

Make versus Buy Philanthropy: Managing Firm-Cause Relationships for Strategic and Social Benefit

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ABSTRACT. This article uses transaction cost analysis (TCA) to explore different approaches to corporate philanthropic governance, and the firm and market factors that favor one form of governance over another. Specifically, it examines the conditions under which a firm might choose to enter into an arm's length relationship with an existing charitable organization (i.e., a market governance structure), develop a partnership with an existing charitable organization (i.e., a hybrid governance structure), or form its own self-branded or firm-owned charity (i.e., a hierarchy governance structure). Research propositions and a conceptual framework concerning these conditions are developed to assist firms looking to increase the sustainability of their philanthropic initiatives. doi:10.1300/J054v19n02_04 [Article copies available for a fee from The Haworth Document Delivery Service: 1-800-HAWORTH. E-mail address: <docdelivery@haworthpress.com> Website: <<http://www.HaworthPress.com>> © 2008 by The Haworth Press. All rights reserved.]

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