

## **FASHION WITH GOOD CAUSES: A RESOURCE-BASED VIEW TO FASHION CORPORATE PHILANTHROPIC STRATEGIES FOR DISASTER RELIEF**

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### **KEYWORDS**

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### **ABSTRACT**

This paper examines the giving strategies adopted by fashion companies for disaster relief during the COVID-19 pandemic. The fashion industry has been exceedingly generous and proactive in supporting disaster relief, with substantial pledges of support in the immediate aftermath of the pandemic (Chen et al., 2021). Apart from monetary donations, many fashion companies mobilized their organizational resources, or even repurposed their production lines, to make surgical masks, hand sanitizers, and protective equipment (Webb, 2020). Others also introduced innovative philanthropic initiatives, such as launching mobile applications for volunteer services, organizing digital fundraising activities, supporting governments' health protocol promotions, and rallying renowned designers to sell charity T-shirts (Elle, 2020). The novelty and efficacy of fashion corporate philanthropy have posed questions about how the fashion industry should respond in times of need and their role in community resilience. The findings will shed light on a "synergistic use of organizational core competencies and resources to address key stakeholders' interest and to achieve both organizational and social benefits" (McAlister & Ferrell, 2002; p. 690).

Strategic corporate philanthropy recognizes charitable initiatives as a tool for improving businesses' competitive advantages alongside benevolent purposes (Campbell & Slack, 2008). Helping with emergencies can bring a firm's reputational, financial, and political favors by building trust with community stakeholders, resulting in a long-standing

influence in the local business environment for business survival and future growth (Chen et al., 2021). Yet, corporate philanthropy for disaster relief can be counterintuitive due to the substantial costs imposed on donor companies through cash and in-kind inventory donations. A charitable ethos should not supersede the fundamental business objective of maximizing economic interests. From a resource-based view (RBV), “resources” and “capabilities” are two key determinants of a business’ competitive advantages (Kozlenkova et al., 2011). Resources are defined as tangible and intangible assets companies use to conceive and implement their strategies (Barney & Hesterly, 2012). Capabilities are subsets of the companies’ resources, representing an organizationally embedded non-transferable firm-specific resource to improve productivity (Makadok, 2001). As the practice of philanthropy is often determined by the availability of slack resources, it is important for corporate executives to decide which way and to what degree philanthropic engagement can help conflate business goals and public interests (McGoey, 2012).

This study performed a longitudinal media search to track the philanthropic initiatives of 222 fashion and cosmetics companies. Qualitative content analysis was adopted to examine how fashion companies leveraged organizational resources and business strength upon corporate philanthropy for disaster relief. We identified 5 types of philanthropic initiatives that fashion companies supported during the pandemic (see Figure 1). Our results showed that fashion companies supported wider community resilience projects apart from addressing the immediate shortage of medical supplies. Our analysis also identified 7 resource allocation strategies in which companies redirected their resources and made philanthropy more cost-effective and impact-oriented (see Figure 2). While not all companies had the same philanthropic reaction to the pandemic, we examined the variation in the likelihood and amount of COVID-19 donations that could be explained by factors at the organizational level, including corporate size, firms’ resources, area of expertise, and reputations and so forth (Frumkin, 2010). Our research contributes to helping firms reflect on their roles and organizational efforts contributing to the development of society and the environment at large.