12-1998

Reasons, Goals, and Incentives for Corporate Philanthropy to Arts Organizations

Marsonda McNutt Schroeder

Follow this and additional works at: https://commons.und.edu/theses

Part of the Psychology Commons

Recommended Citation


https://commons.und.edu/theses/793

This Thesis is brought to you for free and open access by the Theses, Dissertations, and Senior Projects at UND Scholarly Commons. It has been accepted for inclusion in Theses and Dissertations by an authorized administrator of UND Scholarly Commons. For more information, please contact zeinebyousif@library.und.edu.
REASONS, GOALS, AND INCENTIVES FOR CORPORATE PHILANTHROPY TO ARTS ORGANIZATIONS

by

Marsonda McNutt Schroeder
Bachelor of Arts, University of North Dakota, 1995

A Thesis

Submitted to the Graduate Faculty

of the

University of North Dakota

in partial fulfillment of the requirements

for the degree of

Master of Arts

Grand Forks, North Dakota
December
1998
This thesis, submitted by Marsonda McNutt Schroeder in partial fulfillment of the requirements for the Degree of Master of Arts from the University of North Dakota, has been read by the Faculty Advisory Committee under whom the work has been done and is hereby approved.

(Chairperson)

This thesis meets the standards for appearance, conforms to the style and format requirements of the Graduate School of the University of North Dakota, and is hereby approved.

Dean of the Graduate School

Date
PERMISSION

Title Reasons, Goals, & Incentives for Corporate Philanthropy to the Arts

Department School of Communication

Degree Master of Arts

In presenting this thesis in partial fulfillment of the requirements for a graduate degree from the University of North Dakota, I agree that the library of this University shall make it freely available for inspection. I further agree that permissions for extensive copying for scholarly purposes may be granted by the professor who supervised my thesis work or, in his absence, by the chairperson of the department or the dean of the Graduate School. It is understood that any copying or publication or other use of this thesis or part thereof for financial gain shall not be allowed without my written permission. It is also understood that due recognition shall be given to me and to the University of North Dakota in any scholarly use which may be made of any material in my thesis.

Signature

Date December 1, 1998
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACKNOWLEDGMENTS</td>
<td>vi</td>
</tr>
<tr>
<td>ABSTRACT</td>
<td>vii</td>
</tr>
<tr>
<td>I. INTRODUCTION</td>
<td>1</td>
</tr>
<tr>
<td>II. LITERATURE REVIEW</td>
<td>4</td>
</tr>
<tr>
<td>Philanthropy</td>
<td>8</td>
</tr>
<tr>
<td>Corporations</td>
<td>13</td>
</tr>
<tr>
<td>Previous Research</td>
<td>22</td>
</tr>
<tr>
<td>III. RESEARCH DESIGN</td>
<td>25</td>
</tr>
<tr>
<td>Researcher’s Role</td>
<td>26</td>
</tr>
<tr>
<td>Data Collection</td>
<td>28</td>
</tr>
<tr>
<td>Selection of Participants</td>
<td>28</td>
</tr>
<tr>
<td>Setting</td>
<td>30</td>
</tr>
<tr>
<td>Interview Protocol</td>
<td>30</td>
</tr>
</tbody>
</table>
IV. RESEARCH FINDINGS AND ANALYSIS .......................... 33

Reasons ........................................................................... 35
Goals ............................................................................... 40
Incentives ....................................................................... 45
Public Image ..................................................................... 48
Advantages and Risks .................................................... 55
Message Sent and Message Receiver .......................... 62

V. CONCLUSIONS .......................................................... 70

Support Art ...................................................................... 70
Support the Community .................................................. 71
Image Enhancement ......................................................... 72
Summary of Reasons, Goals, and Incentives .......... 74
Message Sent and To Whom ........................................... 75
Strengths and Limitations ................................................. 77
Further Research ............................................................ 78

REFERENCES ........................................................................................................ 80
ACKNOWLEDGMENTS

The author expresses sincere appreciation and gratitude to each committee member: to Dr. Ray Fischer for his able assistance; to Jackie McElroy-Edwards for her practical aid and encouragement; and to Dr. Lana Rakow for her valuable input.

The author of this thesis also extends many thanks to the participants who offered comments about philanthropy so willingly, which ultimately made this research possible. To my mentor, Dr. Kirk Hallahan, I am grateful for the push to begin the task of this research. Thanks also are offered to the author’s employer, Laurel Reuter, for the time allowed to finish the thesis.

Thanks go to my parents for believing in me enough to encourage the completion of this study. To my sister, Melanie McNutt Campbell, the author is grateful for the example she set by seeking her doctoral degree. Finally, there are no adequate words to thank Shirley Greves and C.K. Braun who helped me to begin the graduate program and to finish it.
ABSTRACT

One of the methods employed by corporations to create a favorable relationship with its publics is to use philanthropy to not-for-profit organizations such as the arts. From a communication point of view, this action may be looked upon as a gesture between the corporation, the recipient, and the publics which involves messages both sent and received. Research on this communication gesture is important because arts organizations need to know how the process works in order to help secure philanthropic dollars. Corporations need to understand the results of the process so that they can more effectively achieve the goals for their philanthropic programs. According to Erving Goffman’s (1959) impression management theory, individuals and groups of individuals working together, as in a corporate setting, seek an enhanced image by their actions. What is the message they hope to send by giving publicly to the arts? Who do they expect the message receivers are? What are
these, goals, and incentives for corporate philanthropy to the arts? These are the questions this research seeks to help answer.

The research was narrowed to a local study involving one public art museum in one community. The people in charge of philanthropic decisions at twelve corporations/businesses were interviewed by the researcher over a three-week time frame. The researcher chose to use a qualitative approach to data gathering.

Answers to the questions could be categorized into three areas: they give philanthropic gifts to support art, they give to support their community, and they give to enhance their public image. There were reasons, incentives, and goals for philanthropic gifts to the arts for each category.
CHAPTER I

INTRODUCTION

Today, many successful business organizations employ proactive public relations programs in an attempt to anticipate future needs and changes with their publics. To accomplish this, public relations practitioners develop on-going communication relationships between the business and its stockholders, the surrounding community, employees, and consumers. A business may engage in any number of proactive endeavors such as having employees serve on community boards or volunteer as members on town committees. Quite frequently organizations such as business corporations will utilize philanthropy as a public relations tool. With philanthropy and other tools, a corporation attempts to establish a favorable relationship with the community in which it exits. Part of this relationship is maintaining a favorable image or impression in the minds of the corporations various publics.

The advantage of maintaining a favorable image is that the corporation is more likely to have its constituencies be proud to do
business with them, work for them, shop from them, and invite them into their communities. A business that is in good communication with its publics is better positioned to learn in advance about issues important to them and perhaps in time to neutralize small problems or misunderstandings that come up occasionally. At minimum, a business with a good image may be given the benefit of a doubt from its publics which are predisposed to think favorably of it if crises do occur. If they are not able to prevent problems or crises, having had a proactive public relations program in place will help to create the communication environment in which to work them out.

This research is a small study on one part of a public relations program, publicly given corporate philanthropy. From a communication viewpoint, the researcher defines corporate philanthropy as a three-way communication among the corporations that give the gifts, the organizations that receive the gifts, and the surrounding publics. To narrow the focus, this study is primarily concerned with corporate philanthropy to the arts.

Arts organizations are experiencing new challenges in fundraising partly because government funds have been reduced. One source for funding for the arts is public corporate philanthropy.
Understanding the communication messages of these gestures will better facilitate the goals of those involved in them.

According to Erving Goffman’s impression management theory, philanthropic gestures may be used by individuals or groups of individuals, such as in a corporation, to attempt management of their public image. Is this the primary motive for corporate philanthropy? Why are arts organizations frequent recipients of corporate philanthropy? What message is sent by public philanthropy and for whom is the gesture meant, and who receives this message and what is the message that is received?

This thesis research attempts to answer the first part of the communication message. The following are the main questions of this study:

• What reasons, goals or incentives do corporations/businesses have for giving philanthropically to arts organizations?
• What messages do corporations intend to send with their philanthropy?
• Who do corporations expect to receive these messages?
CHAPTER II

LITERATURE REVIEW

One way to explain the social interaction of philanthropy is to look at it from a communication point of view. Erving Goffman’s impression management theory offers one theory on how and why people communicate with each other.

Canadian born, Erving Goffman received his M.A. and Ph.D. degrees from the University of Chicago. There he learned about Herbert Blumer’s and E.C. Hughes’ symbolic interactionist theories from which his impression management theory extends. Goffman credits, among others, William James, Alfred Schutz, and W. I. Thomas for his views on human nature and social life. His work is a mixture of the phenomenology of Gustave Ichheiser; interactionism of Blumer, James, and Mead; and dramaturgical theories by Hugh Dalziel Duncan and Kenneth Burke. Goffman’s approach follows the Chicago school’s frame of thought more closely than the Iowa school’s (Reynolds, 1990, p. 95-96).
From these various influences, Goffman developed his own dramaturgical approach which stated a “single and simple premise: When people interact with each other, they do so through the use of symbolic devices that they employ in an attempt to ‘manage’ the impressions others receive from them” (Reynolds, 1990, p. 96). Goffman in part developed this idea from the writings of Ichheiser who stated that “the individual will have to act so that he intentionally or unintentionally expresses himself, and the others will in turn have to be impressed in some way by him” (Ichheiser, 1949, p. 6-7). William James laid out some of the initial ideas for role-playing with his statement, “a man has as many social selves as there are individuals who recognize him and carry an image of him in their mind” (James, 1950, p. 102). Goffman generated the idea that people act out different self-images or characters to as many people as know them.

The idea of the world being a stage with all the people on it acting out characters is, of course, not a new idea. “The word ‘person’ has its roots in the Latin word “persona,” which meant a mask used by a character in a play” (Schlenker, 1980, p. 33). And over the past twenty-five hundred years writers such as Plato, Thomas Hobbes,
Adam Smith, Denis Diderot, Jean Jacques Rousseau and Shakespeare have alluded to the metaphor, but Goffman adds the sociological content (Fine, 1990, p. 124). Goffman “conceptualized human social behavior as a series of ‘performances’ by actors who strive to present themselves . . . as being exactly who and what they claim to be.

Social behavior is a performance whose ultimate aim is to convince others of the authenticity of one’s self” (Reynolds, 1990, p. 96). The self becomes a mere object “about which the actor wishes to foster an impression” (p. 99). The settings or situations that people find themselves in are the stage upon which actors, “either solo or in concert with their fellow actors and actresses as a team of players” (p. 97), perform in order to make an impression on their audience.

“Teams are used in the performances given to certain audiences” (Schlenker, 1980, p. 38-39). Goffman refers to a “team” as “any set of individuals who cooperate in staging a single routine” (Goffman, 1959, p. 79). Therefore, an organization such as a corporation may act or perform as an individual with regard to its image.

These performances are rehearsed in the performers’ minds, or “back regions,” to envision themselves as the audience will see them and predict how the performance will be received. Then when the
proper script is decided, the performance is given to the audience in the “front regions” (Reynolds, 1990, p. 97). Reynolds adds, “The end product of a performance is the audience’s ‘imputation’ of a particular kind of self to the ‘character’ being performed” (Reynolds, 1990, p. 97). Whether the performance portrays the true self is not a given certainty since the performance may be intended to deceive, the staged act may not have gone as anticipated, or the audience may have misunderstood the meaning intended. The impression that the actor wishes to make upon the audience does not have to be a favorable one but, instead, it can be whatever he or she wishes to have the audience think, such as to think highly of the actor, or to realize how the actor feels toward the audience themselves, or give such mixed signals as to create an ambiguous message that is not a clear impression at all (Goffman, 1967, p. 222). However, despite the actor’s best efforts, sometimes the audience develops a different characterization than the actor intends, or misinterprets the intended meaning. And, as well, the actor may impart expressions that are not intended and therefore miscues his or her audience (Goffman, 1967, p. 224). The capacity of an audience to see through any charade is by far better than the actor’s ability to control every behavior,
therefore the audience has an advantage over the performer (Goffman, 1967, p. 225).

Most people are very aware that “others are continually forming impressions and using these impressions to guide the course of social interaction” (Arkin, 1981, p. 311). The primary impetus for this social interaction depends upon the goal or interests of the actor, but the “desire for social approval underlies the preponderance of interaction” (Arkin, 1981, p. 312).

From this point of view philanthropy might be seen as a performance by a corporation or business to impress its constituents favorably. The choice of recipient of the gift is important in order to manage the communicated impression. When a corporation or business gives a philanthropic gift publicly, messages are sent to the recipient and to the surrounding community.

**Philanthropy**

Philanthropic gestures are defined usually as some form of gift “in a one-way transfer of exchangeables” (Kelly, 1991, p. 37). Gifts can be in several forms such as money, volunteered time, or resources. Originally philanthropy was done quietly and anonymously, not advertised, and it often still is today. Gideon
Chagy (1971) says the concept was set up that way to “spare the beneficiaries the humiliation of public exposure of their needs—and helplessness” (p. 87). Today this traditional definition has “disguised the fact that the giver expects consideration in return for the gift” (Kelly, 1991, p. 37). As in the case of corporate philanthropy to the arts, recognition is often requested by and given to the benefactor. As evidence of this, one need only to look at the history of philanthropy to see significant changes over the years.

Philanthropy in America began in the seventeenth century with prominent business leaders who gave from their individual assets to causes they wished to support. They did not spend their companies’ money, but rather their private assets (Smith, C., 1994, p. 107). Cutlip (1965) says that primarily these gifts were given as a result of the biblical instruction to “be thy brother’s keeper.” The first organized fund raising to secure philanthropic gifts was in 1829 in Philadelphia. Organized fundraising remained about the same until the end of the nineteenth century when wealthy businessmen such as Andrew Carnegie and John D. Rockefeller made some of the first truly enormous philanthropic gifts (Cutlip, 1965, p. 32-36).

The idea of corporate philanthropy was born during World War
I when large businesses reluctantly accepted the social responsibility that the public expected from them (Cutlip, 1965, p. 151). At this time the American Red Cross was the recipient of the first “major gifts in corporate philanthropy” (p. 118). “Paradoxically it was the grim pursuit of victory in WWI, not the biblical impulses of brotherhood, that brought on the change in American philanthropy, the ways of financing it, and, consequently, to the nature of the benefiting institutions as well” (p. 202). There was a shifting of support from primarily humanitarian based philanthropy to philanthropy for other causes such as cultural activities.

There were disputes as to whether corporations had the legal right to give away the stockholders’ dividends. The “legal advisors of many corporations held that corporations could not safely make gifts to the Red Cross, the YMCA, and other agencies without express consent of the stockholders” (Cutlip, 1965, p. 151).

In 1935 the government opened the door for corporations to benefit from giving philanthropically by allowing them to claim up to 5% of their income as a tax deduction (Cutlip, 1965, p. 318). Corporate philanthropy mushroomed during WWII, and by 1960 “American corporations were giving some $400 million to
philanthropic causes each year, dollars given to obtain public good will and to create a favorable opinion climate for the corporation’s operations” (p. 318). People began to think of corporations as citizens who were serving the public interest. Corporations were motivated by a desire for “good will” to maintain a favorable environment, and took advantage of the government’s endorsement to give. They became concerned about their “public image” (p. 510). What had started as charity, given anonymously, ended in a public celebration of philanthropy (p. 202). Thus incentives changed in some cases from the notion of “helping thy brother” to a way of using the gifts as a method to influence images.

During the later 1980s, when corporations were entering a recession period, chief executive officers began looking for ways to shrink their expenditures. In order to keep philanthropy from being cut, the people in the philanthropic business units started to come up with ways to make the corporation’s philanthropy help not only the recipients but the corporation itself. Craig Smith (1994) said that a “new corporate philanthropy paradigm” was developed (p. 108). Today the giving done by corporations can only in the “loosest sense of the term” be called philanthropic because they often expect some
form of direct or indirect return” (Hurd, 1994). Corporations are not as worried today as they used to be about looking “crass and opportunistic by trying to capitalize on philanthropy” (Stevenson, 1993).

There are a number of ways that philanthropy is referred to in today’s writing. Good works, donations, or charitable gifts are terms that are often interchangeable with philanthropy. They are carryovers from the days of religious motivation. Today, philanthropy is considered an active effort to support human welfare which is not only for charities, but can be for cultural enrichment programs as well.

Some authors now refer to philanthropy as either a “marketing tool,” an “advertising tool,” or a “corporate tool” by which the giving entity can implement philanthropy to market and advertise their products. (Freeman, 1992; Jacobson, 1993; Nichols, 1993; Stevenson, 1993). “Affinity-of-purpose marketing” (Jay, 1995) or “cause-related marketing” (Freeman, 1991) means that a relationship between a product and a good cause is sought and exploited. For example, for each purchase made, money will be donated to a particular cause. In the same vein are the terms “quid-pro-quo corporate giving” (Wise,
1995), and “give-and-get arrangements” (Sebastian, 1995) which describe the organization’s desire to seek a return on everything they give. Other terms that describe the current phenomena are “strategic philanthropy” (Marx, 1994), “strategic alliance or partnership” (Wise, 1995), or “integrated program” (Stevenson, 1993). These relationships are usually more than a single gift, but rather an ongoing public relationship between a corporation and a not-for-profit where the public comes to associate the two together such as Mobil Oil and PBS’s *Masterpiece Theater*.

Other means for corporate philanthropic gifts are through “trusts,” “sponsorships,” “foundations,” or “endowments” which all refer to the money set aside from the business so that they may give in a more objective way (Hurd, 1994; Larson, 1987; Stevenson, 1993; Webb, 1992). Through these entities, corporations give the least conspicuously: at the most they announce who will receive funds.

**Corporations**

As Erving Goffman explained, individuals may work together as a team to make an impression on their audience. Corporations or businesses can be a team of people performing communication gestures with which to manage their public images.
Some people think of corporations as machines with dispensable employees that can be replaced. Employees are like cogs in a wheel and if they do not want to go in the direction the corporation is headed, new cogs can be found that will (Mander, 1992, p. 56).

Others think of corporations as a concept that is quite human-like. Corporations are given names and legal existence. And even though there is no actual creature, our laws recognize them as true beings. They are given certain rights such as guaranteed free speech just like individual citizens receive and there are expectations they will assume some of the responsibilities of citizens (Mander, 1992, p. 58). We see them as having a role in “the cultural life of our cities” (Chagy, 1971, p. 87) just as we believe humans have. We also expect them to have the very human quality of sharing what they have (Kimpton, 1993, p. 19). A president of Xerox corporation, Peter McColough said, “It seems very clear to me that corporations are no different from individuals. I don’t think any of us want to go through life just taking things” (as quoted in Chagy, 1971, p. 149).

Symbolic interactionists see a corporation as a social construction that is constantly changing its identity perception held
by the members of the corporation as well as by its surrounding community. As the employees and leaders of a corporation interact with one another, they interlink their individual meanings about the self of the corporation together to become the collective meaning. A corporation can be a “team” that cooperates toward a unified goal. The corporate executive shares in this interpretation, and so comes to share the view of the team, and, furthermore, has authority to act for the team as its representative. If the team views the corporation as a machine-like business, the executive is not as likely to proffer money to philanthropic charities. If, however, the corporation sees itself as a human-like being, the executive is much more likely to begin a program of philanthropic activity.

In a similar way, managers role-play as members of the community and view the corporation as through the public’s or community’s eyes. They ascertain this image from interaction with members of the community. If it is found that the public thinks the corporation exists for profit only, and is therefore greedy, managers are more likely to set up a sharing program in order to counteract the assessment. If managers find that the public already views the corporation as a benevolent one, they may not be as likely to give
philanthropically, or, on the other hand, may choose to do so in order to reinforce and maintain the current image.

In both scenarios, the decision to give or not to give is a gesture made to the community. The community, in turn, interprets the meaning of the gesture and responds accordingly with their own gesture which may be nothing more than a change of attitude toward the corporation. For example, where once the community may have viewed the corporation as blind to their needs, they may come to perceive the business as a caring benefactor.

In what ways do corporations hope to manage their images? Since corporations are not actually human, they can have no morals or altruistic goals. However, as groups of individuals, corporations may try to “hide their amorality and attempt to act as if they were altruistic” (Mander, 1992, p. 60), “or present an image of a caring and socially concerned corporation” (Page, 1995, p. 34). Making gestures that the public will interpret as such is using impression management in order to gain a more socially acceptable image.

Under the heading of what we might call “public relations ploys” (Mander, 1992, p. 60), corporations may do a number of actions that seem altruistic. They might employ a directly
self-serving venture such as giving schools “education materials . . . that validate corporate objectives” (p. 60). They may make donations in order to negate public criticism. Sometimes corporations will advertise their own philanthropy to the arts in communities where the people have been angry about the corporation’s irresponsibility (p. 60-61). If a corporation, for example, has been found to be insensitive to women’s issues, they may engage in coercive philanthropy whereby the money they give is ear-marked exclusively for art made by women. This action could help to mitigate the negative public perception about the corporation’s insensitivity to feminist issues, but it might be criticized for the lack of action in other areas (Brustein, 1995, p. 252, 254). By underwriting various museum events for children, corporations may be perceived as caring about families (Skolnik, 1992, p. 19). Because of the effects of these associations with the recipient, the choice for a corporate philanthropic gift is of importance.

In these cases the corporation’s managers have rehearsed “backstage” a performance in which they hope to make a favorable impression on the community. They take a risk that their gestures of philanthropy will be interpreted to mean that they have no other
motives in mind. It depends upon the performance itself as to whether it will be accepted as “sincere, believable, or authentic” (Reynolds, 1990, p. 97). If they have not rehearsed well enough, or in other words, not thought through the entire scene very well, the audience may perceive them as being “insincere, unbelievable, and [of] unauthentic character” (p. 97).

Chief executive officers who believe that by giving philanthropically they benefit as in the following: corporation’s profits will increase (Reder, 1995, p. 39) because they will gain more consumers; everyone benefits, in other words, it is good business (Page, 1995, p. 35); or as in the case of the chairman of American Airlines who said that philanthropic giving “enhances our image among . . the leaders of both our economic and intellectual society [and] . . it ‘sells tickets’” (Chagy, 1971, p. 94); they are predicting that their consumers will make favorable interpretations about their philanthropic gestures.

When the reasons for giving to the arts are among the following: it shows good taste to buy art (Chagy, 1971, p. 106); the arts are “good” and should be supported (Chagy, 1971, p. 113); the arts benefit the quality of life (Kimpton, 1993, p. 21); their giving
encourages others to do the same (Chagy, 1971, p. 106); in a business, service to the community comes first before profit (Smith & Mendis, 1994, p. 19); then the corporate manager is seeing the corporation as if it were a person itself with values about its environment. As people who are part of the corporation, managers have meshed their own personal values to that of the corporation by interacting those ideas with fellow managers and employees.

If corporate managers interact with their shareholders about giving money to the arts programs in their community, the shareholders may communicate, however, an unfavorable regard to philanthropy to the arts. They may think of corporate philanthropy as directly taking money out of their pockets (Reder, 1995, p. 36). They may believe that corporate philanthropy drives away other individual not-for-profit benefactors, or they may contend that philanthropy becomes politicized so that “givers are replaced by coerced employees and deprived shareholders” (Smith & Mendis, 1994, p. 20). Another reason the shareholders may be against giving to the arts is because they think that the arts programs are poorly administered (Anderson, 1971, p. 5).
There is a history of corporate support for the arts, especially museums (Fox, 1963, p. 1). Today they have a great need for money and support since governmental resources are disappearing (Janowitz, 1994, p. 34). Arts enthusiasts often see that corporations could only benefit from the association with the arts because they think of businesses as being culturally illiterate (Anderson, 1971, p. 3). Arts enthusiasts and museum directors view themselves and their programs as being worthy but needy. They attribute human characteristics to corporations and so have expectations that businesses want to enhance their images by sharing their wealth with the highly valued but poorly funded arts programs.

Traditionally, then, philanthropy has been known as an anonymously given gift of money, resources, or goods to help the welfare of humanity. It has a basis in biblical references that declare us to be our brother’s keeper. And, indeed, a great deal of philanthropy has been done in that regard. However, beginning with the very wealthy individual philanthropists such as Carnegie at the turn of the last century, philanthropy has begun to take on new usefulness. Here begins the effort by individuals and businesses to manage their image with the help of publicized philanthropy.
This researcher is interested in the development and effects of corporate philanthropy as a public relations tool and especially how it relates to the arts. To understand the reasons for corporations to give philanthropically, we can think of corporations as entities with rights and responsibilities, and, in fact, we refer to them as corporate citizens. Our society has expressed the need for corporate social responsibility in their dealings with the publics in their environments.

When a corporation gives a philanthropic gesture to non-profit groups such as arts programs, they begin a communication among the three players involved: the corporation itself, the receiver of the gift, and the surrounding community. The corporation may wish to enhance its image within the community by providing for a cause the public deems valuable. By receiving philanthropic support from a corporation, the arts programs (e.g. art museums) gain financial support and recognition as a valuable entity. The community members seek to create a better place in which to live, and to have pride in corporations they work for and purchase goods from.

Support for this explanation is drawn from Erving Goffman’s impression management theory which states that entities such as
corporations attempt to manage their public images by making philanthropic gestures that they hope will create a favorable image.

Some of the questions that arise from this three way communication are: What are the corporation’s reasons for philanthropic gifts to the arts? Is an enhanced image what the corporations seek? What effect does a corporation believe philanthropy has on its public image? What message does the corporation believe the act of philanthropy sends to the community? What message does the choice of recipient send?

Previous Research

Although there are some research studies done on philanthropy and the arts, little has been done with corporate expectations regarding their public philanthropic gifts to the arts.

There have been studies done about the effects of funding from corporate philanthropy on the nature and quality of arts exhibits versus funding from the government. Alexander (1990) found that, over time, corporate philanthropy does support a different type of art than the government funding and so it does have an effect. In a similar study, Glenn (1992), found that there is not a relationship between unearned income (philanthropic gifts) and non-economic
goals of museums such as enabling artistic opportunity and cultural preservation.

In a study by Galaskiewicz (1989) it was discovered that members of corporate boards were influenced by other corporation’s philanthropic choices if they knew members of that board. They would mimic the gifts to certain not-for-profits. Tudor (1988) also found that the amount of and the choices for recipients of philanthropic gifts were affected by the corporate board’s individual members’ various value systems. The gifts often followed an interest of a board member. Marx (1994) learned that a corporation that practices strategic philanthropy gives fewer and less total direct donations, and is more likely to enter into service partnerships with not-for-profits.

It was found in one study by Brown (1994) that corporations have reputations that were created in part by giving philanthropically. Their reputations help to give the corporation a way to maintain a competitive advantage. Brown measured this by evaluating consumer’s responses which included brand beliefs and their purchase intentions of the company’s product. In related research (Ross, Patterson, and Stutts, 1992) consumer’s attitudes
about companies which had implemented cause related marketing practices were studied. They found that the majority of consumer's believed the practice was a good way to earn money for the cause, the company was acting in a socially responsible way, and that they had an increased willingness to purchase the company's product. They also learned that women have a slightly more favorable response to the questions than do men. The fact that the cause was a local or national one did not have any significant difference.

Using an attribution theory viewpoint, Campbell (1992) learned that when people are exposed to different types of philanthropic messages and there are various levels of personal relevance to the consumer, they form different attitudes of the firm's motives. The consumer's attitudes and purchase intentions were measured, and as predicted found that the higher the relevance of the philanthropic message was for the consumer, the more favorable the response.

Studies about the motivation for corporate philanthropy to arts education (York, 1989/1990), and for individual philanthropy (Harvey, 1990) found that image enhancement was one of the goals for each. This researcher expects to add information about a small town's local corporate philanthropic support of a local arts institution.
The qualitative research method was chosen to explore why corporations give philanthropic gifts to arts organizations. Qualitative research, as defined by Locke, Spirduso, & Silverman (1993), “is a means for describing and attempting to understand the observed regularities in what people do, say, and report as their experience” (p. 99). Rather than suggesting possible reasons for the participants to select, as would be necessary in a quantitative questionnaire survey, the researcher was able to ask the participants to tell in their own words the motivations, reasons and goals for their philanthropy. “In qualitative research, the focus of attention is on the perceptions and experiences of the participants” (p. 99).

Ethnography is one form of qualitative research. The emic (or internal) approach to ethnography was utilized in this study because external observation, as in the epic approach, would not have afforded insight into why the philanthropic gifts were given. The emic approach uses interviews which enable the researcher to “learn
how their subjects think about their communication” (Frey, Botan, Friedman, & Kreps, 1992, p. 251). An interview using open-ended questions was an effective way to obtain in their own words the participants’ thoughts about their individual communication gestures of philanthropy.

Themes or patterns emerged from these interviews as the researcher reduced and organized the raw data of words. These themes or patterns were used to develop theories in answer to the main questions of the study.

Researcher’s Role

As Locke, Spirduso, & Silverman (1993) explain, the researcher in an ethnographic interview is the primary instrument through which acquisition of data is obtained. This can be both an advantage and a disadvantage. Since the researcher is well versed in the topic that is studied, he or she can spontaneously ask competent follow-up questions that might glean more useable information from the participant. At the same time, however, the researcher may bias the information to his or her own previously formed opinion. Therefore
the researcher must self-analyze to become aware of possible biases in order to avoid slanting the data (p. 113-114).

The researcher's experience with corporate philanthropy has been a positive one at different levels of involvement. As a volunteer for the Red Cross and United Way, the researcher experienced solicitation of corporate funds. As an employee of the North Dakota Museum of Art (NDMOA), the researcher had direct knowledge of corporate philanthropy to that institution. It was through this employment that the researcher obtained a list of corporations that had given philanthropically to the NDMOA. The same information could have been obtained through the newspaper or events' programs without employment at the NDMOA because the list was formed from publicly known philanthropic gifts.

Because the researcher had a partiality for the welfare of the Museum, possible bias was acknowledged by the researcher and efforts were made to minimize its affect. One of the ways the researcher sought to mitigate biased reporting was to analyze her own expectations so that she might not interject them into the interview process. She also tried to make the participants as
comfortable as possible so that they might freely speak about their ideas even though they knew that the researcher worked for the NDMOA. It was important that the researcher do the interviews despite the possible bias in order to make sure that competent follow-up questions were asked beyond the written questions.

Data Collection
Selection of Participants

To be considered for participation in this study, certain criteria had to be met. The study was decided to be a local one, so businesses were chosen which publicly had given philanthropic gifts to an entity in the Grand Forks area. Because philanthropy to the arts was the main focus of the research, the committee decided to have the researcher look closely at a single arts institution, the NDMOA.

The Museum of Art primarily features contemporary art with temporary exhibitions changing approximately every six weeks. It is housed in a remodeled gymnasium on the campus of the University of North Dakota and has been in existence since 1989. The researcher had access to the names of corporations and businesses
that publicly had funded the NDMOA. These businesses’ CEOs were contacted by letter and a follow-up telephone call, and invited to participate.

Out of the 21 contacted, 15 responded positively. The researcher personally was acquainted slightly with three of the participants. However, the researcher did not feel that that posed more of a possible bias problem than the respondents knowing she was a NDMOA employee. Twelve participants completed the study and all twelve were willing to sign the consent form and be taped. Saturation was reached with twelve participants as no new material was introduced in the last two interviews, therefore, the remaining three respondents were not interviewed. Because of time constraints, these three respondents had indicated they would be willing to participate, but only if saturation had not occurred.

Ten of the participants were incorporated and two were privately owned businesses. In each case the researcher interviewed either the owner, one of the partners, or a manager who was in charge of philanthropic gifts. The businesses varied in size from modest size with a few employees, to fairly large businesses with
several hundred employees. The types of businesses represented ranged from retail stores to restaurants, banks to contractors.

Setting

When the participants were contacted by telephone, arrangements were made for the date, time, and location for each interview. All but two were conducted in the participant’s private office. The two exceptions were both taped in a private conference room away from their work scene. All interviews were recorded on audio tape which were later transcribed to written form.

Interview Protocol

At the beginning of each interview the researcher explained the nature of the study and what was hoped to be accomplished. Each participant was asked to read and sign a consent form which included information about the privacy and confidentiality of the interview. The form also contained explanations about the transcription and eventual final destruction of the recordings.

After signing the consent form, participants were asked a set of structured questions which had been prepared prior to the
interviews. Depending on the participant's responses additional questions were asked for clarification or elaboration. A complete list of the questions asked in the interviews is included in the appendix.

Initially the participants were asked in general why their business had given philanthropically to the NDMOA. They were then asked more specifically what messages were sent with this action and who they thought received the message. The discussions were designed to help answer these basic research questions:

- What messages do corporations/businesses believe they send with their philanthropy?

- Who do corporations/businesses expect to receive these messages?

- What goals do the corporations/businesses have for their philanthropic gifts to the arts?

- What reasons or incentives do corporations/businesses have for giving philanthropically to arts organizations versus other not-for-profits?
The interview conversations varied from 40 to 90 minutes and were transcribed soon after each interview was completed. Follow-up interviews were not necessary. This process was completed within a three-week time frame.
CHAPTER IV

RESEARCH FINDINGS AND ANALYSIS

The research questions presented in the previous chapter were made to explore the reasons, goals, and incentives for corporate philanthropy to the arts. The qualitative research approach used in this study allowed corporate executives or business owners to describe their philanthropy in their own words. The following is a report of their responses to the questions on this topic. The letters and numbers in parentheses are altered initials and the page references to the participant’s transcribed interview.

A summation of this research is that corporations/businesses give philanthropically to the arts to influence (indirectly alter) if not manage (directly alter or manipulate) their public image. Some may or may not recognize this as is evidenced by one participant who said “And if all you do is give to impress people, you are missing the point” (HK4). However, another participant thinks “they [business] would like a little bit of attention given to them for contributing” (MD4).
All of the interviewees were the ones who make the decisions themselves, “I do it myself” (HK1) or with their partner as with one who said they are “equal partners and we make these decisions together” (SB2) about any philanthropic gifts given. At minimum they make the decisions about the smaller gifts “I approve up to a certain level and sometimes consult others of my peers and superiors.” Another situation included the board of directors choosing where a budgeted amount of money will be dispersed.

When asked about how their business builds its public image, most said that the quality of the service they provided was the major factor. Their philanthropic gifts were only a “small portion” of how they influenced the public. Most felt that they could not control or even manage what the public thought about their business, but rather that with their philanthropy they might be able to influence someone who was making a decision about their business. Perhaps they might sway someone’s thinking with the choices of the philanthropic gifts.

All the CEOs and presidents interviewed were asked why they gave financial support philanthropically to the NDMOA. In response they gave answers that may be divided into three categories:
reasons, goals, and incentives. The five main reasons they answered included: giving back to the community, having an artist's influence, being a good match, being a good corporate citizen, and the arts being in need. The goals listed were: community economic development, community quality, name recognition and name association with an organization of quality. There were three main incentives they talked about including: ensuring continued business, having a competitive edge, and creating competitive philanthropy. None directly answered that managing their public image was a reason.

Some of the above mentioned points were to help the arts: competitive philanthropy, community quality, arts needing money, and artists' interests. Some answers pertained to supporting the community: giving back, economic development. The rest of the answers fit into image enhancement.

Reasons

All twelve of the respondents said that one of the reasons for giving philanthropically to the NDMOA was to give back to the community. One participant said, “we are willing to contribute back to a community that supports us here” (MD7). Another said, “[his business] is committed to being an active member of this community
and giving back to the community” (BK4). And still another “wants
to put dollars back in” (LD2). It can be argued that this is not only an
act to actually help the organization and community, but to also
manage the impressions of those who know about their gifts.
Following Goffman’s theory that we act to manage what others think
about us, certainly giving money back would be considered by the
giver to be a generous or sharing act that is generally thought
favorably of. The corporation or business is striving here to gain
some favorable impressions by doing an action thought to be good.

Most of the respondents have some sort of personal connection
to art for giving to the NDMOA. Two respondents or their business
partners have wives who are artists. One businessman was
influenced by his grandmother and personally enjoys the art at the
museum. Two participants’ wives either are or were on the NDMOA
board of directors. Two interviewees consider themselves artists and
thereby feel a connection to the museum. Two respondents simply
“love” the place. Two of the men in the study were involved in the
initial set-up of the Museum and continue to be interested in it from
a community standpoint, and one enjoys the musical offerings there.

There are other reasons besides the personal reasons for the
participants to feel a connection between themselves and the NDMOA. Most were able to give adjectives to describe the NDMOA that they similarly could attribute to their own business as well. In other words part of their choice for the NDMOA to be a recipient of the philanthropic gifts was because it was a good match with their business. The partner from the architectural firm said, “we are interested in the arts, architecture and there’s a connection there” (SB1). He also added that the partners “both enjoy the building, you know that is kind of a side part, it is a nice, nice, building” (SB2). In addition, he characterized both his business and the NDMOA as “leading-edge” (SB2). A contractor used the term “high quality” when describing both his business and the NDMOA (MD3). He also said, “the NDMOA is of an upper level of respect . . . in the community and we want to be affiliated with terms like that” (DM5). One retailer said, “the NDMOA is a very beautiful space” and said of his own place of business that it was “the most beautiful . . . shop in the country” (GH2). Another retailer believes that their business has an “artistic quality.” Both of the above mentioned retailers think that their products are a type of art and one said, “for us [giving to the NDMOA] is a natural marriage from the business standpoint” (GH1).
One of the bankers said, “So in the same way that the NDMOA in essence plays a role in the economic development of a community, that would be a match with [our bank]” (NR7). Another respondent said, “in a marketing sense, [NDMOA] is not a good match at all” (GI5). However, he added later that his business and the NDMOA were almost of the same size and he considered his own small business and the NDMOA to be organizations more likely to be “fun,” “focused,” “flexible” and “fast-paced” (GI8). An attorney believes the NDMOA is a “wonderful organization in our city that provides a great deal.” About his own corporation he said, “we provide legal services on a very broad range” (LD2).

Five of the respondents mentioned their idea of corporate culture or citizenship as a reason to give philanthropic gifts. One said:

We believe in giving back to the community. I feel that if you are lucky enough to be successful in business, that paying taxes is not enough. I think you owe it to keep trying to build community. So that’s just our corporate culture and that’s what we do, it’s what a lot of people do. (GH1)

He went on to say, “if they [the citizens] perceive your business as
being successful, then there is somewhat of an expectation that they
want to see us giving back, and it's important that they see that. We
just feel that obligation” (GH3). One of the retailers said that their
corporate members see themselves as a “community contributor
[and] participant” (HJ3). Another respondent said that she looks
upon her business’ gift “as a good citizenship type of donation.” She
added “we want to be good citizens” (BK1). One of the bankers said,
“there is an image behind it [the philanthropic gift to the NDMOA] . . .
that you want to be known as a good corporate citizen as well” (LB1).
He later said, “you [strive for] an image of your institution that can
be characterized as something good [in the hope that the public will
patron a business they think is] a good corporate citizen.” He
continued, “but still from a very inward feeling, being a corporate
citizen [is important], and we just owe it back to the community”
(LB4). Another banker remarked that his bank’s philanthropy is
“somewhat of a social conscience” and that “we are expected to
support [the community].” And finally, [our bank] really, our sole
intent, is to be a very, very good community citizen” (NR5,10,14).

Four of the participants remarked that one of the reasons they
give to the NDMOA is that the arts in general are in need of funding.
The attorney said, “I think the arts are very dependent on public support. It’s difficult, especially in Grand Forks, ND, I think, for the arts” (LD5). One of the bankers stated, “we look at certain things that may be difficult to sell, may be difficult to get people to support. The arts is one” (NR2). And later added, “education, arts even some health-related things need a little more effort by corporations” (NR12) meaning that some organizations are not able to support themselves as easily as some others that have a larger population of participants. Another respondent believed that “there is very little money [comparatively with other types of philanthropic recipients] that goes into the Museum of Art” (GI-11). And still another said, “the arts need more help than most [other cultural entities], they are always short of money” (GH3). These businesses believe they help remedy a perceived need in the community.

Goals

Ten of the respondents recognized the NDMOA as having value and importance in Grand Forks. When asked what they hoped to accomplish with their philanthropic gift, they believed that by giving to the NDMOA they helped maintain a high quality community life.
One participant stated:

We think that the arts are very important to the community. It lifts the community spirits. [The NDMOA has] beautiful spaces for people to go to and my wife has been very committed to it and consequently I have come to understand the importance of it. (GH1,3)

This same respondent reiterated his statement by saying, “[the arts] build a good community” and his goal was to “raise the level of community and the arts [which] are critical to the quality of life” (GH5). Another participant said her corporation “recognizes the value of the Museum of Art.” She went on to say, “I think it is just a wonderful [place] – we are so lucky to have the NDMOA in our community” and added it must “enrich the lives of the people who take advantage of being there” (BK1,3,4). One of the bankers said the people at his bank “feel that the NDMOA is a cultural part of our community that we need to support” and “we want to help the organization [NDMOA] exist so that it continues to be here for our community.” He “personally thinks the NDMOA is an organization that adds great value to the community” (LB1,2,8). Another participant sees the NDMOA as an entity that does “good for the community” and
"enhances the community" (RK1,6). A different banker said of the NDMOA that it provides in part "a good quality of life" (ED12). Still another participant said:

Status wise, it is probably one of the most important components of the town, of the state, but mainly of Grand Forks. In its cultural exposure to the community . . . its cultural importance is paramount to the style and class of a town . . . and you know, for a [town this size] to have a museum of this class, it just brings so much focus on art and culture that you wouldn’t have [otherwise]. (HK1)

Another answer to the question of what the participants want to accomplish with their philanthropic gifts to the NDMOA was economic development. About half of the participants have a goal to add new businesses to the Grand Forks area and part of that goal includes supporting organizations such as the NDMOA. One retailer offered a clear definition of what the arts mean to the economic development in this area:

To raise the level of community and the arts are critical to the quality of life, but also economic development. They are really tied together. When businesses come to look at the city, and
people want to remain in the city, be it a business or professional people, they look to what there is to do. And if you are sterile, chances are . . . that quality people in business, professionals, [and] faculty will look elsewhere because they are much less bottom-line driven than people think. Business has to have a profit, but people also have to have a life. And they want to be in cities and communities that have a vibrant cultural life. (GH6)

This sentiment was echoed by others who said about the NDMOA: “It is a good recruitment tool for people to come into town;” “it paints a picture of a community that is enriched . . . in terms of recruiting employees and physicians who don’t want to go where there are no [cultural] things to participate in.” Another respondent explained why they support the NDMOA and arts in general:

We look at certain [organizations] that may have difficulty [in supporting itself]. The arts are one. And yet, we know in conjunction with economic development, that there are some people [such as] doctors and professionals whom we need to attract and retain in the community. I have always tried to say that to get a corporation . . . to build here, move here, expand
here, that those professionals are going to look around and are going to say, “Why do I want to live in Grand Forks?,” and if they are coming from a large community, a certain portion of them expect entertainment and they expect [an active arts community]. (NR14)

Several of the participants expressed the goal to have name recognition as a result of their philanthropy to the NDMOA. One businessman said, “from a business point of view, it’s good to have other people see your name as a contributor” (HK2). A banker replied, “name recognition” when asked what do you hope to get in return for your philanthropy (ED5). A different banker said, “we probably need recognition, but we don’t need a lot of publicity” (NR8). A wholesaler expressed the idea that “there is an advantage that retailers know who [our company] is . . . because we get our name out there, and that seems good.” Another respondent said of publicly given philanthropy, “it also makes them aware of who we are” (LB5). One of the businesswomen said in connection with philanthropy to the NDMOA, “it gets our name out there” and that it was a “benefit that people see the name of the second largest employer in the community [in conjunction with philanthropy to the
NDMOA]” (BK5). The architect explained, “We get name recognition in terms of keeping your name out in the public eye reminds people of who you are and what you do, and I guess in our business it is pretty important” (SB4).

**Incentives**

Some of the responses to questions about why they give publicly to the NDMOA can be categorized as incentives. In the words of one participant:

A big part of [giving] is to ensure continued business. Business is a motivation for us. And advancing the arts is a motivation for us. Maybe we could advance the arts by an anonymous contribution, but we may have a harder time advancing our arts by making an anonymous contribution. (SB3)

One store owner said that his gift to the NDMOA might influence a potential customer: “people will look at the gift and say . . . oh, he contributes to the Museum, I think I’ll try that business” (HK2). A banker thought that “we will get some business from somebody who sees our name or recognizes our name” (LB8). Another retailer responded, “more business” (HJ7). Another respondent replied:

A lot of people who appreciate the arts are business people
who can afford the arts, that we can eventually make professional contacts with as well . . . I think one advantage would be just affiliating with other contributors to the arts that may at one time or another be in a position to hire us for work. (MD7)

One banker referred to having a “lot of competition” and in order to stay competitive his bank needs to run its business well and “be known as an organization that shares with the community” (ED9).

A second incentive seems to be to influence others to give philanthropically, even to the point of being competitive about it. One participant said, “I think there is a lot of potential to influence other people to make contributions to any non-profit” (SB12). Another retailer said that by giving a lead donation, it “raises the bar” for others who will follow their lead. One of the bankers thought, “[a philanthropic gift] almost places a seed in some people’s minds maybe to give later on, when they have the ability to give more” (LB 9). Another banker explained that his bank can avoid pledges and come in with a large amount of money up front to get something started. This first seed money can be leveraged by other people. The banks kind of cooperatively work together. He went on
to say about a specific gift to the NDMOA, “the reason we [gave to the NDMOA] was, quite frankly, to probably stimulate some of the other corporations to get involved” (NR12). Another participant believed that it was “easier to decide to do something if there were high-profile gifts. It gave a lot of other people in the community permission to give to that.” He added, “I think [our gift] legitimizes the Museum of Art as a good place to go, a good place to donate money to” (GI 8,16). Another participant understands that when his corporation gives to the NDMOA it influences others to “give because [we] gave” (ED 6). He also said that the recipients of a lead gift will publicize it knowing that it “helps them to receive other gifts” (ED9). When asked about what affects their own philanthropy had on other corporations/businesses, they used the phrases “encourages them to give” or ”stimulates other corporations to get involved.” One participant said that their corporate philanthropy created a “bit of peer pressure on other people.” Some answers described a contest of sorts, “you can get almost a competition going of who can give the most” (RK 7).
Public Image

Although the participants gave reasons for their philanthropy, they went on to include words and phrases such as public image; associate with classy place; want to be seen as; want to be perceived as; want to look like; etc., which show that they are very aware of their public image and want to keep it looking good. If they were to analyze most of their reasons they would realize that they almost all have their public image in mind when giving the answers they listed.

Each participant was very aware of the company’s public image as evidenced by what they said in response to various questions. Only one said directly that they had their public image in mind when they gave philanthropic gifts to the NDMOA. Most of the participants acknowledged that their philanthropy was a part of their public image but that the quality of their service or product was the main component.

A contractor who realizes that his company has a public image commented, “hopefully by being affiliated with the Museum of Art and other groups like that, people will look at us and say that we are more than just a builder” (MD 6). One way to help build that
public image was “to get some notoriety for being tied to high
quality organizations such as this (NDMOA).” He understood the
image by affiliation when he noted that the Museum is “of high
quality and it is one of the premier things in the community to be
associated with now” (MD 3).

When asked what adjectives he would use to describe his
company, an architect liked to “think of [his] business as being
community oriented, totally responsive.” He later said “we really
are interested in people . . . knowing about our desire to be known
as a quality company, a company that is very interested in our
community, a company that reinvests in our community. A business
that treats our employees fairly” (SB 6). He knew that, in general,
publicized giving “can certainly influence the way you think or the
way you look at the person or the way you look at the
organization” (SB 6). Like the contractor he thinks that the primary
public image component is “the quality of our work and the
satisfaction of our client” (SB 10). They are not able to “rest on our
laurels . . . we always need to continue to step outside and look at
ourselves” because our public image is “constantly changing”
(SB12). To sum up his thoughts on how his business is perceived he
said he hoped that by “running a good service and being a good community member, by giving back, [we] hopefully project the appropriate image” (SB13).

One retailer said of her partners’ opinion, “[giving to the NDMOA] is evaluated and it is continued, it is a positive relationship, so they encourage me to give to the Museum.” By giving to the Museum, she “thinks it is an opportunity for them [public] to see us in a different light.” She also added that their public philanthropy does influence people’s opinions and she and her partners’ need to use it to help sway people’s favorable opinion. “Nowadays, with random shopping and people, they can just change their opinions on the smallest things, and they can just turn it right around . . . they can change it on a flip of a coin” (HJ8).

Another participant said, “we are perceived as an organization with a lot of money to share with the community” (BK2). She added later, “I see it as something that a good citizen would do, but of course, we would hope that it would enhance our public image rather than detract from it” (BK8). One of the bankers explained:

You want people to associate your business with good parts of your community and I think, sure, that is the reason we are in
business so that you pass along an image of your institution that can be characterized as something good for people. (LB 4)

He also explained, “we can control how we would like to be projected . . . but we can’t control how the people feel about it” (LB 9). About public philanthropy he said that people who attend an event pick up a program and look at the back to see who has supported [the event].

So I think there is more of a subtle type of image enhancement that is being done and it probably weighs more than what we absolutely can see. So I think there is an awful lot of image enhancement that occurs through philanthropic donations.

Percentage-wise I can’t tell you, but I think it is more than maybe just your gift and maybe the size of your gift. (LB7)

He thought that “most other businesses view us as philanthropic.” He added, for the most part “people look at us as being generous” (LB-7).

Another participant stated that public philanthropic gifts can influence public opinion. Whether a gift is publicly given or not depends on the businesses’ desired result. A gift will be public if they want to gain something by it. “If it is to better their image, it almost becomes like an ad campaign rather than a gift.” Otherwise the gift will be given privately or anonymously if they want to give
the money to an organization they believe is a good thing and “you are not looking for that public awareness” (RK 5).

One of the interviewees was very aware of his bank’s public image when he said, “we are seen as a community leader and we are always seen as a kind of bank that invests in growth-type things within this community” (NR 2). He said that his bank developed its image in several ways besides public philanthropy. He did not think that public gifts amounted to advertising. “We never advertise or market a product. Never. The nature of this organization is to be seen as a professional, financial service provider that delivers high quality products and services and knowledge to meet your financial needs” (NR 9). He also expressed a “need to be very consistent with your image and your reputation” (NR 10). He described the frailty of a good public image when he said, “you need to do a lot of little things right over a long period of time to create a public image and it really only takes one or two stupid little things and you give it all back” (NR13). When asked whether the bank could manage its public image he replied:

Absolutely, absolutely. One of the most important things of [our bank] is its image and its reputation and its perception.
So, again, all we do is try to nurture that and we try to build it over a long period of time and then we don’t want to do anything that would detach away from that image that we have spent a lot of time creating. Any organization is going to feel that same way.

Another respondent was aware of his personal public image when he stated, “I think my wife and I have a certain level of prominence in the community. And part of that visibility is being affiliated with the NDMOA” (GI-2). He also noted that being affiliated with the Museum was not marketing but “it doesn’t hurt, as members of the community, to be associated with high-profile things, especially if you are identified again and again” (GI-3). He also addressed why corporations or businesses need to give back to their communities. “If they don’t do anything for the community, there can be some kind of a sense of ill-will [from] the community towards them.” When asked how he thinks his business’ public image is built he replied, “we manipulate the press really, and get the image we want to have” (GI-6). Later he added that because businesses are so competitive, “You are dependent on manipulating. And in the most cynical sense you are dependent on manipulating what people think about you and
your organization” (GI15). In response to what effect his philanthropy has on potential customers he explained that if there were “someone who was kind of wavering anyway, the fact that a corporation has done high profile dealings is going to make somewhat of a positive impression” (GI-7).

The lawyer viewed the public image of the NDMOA as “a very positive aspect of the community” and to give philanthropically to the Museum “would be viewed as a very positive thing” for his corporation (LD1&2). He realized that when he saw other entities giving to the NDMOA, he tended to give them a “step up” in his mind (LD4). He knew that what people think of his corporation’s gift to the NDMOA “depends on the [public’s] perception” and the situation they were in (LD4). When asked if there were any advantages to giving to the NDMOA, he didn’t think there were any other than “possibly a more subtle type of positive thought towards us” (LD6).

When asked what adjectives he would use to describe his bank, one of the bankers replied:

We would want to be known as a “good” bank. That’s paramount to why we are here . . . There is a lot of competition, so we have to be known as a well run bank business . . . I want
He believed that a corporation's image is what people say about them around town (DE14).

Another participant noted about public opinion in general, "Well, that's human nature, to form opinions of people whether they know them or not, especially if they don't know them . . . to [form] an attitude, good or bad or indifferent" (HK3). He did not believe that philanthropy really was going to enhance his business' public image and repeated several times that his giving to the NDMOA was not for any gain for himself or his business, but that it was simply to support the Museum. "I think giving is giving . . . you have to pick your slots where your money, your time, your energies are most effective and most important to you as a giver. Not what other people perceive of you" (HK4).

Advantages and Risks

All of the participants acknowledged that there were advantages to being a philanthropist to the NDMOA, however, virtually all felt that it was an unmeasurable or intangible one. They also understood that there were risks to being affiliated with the
NDMOA which were much easier than advantages to describe. Some of the respondents explained further that any philanthropy was a little risky where people’s perceptions were concerned.

One professional believed that they had “gained” from giving to the NDMOA. The gains, however, are “intangible.” He was not sure how people came to know his business and perhaps their public gift was the way (SB-11). The disadvantage was the “risk of appearances in terms of “the good old boys” scenario . . . you have to be careful. We like to think that we are awarded projects because of what we can bring to the project as opposed to who gave the most money to an organization” (SB5). For example, “if the NDMOA were anticipating a significant addition or remodeling [where it would be] viewed as a contribution [in order to] buy the job . . . that wouldn’t be proper” (SB8).

One of the other participants thought that “one advantage [to a publicly given gift to the NDMOA] would be just affiliating with other contributors to the arts that may at one time or another be in a position to hire us for work” (MD7). The disadvantage to this might be that when people who are against the arts see us affiliated with the NDMOA, then they might think that we were not the kind of
people they want to work with (MD-7). He realized they ran the risk that giving money to the NDMOA may be interpreted by the public as “we’ve got money to burn” or “we make too much money” or “we are wasting money” (MD-5,6,7).

One retailer noted that they received “positive feedback” as a definite advantage. Like the previous participant, she thought the risk would be that people would think her business “gave too much” and they would be consumers elsewhere (HJ6,7). Contrary to most of the participants, she did not think it a problem for her company if the art at the NDMOA became very controversial.

Another respondent did not view her corporation’s philanthropic gifts to the NDMOA as an affiliation so therefore she could see no advantage or disadvantage to the philanthropy. But, when asked later if the Museum had controversial art exhibitions, she acknowledged that that “would definitely influence the decision [to give a money gift] . . . “there would be certain exhibits we would not want to be a part of” (BK-7). Furthermore she felt that there was the risk that people would wonder why and say we shouldn’t give to the NDMOA. “They might be skeptical and wonder why we didn’t
give that money to the Red Cross, the Salvation Army, or the Cancer Society” (BK6).

One of the bankers believed that from “just an image standpoint [being affiliated with the NDMOA] is a very good advantage” (LB8). When asked about the scenario of the Museum having controversial art he replied, “if it were lewd, if it were not very tasteful, then we would probably re-evaluate [giving a gift].” And if the Museum’s reputation suddenly became not respectable his bank would “probably discontinue [its philanthropy] . . . if you continue on with them, its image is your image” (LB8,9).

Another wholesaler said that getting his company’s name out there was probably the only advantage. The risk his business takes by giving publicly to the NDMOA, is that their customers will complain that “your prices are so high, you can afford to do that.” He also thought it a “gamble” to be associated with the NDMOA if people were “offended or shocked” by what they saw there. A further gamble to him was that, with public donations, there are those who wonder “why you don’t give to their charity or event.” Another disadvantage was that with one gift come many more requests for donations (RK1,6,7).
When asked whether there were any advantages, one participant said that he “didn’t measure anything from a benefit cost standpoint, or that we pick up so much business or whatever.” He did not know if they had picked up any business from their public philanthropy to the NDMOA or from anything else (NR13). He hoped that the advantage of giving to the NDMOA was that people would view his bank as being one that gives back to the community (NR10). The risk they took by association with the Museum was only if it lost its credibility or began taking advantage of the bank. Then they would “slowly go away [from the association] and would not support it (NR-13).

Another professional had several advantages to giving to the NDMOA. The first was that by helping to support it, he was making the Museum and the type of events held there available to his own children as well as the rest of the community (GI3). He also believed that “certainly through the arts organizations [he] had met a lot of CEOs that [he] would otherwise never have met. And a third advantage to public gifts to the Museum was that “in our generation, there is a legitimacy you get by being in the public eye” (GI15). A disadvantage to giving public gifts was that “you get to the point
where you are fending off other organizations” who request support (GI3). And another risk of his corporation giving publicly to the Museum was that if wholesalers view the gift as frivolous, then they may not try to cut the cost as much because the philanthropist obviously does not watch the “bottom line” (GI11). Other words he used to describe what people might think of his gifts to the NDMOA were “foolish,” or “elitist,” or that the public might say “don’t they have anything better to do with their money” (GI11,13)? He also noted that his company would suffer a “loss of face” if there were a big scandal of some kind at the NDMOA. His company in that case would have to pull back support (GI14).

Another respondent answered when questioned about advantages to philanthropy to the Museum, “Do I think if you’re listed in a brochure, for instance, that there is a benefit to that? Yes, I believe there is. Do I think you get a dollar of return for a dollar put in? No, I don’t believe you begin to come close to that.” He added that when he attends charitable events and notices the same supporters listed, he thinks that it is good that they are giving back to the community and supposed that others think the same way. “If the approaches tend to be like that, then I think it would be viewed
as a very positive thing” (LD3). He did not believe there were any other advantages.

The main risks he listed were that his company’s gift would be thought of as “elitist” or that if the art became too controversial he “would have no interest in having . . . our firm’s name attached to the [NDMOA]” (LD5).

When asked if there were advantages to public philanthropy, one of the bankers responded that some people might think, “it’s great they support that” (ED11). The risk they take with the gift would be that people, mainly their customers, would question why the bank does not give the money back to them instead of to the NDMOA (ED-11). He also knew that if an organization they supported “embarrass themselves” then “to some degree that path is unto us” (ED-13).

Another participant believed that when he gives publicly to the NDMOA, he “might stimulate [someone else] to contribute” and possibly get someone new to try his business (HK2). As far as risks were concerned especially in regard to controversial exhibitions at the Museum, he responded, “I don’t care what people think . . . I mean I do care, but I can’t worry about somebody not liking the fact
that I’ve supported a [controversial] exhibit” (HK6).

The final participant offered that “there is a risk in that if the [recipient] organizations are not well thought of . . . that somehow you are associated with that” (GH7). To him the only advantage was that the Museum existed due in part to his support and that people might think it was “good” that he supported the NDMOA.

Message sent and Receiver

The next question for the participants was what message did they think their business sent by giving to the NDMOA philanthropically? And who receives this message? One participant replied, “I believe it sends a good message . . . that we are supporters of the arts and we are supporters of the community. That we are reinvesting our profits back into the community to advance other ventures, other public entities” (SB-3). He thought that “just about anybody” might receive this message. Eventually he listed “potential customers” and “competitors.”

Another professional said that the message his company sent was:

The NDMOA is a viable organization and should continue to grow and prosper and if they can’t do it by their own means,
it should be done by the support of others, so that future
generations can benefit from what the Museum has to offer.

(MD4)

This same participant also thought that his corporation’s gift lets people know that they are a “high-quality, professional organization that appreciates the other high-quality things in life.” The recipient of these messages is “anybody who appreciates and is affiliated with the arts” (MD4). He also mentioned people in the decision-making position that might hire a company like his. If they see us affiliated with the NDMOA, it brings credibility back to us.” To their company’s employees it sends a message that “we are a sophisticated company and probably improves employee morale a little bit” (MD4,5).

Another businessman felt that giving publicly to organizations like the NDMOA “gives them a certain credibility within the community. It also tells “future generations” how things were built today. He said when his company supports the NDMOA, “it’s a message to the citizens that you’re giving back.” To other businesses the message is not to be greedy, [but rather] to give something back to the community (GH3). If his company only gave to the NDMOA, “then there is a message that that is all you care about” which is not
true. “But generally the message is good.” The message to the organization is if we support it then we believe in it and believe in the people involved and it’s a good thing.” And if his company cuts support, that sends a message to the former recipient and the other supporters that something has possibly gone wrong (GH4). He said his company’s gifts reaffirm NDMOA employees that the work they do is valid and appreciated and it also reaffirms “our customers’ sense of pride that the Museum is in Grand Forks, and their belief that the Museum is a good thing for the community” (GH6).

One of the retailers thought that the attendees to the NDMOA benefit dinners get the message that her company is interested in and has “artistic quality.” She also thought it important that people know that her corporation gives to several charities so that the public not only thought of the business as artistic but also compassionate (HJ5).

Another participant answered the question about messages sent and those who receive the message with the following:

I would think that first of all the folks at the NDMOA [would receive the message]. It would certainly be a positive for them when they find out donations are going to be made. So it sends
them a good message: We care and we are going to support you. Another message is sent to the public – again I think they would see our organization as committed to culture in our community and caring about it enough to commit some dollars to it. (BK4)

She also hoped that “[the public] would see us as part of this community who do make attempts to give back in many, many ways.” She believed that other arts patrons like herself would be “thrilled” to hear of her company’s gift. Those not particularly interested in the arts might wonder why her type of company was giving to the arts.

One of the bank presidents said the message they send is that “we are a supporter of the community . . . of the arts . . . of diversifying culture” (LB4). He also thought that it sends a message that when people “see a corporation like ours giving money to an organization, they feel that that organization is a good one – that it is worthy of receiving money of ours” (LD5). More specifically than the general public, he thought the recipients of the message were the Director of the Museum, the Board members, and the other Museum members. He included the people who visit the Museum. He
concluded with the thought that his bank’s gift to the NDMOA sends 
“one consistent message, that we support the community in its 
endeavors to be a better community.” The shareholders are “proud” 
or in other words the message they receive is that it is good to give 
back.

Another banker offered that he thought his bank sends the 
message that the NDMOA is a “local organization that gives its dollars 
and its time in community activities that are bent upon growing, 
developing, making this community successful.” He agreed with 
others that it says that the NDMOA is “of importance to the 
community.” Basically the people who receive these messages are the 
people who support the NDMOA (NR10,11).

One professional stated that the message his company sends to 
the NDMOA is that the NDMOA is “a valid and valuable part of the 
community and we want to see more of it.” It also says that the 
NDMOA is managing its finances well and doing OK.” He went on to 
explain:

I think those are the big messages and those are important 
messages for the NDMOA. I am not convinced that the broader 
community of Grand Forks has gotten a message or that we
would expect them to get a message from the level of giving that we have done. I think if we were giving ten times as much, there might be some chance of getting a message to the broader community. But I think what you hope to do, is to say to the broader community: OK, this is an OK organization to be a part of and to give to and nurture. Maybe more importantly, to the broader community where the overwhelming number of people are not in a position to give any amount of money, [the message is that] it is an OK place to go. [It says] you might see something interesting here. You might come to a concert that you may really enjoy. You may see an exhibition that you really enjoy, or really gets your dander up, or it actually does something for you. (GI9)

He also hoped that a message goes out to the public that his corporation is “not uptight [concerned only] about money . . . the goal of our organization might possibly be something other than just money . . . that we have goals such as the arts, and in doing a good job” (GI9). He continued, “To the broader community, our gift might send the message that the NDMOA is an OK organization to be a part of and to give to and nurture. An OK place to go.” He added later that
if the community could find out that his company was the “smaller organization and presumed to call itself altruistic actually was [altruistic], then, that would be the best message” (GI11). He believed that the community would think that if his corporation was making enough money to give philanthropic gifts, then his corporation must be doing alright. “And that’s not a bad message to send” (GI15). With their philanthropy and other methods he thought, “the most important message that we as a business would want to send out, is that there is no hope for new competitors. I think most businesses, if they were really honest, that’s what they would say” (GI15). He worried that the message his philanthropy sent to the community was that he was “elitist” (GI12). He also worried that his corporation’s suppliers would think him an “easy mark” or not interested in the bottom line. Then they might not be so quick to offer supplies at a lower cost. He did not think his employees received any message (GI8).

Three other professionals stated that basically they hoped their gift to the NDMOA would show that they support the arts and believe specifically in what the NDMOA was doing for the community. They hoped that their philanthropy might induce people to go visit the
Museum especially if they had not before. They also thought that corporate shareholders would be in favor of the gifts and arts patrons would be appreciative. One, however, wondered if anybody got the message about his being supportive of the Museum. He really did not think the public really paid attention (LD, ED, HK).

All of the participants gave to other entities other than the NDMOA. Most wanted to “reach a broader base” beyond the Museum and also tried to pick a different area with a different audience such as in the sports area. All of the participants also explained in various ways that their gift to the NDMOA was only a “small” portion of building their own public image. The quality of their product and service was the primary element in building a good public image. And, because they all gave to other charitable organizations, their gift to the NDMOA was only a portion of their total philanthropy.
The participants in this research gave several answers to why their corporation/business publicly gave philanthropic gifts to the North Dakota Museum of Art (NDMOA). Their answers might be organized into several groups: give to support art, give to support the community, and give to enhance their image. Further subdivisions within each group would be the three categories: reasons, incentives, and goals for public philanthropy to the arts.

Support Art

Most of the participants wanted to support the arts in general: giving to the NDMOA partially fulfilled that wish. The most frequent answer as to why the participants gave to the NDMOA was that they had some connection to art. Someone in their lives, if they themselves were not artists, was an artist or was interested in art. If they did not see the value of art for themselves, they saw the importance it played in people's lives around them. This evidence supports the research Tudor (1988) did about the choices for
recipients of philanthropy. They also noted that the arts are usually short of money or are not able to get as much support here in Grand Forks, for example, as sports. Because they cared whether the arts survived in the community, they supported the NDMOA and other art organizations.

One of the main goals for most of the participants was to help the citizens of Grand Forks attain a high quality standard of living. Having the NDMOA in the community was considered a great asset toward attaining that goal.

There were several incentives for philanthropic gifts to the NDMOA. Some of the participants hoped that by giving their gifts to the NDMOA, it would persuade others to give as well. Some even called it a “competition” with their peers to give the most significant gift to the arts or the NDMOA. This evidence supports Galaskiewicz (1989) earlier study about influences on corporate philanthropic choices.

Support the Community

Under the group heading to support the community, all the participants emphasized one reason: they wanted to give back to the community. They appreciated the living they had earned from the
area and felt that it was important to return some of those earnings to support things that are important to Grand Forks.

Some answered that by supporting the community they had a goal in mind: sustain economic development in Grand Forks. They believed that one of the ways this area could attract professionals and new businesses to town was to have a high quality standard of living. Having the NDMOA was seen as one of the criteria newcomers sought when they assess a community.

Image Enhancement

The last group of answers to be discussed are those involved with image enhancement. Within this group they listed two reasons why they gave to the NDMOA. They considered their business a “good match” with the NDMOA. They were good matches because of similarities in the NDMOA building and their own building; or that the museum was run as professionally as their own; or that the NDMOA was a high quality, high class institution: attributes they gave to their own businesses. It can be deduced that they liked the association of their business’ name with that of the NDMOA. This name association was good for their image.

The other main reason the respondents gave was that they
wanted to be good corporate citizens. Most felt that the community looked at them as successful businesses and that the public “expected” them to give something back to the community at large. A “good” corporate citizen was one that gives back to the community it resides in. The implication being that if they did not give back in some way they might be thought of as a “bad” corporate citizen. Obviously, the desire for social approval is an important motivation for corporate philanthropy as stated by Arkin (1981). One respondent mentioned another corporation that is noted for not giving anything back. He said he will never shop there for that reason because the business is not a good corporate citizen.

By giving publicly to the NDMOA, most of the participants hope to gain name recognition in association with an institution of quality. Ten of the twelve said that if the NDMOA regularly were to exhibit works of art that were very controversial, they would not want their own corporate name associated with it. At that point association with the NDMOA would not be an image enhancer.

Some of the participants responded that they hoped in part to ensure continued business and to retain a competitive edge. With the corporation’s gift to the NDMOA, they thought that people who
knew about the gift would be impressed favorably. If people were
impressed favorably they might be more inclined to offer work
projects to the corporation or utilize their services and products. As
one retailer put it, the public [is influenced by] the "smallest of
things." Therefore the corporation sought anything it could to keep
its name and public image in a good light.

Summary of Reasons, Goals, and Incentives

Overall the researcher found four main criteria to be true. First, the corporate head needs to have some connection to the arts in
order to give philanthropically to any art organization. If this
connection is not personal, then it must be a realization that the arts
are important in Grand Forks. Second, the recipient, in this case the
North Dakota Museum of Art, must be perceived as a viable
operation that is an asset to the community. Third, for most of the
participants the NDMOA primarily must be a non-controversial
institution in order for them to want to have their business name
associated with it. Fourth, all the participants give philanthropic gifts
to at least one other not-for-profit organization in order to reach a
broader audience. They do not want to be thought of as elitist by
giving only to the NDMOA.
These findings are important because they would be useful for any arts organization in communities the size of Grand Forks to know when they seek funding for their programs.

**Message Sent and to Whom**

The respondents gave a variety of answers to the question about what message is sent and who receives it when their business gives to the NDMOA. Message receivers included the community at large, future generations, business peers, employees, shareholders, potential business competitors, business suppliers, the NDMOA staff, arts-patrons, and non arts-patrons.

To the community at large they expected that the message was as follows: that they were: good community supporters; that they care about the arts; that they care about the community and invest profits back into it; that the NDMOA is viable, credible, and well run; that they are a high-quality professional business just as the Museum is; that they have taste and class; that their business is committed to culture; that their business is not only interested in making money; that the NDMOA is a good organization to be a part of and to visit; and that small companies can be altruistic as well as large ones. To their business peers they want to send the message
that they are “credible,” meaning that they are successful enough to be able to share with the community; and that they too should give back and not be “greedy.” The message the participants think they send to their own employees is that they work for a sophisticated business. To their shareholders the message was that it is good to give back to the community. To future generations of Grand Forks one participant said it was important that they receive the message about how the community was built, who supported various organizations. To the NDMOA staff the message is that their work is valid and desired and basically that they do a good job. When corporations give to the arts in general, it is a reaffirmation to arts-patrons that others also believe in the things they believe are of value. Specifically, when gifts are given to the NDMOA, it sends a message to the NDMOA’s supporters that the institution is important to the community and that it helps the community to be successful. One participant stated that by giving to the NDMOA, he hoped in part the message to potential competitors is that his own business is so successful that the newcomer should not expect to be able to compete in business. Most of the participants did not want the message to be misinterpreted by any one of the recipients


mentioned. They did not want their corporation to be thought of as not being careful with money, as having made too much money, as having charged high prices for their services, or as elitist.

Erving Goffman’s impression management theory about an actor’s action influencing public image seems to describe, in part, the gestures of philanthropy employed by the corporations/businesses. They hope that with their gifts they might influence various audience’s opinions to think favorably of them. They also try to avoid gestures that would be thought of as unfavorable.

Strengths and Limitations

This study was done in good faith and with a sincere attempt at an accurate report. However, there are some limitations to its reliability. This study is small and does not encompass a large number of respondents. Although saturation occurred with the twelve participants, it is feasible that there are other answers that might have been given. If one considers the degree of focus in this look at a precise example of philanthropy, the study is adequate. The second limitation is the fact that the researcher works for the NDMOA and cannot entirely erase her favorable, though reasonable, opinion of her employer. She worked to not allow prejudices to enter
into the data gathering and reporting process. This fact relates to the third limitation. The participants who were not already aware of her employment status were told that fact in the initial letter of request to participate. Because of the researcher’s employment, the participants may have been hesitant to say the entire truth about their philanthropy to the NDMOA. In spite of this fact the researcher feels confident that the participants did tell openly their opinions about the messages sent and who received them. This study has merit in that it has acquired information that was only presumed before. It would be reasonable to conduct another similar study using a different philanthropy recipient than the NDMOA and talking to another group of benefactors. This would afford a more well-rounded look at public corporate philanthropy to the arts in Grand Forks, North Dakota.

Further Research

This research asked what the actors in a particular situation believed their action’s messages were and who received these messages. From a communication standpoint, as explained by Erving Goffman, the messages people think they send are not always received with the intended meaning. And too, the intended audience
is not always who receives the messages. For these reasons a follow-up study could to be done involving the data found in this study.

The people mentioned by the participants could be contacted to inquire about the messages they receive from the participants actions. In other words, a reverse of this study is necessary to get a more complete analysis of this communication gesture.

When looking into this topic, the researcher discovered other communication actions that would be interesting to study. At least two participants talked about what might be referred to as “good ole’ boy” philanthropy. One participant said that generally he and a list of successful businessmen do not do anything about supporting a new or existing project without first talking to each other. Another respondent referred to “a group that has a lot of credibility [among its members], but it’s not a formal group at all, it’s not even a group. When we call each other about something, there is trust that it is [credible].” This power-laden communication about philanthropy would be a very interesting research project.

Another topic of interest would be the effect that corporate philanthropy has on art itself. As corporations do not tend to support controversial art exhibitions, they influence art production.
REFERENCES


