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STANFORD SOCIAL INNOVATION *review*

Research
Shareholders Nudge Companies
By Alana Conner

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BY ALANA CONNER

VOLUNTEERS

Start Them Younger

► As wealthier nations age, nonprofits are retooling their operations to accommodate an older volunteer workforce. But they would be remiss if they didn't also look for help at the other end of the life span, reports Charlene S. Shannon, an expert in recreation and leisure

people—is also particularly taxing for them.

But as legions of cookie-peddling Girls Scouts can attest, younger youth are particularly adept at fundraising. They are also well suited for assisting adults in tasks that require minimal responsibility, such as stuffing envelopes and tidying up after events. Helping seniors is also a younger-youth bailiwick.

Recruiting 8- to 12-year-olds may be easier than coaxing ad-

that these adults are underestimating this age group's assets.

“Rather than making assumptions about what younger youth can or cannot do,” she writes, “organizations seeking volunteers may want to connect with leaders of youth organizations to learn what assets the youth in those organizations possess.” In so doing, these nonprofits should communicate how their service opportunities will develop the skills of child volunteers. Although younger youth are not yet concerned about preparing themselves for the job market, the leaders of youth organizations are already considering the future prospects of their small charges.

Shannon also notes that enlisting younger youth as volunteers is investing in the future. Numerous studies show that adults who began volunteering in their youth are twice as likely to volunteer as adults who did not. Child volunteers are also more likely to grow up to be voters and community leaders. ■

Charlene S. Shannon, “An Untapped Resource: Understanding Volunteers Aged 8 to 12,” *Nonprofit and Voluntary Sector Quarterly*, 38, 2009.

CORPORATE SOCIAL RESPONSIBILITY

Shareholders Nudge Companies

► The Dow Chemical Co. and Exxon Mobil Corp. got theirs. So did ConocoPhillips Co., International Paper Co., Weyerhaeuser Co., and Monsanto Co.

Between 2004 and 2006, these companies received reso-

lutions from shareholders pressing them to take better care of the environment. And then between 2006 and 2007, these businesses indeed made at least one eco-friendly move: They shared data with the Carbon Disclosure Project (CDP), a London-based NGO that compiles and publicizes the largest database of corporate greenhouse gas emissions in the world.

These corporations' tales are part of a larger trend, report Erin M. Reid and Michael W. Toffel of Harvard Business School. “We find that if a [Standard & Poor's (S&P)] 500 company had a shareholder resolution in its recent past,” says Toffel, “it was more likely to disclose to the CDP.” The researchers also find that shareholder resolutions have a spillover effect: If one firm gets an environmental proposal from a stockholder, the rest of the firms in its industry become more likely to comply with the CDP. (See graph on page 8.)

“Most of these resolutions initially lose, and lose big,” notes Toffel. “Managers don't like to be told how to behave by shareholder activists.” But within a few years, he says, the resolutions seem to exert a sleeper effect, ultimately pushing companies to adopt better environmental practices.

Although anecdotes of shareholder heft are many, Reid and Toffel's work is one of the first large-scale empirical studies showing that private politics really do influence corporate actions. (Boycotts and protests are other forms of private politics.) In the same article, the authors also demonstrate that public politics—namely, a state's threat



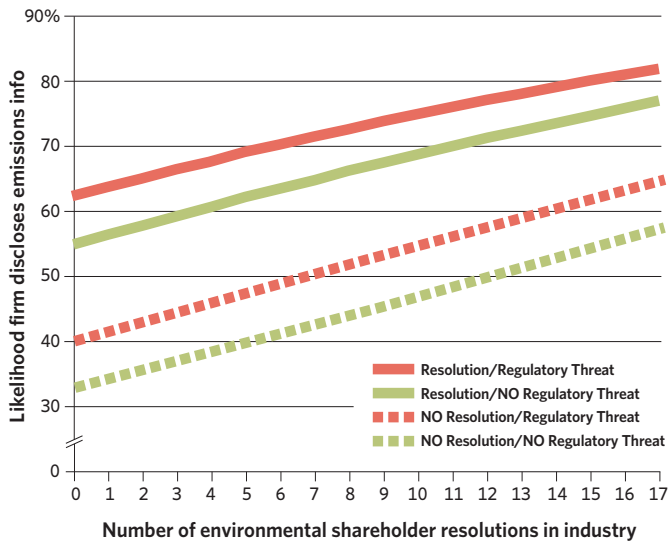
studies at the University of New Brunswick in Canada. She documents how “younger youth”—children between the ages of 8 and 12—are an energetic, useful, yet largely overlooked pool of volunteer labor.

Interviewing younger youth and executive directors at Boys & Girls Clubs in Atlantic Canada, Shannon finds that the younger set's needs and strengths are different from those of their slightly older counterparts. For instance, the difficulty that these small volunteers most frequently cite is that their assigned tasks are physically challenging. Dealing with rude people—both peers and older

olescents and adults to volunteer, the study suggests, because they do not have as many responsibilities competing for their time.

Younger youth are also enthusiastic about volunteering: More than one-third of the children in Shannon's study said that they volunteer because they think it's fun. Many children also expressed a genuine desire to help others.

Despite younger youth's abilities and willingness to help, nonprofits often pass over them when soliciting volunteers. Non-profit researchers likewise ignore this segment of the volunteer workforce. Shannon suggests



to regulate greenhouse gas emissions—likewise lead the companies headquartered in that state to disclose to the CDP.

Every year, the CDP asks the top executives of the world’s largest public companies to reveal their plans to mitigate climate change and their company’s greenhouse gas emissions. More than 2,000 organizations in 66 countries now voluntarily disclose these data to the CDP—the world’s only global climate change reporting system.

In 2006 and 2007, 44 percent of S&P 500 Index companies shared at least some of the information that the CDP requested. Reid and Toffel wanted to know, What is pushing this growing minority of companies to work with the CDP? Their results show not only that resolutions and regulations goad companies into being greener, but also that “without public or private pressure, firms are significantly less likely to regulate themselves,” says Toffel.

Toffel acknowledges that corporate transparency alone will not halt climate change. Nevertheless, he says, “transparency is an important first step.” He also points out that other social movements, such as labor and human rights, can use the dual

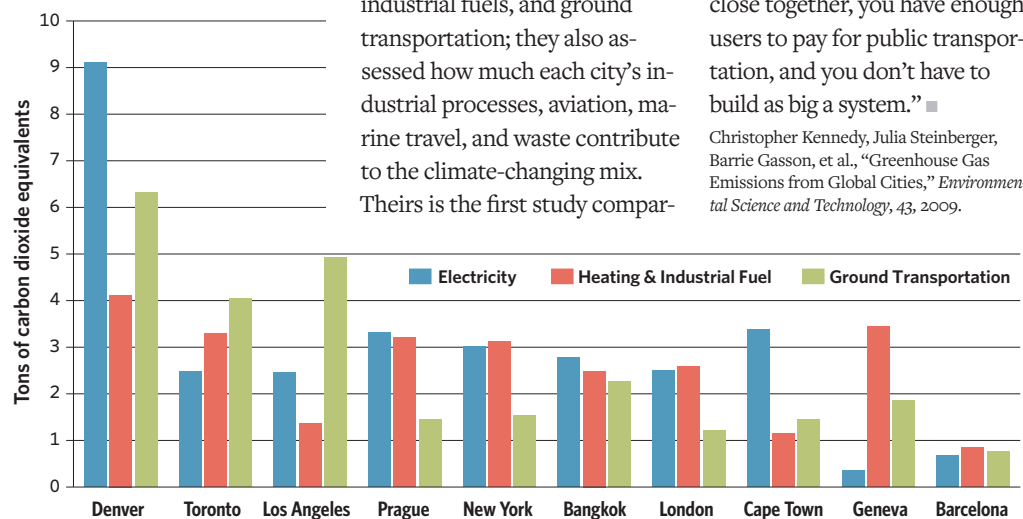
engines of public and private politics to speed corporate change. ■

Erin M. Reid and Michael W. Toffel, “Responding to Public and Private Politics: Corporate Disclosure of Climate Change Policy,” *Strategic Management Journal*, 30, 2009.

ENVIRONMENT

Urban Emission-scapes

► To paraphrase Leo Tolstoy: Every polluting city pollutes in its own way. Yet until recently, just how and whence Los Angeles, Bangkok, and eight other global cities exhaled their climate-changing vapors was a topic shrouded in mystery. Now, a 10-city comparison of greenhouse



gas emissions per capita is showing metropolises “exactly where their emissions are coming from,” says Christopher Kennedy, an associate professor of civil engineering at the University of Toronto and the study’s lead author. The research “could also help cities learn from each other,” he adds.

Aside from the usual finding that North American cities are the heaviest breathers, Kennedy and his team reveal that each urban area has a distinct emissions profile. (See these profiles on the graph below.) Mile-high Denver and temperate Toronto burn lots of fossil fuels to generate electricity for their businesses and industries, as well as to stay warm during their frostier months. At the same time, hydropower keeps Geneva’s electricity-related emissions low. Yet cold winters drive up Geneva’s heating oil-induced effluvia, as they do for New York and Prague. But New York spares the air many of its transportation-related fumes with high population density and good public transit, as do London and Barcelona.

The study’s 10 authors not only calculated how many tons of carbon dioxide equivalents (a measure of greenhouse gas emissions) each city generates through electricity, heating and industrial fuels, and ground transportation; they also assessed how much each city’s industrial processes, aviation, marine travel, and waste contribute to the climate-changing mix. Theirs is the first study compar-

ing the same indicators of emissions, calculated in the same ways, across cities. An ongoing project is expanding this study to include 44 cities.

One easy way for cities to reduce their greenhouse gas emissions, says Kennedy, is to heat homes without using fossil fuels. “You just need heat, not electricity or some other form of energy,” he notes. “You can get heat from the ground or the sun.”

But the lowest-hanging fruit for cities to pluck is the gasses exuded by their landfills. For some cities, this miasma makes up about 10 percent of emissions. Many cities in the western United States are already capturing waste-generated methane, notes Kennedy.

Meanwhile, the greatest challenge to clean air and a stable climate is urban transportation. “It’s good to build public transit, but it’s a long, hard struggle that takes decades,” says Kennedy. He recommends that until cities improve their public transit systems, citizens switch to electric cars. “Although the coal needed to generate the electricity is bad, the efficiency of the electric engine makes it a better option than a gasoline engine,” he says. He also suggests that cities curb sprawl and encourage higher-density living. “When people live close together, you have enough users to pay for public transportation, and you don’t have to build as big a system.” ■

Christopher Kennedy, Julia Steinberger, Barrie Gasson, et al., “Greenhouse Gas Emissions from Global Cities,” *Environmental Science and Technology*, 43, 2009.



BENEVOLENCE

Tiny Cues Trigger Altruism

► During our time on this planet, we humans haven't lent a hand to just anyone. Instead, we have usually saved our solicitousness for our own kind. And although over millennia the boundaries separating "us" from "them" have widened—from only kith and kin to entire neighborhoods and nations—the tendency has stayed the same: We help our own. Yet a surprising new experiment shows just how easily this human bias can be transformed into altruism.

"The connections between affiliation to the group and prosocial behavior are so fundamental that, even in infancy, a mere hint of affiliation is sufficient to increase helping," write coauthors Harriet Over, a doctoral student in psychology at Cardiff University in Wales, and Malinda Carpenter, a senior scientist at the Max Planck Institute for Evolutionary Anthropology in Leipzig, Germany.

For the study, a research assistant first showed each 18-month-old infant one of four possible sets of eight photographs. The photographs in all four sets featured a common household object (e.g., a teapot, book, or shoe) in the foreground. But each set had a different

cue—a prime—in its background: two dolls facing each other (the affiliation prime), two dolls facing apart, one doll alone, or an inanimate object. (See the affiliation prime in the photograph above.)

After the infants viewed the photographs, a second assistant walked into the room carrying a bundle of sticks that she "accidentally" dropped on the floor near the infant. The researchers then recorded whether the infant tried to help the assistant pick up her sticks. Infants who saw the photographs with the affiliation prime helped the assistant three times as frequently as did infants in the other three conditions. Many previous studies have demonstrated that inconspicuous, even subliminal primes can influence people's behavior.

Over concludes that "surprisingly subtle changes to our social environment might be sufficient to increase prosocial behavior." These environmental changes might be as simple as changing the photographs and artwork on our walls, she adds. She cautions, however, that more research is needed to clarify the real-world applications of her findings. ■

Harriet Over and Malinda Carpenter, "Eighteen-Month-Old Infants Show Increased Helping Following Priming with Affiliation," *Psychological Science*, 20, 2009.

GOVERNMENT

The Business of Bribery

► Police and military checkpoints are a familiar sight on many roadways in poor countries. Although some of the officers are legitimately keeping the peace, others are out to line their pockets with baksheesh. Despite their apparent banditry, though, these extortionists respond to market forces in much the same way as do lawful businesspeople, finds a new study from Indonesia.

"My research question was, Are corrupt officials just like any other economic actor?" says Benjamin A. Olken, an associate professor of economics at the Massachusetts Institute of Technology and the study's lead author. "If they are, then

we have a wealth of economic tools to help us analyze how bribes are going to behave. And we also have to think about the market structure of bribe-takers before designing reforms."

Olken found that the corrupted officials on Aceh and North Sumatra's highways indeed act like uncoordinated business monopolies—a situation that is bad for consumers because it raises the price of each bribe. It would be better to consolidate bribe-takers under the umbrella of a single monopolist who sets prices and coordinates activities. For instance, the "one-stop shop" reforms of many governments—which allow citizens to get, say, six permits from one office, rather than six permits from six different offices—"might lead to smaller bribes," he says.

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Working against this advice is the common anticorruption practice of “going after the kingpin,” Olken says. “A coordinated corrupt organization, such as a cartel, might be less costly than an uncoordinated group of corrupt officials.” In other words, putting even more method in grafters’ badness would be better for their victims.

For their first-ever survey of bribery in the field, Olken and his coauthor, Patrick Barron of the World Bank, hired local surveyors to ride in Indonesian trucks that ferried cargo between the provinces of Aceh and North Sumatra. These surveyors then recorded every bribe that truck drivers paid at checkpoints and weigh stations over the course of 304 trips. “Most of the time, the officials didn’t even bother to trump up a charge,” says Olken.

To create a natural experiment, the researchers exploited the end of Aceh’s 30-year civil war, which resulted in the withdrawal of more than 30,000 Indonesian police and military from Aceh Province. This withdrawal also reduced the number of checkpoints, allowing the researchers to examine how changes in the market—that is, the number and location of the checkpoints—affected the size of bribes.

Olken and Barron first found that, on average, drivers paid about 20 bribes per trip for a total of \$40—about 13 percent of each trip’s total cost. Yet just as a lack of competition allows businesses to command higher prices, the drop in the number of checkpoints after the war meant less competition between officials, and therefore a hike in the amount of each bribe. The study also uncovered that officials levied greater graft from drivers who seemed

able to pay more, such as drivers of newer trucks or more valuable cargo. And corrupt officials practiced another well-documented form of price discrimination: When they had weapons at their sides or comrades at their backs, they used their greater negotiating power to extract higher bribes. ■

Benjamin A. Olken and Patrick Barron, “The Simple Economics of Extortion: Evidence from Trucking in Aceh,” *Journal of Political Economy*, April 2009.

CIVIL SOCIETY

Strong Women, Strong Sector

► Why do some nations, such as the United States and Sweden, have booming nonprofit sectors, whereas other economically similar countries, such as Japan and Italy, do not?

A new study uncovers a surprising answer: It’s the women. The more empowered a country’s women, the more vibrant its nonprofit sector.

“Other research shows that women tend to be more altruistic, more prosocial, and less corrupt [than men],” explains study author Nuno S. Themudo, an assistant professor at the University of Pittsburgh’s Graduate School of Public and International Affairs. “Yet in many parts of the world, women cannot actively participate in civil society.” In countries where women can take their talents into the public sphere, he observes, the nonprofit sector employs more people, retains more members, and attracts more volunteers.

For his research, Themudo uses the United Nations Development Programme’s Gender Empowerment Measure (GEM), which reflects how many parliamentary, manage-

ment, and professional positions the women of a country hold, as well as the percentage of income they earn. Then with data for 40 countries from the Johns Hopkins Comparative Nonprofit Sector Project, he finds that the higher a country’s GEM score, the greater its percentage of working-age full-time employees in the nonprofit sector—even after controlling for nation-level indicators of government failure, market failure, income, and social origins (for example, British heritage and socialist heritage). (See graph below.)

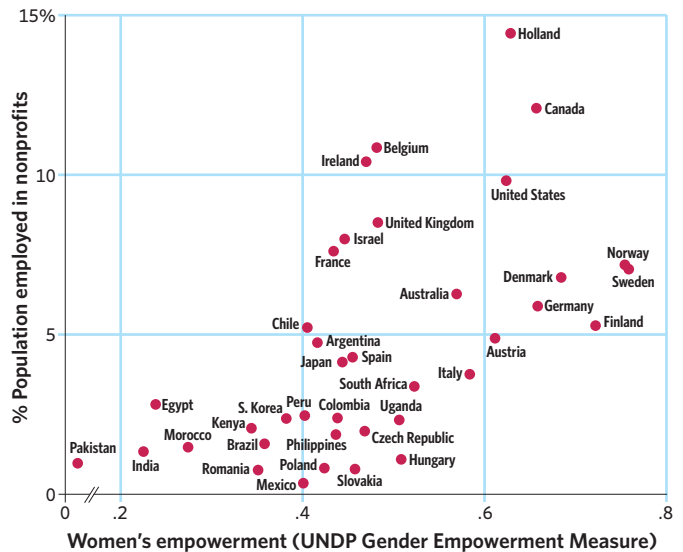
Likewise, with 2006 World Values Survey data from respondents in more than 80 countries, Themudo shows that the higher a nation’s GEM score, the more its people join and volunteer for a variety of nonprofits. These analyses control for fac-

powerment grows the nonprofit sector or a strong nonprofit sector empowers women,” he says. “It’s probably both.”

What is clear from his findings, says Themudo, is that “the nonprofit sector is not a wastebasket for women who can’t make it in other sectors”—an idea other scholars sometimes promote. “Instead, the more empowered women are, the more likely they are to work in the nonprofit sector.”

Themudo also notes that, despite the “enormous contributions” of women to the nonprofit sector, their efforts often go unnoticed. “When I started this project,” he says, “I was surprised that there were no studies in the nonprofit research literature relating gender to the sector.”

Nonprofit organizations themselves similarly slight women, Themudo says. “The



tors known to affect survey respondents’ nonprofit participation, including age, education, income, employment status, and marital status.

Although Themudo’s studies dispel many alternative explanations for the link between women’s empowerment and nonprofit sector strength, they cannot pin down “whether women’s em-

majority of [U.S.] nonprofit sector employees are women. Yet men are six times more likely to head a large nonprofit. Nonprofit leaders really should ask themselves if they are inadvertently preventing women from rising to the top.” ■

Nuno S. Themudo, “Gender and the Nonprofit Sector,” *Nonprofit and Voluntary Sector Quarterly*, 38, 2009.