

Conversation on Corporate Giving – Event Summary

The Temasek Trust Conversation on Corporate Giving was held on 6 September 2016 at the Grand Hyatt Singapore, following an appreciation lunch for the many supporters who have contributed to Temasek Trust organisations and activities over the past year.

Themed “Inspiring Giving”, focusing on stewardship in relation to “intent to impact” and “people, purpose, passion”, the conversation featured two panel discussions involving panelists and forum participants from philanthropic foundations and non-profit organisations.

Keynote Speech: Mr. S.Dhanabalan, Chairman, Temasek Trust

Stewardship Matters: The Integration of Business and Philanthropy

“Each corporation must see that it has a responsibility to participate actively in building and laying the foundation for a just, caring, fair and inclusive society. It is this mindset – that we are here not to live by bread alone – that must be at the centre of all corporate philanthropy.” Mr S Dhanabalan, Chairman, Board of Trustees of Temasek Trust

The keynote speech was given by Mr S Dhanabalan who spoke on the importance of taking a long-term and integrated approach to creating social value. The highlights of his speech are summarised here:

Stewardship in the social sector

Stewardship at both the organisational and the individual level is about husbanding, taking care and growing the resources entrusted to the stewards and handing them over to successor stewards in a better condition or better shape. In today’s business context, this “better shape” is often defined as sound finances. However, philanthropic or social sector organisations must go well beyond mere financial shape.

In the social sector, stewards are entrusted with not just an organisation’s finances but with human talent at all levels, from the board and management to the volunteer pool that the organisation draws upon. On top of this, stewards are entrusted with the processes and programmes already in place, and with the well-being of the people who benefit from these programmes.

Effective philanthropy

Philanthropy is typically associated with financial contributions, and indeed corporates can help social sector organisations to meet the need for financial resources. However, effective philanthropy, whether from individuals or organisations, goes beyond money. It requires competent and dedicated management at the institutional level, and competent, dedicated and passionate people at the front line, regardless of whether they are full-time professionals or volunteers.

Effective philanthropy should extend to, firstly, volunteerism. This includes employee volunteerism: providing service at delivery points, which can assist social sector organisations in niche areas while satisfying employees’ desire to help in the short term. More importantly, volunteerism should include helping the organisations to build up management capacity. This can be done by giving high-level management volunteers the authority to be a conduit for the rest of the company’s capacity and competencies, thereby contributing to how the organisation is run.

Driving systemic change

Most importantly, philanthropic donors – whether individuals or organisations – need to take a step beyond the immediate solutions provided by their giving to the social sector, and look into how they can put their resources to use in helping to solve issues over the long term. The multitude of complex and large-scale issues today – as poverty alleviation, bringing the marginalised and disadvantaged into the main stream of economy and society, diseases, epidemics, climate change, and so on – cannot be resolved by a single actor or sector alone. Instead, all stakeholders must work together to create partnerships and develop solutions.

In this respect, funders can provide not just financing, but contributions in kind such as mentoring networks, marketing support, leadership development, volunteer management, and other core business competencies that can strengthen the work of the social sector. They can help to improve the capabilities of the social service organisations that they fund, ensuring that those organisations can continue to operate over the long term. In this way, business and philanthropy can combine to safeguard not only the finances but the talent, purpose, intent and impact of the social sector.

Panel 1: “Stewardship Matters: Intent to Impact”

- Ms. Euleen Goh, Chairman, DBS Foundation Ltd
- Ms. Melissa Kwee, CEO, National Volunteer & Philanthropy Centre
- Dr. Tan Chi Chiu, Chairman, Lien Centre for Social Innovation
- Moderated by Mr. Benedict Cheong, Chief Executive Officer, Temasek Foundation

Panel 2: “Stewardship Matters: People and Passion”

- Mr. Richard Magnus, Chairman, Temasek Foundation Cares
- Mr. Liew Mun Leong, Chairman, Changi Airport Group and Surbana Jurong Group, Founding Group President & CEO, CapitaLand Limited (1996 – 2012) and Chairman, Temasek Foundation Nurtures
- Mr. Gerard Ee, Chairman, Charity Council
- Moderated by Mr. Steven Chia, Presenter and Editor, Channel NewsAsia

Opening / Closing Remarks

- Mr. Ong Boon Hwee, CEO Stewardship Asia Centre

Gleaning from the rich and engaging discussion, five themes underlying successful corporate philanthropy were highlighted: (1) intent, (2) impact, (3) factors for success, (4) sustainability, and (5) the importance of taking action.

Summarised below are insights gleaned and lessons highlighted based on these themes.

Theme 1: Intent

Business should be seen as a part of society and not apart from society. Companies are corporate citizens, and as such, they need to play a role in stewarding communities over the long term. This is the driving intent behind corporate philanthropy, and philanthropic organisations should keep this intent in mind as they carry out their activities.

Building upon this fundamental intent, philanthropists – individual or corporate – need to be as clear as possible about their mission and purpose. This covers not only social impact purpose, but also the business value proposition involved. There need not be a trade-off between being effective in social impact and in being effective as a business, and indeed companies that engage in philanthropic giving, whether in financial terms or through volunteerism, must not do so to their own detriment. Ideally, they should be able to derive some benefit from their giving, whether this takes the form of empowering their employees or improving their reputation in the community.

Philanthropic objectives should also be well-defined, relevant and easily explained, something that people can believe in and rally behind. Clear intent and objectives are critical in defining the projects that philanthropists will choose to invest in and relate to. They are also crucial to drawing in talent, both professional and volunteer, that is the right fit to execute, implement and sustain projects.

At the same time, however, companies must remain flexible enough to adjust their objectives and approach where necessary.

Theme 2: Impact

Intent should lead to impact, and impact should be measured against the intent – the influence on the lives of stakeholders, on the surrounding community and on society as a whole. This raises the question of what impact businesses should aim to achieve through their philanthropic practices, and how they can measure this impact. Without clear and measurable endpoints, philanthropists will inevitably face challenges in managing the financial and capital outlay, and the attending risk.

Philanthropists therefore need to invest in ways of determining and measuring impact. This requires them to go beyond funding front-line projects and services that have immediate visible effect, and instead look into funding research that can produce evidence-based data. More importantly, they need to consider how to assist VWOs in professionalising their back-end support, the areas that do not carry out actual service delivery but are equally important for ensuring that the organisation operates smoothly.

Building upon this, both philanthropic givers and recipients who are service providers need to ensure that they are aligned as to intent, internally and externally, and that their relationships with the community they seek to help share that alignment. They must also maintain a certain level of flexibility: as research helps them to gain a better understanding of what is needed, they may need to rescope their objectives to maximise the impact they wish to achieve.

Theme 3: Factors for Success

The factors that make a philanthropic effort successful fall into two categories. Firstly, there are tangible factors, such as financial capital and human capital – the financial resources that are most commonly associated with philanthropic giving, and the people, at all levels from management to front-line volunteers, who execute and implement projects. The need for these is clear: financial strength, with funding structured for the long term, and human capital are obviously required for a social impact programme to successfully execute.

Less definable, however, are intangible factors such as intellectual capital and social capital, covering areas as varied as leadership, partnership, governance, values, trust, passion, conviction and commitment, and of course the impact on the ground. However, the intangible factors are potentially more important. Leadership, for example, is central to getting a philanthropic or charity project off the ground. Partnership in the form of

collaborations can significantly increase the project's impact. Conviction and commitment are needed to keep the project going over the long term.

At the same time, there is a need to balance passion with skillsets. To be successful, philanthropists must take a professional approach to their giving, and at the same time work to build up the professionalism of the organisations or causes that they support.

Theme 4: Sustainability

Corporate philanthropy should not be episodic, but be sustained as an ongoing effort. This requires, firstly, that the business itself be sustainable – both in the business sense, and in the environmental, social and governance sense. If a company is not doing well, it cannot be charitable. Similarly, if its business activities are contributing to social, economic or environmental ills, its charitable acts become suspect.

Companies therefore need to think more intentionally and strategically about how they can design their corporate giving programmes to be effective. They should aim to build a legacy for the long term, so that any philanthropic effort lasts and lasts well. The first step is, of course, to ensure that the company is sound in itself. Building upon that, philanthropic givers need to invest in two key areas: firstly, in programme design, and secondly, in the process of social innovation.

Programme design should be central to any charitable effort and should, in fact, come first, such that the project is granted a clear mandate and adequate resources. This will greatly improve the project's chances of fulfilling its intent.

Investing in social innovation, meanwhile, requires philanthropists to take a step beyond the common understanding of funding end results. Instead, they must consider how they can drive a better understanding of the root causes that shape a community's challenges; the community's response to these challenges; the possible interventions that can be made; how these interventions can be adjusted. In this way, the charitable effort is more likely to attain the desired impact and, more importantly, to continue achieving its objectives over the long term.

Theme 5: Action

The most altruistic ideas and the best of intentions must be followed through with action and sustained effort to see things through. From the boards and management of philanthropic organisations to the volunteers on the ground who carry out the actual projects, taking action is the vital step that fundamentally determines whether a philanthropic effort succeeds or fails.

Action extends beyond giving to include communication and planning ahead. For example, companies that have gained an understanding of key issues such as impact measurement, professionalisation, programme design and so on, should then take the step of communicating this knowledge and understanding to other players in the sector. Companies that have identified different approaches to social impact or found improved ways to address challenges should make their innovations widely known. Philanthropy is not a competition but should be approached from a collaborative viewpoint.

Finally, action can be as simple as sharing one's passion and going out on a limb to give – whether financially, in terms of volunteering one's time, or through sharing one's expertise – to making things happen on the ground, and more importantly, to sustain the effort.

What Next?

Opportunities and Challenges

- There is a need for greater awareness and education of corporate citizenship. Many companies and individuals still consider corporate social responsibility to be just a public relations matter, rather than a matter of doing good. They need to move beyond reputation-driven giving, and towards giving as a meaningful end in itself. In doing so, they need to focus on their intent and impact. This offers multiple opportunities.
- Philanthropic donors should consider whether they are giving in the right place. For example, they can consider supporting causes beyond the traditionally popular areas of social services and education. They can also look into where their donations will do the most good.
- The social sector is fragmented with little collaboration among VWOs, who tend to provide the same services with little differentiation and compete for resources even if they share the same mission and intent.
- Donors should carry out their own needs analysis, choosing sectors and organisations to support that will benefit the most. Donors should also consider whether they are giving what is needed. For example, most corporates choose to fund programs rather than support capability development (including for governance) for charities. Professionalisation is also one of the more acute needs in the sector. Donors should be open-minded about their approach to giving and look into a “harder” approach, one that involves assessing needs, assigning resources in implementation, monitoring, measuring impact, and even adapting projects throughout their life cycle regardless of the original plan.

Where can we make an impact?

- One key area where givers can make a significant difference is in helping VWOs and social enterprises to professionalise. This can be done by providing management expertise and other back-end resources that can help the organisation quickly become self-sustainable, especially at the early stages.
- Funding can be channelled to research projects that focus on measuring outcomes and building capabilities.
- Philanthropic donors can also look into helping to foster collaborations and partnerships: between donors with complementary resources, and between like-minded social organisations that pursue the same goals. This would help to reduce wastage and redundancies, and increase efficiency and impact. In doing so, and in all their giving, donors should be mindful not to overlook less well known and less glamorous charities.
- Donors can play a part in helping to create a culture of volunteerism in Singapore, for example by funding awareness and outreach efforts that focus on the younger generation and communicate the message about the importance of doing good. They can lead and encourage a shift away from purely financial giving, moving instead to skill-based volunteerism so as to help strengthen governance capabilities in the sector. For example, corporates can adopt a charity and give staff the opportunity to volunteer regularly.

Moving Forward

- The next step, for philanthropic givers and for the social sector as a whole, should be to gain a better understanding of what is being done and by whom, and what more is truly needed in the space: whether a greater focus is required in the area of conservation, in healthcare or in the arts. Individual VWOs and social enterprises seldom have the resources to carry out such research or networking by themselves, and donors can step in to fill this gap. With access to this information, donors and social organisations alike can plot a better course for the future and arrange their activities to deliver the benefits that are most relevant to society.

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