.

All indicated branding models of corporate foundations are applied in Poland (c.f. Drawing 1). The most frequent one is using both the founder's name and their visual identification system (67.3% of the surveyed foundations), the second one consists in using the founder's name without accepting the visual identification (15.4%).

Drawing 1. Models of branding corporate foundations (in percentages)



Source: own study based on the analysis of the functioning of the 104 foundations in Poland.

The usage of the founder's name and their visual identification system by corporate foundations is one of the most important elements of creating the brand.

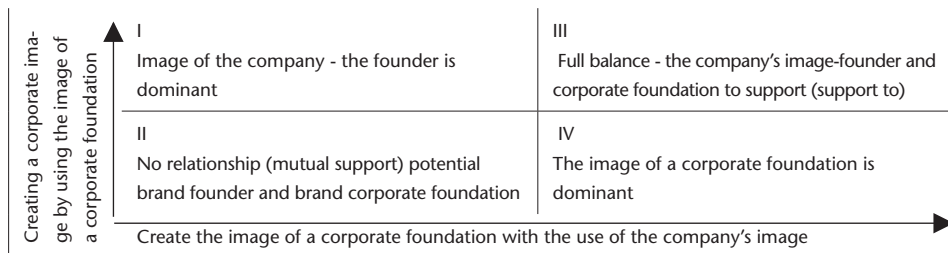
The fact that the founder's company assists in strengthening the brand (creation) is another significant stage in creating the brand of corporate foundations. That is why it is interesting to answer the question whether the founder's company helps to create the brand of the corporate foundation or whether it is the other way round meaning that the corporate foundation helps the founder with its brand. In reference to the above, the author has made an attempt to analyse materials concerning corporate foundations on websites of foundations and founders. The analysis has allowed us to compare the way founders communicate with the market through a corporate foundation as well as the way corporate foundations communicate with the market through the founder's company. The comparative analysis has identified factors presented in table 4.

Table 4. Criteria for identifying principles of building a brand of a corporate foundation and its image

Actions concerning a founder's enterprise	Actions concerning a corporate foundation
On the foundation's website there is a link to the founder's website	Information about current foundation's activities may be found in official communication channels (the website, the profile in social media, sponsored articles)
A foundation influences stakeholders similar to a founder's company	The company name is included in the foundation's name
A foundation offers complementary services to company activities (beneficiaries do not have to own/ services/products of the founder)	The foundation's logo type is similar to the company's logo type
A foundation has a website on the company domain	On the corporate website there is a link to the corporate foundation's website
Foundations' actions are targeted at the same customer	On the corporate website there is a CSR report including information about corporate foundation (as one of elements of CSR of the company)

Source: own study based on the analysis of the functioning of the 105 foundations in Poland.

On the basis of the comparative analysis of actions of the surveyed foundations in accordance with accepted evaluation criteria (c.f. Table 4), a matrix was designed presenting principles of creating an image of a corporate foundation be means of a corporate image of the founder and vice versa (see drawing 2).

Drawing 2. Principles of creating a brand image of a corporate foundation in relation to the founder's brand

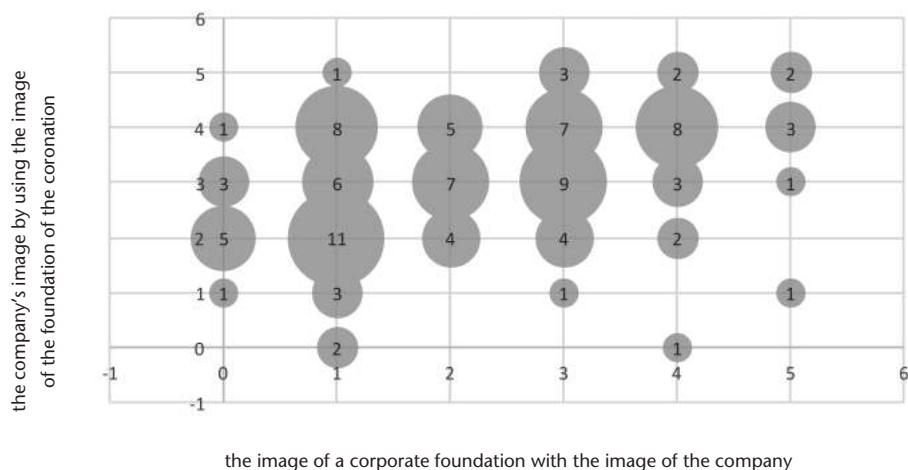
Source: own study based on the analysis of the functioning of the 105 foundations in Poland.

The matrix shows that in building a brand image of a corporate foundation the potential of an image of the founder's company is used to a various extent. Quarter 3 illustrates the most favourable way of building a strong brand of a corporate foundation. It means that the founding company and its foundation help each other in creating and strengthening their brands. Quarter 2 shows the least favourable principle of creating a brand namely "no correlation" where neither the brand of the founding company nor the brand of the foundation is mutually strengthened (supported).

The comparative research carried out by the Author on 105 corporate foundations operating in Poland has revealed that there are dominant principles of building a brand of a corporate foundation (see Drawing):

1. the image of the founding company is dominant (quarter I)
2. right balance – the image of the founding company and a corporate foundations support each other (quarter III)

Drawing 3. Frequency of applying principles of creating a brand image in Polish corporate foundations (according to the number of foundations)



Source: own study based on the analysis of the functioning of the 105 foundations in Poland.

The data presented in drawing 3 illustrates the frequency of applying principles 1 and 2 when building a brand image of a corporate foundation. It turns out that out of 105 foundations 29% has a brand of their own dominated by the founders, 36% of foundations use the founder's brand to support the brand image of the foundation. In this case one can see autonomy in foundations' activities in relation to the founder. It is interesting to notice that about half of the surveyed brands are located in the quarter of the balance in creating an image. Corporate foundations founded by media companies constitute the most numerous group in this quarter. It means that such companies establish corporate foundations in order to promote their brand and they promote the foundation's brand by building their strong position.

CONCLUSIONS

The issue of building a brand of a corporate foundation belongs to marketing decisions of foundations and entrepreneurs (founders). The paper presents results of the comparative research, principles of building a brand image by Polish corporate foundations which conclude that the foundation's brand and its image

is most often dominated by its founders. Secondly, corporate foundations use the founder's brand to support their activities and promotion of the brand image. It concerns strong foundations whose founder holds a strong position in the market and treats it like a social innovation confirming their CSR actions.

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Notes

¹ Financial resources are the only link between an independent corporate foundation and a founder. The founder only requires that money is spent for statutory purposes of the foundations.

² E.g. Foundation TVN uses all the communication channels used by TV station TVN.

³ E.g. Foundation Polsat its main donors are television viewers TV station.

⁴ E.g. Orange Foundation targets its actions at people who may use Orange pro-

ducts of (one of their programmes broadens knowledge about safety on the Internet). Polsat.

⁵ E.g. EY Foundation offers non-governmental organizations free assistance provided by EY employees when enterprises have to pay for such assistance.

⁶ E.g. Radan Foundation supports and helps Mountain Volunteer Rescue Group (GOPR). The owner of Radan is also a Vice President of Beskidy GOPR.

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