DOING WELL BY DOING GOOD? –
MOBILIZING CORPORATE RESOURCES TO DISASTERS

Matt Statler

Peter Buergi

Bill Raisch

International Center for Enterprise Preparedness (InterCEP)
113 University Place, 9th Floor
New York, NY 10003

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ABSTRACT

The mobilization of corporate resources to disasters is a phenomenon that has become increasingly prevalent in recent years, spurred by a sequence of major events (including 9/11, the Asian tsunami, hurricanes Katrina and Rita, etc.). Basic questions concerning how and why corporations provide resources to disasters have not yet been addressed by organizational researchers. This paper contributes to theory development in this area by drawing on a distinction (Margolis & Walsh, 2003) between corporate social performance and corporate financial performance. Framed by this distinction, the paper presents a phenomenological analysis of basic qualitative research data gathered via interviews with senior public- and private-sector leaders during the last half of 2006. The paper closes with a series of critical reflections and suggestions for future research.

Key words: *disaster preparedness, response and recovery; corporate social performance; corporate financial performance.*

INTRODUCTION

In direct response to the 2007 Academy of Management Annual Meeting theme, "Doing Well by Doing Good", this paper focuses on for-profit organizations that voluntarily offer material and/or service resources to public-sector and nonprofit organizations for disaster preparedness, response and recovery efforts. As a generalized phenomenon that involves many dimensions of variability, we refer to *the mobilization of corporate resources to disasters*.

Following the 9/11 attacks in New York and Washington DC, corporations pledged $721.8 million (Foundation Center, 2004). And following hurricanes Katrina and Rita, corporations pledged $358.1 million (Foundation Center, 2006). Beyond donating money and goods to relief organizations, corporations throughout the US (and indeed, around the world) are increasingly providing resources to disaster preparedness, response and recovery, as suggested by anecdotal evidence in major business periodicals, the agendas of prominent CEO associations, and the programs of international summit meetings.

The increasing mobilization of corporate resources to disasters has not however been fully addressed by organizational researchers. Basic questions about how and why corporations mobilize resources to disasters remain to be answered, and there is no theoretical framework to describe the strategic trade-offs involved whenever a corporation opts to forego a direct return on certain resources by providing them to disasters, whether (as we will see at length below) to government agencies, nonprofit organizations, or directly to disaster-struck citizens.

In this paper, we take a first step to address these basic questions and develop more robust theory. Following a review of the various, disparate streams of organizational research on the topic, we draw on a distinction commonly made within business ethics research between corporate social performance (CSP) and corporate financial performance (CFP) (Margolis & Walsh, 2003). In reference to this distinction, we inquire: *how do corporations navigate the tension between ethics and effectiveness when they provide resources to disasters?* At first glance, the mobilization of corporate resources to disasters appears to provide a special case, insofar as disasters often appear to overwhelm the resources of public response and relief organizations and to impact directly on private property and human life, including corporations themselves. But if indeed this phenomenon presents a special case, what then are its important characteristics, and what significance do these characteristics have for broader debates about the foundations of ethical and economic value?

We investigate this question by using phenomenological methods to interpret a set of interviews conducted with senior corporate, governmental, and NGO leaders. We present this interpretation as a map of the strategic landscape (Huff & Jenkins, 2002) of corporate involvement in disasters during in the last half of 2006 in the US. By reflecting on how and why businesses provide resources to disasters, we hope to provide a reference point for present and future debates about the relationship between "doing good" and "doing well" in organizations.

FRAMING THE PHENOMENON: CORPORATE RESOURCES TO DISASTERS

Anecdotal Evidence

The notion of using business resources to mitigate disaster has long been well-established in the business literature (Rohatyn, 1979). In the post-9/11 era, the importance of private sector resources in the area of US Homeland Security has been widely acknowledged (Flynn & Prieto, 2006). Prominent executive organizations have publicly taken up the cause (Armstrong, 2004), and major philanthropic foundations (e.g., Fritz Institute, Sloan Foundation) have established lines of direct support for efforts to promote and increase public-private disaster coordination.

And yet the success of such activities remains hard to chart. The United States Government Accountability Office (GAO, 2006) analyzed the seventeen critical infrastructure sector councils, and reported finding various states of progress in federally-mandated coordination between public- and private-sector officials. In turn, public administration research has suggested that "whether the department [of Homeland Security] will be open to those with expertise and resources when a catastrophic disaster occurs, be it terrorist-spawned or a natural disaster, is also a serious question" (Waugh & Sylves, 2003: 153). From an international development perspective, the "effectiveness of these measures [i.e., corporate resource mobilization] in reducing vulnerability to disaster is less clear and can ony be inferred at present" (Twigg, 2002: 8).

Existing Organizational Research

Organizational research relevant to the mobilization of corporate resources to disasters is limited in scope and scattered across various sub-disciplines, involving different methods and theoretical assumptions. Key insights have however been gained that help us here to frame the phenomenon. For example, Erwann Michel-Kerjan and other researchers at the Center for Risk Management at the Wharton School of Business have dealt with the issue of large scale risks that make basic infrastructural networks (e.g., banking, transport, etc.) appear dangerously vulnerable. Such vulnerabilities "require the creation and the improvement of long-term public-private partnerships" (Michel-Kerjan, 2003: 132). Within crisis management studies, the need for improved methods of coordination between public and private sector organizations at all levels has been identified through case studies (Prizzia, 2006: 275). A similar case has been made for increased collaboration in the area of public health preparedness for flu pandemic scenarios (Buehler et al, 2006), and in the area of intelligence and security services (Trim, 2003).

From more critical perspectives, cultural theorists have analyzed corporate employee identification with disaster-related partnerships and pragmatically advised arts organizations to take heed and “make certain that donations lead to evident and relatively speedy outcomes” (Harrow et al, 2006: 316). It has also been argued from a criminological perspective (Green, 2005) that disaster is a design phenomenon, and that in cases such as the 1999 Mamarra earthquake in Turkey, state and corporate agents of power should be held culpable for violations of basic human rights.

Finally, researchers at French business school INSEAD have produced several valuable case studies of what appears to be an entirely successful and ongoing partnership between Dutch logistics firm TNT and the United Nation’s World Food Programme (cf. Wassenhove, 2006). For corporations, the notion of “doing well by doing good” can fairly describe the moral of these case stories.

Broader Issues: The Foundations of Value

But whether increased employee job satisfaction correlates to decreased human misery or not, the mobilization of business resources to disasters raises broad strategic, economic and business ethics questions about the foundations of value. How exactly are corporations that provide resources to disasters ‘doing good’? And whatever ethical good these corporations may or may not be doing, why exactly do they decide to provide specific resources in response to specific events? Do they mobilize these resources to disasters as a tactical means to the strategic, economic end of 'doing well', or are other motivations and objectives legitimately in play?

This debate may hinge on the centuries-old belief initiated (according to some, unintentionally) by Adam Smith and represented more recently by Milton Friedman (Friedman, 1970), that an organization's sole social responsibility is wealth creation. Within the business ethics research, scholars have recently identified an 'antinomy' between a firm's economic efficiency and its efforts to benefit the common good in response to social misery (Margolis and Walsh, 2003). In a meta-analysis of 109 organizational studies dealing with corporate social performance (CSP) as an independent variable predicting corporate financial performance (CFP), Margolis and Walsh (2003) found that 54 studies had positive results, 7 had negative results, 28 reported non-significant relationships and 20 had only mixed findings (Margolis and Walsh, 2003: 274). Reflecting on these disparate research findings, Margolis and Walsh suggested that CSP has primarily been conceptualized in terms of measurable performance indicators, based on the following latent assumptions:

1. That ethical performance can and should be measured using indicators similar to those used to assess financial performance;
2. That ethics can and should serve as an instrumental means to the end of financial performance;
3. That ethical behaviors are, absent such an instrumental relationship to financial performance, by definition costly, diminishing the organization's effectiveness.

Margolis and Walsh (2003) went on to argue that research based on these assumptions that seeks to establish a link between financial and social outcomes ultimately nourishes a view of corporate social responsibility (CSR) that is limited to making the 'business case' for ethics and responsibility. They noted how these assumptions lead researchers to rely on empirical data when in reality the problem is situated on the level of *values* that remain difficult if not impossible to measure. In this regard, Margolis and Walsh (2003) carefully pointed out that the tension or "antinomy" between ethical normativity and instrumental effectiveness may arise because people in organizations as well as organizational researchers work from assumptions and use methods that preclude their possible integration.

Moving beyond such assumptions, the mobilization of corporate resources to disasters provides a dynamic empirical context in which to inquire "[h]ow might the role, purpose and function of the firm be specified so as to acknowledge a range of inconsistencies and concerns, and still facilitate action?" (Margolis & Walsh, 2003: 284). Indeed, disasters can and do motivate corporations to mobilize resources and affirm longer-term, more universal benefits (e.g., security, the environment, etc.) – while at the same time, even corporate disaster planners confront the challenge of finding near-term returns on investments in preparedness, in the event that the disaster never happens.

Moreover, the increase in corporate activity referenced above has occurred following significant historical events (e.g., 9/11, Tsunami, Kashmir earthquake, etc.). If "more must be learned, as well, about the kind of events that trigger, or fail to trigger, corporate actions" (Margolis & Walsh, 2003: 285), then these historical events provide a unique and timely point of reference for research. These disaster events have thrown the interdependencies between organizations into relief, forcing neighbors to meet for the first time and work together to fix broken fences. Fluid organizational boundaries and informal communications networks have emerged in disaster situations and spontaneously re-configured aspects of the public and private spheres and their interrelations. These configurations have stretched the limits of the established "make, buy, or hybrid" strategic design options for the firm (Margolis & Walsh, 2003: 289).

So then, how do people in organizations navigate the tension between ethics and effectiveness when they mobilize resources to disasters?

METHODOLOGY

Our primary data consists of twenty-five semi-structured interviews conducted over a period of six months in 2006 with senior public and private-sector leaders. These individuals were approached and invited to participate in a research project co-sponsored by a large telecommunications firm, a public relations and communications consultancy, and an academic research center. The interviewees were selected because they had demonstrated interest in the mobilization of business resources to disasters by agreeing to participate in an executive roundtable hosted by the telecommunications firm's CEO. Secondary qualitative data consists of background research on various initiatives and projects; review of practitioner-oriented literatures; and participant observation notes taken during the two roundtable discussions.

We draw upon the philosophical tradition of critical phenomenology to interpret the data. Within organizational research, this tradition involves an examination of a particular phenomenon, analysis of its significance in context, and critical reflections on that significance (Sanders, 1982; Kuepers, 1998; Schipper, 1999; Waugh & Waugh, 2004; Borgerson & Rehn, 2004; Parameshwar, 2005). Relevant to the present study, Ciborra (2006) has recently used phenomenological methods of interpretation to explore how digital technologies represent risk, and within the area of business ethics Chikudate (2000) has focused phenomenologically on the "chained exposure of crimes and irresponsible operations among security brokerage houses and banks during 1997-1998" in Japan (2000: 59).

We used phenomenological methods to conduct a thematic content analysis of our interview notes. Analysis of the interview notes was iterative, beginning after the first interview and proceeding in dozens of stages as the interviews took place. Once all the interviews were finished, the authors reviewed the notes on an individual basis, in pairs, and as a group in a collaborative process of identifying key themes. The interviews involved senior leaders from major corporations, government agencies and nonprofit organizations. These leaders cannot be seen, strictly speaking, as representative of the entire universe of possibility, including inaction and a total lack of awareness. Most of the interviewees represented large organizations based in the United States, and all of them represent organizations that have established a track record of involvement in the mobilization of corporate resources to disasters, whether as a donor, a recipient or an intermediary. As such, this sample should be considered representative of the landscape of major corporations mobilizing resources to disasters in the US during the latter half of 2006.

We describe this landscape from a strategic perspective (Oliver & Roos, 2000) by identifying a series of distinct, though interconnected dimensions of variability. We chart variability within each of these dimensions using a spectrum. The spectrum itself is descriptive, not normative – we do not suggest that activities at one end of the spectrum are intrinsically better than the other, but simply that they differ. Furthermore, any individual corporation's attempts to provide resources to disasters may be placed at a single point, or at several different points across the spectrum. In some cases, a single corporation's activities may spread across the entire spectrum. We similarly do not place a value on the distribution or concentration of those activities – instead, by analyzing the differences between them, we shed light on the various ways in which the tension between ethics and effectiveness is navigated in practice.

CHARTING THE LANDSCAPE: DIMENSIONS OF VARIABILITY

Corporations provide resources to disaster in a variety of ways, and for a variety of reasons. Thematic analysis of the interview data leads us to identify the following distinct, though interrelated dimensions of variability: impetus, motivations, stakeholder groups, stages of involvement, kinds of resources, modes of exchange, directions of resource flow, and levels of coordination.

Impetus

Perhaps the most basic qualitative dimension within which corporate involvement in disasters can vary is the nature of the impetus behind the involvement. Simply put, how and why did the organization become involved?

Some corporations find themselves involved in disasters *by chance*, when an unforeseen disaster strikes. The impacts of that disaster may be direct, as in the case of firms occupying the World Trade Center towers, or indirect, as in the case of firms that found their transport capacities disrupted by Hurricane Katrina. In such cases, corporations did not in any way choose to be involved, but instead may have suffered from pure bad luck, fate or chance. The primary impetus for involvement may be considered chance even in cases where subsequent decisions to commit additional resources (beyond the initial loss due to impact) are made.

Some corporations that are involved in disasters *by design*, that is, because their business models directly address disaster-related issues. Examples of such business models include: insurance companies, risk consultancies, firms that provide intelligence and security-related services, etc. Other business models indirectly address disasters by design, focusing on everyday infrastructural needs that become more acute during disasters, such as: power generation, debris removal, public health services, transportation & logistics, etc.

Some firms evaluate the risks and opportunities and involve themselves in disasters *by choice*. Some firms respond to news footage and send cash or goods to locations across the globe, as in the notable cases of the Kashmir earthquake and the Asian tsunami. Other firms exercise a different kind of choice by doing business in high risk environments – for example, by locating facilities in low-lying coastal areas or in iconic office buildings which could be targets of terrorist attacks. Firms such as these do not, strictly speaking, choose for disasters to happen. And yet, neither do they face such risks purely by pure dumb luck or chance.

Motivations

Closely related to, but distinct from the impetus for corporate involvement in disasters are the explicit motivations expressed by organizational actors in response to the question ‘why did your organization provide resources?’ In the words of one academic expert we interviewed, “the motivations that drive corporations to help out in disasters range from the crass to the most elevated. From ‘let’s help at any cost,’ to ‘let’s get away with giving as little as possible while still getting the maximum of public credit.’”

Some executives reported that their firm has provided resources to disasters when employees have sympathized with the suffering of other humans and exercised individual or collective discretionary judgment to provide corporate resources with little or no explicit connection to firm performance. In its pure form, this unselfish concern for the well-being of other people is referred to as *altruism.* American corporations in particular are recognized worldwide as having well-established traditions of charitable giving that extend not only to the arts, education and community development, but also to disaster relief. There are many examples of this kind of motivation: from retail firms providing large quantities of bottled water to hurricane victims in the Gulf Coast, to Wall Street banks allowing 9/11 survivors to take shelter in their offices, to the many different firms that took up collections of money and other goods to ship to tsunami victims. In each of these examples, people in organizations recognized human suffering and acted to relieve it, without considering the potential risks or opportunities associated with those actions for the firm.

Some corporations are expressly motivated by a commitment to *corporate social responsibility* (CSR) to provide resources to disasters. Many firms both large and small have long embraced the notion that good corporate citizenship can have indirect, though definitely positive impacts on the bottom line. One executive we interviewed referred to this motivation as “enlightened self-interest”, and emphasized the direct connection between fulfilling fiduciary responsibilities and fulfilling responsibilities to the communities and the society within which the firm conducts business. In some cases, the corporate social responsibility agenda may be driven by a single senior executive with personal connections to a particular cause; in other cases, corporate social responsibility becomes part of the organization’s culture, and is integrated into all aspects of the business. In all such cases, the well-being of the community (or some element of it) is framed as integral to the organization’s success.

Some executives cited the *business continuity* of their core operations as their primary motivation. In this sense, many firms devote resources to disaster preparedness, response and recovery within their own firm strategically with the motivation to ensure sustainable performance, generate shareholder value. A collateral and long-term positive economic benefit of such activity is that, if and when disaster strikes, it builds resilience (Sheffi, 2005) into that particular component of the economic landscape. This motivation can drive investments in business continuity, risk management, emergency preparedness, and a variety of other functional capacities within the firm. When firms recognize that their own performance is critically dependent on other organizations, this motivation can also drive the sharing of preparedness capabilities with suppliers, customers and the wider community including government, NGO's, and even the donation of goods to disaster-stricken members of the impacted area. In this sense, intra-firm use of resources for disaster preparedness has additional positive knock-on effects for the economy. Often important relationships which can be of value to the continuity efforts of the firm are developed in the process of working with government and NGO's in this regard.

Other executives cited *business development* as the primary motivation. Provision of resources to the disaster management effort can be an opportunity to increase sales, either directly or indirectly. Businesses can become aware of sales opportunities in the process of engaging disaster management activities. They can offer their products and services as solutions to the needs of NGO's, governments and other businesses. On an indirect basis, their people can develop new relationships or evolving existing relationships that over time evolve to become a commercial relationship. For example, the provision of donated or loaned equipment can provide an opportunity to demonstrate its effectiveness with targeted organizations which may subsequently wish to purchase more equipment.

Some firms provide resources to disasters based on *opportunism*, without significant consideration of the well-being of the people or the communities impacted by the disaster. Such firms may well be in the minority, and of these, few may openly confess their own opportunistic motivations. However, a number of the executives we spoke with acknowledged this end of the spectrum as a reality. For example, one executive described a situation in which a company responded to a 1999 earthquake disaster in Central Asia by sending an entire plane-load of medicine that had expired in 1976 – in that case, the opportunistic motivation was a tax write-off of expired inventory. A senior government official acknowledged that for better or worse, "some corporations donate to disaster relief just to be rid of obsolete goods."

Within any business, the motivations for involvement in disaster management can be multi-faceted, including any or all of the above. One executive affirmed this notion, saying that: "Our culture is to be positive and helpful. When we seen a need or an opportunity, our creative response is to help. We'll use any combination of leases, sales, rentals to get [the resource] where it's needed. So for us, the drivers certainly are a charitable instinct, but also the opportunity to make money with our inventory."

Moreover, we should additionally note that a number of executives emphasized how the motivations for involvement continue to change in the wake of hurricanes Katrina and Rita and 9/11. They noted how difficult it can be to resolve these multi-faceted motivations into a single, workable strategy, and signaled a need for greater understanding of the connection between firm performance and community well-being. One individual stated clearly that "As for corporate motivations to get involved, the linkage between the bottom-line and the public interest has to be better understood." As one executive remarked, "The key part of this discussion is understanding the business case for getting involved in this area -- the economics of it, what makes sense from a business perspective."

Stakeholder Groups

Closely related to, but distinct from the motivations that drive corporations to provide resources to disasters are the various stakeholder groups (Freeman, 1984) whose interests that activity serves.

Private sector organizations that provide resources to disasters can serve the interests of *internal* stakeholders including employees and investors. If a disaster impacts an organization directly, a primary use of any corporate resources is to address basic employee needs, including safety, food and water, transportation, etc. If an organization not impacted directly by a disaster decides to send its employees to assist with the response and recovery, it must also take necessary measures to ensure that those employees will remain safe while in the disaster area. As one executive puts it, "This company is in alignment with its own values when it responds to crisis. For us, that means the number one responsibility is caring for our people." Similarly, a corporation serves the interests of its investors by dedicating resources to business continuity and disaster recovery – by ensuring the continuity and resilience of the firm following a potential disaster, thereby protecting revenue streams and investment returns. By the same token, the interest of investors can be served even when firms provide resources to disasters that do not directly impact them. As indicated above, many organizations have established the relevance of good corporate citizenship to long-term performance and sustainability.

Firms that provide resources to disasters can serve the interests of their *business partners*, including upstream suppliers as well as downstream customers. This responsibility may be strictly formalized – as a legally-binding service contract or a regulatory requirement that addresses business continuity– or it may take the relatively informal shape of a mutual aid agreement to share resources in a time of a disaster. Interestingly, many executives noted the increased prevalence of push-down supply chain requirements, where partners in a supply chain depend so much on each other for business success, that they audit each other's levels of preparedness. Another example involves insurance firms that provide their policyholders with checklists and other guidance regarding the important elements of disaster preparedness. But whether a business is directly or indirectly impacted by a disaster, when it provides resources to disasters it can serve the interests of all of its business partners. Indeed, by developing resilience (Sheffi, 2005) together with its suppliers and customers, a business can simultaneously serve internal stakeholders, business partners and external stakeholders.

Firms that provide resources to disasters can also serve the interests of *external stakeholders* such as community members and other market participants. The success of any enterprise depends on the functioning of civil society and the market institutions associated with it. When a business assists in community recovery following a disaster, it helps restore civil society as a basic condition for doing business. One executive connected these external stakeholders to the firm by emphasizing the overall importance of getting "the market for goods and services functioning again."

Stages of Involvement

Private sector firms also provide resources to disaster and emergency management activity at different stages. While media coverage tends to focus only on dramatic response efforts – such as the truckload of blankets and fresh water arriving at an earthquake refugee camp – the practical importance of readiness and long term recovery efforts cannot be overstated.

At one end of the spectrum, firms can devote resources to *readiness* for disasters. For example, some insurance firms help prepare for potential natural disasters by promoting preparedness programs among their customers and also striving to strengthen local building codes. Other insurers are currently devoting resources to lobbying lawmakers to create a backstop for the nation's financial system as it seeks to recover from a major catastrophe. Media firms can also help to make the general public more prepared for disasters by devoting airtime and production resources to public awareness campaigns. Organizations with large-scale logistics capacities can also contribute resources to preparedness by helping governments and NGO's to pre-position materials that will likely be needed by disaster victims and first responders. One large energy firm, aware that power outages resulting from Gulf Coast hurricanes could inhibit their ability to pump gas from their hundreds of filling stations, made sure that back-up power generators were available for these stations.. Perhaps the most important contribution of resources to preparedness that businesses can make is by investing in the resilience of their own operations in advance of crisis. As one executive stated, "One of the things we realized [during Katrina] was that, strategically, we cannot support the community if we ourselves are not in operation. Getting our operation back on its feet was key. This takes the burden off the first-responders. We see this as one of the most important ways we can serve our communities."

Corporations can also bring resources to disasters at the *response* stage. For example, a large manufacturing organization managed to position massive power generation units in place to power Wall Street within days after the World Trade Towers came down. Another large retail operation sent truckloads of food and water to Hurricane Katrina survivors within days of the event. According to one executive, his organization was “approached by the government [after Hurricane Rita] for shelter locations, since we have a number of what we call ‘dark’ [unused locations], we didn’t hesitate to make them available, even though our attorneys were nervous about liability.” Telecommunications and media firms have also responded to disaster on many occasions. For example, after 9/11 the needs for the first responders in the World Trade Center area to be in contact with their families, friends, and professional networks were great, and one large media organization quickly assembled broad-band internet and telecoms communication “kiosks” in this area, offering all of those present a means of connecting with the rest of the world.

Corporations also devote resources to the *recovery* stage of disasters. Such resources are often provided with a strategic eye to the reconstruction of a healthy and functioning economic system. For instance, in the Gulf Coast region hit by Hurricane Katrina a large financial services organization found itself struggling to meet the cash needs of the disaster-stricken zone. On the basis of that experience, the organization now has a “robust plan for inserting cash into the region affected, to fill ATM machines and get money to people. Another machinery firm contributes to long-term recovery from disasters by implementing a highly flexible and negotiable plan with their dealers, allowing them to quickly make available the equipment required to clear debris, rebuild commercial and residential buildings, and critical infrastructure, without requiring up-front payment for the sale or lease of the equipment. Again, however it is widely felt that the most important contribution that many businesses can make to the long-term recovery phase of disasters is by recovering their own businesses, re-opening their doors, re-stocking their shelves, and resuming operations.

Kind of Resources Provided

Corporations provide a variety of different kinds of resources to disasters, ranging from tangible goods to intangible resources such as expertise and reputation capital.

Businesses frequently provide resource to disasters in the form of cash donations. Such donations are generally provided to NGO's to support general operations and/or specific initiatives. When businesses have a corporate foundation, the donation of money is typically channeled through that foundation.

Corporations also commonly provide not only basic *goods* including food, water, medicines, etc., but also a wide range of other goods that can be equally if not more valuable depending on the circumstances surrounding the disaster. For example, DHS's National Emergency Response Registry (NERR) also included goods such as clothing, plywood and building hardware, water purification devices, vitamins and pharmaceuticals, medical supplies, dialysis machines, appliances, vehicles, generators, backhoes, tractors and heavy equipment, in the aftermath of Hurricanes Katrina and Rita.

Corporations can additionally take the *services* that they typically provide to customers, and re-dedicate them to the people and organizations who need them in disasters. We have already above discussed examples of service provision including transportation, telecommunications, and financial services. To take another example from NERR, during Katrina there was a small air shipping company that offered a number of planes, pilots and fuel to transport goods from anywhere in the United States to the impacted region.

Corporations can also bring their core competencies or *capabilities* to bear on disasters. Companies may not typically provide such capabilities as a service, but they can nevertheless be of great value. Capabilities provided to disasters by corporations may range from logistics, to establishing communications networks, or from technical capacities such as IT architecture development to managerial capacities such as leadership. One of the most basic capabilities that firms can provide is people – individuals who can perform the work associated disaster management. Such labor can of course be skilled or unskilled, and people can apply the same skills that they utilize in their workplace or they can be trained onsite. They can work individually or in dedicated teams in support specific aspects of the NGO or government efforts, or take charge entirely of that set of activities. For example, logistics competence, the capacity to manage the movement of materials quickly, efficiently, and securely is consistently an important need in disaster response and recovery effort, and it is one that many private sector organizations have developed to support their primary business. Several of the largest retailers as well as manufacturers and distributors of heavy equipment, for instance, have developed logistic capabilities for large materials shipments that have proven to be of tremendous value in disaster situations. Communications capability is another core competency that is consistently critical in disaster.

Corporations can provide intangible resources such as *reputation capital* to disasters. Many large and prominent organizations recognize that their corporate brand can be valuable in a disaster management undertaking. Often the value of that brand identity is brought to bear on disasters in conjunction with the provision of goods or services, but the effect is distinct. For example, the programs that bring together and coordinate corporate resources to fight a constant battle for the attention of potential contributors and participants. When a major corporation's name and reputation are associated with a particular disaster-related effort, the contribution it can lend the assurance of validity and presumed effectiveness of the initiative as well as attract other organizations, perhaps less well-known, but eager for the patina of the marquee brand to rub off on them as well.

Mode of Exchange

Corporations also vary in terms of the financial basis or mode of exchange by which they provide resources to disaster management.

Outright *donations* are arguably the prototypical demonstration of corporate good citizenship, and they are perhaps the primary mode through which disaster-related corporate resources are exchanged. In this mode, ownership of something is transferred outright to the receiving party, whether it be an amount of cash, a container full of medical supplies donated to an NGO, a truckload of goods distributed directly to victims and survivors, or use of a warehouse or other facility provided to the UN for their use as a supply depot. Such contributions can also take place in the readiness stage, for example, one large retail chain provides customers at all their stores with checklists of what a good home emergency supply consists.

Closely related to donations is the provision of services on a *pro bono* basis. The mode of exchange is slightly different however, because it is not ownership of a resource that is transferred, but instead, services are provided free of charge. Media can be thought of in this way, where production services are provided pro bono to government agencies seeking to develop public awareness. Telemarketing firms can provide telephone banks on a pro bono basis to handle the surge of emergency calls related to disaster events. Another example is a major financial services firm that has seconded one of its senior executives to work directly with an intermediary program that seeks to mobilize corporate resources to disaster globally.

Another mode of exchange involves the *sharing of* resources. When firms contribute their time and effort to civic forums, public processes or collaborative activities such as coalitions or associations, they share these resources with all other participants. For example, when an insurance company works with municipal authorities to develop appropriate building codes, it may share staff time as well as loss history data to support the implementation of certain requirements Media companies have shared raw video feeds from their news operations with government officials for disaster management activities. An executive at a major media firm described a potential for increased sharing of resources of this kind as follows: "When there's been a major event, any assessment of "what has happened' has to be based on timely and accurate info. So in addition to broadcasting pictures of the disaster to people elsewhere sitting in their living rooms; we could also help government and NGO first responders by providing information that extended their ability to respond intelligently. We're like battlefield reconnaissance." In such an instance, the organization is not either donating or offering their services on a pro bono basis, but instead it is sharing it with another entity.

Firms also *loan* resources, allowing possession and use of these resources by government or nonprofit agencies for periods of time. As referenced earlier, a large retail firm loaned a number of its empty locations to government officials following the Gulf hurricanes in 2005. There are many examples of firms loaning power generators and other heavy machinery to relief agencies for a period of time, then reclaiming possession of them once the job is done. The New York City PALMS program in particular provides the opportunity for city businesses to indicate that certain resources are available for loan to public officials in the event of a disaster.

Corporations also provide resources to disasters by *transacting*, that is, by selling goods and services to government and nonprofit organizations that need them. One government official indicated that private sector resources can sometimes be most useful when they are obtained in a straightforward business transaction. Loaned, seconded, or donated resources may come with strings attached, may be inappropriate to the desired use, or they may be withdrawn or re-directed abruptly, as situations shift. "It's difficult to fire a volunteer," according to the same government official. Outright contracting can increase the probability that the resource supplied will arrive on time and be of the appropriate quality. Contracted goods sometimes can be more easily controlled and accounted for as well. The fact that many NGO's and relief organizations prefer cash donations to all other corporate resources likely stems from their desire simply to purchase whatever supplies or capabilities they may need. Although there is a notable effort to address this issue, that of the UN's World Food Program Emergency Network which pre-identifies the type and specifications of resources that it needs from the business sector for its activities.

Direction of Resource Flow

There is also a significant amount of variability in terms of the direction and channels through which corporate resources flow to disasters.

Disaster-related resources frequently flow through *intra-firm* channels. Such channels can be based on existing strategic and budgetary commitments, or they can also represent unique, extraordinary allocations. Resources typically flow within a firm to corporate functions such as security, business continuity and risk management. In addition, further resources may be committed whenever a business is impacted (or threatened) by a disaster event.

When corporations sell, loan or give resources that assist other private-sector business, there is an *inter-firm* flow. As noted already, such resources may flow among partners in a supply chain, or from one business to another business located across the street, or even among the different businesses held by a single holding company. For example, the executive of a manufacturer told this story: "Several years ago, one of our local suppliers had its primary facility wiped out by a tornado. On that same day, the security people from my firm showed up, helped the local police, set up lights and guards, worked the security perimeter and so on. Nothing at all was looted from the place. So, one of our key suppliers was able to get back on its feet and deliver in a much shorter time than would have been the case if we had just stood by."

There are also well-established flows of resources from *firms to NGO's*. For example, large disaster relief organizations like the Red Cross provide a highly effective means for gathering private sector resources for use in disaster situations. Such organizations have considerable experience dealing with disasters, and many of them have built operations of significant scale and scope, aiding millions of people around the globe. As noted above, many times corporations will simply provide such relief organizations with cash donations – though in other instances, the relief organizations can also benefit greatly from donated private sector goods, pro bono services, shared capabilities, etc. NGO's can act as trusted intermediaries in the transfer of resources to the ultimate recipient.

Similarly, corporate resources also flow from the *firm to government* agencies. In some cases, these resources flows are less formal, involving the spontaneous sharing of resources in a critical situation. In other cases, government agencies have established programs designed to help channel the flow of corporate resources where they are needed most, and at different stages of the disaster. The New York City PALMS program is an prototypical example of a program facilitating the flow of resources from business to government.

Resources can also flow directly from the *firm to citizens* threatened by disaster. Examples include the truckloads water a retail firm provided in the aftermath of Hurricane Katrina, the shelter provided by a bank to people fleeing the World Trade Center site, the various donations sent from companies in the U.S. and E.U. directly to aid victims of the 2004 tsunami, etc.

Level of Coordination

When business provide resources to disaster, the level of coordination with other organizations, including other private-sector firms, government agencies and NGO's also varies.

At one end of the spectrum, firms may provide resources to disaster *independently*, without any coordination with other organizations. For example, when a firm directly impacted by a disaster activates its business continuity and emergency management plans, securing the well-being of its employees as well as visitors present at the time of the event, it may do so independently of any other organization. However, the necessity for coordination often follows in short order.

At the other end of the spectrum, corporations can also find themselves wholly or partially *dependent* on other organizations to mobilize resources to disaster. The range of possible interdependent relationships includes bilateral as well as multilateral partnership. Interdependencies may in turn be spontaneous or ad hoc following a disaster event, or they may be well-established far in advance, with joint planning and even coordinated training and scenario exercises. The WFP-TNT partnership profiled in the INSEAD case studies provides a good example of this kind of pre-planned, coordinated interdependence. In another example, following the 9/11 attacked in New York City, one Wall Street bank had enough generator power to maintain critical processes. As the days drew on, the bank began to run low on fuel to power the generators, so they arranged for a tanker truck to replenish the supply. However, in short order they found out that the government officials were blocking access to all locations in the area and would not let the truck pass to deliver the fuel.

External coordination can become especially critical when businesses seek to respond on a global basis to disasters. For example, many firms in the US that sought to donate goods to tsunami victims in Southeast Asia. Some undertook coordinated action and worked in concert with international NGO's with a presence in the impact area. These resources were generally well received and applied to the critical needs at hand. Other firms acted independently and sent their goods into the impact area. Per reports of those on the ground at the time, much of these goods, sent to the Banda Aceh airport were discarded and dumped in piles along the air strip.

There is additionally a nascent form of intermediary organization, taking different structures (e.g., projects, programs, partnerships, etc.) within different contexts (e.g., foundations, government agencies, industry associations, etc.) that serves expressely to coordinate the mobilization of corporate resources to disasters. Prominent examples cited by interviewees included: Business Executives for National Security (BENS), World Food Program's Impact Program, the Disaster Resource Network (DRN), Private Asset and Logistics Management System (PALMS) in New York City, and the National Emergency Response Register (NERR). These various organizations exemplify how considerations of economic and ethical value are being negotiated and put into action in the name of disaster preparedness, response and recovery.

CRITICAL REFLECTIONS

What is the significance of the preceding map of the strategic landscape in the context of organizational research focused on the tension between ethics and effectiveness in firms? Our phenomenological methods lead us to respond to this question by offering several points of critical reflection.

A Dynamic Tension

The descriptive data suggests first and foremost that corporate decision-makers are themselves aware of a great variety of elements that bear on organizational behavior when it comes to providing resources to disaster, whether as donating goods or services, or as a fully-integrated public-private partnership. Thus, when corporations mobilize resources to disasters, organizational actors do in fact navigate the tension between ethics and effectiveness by choosing strategic options (Margolis & Walsh, 2003: 282) that involve unique configurations of the variables outlined above.

For example, the mobilization of corporate resources to disasters includes not only the obvious instances in which cash donations flow to relief organizations in the immediate aftermath of a hurricane, but also to less obvious instances, including the insurance executive who advocates preparedness quietly and effectively for months on a municipal building code or standards panel.

Furthermore, the various motivations for such involvement need not be mutually-exclusive. As Margolis and Walsh suggest (2003), social performance and financial performance may be driven apart by theoretically irreconcilable positions, but in practice, people in corporations may well act altruistically and opportunistically at the same time.

The descriptive data also shows that a range of different resources can be mobilized, and that these resources can flow to emergency and disaster management activities before, during and after crisis. While popular emphasis is often placed on the response stage of disasters, resources supplied to the readiness or preparedness stage can have dramatic impacts in terms of minimizing the impacts of a disaster on people and the economy. Resources devoted to the frequently-ignored recovery stage can be critical to restoring the economy of the impacted area and curtailing human suffering.

The mobilization of corporate resources to disasters can also serve the interests of a diversity of stakeholders both within, and beyond the traditional boundaries of the firm. Thus not only can the resources flow to different recipients (i.e., intra-, inter- and extra-firm), but the value generated through those resource flows can find unexpected beneficiaries. Unexpected sources of value can emerge in the course of action, especially as corporations increasingly coordinate their resource mobilization efforts with other organizations.

And while an economic business case can be made for certain forms of involvement, in other instances the response to disaster draws on certain basic values that pre-figure, rather than derive from economic analysis. Most interestingly, in the case of mobilizing corporate resources to disaster, the antinomy or tension between ethics and effectiveness does not seem to impede action – instead, the intricate (and poignant) association between ethical value and economic value in the area of disaster preparedness, response and recover appears to drive corporate action. The data even suggests that this association is dynamic, changing in the aftermath of significant events, and in anticipation of potential future events (e.g., Richard Branson’s multi-billion dollar pledge to help alleviate global warming).

Certain configurations of these dimensions of variability may correspond to forms of corporate action that have not yet been studied at all by organizational researchers. Thus by describing the variability at length above, we hope to contribute to the development of future ethically-informed organizational theory about how corporations appraise the stimuli for action; generate options for engagement; evaluate options and select a strategic course of action; implement that course of action; and assess the consequences of those actions (Margolis & Walsh, 285).

The Foundations of Ethical and Economic Value

It may be impossible to determine whether the variability in corporate responses to disaster is, on the whole, greater or lesser than the variability of other forms of corporate involvement in humanitarian, philanthropic, or otherwise non-economic activities. At the same time, for individual firms, the specific relationship between corporate social performance and corporate financial performance may be different in the case of a disaster than in the case of normal business and market operations. How so? In all of these instances, firms are arriving at decisions about how best to respond to external factors which have, at best, a convoluted relationship to the bottom line. And while disasters, by their nature, may be unlikely events, they are also potentially overwhelming ones. The immediately physical nature of catastrophe, furthermore, may sharpen the perception that the organization has to act. Alternatively, we should not underestimate the role of the media in directing attention toward certain events, and not toward others.

Thus in reference to broader questions about the normative foundations of ethical and economic value, we suggest that under standard (i.e., non-disastrous) operating conditions, the basic social and economic infrastructural systems function smoothly enough that corporate actors can by and large focus exclusively on the generation of private capital, contributing only indirectly (i.e., through taxation, employment, etc.) to the common good. By contrast, the conditions of a disaster impact the functioning of the commons so dramatically, that corporate actors are forced to focus on actions that contribute directly to the common good. In such circumstances, not only can corporate resources have the apparently virtuous effect of relieving human suffering, but they can also help to sustain the societal conditions under which economic as well as ethical value can be pursued in an integrated manner.

New Directions in Organizational Research

Given the overwhelming nature of disasters, and the extent to which private sector resources appear to mitigate the risks as well as the impacts associated with disasters, the basic question for future organizational research may be whether increased business involvement with disasters is both financially and ethically prudent. The notion of prudence or practical wisdom has been addressed by strategic management researchers to refer to an individual and organizational capability to balance ideas and means, strategies and tactical actions (Wilson and Jarzabkowski, 2004; Statler et al, 2006; Statler & Roos, 2006; Statler & Roos, 2007). In accordance with this theory, empirical research focused on corporate involvement in coordinated disaster preparedness and relief efforts could inquire into the relationships between different stakeholder interests, examining the extent to which disaster events call upon corporations to balance and accommodate new and different interests, or place different importance on existing interests. Crisis management researchers could investigate the strategic and tactical benefits associated with the mobilization of corporate resources to disasters – i.e., does a company that provides resources to disasters stand a greater or lesser chance of mitigating the risks and impacts, while maximizing potential opportunities for strategic renewal and growth? Additional empirical research could chronicle the extensive joint planning sessions, community drills, etc. at all levels of civil society since 9/11, these contexts for shared experiences, collaborative practices, and dialogue.

Additionally, there is an especially pressing need to examine those organizational forms that have sprung up to mediate the relationship between public and private spheres in the area of disaster preparedness and response. One of the most intriguing, yet elusive, relationships suggested by our research involves the question of how the structure and activities of these entities (including their founders, networks, sponsors, funding sources, tools, etc.) affects the ways that corporations navigate the tension between doing good and doing well. As a speculative hypothesis, pending future research, we suggest that these intermediary organizations may provide a means of pooling potentially risky organizational behaviors (e.g., using corporate resources for activities that have no direct shareholder value return) via institutional networks.

Finally, future business ethics research could heed Margolis and Walsh's (2003) call for more philosophically-informed inquiry into the normative foundations of value, especially as these foundations are shaken or reinforced in times of disaster. In view of the endlessly fascinating survivor narrative, we suggest that future organizational theory development could incorporate the phenomenology of embodied experience (cf. Kuepers, 2005) in a content analysis of the literal volumes of text in print and online media of stories told and shared by people who experienced a major disaster and lived to tell about it.

A Tool for Business Practice

In closing, in hopes of developing theory that actually "facilitates action" (Margolis & Walsh, 2003: 284), we present the various dimensions of variability outlined above as a tool that corporate leaders might find useful as they evaluate different ways to mobilize resources to disasters. This multi-factorial tool can be used to spark reflective questions: When the organization provides resources to disasters, where do those activities fall on any one of these dimensions? At one point or at many? Are those activities scattered across the continuum, or concentrated at one end or the other? How do those activities compare to activities undertaken by other firms in the geographic region? How do the organization's initiatives compare to its competitors and other players in the industry sector? Pragmatically, we suggest that corporate leaders seeking a strategic map (Huff & Jenkins, 2002) of how specific disaster resource mobilization initiatives fit into the overall landscape might use the dimensions of variability analyzed above to generate a qualitative topology of the space for strategic discussion, analysis, and decision.

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