



Who Cares About the City of the Future?

– Responsibility of private and public institutions for a liveable environment

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Abstract

Key words like “sustainability” or “corporate social responsibility” have been discussed widely in the last years, putting at risk a good idea by becoming merely buzzwords. On the other hand the idea of a sustainable “good environment” is an essential claim in the development of our cities.

In our paper we would like to discuss the idea of corporate citizenship. We assume that actors like private companies as well as public institutions can contribute to a healthy urban environment and an active urban community. In this respect we would like to present a study amongst real estate corporations concerning their social impact activities particularly in regard to their core competence. This study shows that most of the companies are aware of their responsibility and take an active part in the development of their neighbourhoods.

1. The concept – Corporate citizenship for the adoption of social responsibility

Companies are primarily economic actors with economic interests, at the same time they are a part of society and want to be perceived as such. Their voluntary corporate social responsibility is circumscribed by terms such as “Corporate Social Responsibility” or “Corporate Citizenship”. While the former highlights the inner perspective by relating to the responsibility of enterprises in their own environmental, social and economic field, the concept of corporate citizenship describes the responsibility towards society. To give an example: The Berlin-based company Wall AG is active in the fields of “conservation and urban design” as well as “educational and cultural promotion”. Both reflect, however, and that is important for the credibility of the company, the core of the business again: Wall provides urban furniture and poster advertising, thereby shaping the public space.

As much as the themes vary, as much vary the instruments that can be used in the context of corporate citizenship, e.g.:

- ▶ *providing funds (donations)*
- ▶ *supporting associations, initiatives, etc. (sponsorship)*
- ▶ *establishing private foundations.*

Increasingly popular is the instrument of Corporate Volunteering: The company supports its employees, for example, to assist non-profit initiatives.

No matter what subject or instrument is selected, an idea of corporate citizenship is that both the society and the company benefit, for example, the companies by strengthening their image and their reputation.

2. The research project – Corporate citizenship in the real estate industry

The real estate industry is one of the largest and most financially sound industries in Germany. The sector contributes with a gross value of € 434 billion, 19 percent of total gross value of the German national economy. In addition to capital, the German real estate industry has other important resources and competences: land and real estate, nationwide presence, expertise and close links with politics, business and associations.

How can resources and expertise of the real estate industry be successfully integrated for the benefit of society? Under this research question in 2015 48 experts from the real estate industry were interviewed and practical examples were exalted. 32 experts were interviewed directly, another 16 by online consultation.

In the center of the research model for the study of corporate citizenship in the real estate industry, the approaches and measures are in context of the real estate industry core processes. To embed these measures within the corporate context the experiences of the companies were discussed and the target groups and targets considered.

2.1 Target groups and targets of social commitment

The focus of social commitment in the real estate industry mainly focuses on children, adolescents and young adults, followed by non-profit organizations or associations.

As well the awareness of the target group of senior citizens is increasing, which not only takes up a social trend, as well applies on the “nerve of its own workforce”.

Cities and communities are surprisingly little addressed, however, the companies are involved certainly in the field of neighborhood development / neighborhood management. In particular, the integration aspect has an important role here as well.

With regard to the targets the market survey shows, that the main purpose of social commitment is the promotion of enterprise culture and the fundamental values of the company. The companies are committed to an inner basic understanding.

In addition, they see the benefits in the improvement of corporate image and increase in credibility. Inward motivation promoting aspects are in the foreground. In addition to the binding of its own employees companies think about their future employees as well: The rising “Generation Y” is calling stronger for meaningful work to do.

It became clear that the companies are increasingly aware, that they need to systematize their target groups and must check the effectiveness of their targets, so that corporate citizenship has a lasting effect for the company and its stakeholders.

2.2 Instruments for social commitment

The courses of action in the real estate industry are manifold. Splits between donations, sponsorship, foundations and resource deployment is the deployment of staff resources – corporate volunteering – easily in the foreground.

The aim of the donation and sponsorship activities are particular subjects such as education, social equality, culture and sports. With regard to education and social equality training programs, scholarships or endowed chairs can be highlighted. The financial support for arts and sports is dedicated to specific clubs, selected events such public viewings, exhibitions and also the restoration of works worthy of protection. The real estate industry does rather less restore to institutional forms of a foundation (17 mentions). Most of them are installed on corporate level. In case of corporate volunteering, as mentioned the motivation of the employees plays a significant role.

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The choice of activities is determined not only by the nature of the fields of action, rather it is the regional focus which acts often decisive. In order to promote the direct environment a wide range of activities in the neighborhood development is reported. These include integration projects, promoting social interaction and active support of children, youth, families and seniors.

In the real estate industry core processes starting points for corporate citizenship also exist in project management, energy management, in the maintenance and modernization as well as in the tenant support. In addition, the aspect of knowledge transfer was emphasized by experts: The real estate industry as a service-oriented industry with a great deal of expertise could provide knowledge to i.e. students within the framework of university projects. It should be mentioned that the students of HTW Berlin do also benefit: They are supported in charitable construction projects or advising non-profit organizations. This transfer of knowledge is for all participants of benefit: Due to the discussion pioneering urban solutions and approaches do arise and future employees can be acquired.

2.3 Impact and success factors of social commitment

The research results approve a win-win situation, meaning a surplus value for companies and the society, whereas according to the study the positive impacts for the society outweigh. This varies depending on the action approach: So donations are a clear advantage on the part of society, the company benefits from corporate volunteering due to improvements in corporate culture and team spirit.

In addition to the individual effect a generic effect was observed: Social commitment is reduced often not only to a single situation, but sparks effect chains. As a concrete example an operating company reported: "As a result, social commitment generally contributes not only to tenant satisfaction, but stabilizes neighborhoods as well."

To achieve these positive impacts also in the future, the surveyed experts do see following success factors:

- ▶ *Communication and awareness: Generate and disseminate good ideas and strengthen dialogue with stakeholders*
- ▶ *Professionalization and measure the effectiveness: Review of existing processes and its own actions in the overall context*
- ▶ *Learning from international experiences: Benefit of acquired knowledge*
- ▶ *Political support and deregulation: Flexibility, e.g. concerning construction law*
- ▶ *Strengthening of demand pressures: Awareness e.g. tenants on questions of social commitment*
- ▶ *Changing values and self-image: corporate citizenship is rooted in mission statements and core values.*

3. Conclusion and outlook

The survey of the experts from the real estate industry has shown that companies are very conscious of their social commitment today. Although the choice of target groups and areas of action are best correlated with the core processes of the company, it can generally be stated that companies in particular feel a responsibility towards their immediate environment, which can have a positive impact on the development of cities and towns. The cooperation with local actors, i.e. with associations, clubs or universities can be strengthened. Here, as well a win-win situation is likely: for example universities benefit from the expertise of the companies, while the companies get to know future employees.

Both in the corporate environment as well as in public institutions, however, structure and culture for social commitment must be strengthened. Giving something back to society - this basic understanding should be taken for granted. Especially since we all benefit from a more livable environment.