Philanthropy as a Strategic Tool for Corporate Reputation Management: The Albanian Case

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Abstract

Developments in technology, communication, and various spheres of economic and social life have brought about new approaches to public relations management. As companies continue to develop, there is a growing need not only for capital management, but also for reputation management. Over the last two decades, charity has been a vital element for corporate image consolidation and participation in addressing social needs in the Albanian society. However, recently there has been a shift in managing public relations and charity in corporations, leading to philanthropy as a more sustainable means of creating long-term strategies for reputation management. This paper aims to explore this evolution in the Albanian companies, focusing on their philanthropic activities. The study looks into the reasons why companies engage in such activities and the possible role the latter play in improving their reputation. For this study, we selected cases from five of the largest companies that utilize philanthropic activities as part of their PR strategies in Albania. In-depth data collection and analysis provides a comprehensive and contextualized understanding of the impact philanthropy has on reputation management. Additionally, the study employs a qualitative method, including interviews with industry professionals, academics, and media experts. The collected data shows that philanthropy has become a long-term and strategic element of corporate plans, influencing thus reputation management approaches that aim for continuous and sustainable relationships with all involved stakeholders.

Keywords: Philanthropy, Reputation management, Corporate social responsibility, Public relations, Media

1. Introduction

Despite being one of the countries with the longest political and economic transition, Albania has seen significant breakthrough in some important areas of business management. Strategies adopted by Albanian companies on business and reputation management are comparable to those implemented in more developed countries, a sign of progress when it comes to a specific corporate sector, regardless of the country's overall situation. Contemporary worldwide models have driven the techniques employed by Albanian companies, which aim at strengthening public relations and addressing relevant concerns. This approach has fostered a new sense of connecting with the public and the need for planned activities in reputation management, emphasizing issues that directly affect the public. Philanthropy is
not only seen as the primary activity, but also as a tool that elevates PR from a technical to a strategic role. According to Gjerazi (2020), public relations in Albanian institutions are often undervalued and relegated to technical tasks. However, philanthropic activities have not only become important elements of reputation management, but have also sparked a new wave of strategic decision-making and tactics in the field of public relations. Licenji (2022) explains that global trends have affected the Albanian market, especially private companies, affecting not only the development of philanthropic activities, but also the role of public relations representatives within companies.

The transition from charity to philanthropy has been another trend that has followed corporate reputation management. DiMaggio and Poell (1983) note that external factors, such as social norms and values, impact organizational operations. Thus, businesses use philanthropy as a means to meet social expectations and gain legitimacy. In the Albanian culture, hospitality and helping those in need are two important principles. Companies have developed temporary platforms to reflect these principles, considering them an obligation to the society. Nevertheless, this model and social contribution did not bring any obvious advantages to a company's image, rather than a short-term improvement. In contrast, philanthropy broadens the dimension of social contribution and creates substantial sustainability and impact for various social groups, which, on the other hand, have the potential to enhance a company's reputation and establish a connection to a specific involvement. Tulving (1985) elaborated that a company can trigger memories by linking itself to a particular activity or image. Engaging in philanthropic activities on a regular and long-term basis can further enhance such an opportunity. Therefore, this creates tangible chances to improve their reputation. Tartari (2023) emphasizes that a company's reputation is not solely contingent on similar activities. Instead, interconnected factors beyond philanthropy itself influence such efforts. These factors include effective corporate governance practices, transparency, service quality, financial performance, and ethical decision-making.

1.1 Main Objectives and the Significance of the Study

This study's primary objective is to examine how philanthropic activities of Albanian companies have affected their reputation management and their public relationship. The shift from charity to philanthropy has led to significant developments in the public relations sector, which will be explained in this paper. Additionally, this study seeks to shed more light on the philanthropic activities and how they are mediated. An important aspect is its novel contribution, since in Albania there is a lack of scientific work in this area. Consequently, it offers an important input to the field of public relations by providing an empirical analysis of the use of philanthropic activities as a tool for reputation management. As a result, we can assist Albanian companies in maximizing their benefits through such activities.

The significance of this study stems from multiple factors. First, it provides insight on the philanthropic nature of Albanian companies, showcasing their level of social responsibility. Next, it explores approaches used to build public relations and contribute to the well-being of society. Moreover, it presents best practices for using philanthropy as a strategic tool, guiding companies to maximize benefits and avoid risks of misinterpretation. Additionally, it initiates discussion in Albanian academic circles and serves as a fundamental point of analysis and comparison for future research. Finally, it contributes to the international academic community by presenting additional findings on the use of philanthropy as a tool for reputation management, taking Albania as an example.

2. Literature Review

2.1 Theoretical Perspective

The theoretical framework provides an overview of the reasons why companies engage in philanthropic activities, including their relationships with stakeholders, the improvement of their
reputation, their identification as socially responsible, and the benefit of legitimacy. The stakeholder theory emphasizes the role of companies in balancing the interests of all stakeholders, representing the ideal way companies contribute to society (Freeman, 1984). According to Pfeffer and Salancik (1978), companies use philanthropy to establish cooperative relationships with different donors and access alternative sources of funding. Additionally, it can increase companies’ visibility and profile in the market.

Tajfel and Turner (1986) emphasize the importance of individuals’ identification with their social groups, which positively influences intergroup relations. When employees and customers identify with a company’s values and mission, particularly if the company actively contributes to the society, it generates pride. Corporate philanthropy, therefore, can serve as a motivating force, fostering positive relationships and a conducive work environment by aligning values and mission. Bourdieu’s (1986) study on social capital and the access that groups with higher levels of economic and cultural capital have to networks of social relations can assist companies in fostering a positive social climate within and outside their organizations. Furthermore, social exchange theory explains the dynamics of social relationships and views philanthropy as a way to initiate and maintain these relationships, as well as a beneficial activity for the company (Homans 1958).

Fombrun and Shanley (1990) identify two determining factors in corporate philanthropy. On one hand, it contributes to improving its reputation, while on the other hand, it helps to mitigate negative perceptions when they arise. This practice can be seen as a valuable option, reflecting companies' heightened awareness of the importance of investing in their image and reputation. Mitigating negative perceptions is a significant professional challenge in the context of public relations. Philanthropy can play a critical role in achieving this goal. Barney (1991) elaborates on the resource-based view, emphasizing that philanthropy not only distinguishes companies in the market, but it also positions them as socially responsible entities.

Legitimacy theory suggests that companies strive to maintain their legitimacy by adhering to social norms and values and fulfilling their social obligations. Suchman (1995) explains that philanthropy is one of the ways through which companies can strengthen their legitimacy and gain acceptance. By demonstrating that they are committed to addressing and solving societal needs and are not solely focused on profit maximization, companies can expand their opportunities and alternatives for public appearance.

2.2 Determining Factors of Corporate Philanthropy

A number of scientific studies and in-depth research have been conducted on the use of philanthropy as a tool for reputation management. The prevailing approach in these studies suggests that companies can enhance their reputation and establish long-lasting relation with the community by engaging in philanthropic activities. On the other hand, there are several studies that are cautious about drawing a definitive conclusion on the positive impact of philanthropy.

According to Godfrey and Hatch’s 2007 research, companies participate in philanthropy to manage their social and political contexts, develop their social capital, and increase their legitimacy. Furthermore, it can be utilized to address social needs and respond to pressure (Waddock 2004). Kotler and Lee’s (2008) research discovers that companies integrate philanthropy as part of a broader corporate social responsibility strategy that aligns with their business objectives and values. Maignan and Ferrell (2000) also provide evidence that philanthropy not only positively affects a company’s reputation, but it also promotes its legitimacy and credibility in the public eye. Additionally, Lii and Lee (2012) support the notion that cause-related corporate social responsibility strategies can enhance a company’s reputation as opposed to profit-related activities. This highlights the potential effectiveness of philanthropy in improving a company’s reputation in a unique way. Smith and Sisodia (2013) provide a compelling example of how philanthropy can be strategically used to manage reputation. The case of Johnson & Johnson’s Tylenol crisis in 1980 illustrates how the company was able to not only overcome, but also rebuild trust with the public through immediate philanthropic
There is also a body of research that questions the impact of philanthropy, not only on strengthening a company’s reputation, but also on the underlying motivational forces that drive companies to engage in it. Carroll and Shabana’s (2010) study suggests that there is no clear-cut relationship between philanthropy and reputation. Instead, there are multiple variables that need to be considered, including company’s goals, context of philanthropy and the perceived authenticity of the company’s actions. Similarly, McWilliams and Siegel’s (2001) study casts doubt on the use of philanthropy, arguing that it is often a way for companies to manage reputational risks and divert attention from negative impacts on society. Smith and Graves (2019) argue that philanthropy can be problematic because it prioritizes business interests over broader social welfare and can be used to deflect attention from more pressing social and environmental issues. Taking a more critical stance, some researchers go as far as to consider corporate philanthropy a form of “greenwashing”. This definition opens up a broader discussion about the motives behind the use of philanthropy and the potential drawbacks, which Bishop and Green (2008) have identified. According to these authors, there is a risk that philanthropy can be used to “mask unethical or unsustainable business practices” and create the perception that it is a way for companies to buy social approval. Porter and Kramer (2002) contend that philanthropy can generate competitive advantages by establishing shared values between the company and the public. However, it is marketing, rather than the philanthropic initiative itself, that enhances its visibility to the public. If companies solely prioritize the public relations benefits of their contributions, they may overlook opportunities to create meaningful social value. The authors’ assertion holds true, as the exclusive focus on public relations can hinder the potential for substantial social impact.

3. Methodology

This study’s methodology consists of four essential elements. The first step is the selection of the Albanian companies as case studies based on various criteria, such as organizational structure, activity type, size, human and financial resources, length of operation, location, public influence, stakeholders, and capital investment. Based on these criteria, the following companies were selected: Albchrome, Agna Group, Balfin Group, Megatek, and Vodafone Albania. This selection was a crucial step in ensuring the accomplishment of this research and its contribution to the academic field, and it was based on several factors. First, the chosen companies are major players in the Albanian business and employment markets, with a significant impact on the community and a diverse range of activities. Second, they have a strong and continuous history of philanthropic activities. Additionally, these companies have well-established brands that are recognizable and trusted by the public. Lantieri and Chiagouris (2009) argue that a company’s brand has a significant influence on the business market, public trust, and reputation. This makes the ancient Albanian saying “Tell me who you are, and I’ll tell you what you’re worth” especially relevant in this context. Furthermore, these companies have specialized departments that handle public relations and marketing. Finally, due to their organizational characteristics and detailed understanding of the subject matter, they were deemed to be the most representative and the most willing to share their experience in managing public relations and contributing to society through philanthropy.

The second element of the methodology is comprised of 15 qualitative face-to-face interviews with communication managers, public relations experts, and media professionals. The demographic data of the interviewees is presented in Table 1.

The third element required a comparative analysis of the strategies utilized by Albanian companies to showcase their philanthropic efforts to the public. This analysis aims to identify the most effective approaches and concrete results achieved.

The fourth element analyzed 30 press releases on the philanthropic activities and the media outlets through which they were distributed. The main objective of this content analysis is to understand their goals and motivations. Additionally, the tone of the press release was analyzed to
gain insight into the approach to public communication.

Table 1. Demographic Data about the Interviewees (no.)

<table>
<thead>
<tr>
<th>Gender</th>
<th>Age</th>
<th>Education</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>25-35 yrs</td>
<td>5 yrs</td>
</tr>
<tr>
<td>Male</td>
<td>36-42 yrs</td>
<td>&gt; 42 yrs</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4. Results and Discussions

The Albanian context might resemble a unique perspective, particularly in terms of companies' motivations for engaging in philanthropy. There is a clear distinction when it comes to their reasons for practicing philanthropy and how they personalize it according to their activities and missions. Broadly speaking, the nature of these activities is linked to the company's vision and the nature of its activity. This approach is most evident in companies, such as Vodafone, Balfin, and Agna Group and it demonstrates their awareness of the need to maintain a continuous connection between their brand, activity and philanthropy. Therefore, philanthropy can increase the visibility and distribution of a brand.

4.1 Understanding the Motivations and Drivers of Albanian Companies to Engage in Philanthropy

The motivating factors behind the philanthropic activities carried out by Albanian companies can be categorized into five main groups, which serve as key pillars of the philanthropic spectrum. The first category is philanthropy as a social obligation, visible when a company defines social responsibility as part of its mission. By incorporating this into their mission statement, companies show an awareness of their contribution and participation in the society, playing a critical role in social constructivism. According to the principles of social constructivism theory, companies become messengers, teachers, and mentors for society, just as a teacher creates a more cooperative atmosphere in a classroom to encourage learning. Haniffa and Cooke (2005) consider this form of philanthropy as one of the most well-adjusted, as it balances economic benefit with social activity. For instance, Agna Group has incorporated social responsibility into its mission statement, “working towards a better quality of life for employees, partners, and the community in which it operates”. The company believes that businesses should positively contribute in any way possible to the community. While social obligation may be a crucial motivator for companies to engage in philanthropy, positioning it as a strategic act within the long-term plans of Albanian companies can create a social model, as well.

The second category is philanthropy from defined policies. This is the most common among Albanian companies, to the extent that it can be said that if philanthropy is not defined in a company’s policies, it cannot be implemented. This is because the funds allocated for philanthropy must comply with the company’s policies and field of activity. It is also used as a means to promote social responsibility announced by the management board. Dwekat et al. (2021) argue that there is a strong relationship between management and corporate social responsibility. For instance, AlbChrome’s Communications Director explains that the definition of philanthropic causes is done within the company’s policies and is based on the connection that specific causes may have with their activities.

Philanthropy as a strategic act of innovation is an approach directly linked to the company’s core business values and specific target audiences. The focus is primarily on strategies based on a business mindset and technological development. Companies influenced by technological advancements take sustainable initiatives to educate society and provide the necessary tools to implement educational programs, promoting long-term and continuous investment. Vodafone Albania is the most representative company in this case. STEM strategy (Science, Technology,
Engineering and Mathematics) has been implemented in Albania since 2022 to educate and empower young people through technology. The company's Communications Director explains that philanthropy should promote development and be considered a strategic form of education by identifying the main target group. This strengthens the company's mission by linking it to philanthropic activities and uses them to facilitate the learning process on new, actual technologies.

**Philanthropy as a result of investment** focuses on taking care of the community where an investment is being made. This approach can be used to create a connection between the business and the community. The philanthropic intervention strategy is usually drawn up after identifying the community's needs and problems. Balfin Group is a typical example of this form of philanthropy. The "Green Coast Albania" project, which is a tourist investment, is an excellent illustration. The company acknowledged that the community needed a school and sports facility in the area where the tourist resort was built. Balfin's Communications Director states that senior management guides and plans the philanthropic projects on an annual basis. This highlights the significant influence of senior management in reinforcing philanthropic efforts. Friedman (1970) emphasizes that such acts should not reflect the personal beliefs of executives, but they should be integrated into the strategic objectives of the organization.

The last category classifies philanthropy as both a moral act and a form of recognition. Albanian companies that fall under this category are driven by a utilitarian perspective towards society. The communication managers of the selected Albanian companies have expressed their belief that philanthropy is a high moral act that can contribute positively to the community. According to the researcher Tartari (2023), philanthropy may be a PR tactic for companies to maintain continuous public engagement. For beneficiaries, the important factor is the provision of their needs. However, it is important to acknowledge that philanthropy can also have unintended consequences and may even deepen inequalities. As Mill (1861) argues, philanthropy can be a moral act that maximizes benefits for the larger population, but we should also be aware of the potential negative effects and strive to mitigate them.

**Table 2. Driving Factors of Philanthropy in Albanian Companies: Main Characteristics**

<table>
<thead>
<tr>
<th>Philanthropy as a social obligation</th>
<th>Philanthropy as a defined policies</th>
<th>Philanthropy as a strategic act of innovation</th>
<th>Philanthropy as a result of investment</th>
<th>Philanthropy as a moral act and form of recognition</th>
</tr>
</thead>
<tbody>
<tr>
<td>It is defined in the company's mission</td>
<td>It is related to the field of activity and company policies</td>
<td>It is directly related to the company's core values</td>
<td>Promotes the &quot;business to community&quot; approach</td>
<td>The utilitarian approach is evident</td>
</tr>
<tr>
<td>It is identified as a belief and a conviction</td>
<td>It is identified with the policies of the governing board</td>
<td>Promotes long-term and sustainable projects</td>
<td>Defined on an annual basis</td>
<td>Serving as a moral act for society</td>
</tr>
<tr>
<td>It is intended to be created as a social model</td>
<td>Promotes the social responsibility of the company</td>
<td>Promotes the education and empowerment of young people</td>
<td>Oriented by executive</td>
<td>Advocacy for positive change is framed as an argument</td>
</tr>
<tr>
<td>The phrase &quot;beware, share, teach, and educate&quot; dominates</td>
<td>Promotes the use of new communication technologies</td>
<td>Promotes the identification of problems in the community</td>
<td>Determined by the identification of problems in the community</td>
<td>Social and service feelings are activated</td>
</tr>
</tbody>
</table>

### 4.2 Variations in Strategies and Feedback Measurement among Albanian Companies

The selected Albanian companies exhibited differences in terms of their strategies, expectations and feedback measurement. The primary difference between them lies in their approach to strategy. Each company has a distinct perspective regarding what is considered strategic. Vodafone Albania's strategy involves creating sustainable programs that educate young people on technology. This approach serves two strategic purposes: first, by teaching coding and STEM programs, Vodafone creates a pool of
potential future employees, therefore, ensuring a return on investment. Second, this strengthens Vodafone’s reputation and builds trust with the community. Agna Group prioritizes supporting established institutions and organizations that assist those in need, promoting continuity, strengthening institutions, and fostering sustainability. Balfin Group focuses on strategic activities in education, eradicating inequality and poverty, environment and health, with a preference for investing in communities near their business. They employ an innovative approach by branding a product to support organizations protecting children’s rights. AlbChrome views philanthropy as a top-level management-driven action, addressing community needs with a charitable nature. The distinction between philanthropy and charity lies in factors, such as implementation time frame, investment stability and donation purpose. Megatek’s philanthropic approach tends to be reactive, focusing on immediate needs rather than long-term strategies. Integrating philanthropy into a company’s strategic plan and aligning it with its core values and mission enhances effectiveness and integration.

The second distinction lies in their ideological approach, shaped by their values, beliefs and perceived obligations towards the community. Companies recognize that their image is not solely determined by their products or services, but also by their actions. This approach emphasizes the importance of creating a social model for the company and raising public awareness about social issues. Companies that provide opportunities and resources to communities in need, sponsor services, and contribute to sensitive causes are perceived as having interests that extend beyond financial gain.

The third distinction relates to the institutional and organizational concepts influenced by the company’s rules, structures, and social behavior. The company’s history of philanthropic activities and public’s response to them play a significant role in shaping them. They may vary depending on the orientation of the management boards and the allocated budget. Decisions serve as the basis for actions and determine the type of intervention or contribution to the community. Communication and decision-making processes, driven by institutional policies and leaders’ reactions, are also important in addressing community-identified issues.

Table 3. Main Approaches, Typologies and Interventions of Albanian Companies

<table>
<thead>
<tr>
<th>Company</th>
<th>Approach</th>
<th>Dominating typology</th>
<th>Main target group</th>
<th>Intervention field</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vodafone</td>
<td>Toward individuals</td>
<td>Strategic</td>
<td>Young people</td>
<td>Education in technology. STEM strategy in public schools in Albania</td>
</tr>
<tr>
<td>Agna Group</td>
<td>Toward institutions</td>
<td>Strategic</td>
<td>Down Syndrome Albania Orphanage Homeless shelter</td>
<td>Development, investment, and education through the “Road to Success” programs, “Master the Business” and “Re-change the lives of children”</td>
</tr>
<tr>
<td>Balfin Group</td>
<td>Toward communities and institutions</td>
<td>Strategic</td>
<td>Communities of Palasa, Dhermi and Himara World Vision Albania</td>
<td>Empowerment and education through investment. Investments in roads, schools, and sports environments. Branding products for specific causes</td>
</tr>
<tr>
<td>AlbChrome</td>
<td>Toward communities</td>
<td>Organizational</td>
<td>Communities of Elbasan, Burrel and Bulqize</td>
<td>Investments in the environment and infrastructure</td>
</tr>
<tr>
<td>Megatek</td>
<td>Toward individuals</td>
<td>Ideological</td>
<td>Children</td>
<td>Improving the quality of living</td>
</tr>
</tbody>
</table>

Interviews with Albanian communication managers reveal a new trend in public relations where philanthropy is regarded as a means to foster symmetrical communication and strengthen the bond between companies and the public. Londo (2023) acknowledges that philanthropy not only serves as a branding tool, but it also carries a meaningful message. This approach is seen as a win-win situation...
for all parties involved: enhancing company's image and connecting with the respective community.

4.3 Media and Channels of Philanthropic Communications

Communication managers recognize the potential negative consequences of philanthropy. Not all philanthropic projects or charitable initiatives are publicly announced in the media. They agree that:

- When a company engages in philanthropy solely to enhance its public image, it can backfire and damage their reputation. Consumers and the public often perceive such activities as dishonest, leading to perceptions of manipulation or lying. It is crucial for companies to approach philanthropy with the genuine intention of making a meaningful and positive impact, rather than using it as a superficial tool for publicity.

- The primary objective of philanthropic initiatives should always be to create positive change and contribute to improvement. While communication and publicity are important, solely focusing on enhancing the company's reputation may lead to perceptions of dishonesty. A balance between effective communication and genuine social impact is crucial.

- The use of philanthropy for political purposes can diminish its positive impact. Transparency is vital to avoid using philanthropic actions for political gain. Following the November 2021 earthquake in Albania, various companies donated funds and resources to aid in relief efforts. However, some of these donations were criticized for being politically motivated rather than genuinely philanthropic.

Albanian companies exhibit differences in their objectives, communication methods, and desired outcome in philanthropy. Vodafone aims to create a positive image by using traditional and online media and focusing on building relationships with institutions. Balfin Group sees broadcasting philanthropic efforts as beneficial for society, promoting positive change and raising public awareness. AlbChrome utilizes social media platforms and local television media to target their audience effectively and enhance credibility. Megatek emphasizes social media and television advertising. In contrast, Agna Group relies on its reputation for success and uses official communication channels without actively promoting philanthropic activities through PR.

Television media outlets have different approaches when it comes to covering philanthropic stories. The editor-in-chief of TV Klan believes that broadcasting philanthropic efforts is advantageous for society, as it highlights how philanthropy can address social issues and bring positive change. Thus, media serves not only to inform, but also to promote examples that benefit society. On the other hand, the editor-in-chief at Top Channel states that their strategy is to share human stories that inspire the public to engage in philanthropic activities.

Table 4. Type of Media Used to Promote Philanthropy

<table>
<thead>
<tr>
<th>Company</th>
<th>Type of media</th>
</tr>
</thead>
</table>
| Vodafone      | • Traditional and online media  
- Airtime during prime time shows on the two main television channels in Albania, Top Channel and TV Klan  
- Newspapers advertisement  
- Online media advertisement  
• Vodafone’s official website |
| Agna Group    | • Official channels of communication owned by Agna  
- Website  
- Agna Business Magazine  
- Social media |
| Balfin Group  | • Traditional and online media  
- TV shows  
- News editions  
• Balfin Group’s official website |
<table>
<thead>
<tr>
<th>Company</th>
<th>Type of media</th>
</tr>
</thead>
<tbody>
<tr>
<td>AlbChrome</td>
<td>• Traditional media</td>
</tr>
<tr>
<td></td>
<td>- Local televisions in the cities where they operate</td>
</tr>
<tr>
<td></td>
<td>• Social media</td>
</tr>
<tr>
<td></td>
<td>- Albchrome accounts on LinkedIn and Facebook</td>
</tr>
<tr>
<td>Megatek</td>
<td>• Traditional media</td>
</tr>
<tr>
<td></td>
<td>- Two main television channels in Albania, Top Channel and TV Klan</td>
</tr>
<tr>
<td></td>
<td>- News editions</td>
</tr>
<tr>
<td></td>
<td>- Commercial spots</td>
</tr>
<tr>
<td></td>
<td>• Social media</td>
</tr>
<tr>
<td></td>
<td>- Megatek account on Facebook</td>
</tr>
</tbody>
</table>

Selecting and presenting philanthropic stories are crucial. All companies prioritize publishing such news to increase public and corporate awareness and enhance their credibility. Sweeney and Currell (2014) highlight the importance of factors such as clarity, accuracy, transparency, impact, sustainability, alignment with company values and goals and accountability when evaluating press releases on philanthropic activities. However, the examination of 30 press releases revealed that they were written in a technical style and lacked comprehensive information about the philanthropic cause. In 13% of cases, there was no information provided about the purpose and concrete results of the contribution. While the intended impact and alignment with the company's mission were described in 20% of cases, the overall strategy remained unclear. Transparency issues were found in 28% of cases. Monitoring, evaluation and reporting on progress and impact were lacking in 39% of cases.

4.4 Measuring Feedback

Two Albanian companies, Agna Group and Megatek, lack a consolidated mechanism to measure feedback. Agna Group relies on subjective “positive” feelings they receive, whereas Megatek measures success based on an increasing customer base resulting from their philanthropy. However, studies have shown that lack of feedback collection can lead to limited knowledge on achievements, negative impacts on reputation, a perceived lack of transparency, missed opportunities for improvement and a lack of prestige (Brown and Osborne 2012). In contrast, Vodafone, Balfin and AlbChrome have established standardized mechanisms for measuring feedback on their philanthropic activities. Vodafone conducts reputation surveys to gauge stakeholders’ views; Balfin conducts periodic surveys to assess project impact and communication effectiveness; and AlbChrome collects feedback from key stakeholders through surveys.

5. Conclusion

Albanian companies view philanthropy as a way to demonstrate social responsibility and enhance their reputation. In recent years, reputation management trends have influenced the evolution of the concept and implementation of philanthropy within Albanian companies. PR activities and communication platforms are now part of the philanthropic strategy, representing an innovative way of conducting business communication in Albania that emphasizes a two-way communication. The philanthropic nature of these companies is intertwined with their area of operation, which they strategically leverage to enhance their brand and market position. This strategy should also be reflected in how companies communicate their philanthropic activities to the public and media through press releases. While crafting press releases may be considered a technical task, the quality and professionalism with which they are presented can indicate company’s transparency and its desired message. Companies should prioritize displaying their public responsibility by being transparent and providing access to the information.

In conclusion, Albanian companies must exercise caution and carefully consider the ethical
implications of philanthropy. This requires establishing a sustainable and ongoing alignment with their values and objectives, making it an integral pillar of the organization. Failing to do so could result in negative perceptions of the company and its philanthropic endeavors. The long-term nature of philanthropy as a strategy and the behavior of Albanian companies in this regard offer new perspectives for research.

6. Acknowledgment

We would like to express our appreciation for their valuable insights, extensive experience, and unwavering commitment to the experts who participated in this study. We extend our gratitude to Alma Bici (Agna Group), Agim Fjolla (Balfin Group), Denada Hasani (Megatek), Teuta Ustundag (Albchrome), and Viola Puci (Vodafone Albania). We remain hopeful that this study will have a positive impact on professional standards and practices of Albanian companies when it comes to philanthropy.

7. Conflict of interest

All authors have approved the final version. The authors declare that they have no conflicts of interest to disclose. The authors approach the topic with an open mind, devoid of preconceived notions.

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