

Innovations in Corporate Social Responsibility from Global Business Leaders at Panasonic, Thomson Reuters and Nanyang Business School

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Abstract: Problem statement: Due to current varied CSR models and how CSR is presently defined and practiced differently in business and society worldwide, global CSR standards are vital to creating best practices of CSR and to increase the competitive advantage of business and society. **Approach:** Because most CSR business units in global organizations tend to focus on specific and narrow corporate communications of social responsibility instead of broadening the scope to set global CSR standards across sectors and industries, three global business leaders in Singapore who are familiar with CSR practices at Thomson Reuters, Panasonic and Nanyang Business School were interviewed to investigate how CSR is practiced in Singapore and China. The participants were selected based upon their global business, CSR and HRD knowledge and experience. Ten interview questions guided the case study. **Results:** The participants' responses produced seven key lessons learned and five inadequacies of current CSR models that resulted in two innovatory CSR models. The first model is a concentric circle that has culture in the center, followed by personal and collective ethics, economic, legal, environment and government domains. The second model is a concentric circle that has Human Resource Development (HRD) in the center followed by the domains in the first model. **Conclusion/Recommendations:** The innovatory CSR models can assist global organizations to successfully manage changing global conditions when the organization is viewed as an interwoven and dynamic whole that generates continuous knowledge and bridges its systems, processes and structures that are constantly transforming into an internal and external common global network. CSR values, not stakeholder demands or charitable contributions from global business leaders, managers and individual employees play a significant role in reducing globalization's unintended consequences and increasing the competitive advantage of global organizations and society.

Key words: Global, organizations, society, competitive advantage

INTRODUCTION

Due to current varied CSR models and how CSR is presently defined and practiced differently in business and society worldwide, global CSR standards are vital to creating best practices of CSR and to increase the competitive advantage. This case study examines CSR in Singapore and China and how innovatory CSR models can drive and set CSR standards worldwide. The innovatory models focus on a common global framework to strategically establish CSR best practices worldwide. Because most CSR business units in global organizations tend to focus on specific and narrow corporate communications of social responsibility instead of broadening the scope to set global CSR standards across sectors and industries, three global business leaders in Singapore who were familiar with CSR practices at Thomson Reuters, Panasonic and Nanyang Business School were interviewed to investigate how CSR is practiced in Singapore and

China. The participants' responses produced seven key lessons learned and five inadequacies of current CSR models that resulted in two innovatory CSR models. The innovatory CSR models can be a useful tool to help global organizations develop, implement and drive CSR within the core global business strategy and set CSR standards worldwide.

MATERIALS AND METHODS

To investigate how CSR is practiced in Singapore and China, individual structured interviews were conducted by email with three global business leaders in Singapore at Thomson Reuters, Panasonic and Nanyang Business School. The participants were selected based upon their global business, CSR and HRD knowledge and experience. Although Participant three from Nanyang Business School did not have the time to answer the interview questions, he suggested reading two articles that he published. The articles led

the author to create a second CSR model that adds HRD as a CSR domain. Ten interview questions guided the case study.

The participants' responses indicate that the practice and responsibility of CSR should originate from the leadership, the individual employee and the organization, instead of beginning with charitable contributions and stakeholders' demands. Furthermore, the participants' answers revealed that current CSR models are inadequate and require revision to set CSR standards worldwide. Thus, a global organization can integrate, practice and drive CSR into the core global business strategy. This can lead to creating a CSR global framework and global CSR standards that link CSR to global organizations and across sectors and industries worldwide.

RESULTS

The participants' responses revealed seven key CSR lessons learned and five inadequacies of current CSR models. They are as follows:

Lesson No. 1: CSR begins with the individual.

Participant one argues, "CSR as it is spoken about today is hyped up". The most basic premise is that as individuals and organizations, we need to take only what we need from the environment and buy only what we need". Furthermore, Participant one contends that CSR is not necessary when we are "being sincere and follow up with actions and review them regularly".

Participant two suggests that "effective implementation of CSR depends on many factors, the most basic of which include individuals having the desire to want to make their countries, their companies and their society a place to shine". Without an organizational culture of excellence, business strategy and competitive advantage can remain static. Thus, global leaders should align CSR with the individual employee, leadership and the organizational values throughout the core global business strategy.

Lesson No. 2: Effective CSR practice is collective and collaborative.

Participant two recommends, CSR practice requires a "community of matured individuals and groups contributing their best for the betterment of the society they live in". Participant One argues that the practice and communication of CSR is "to be sincere in our intentions and actions". Thus, it is vital for business and society to "learn together, work together and at the same time appreciate and respect individual and group differences and having the strength to solve conflicting

views in a professional, matured manner" (participant two). Overall, the practice of CSR requires global leaders and individual employees to simultaneously acknowledge cultural similarities, ambiguities and differences when solving conflicting views. Therefore, complex global issues can be successfully resolved when global leaders and individual employees focus on achieving a collaborative global learning environment that respects differences and values integrity.

Lesson No. 3: CSR can improve ROI when economic, social and environmental performances are equitable.

Participant two argues, "Many Chinese Singaporean businesses have a balanced approach to running a business enterprise, especially the very well established ones. Economic performance is as important as social contributions". Therefore, economic performance is vital to increase a country's competitive advantage and the quality of life. However, if global organizations focus solely on economic performance, this can lead to decreasing the quality of life and competitive advantage for the global organization and society because business, society and natural resources are interdependent. Participant one recommends, "The most basic premise is that as individuals and organizations, we need to take only what we need from the environment and buy only what we need". Thus, CSR can increase Return On Investment (ROI) when a global organization integrates economic, social and environmental performance equitably.

Lesson No. 4: HRD can drive cross-cultural CSR in a global organization.

Participant three argues, "Unlike most countries, Singapore is dependent on human capital, being a small nation with almost no natural resources. Human resources have been identified as the single most important strategic capital in its strategic economic plan. Thus, Singapore has to continuously adapt its HRD strategies and practices in public and private sectors to keep pace with the domestic as well as regional/global environmental changes" (Osman-Gani and Chan, 2009). Furthermore, Participant three recommends learning about "cross-cultural negotiation not just from the cultural diversity perspective of the United States but also from that of other multicultural, multiethnic societies" (Osman-Gani and Tan, 2002). Consequently, "HRD professionals will have to equip themselves with cross-cultural competencies and then help train the other employees in effectively managing a diverse and cross-cultural workforce" (Osman-Gani and Chan, 2009). Thus, HRD can play a vital role in increasing the competitive advantage of global organizations through

implementation of CSR best practices and policies and providing cross-cultural trainings of CSR in global negotiations, global leadership and global strategy because multiculturalism is practiced differently in many countries.

Lesson No. 5: CSR requires individual ethics and preventative laws, control mechanisms, structures, systems and business practices.

According to Participants one and two CSR cannot solely depend upon individuals and global organizations with strong ethical values. CSR also requires enforced laws that prevent global corruption. Participant one argues, “We need to be sincere in our intentions and actions. We need to take the actions to prevent exploitation of people, resources and the environment. And if this is the primary aim, the companies who champion this will stand out”.

Participant two recommends, “We first need to ask the question, what are the basic elements of corruption to take place? The answer would be: (a) there must first be the need to corrupt and (b) there must be the opportunity for corruption to occur. If any of (a) or (b) exists alone, corruption cannot take place. Thus, the first step would be to ensure that situations prevent both elements to come together”. Participant two suggests beginning with how “business organizations could make a strong commitment to the issue of honesty in their corporate philosophy to develop a corruption-free mindset. In addition, participant two recommends, “the need and the opportunity to corrupt” can be prevented through “control mechanisms, systems, structures and business practices”. Thus, it is individual ethics, preventative laws, control mechanisms, systems, structures and business practices that can successfully drive CSR into the core global business strategy of an organization and worldwide.

Lesson No. 6: CSR requires global leaders that model and integrate cross-cultural CSR into the organizational culture.

Participant one recommends that CSR requires “tight corporate governance”. Participant two suggests that global leaders can model CSR with “mindset management through continual learning, education and experience”. Furthermore, Participant two suggests, “In my view, I believe that the foundations for an ethical management style may be similar in most companies in China and Singapore. The reason being that most Chinese management would still be greatly influenced by the basic ethics of business and also by the teaching of values which were very much derived from the teachings of Confucius, the teachings of Buddha or any

acceptable religious teachings”. Participant three suggests, “Cross-cultural negotiation style, which is fundamentally concerned with the negotiation strategies and tactics employed by various managers from different cultures, is a culturally sensitive aspect of management” (Osman-Gani and Chan, 2009). Therefore, in order to implement effective global CSR practices within a global organization, global leaders should model and integrate cross-cultural CSR into the organizational culture.

Lesson No. 7: CSR requires government enforcement and intervention.

Participant one indicates, “The Singapore government is not a populist government. It will implement tough policies when needed. The Singapore laws are tough and I know and understand why they were put in place. If CSR refers to organizations being socially responsible, there are no laws addressing this. Other common laws are sufficient”. Moreover, Participant two states, “The Singapore Government does actively promote campaigns and programs relating to CSR”. Thus, government enforcement and intervention of CSR is vital for sustainable global businesses and society.

Summary of inadequate CSR models: Based upon the participants’ responses, there are five inadequacies of current CSR models.

First, there is much literature written about CSR in the United States and Europe. However, little is written about CSR in other countries. The most common Western definition of CSR is to surpass the minimum regulatory framework of business practice. CSR is a complex concept because there are many global definitions of CSR. Nevertheless, despite its complex and unclear concepts, CSR is currently defined from a Western perspective. Although “all ethnic groups are individual and collective” (Osman-Gani and Chan, 2009) (participant three), social responsibility is vital in the Western cultures due to an emphasis on the individual. Consequently, social responsibility is implicit within the Asian society. “If CSR refers to organizations being socially responsible, there are no laws addressing this. Other common laws are sufficient” (participant one).

Second, some CSR models focus on meeting stakeholder requests (O’Riordan and Fairbass, 2008). Instead, “Effective implementation of CSR depends on many factors, the most basic of which include: mindset management-through learning, education and experience, companies sincere desire to commit business activities to support CSR ideals (and)

individuals having the desire to want their countries, their companies and their society a place to shine” (participant two). Therefore, global organizations can integrate CSR into the organizational leadership and culture rather than focusing on charitable contributions or becoming a victim of stakeholders.

Third, some organizational models implement CSR as a distinctly separate category or business unit instead of implementing CSR into the core global business strategy and organizational design (Marcel *et al.*, 2004). “Many Chinese Singaporean businesses have a balanced approach to running a business enterprise, especially the very well established ones. Economic performance is as important as social contributions” (participant two). Therefore, effective CSR should be integrated within the core global business strategy to positively impact society.

Fourth, the practice and responsibility of CSR should incorporate internal domains such as HRD and cross-cultural ethics of the individual employee, leadership and organizational values instead of implementing and practicing CSR solely within external domains as in Schwartz and Carroll (2003) three-domain approach of economics, legal and ethical responsibilities. Participant two suggests that “effective implementation of CSR depends on many factors, the most basic of which include individuals having the desire to want to make their countries, their companies and their society a place to shine”. Thus, without an organizational culture of excellence, business strategy and competitive advantage can remain static. Furthermore, because charitable contributions do not increase the competitive advantage and ethics of business and society CSR must begin with the individual. Therefore, effective CSR requires internal and external CSR domains.

Fifth, although Carroll (1991) CSR pyramid model provides a good framework for CSR, his pyramid classification of CSR lacks the role of government and he focuses solely on the economic, legal, ethical and philanthropic domains from a western perspective of management ethics. In addition, his emphasis on organizations meeting society’s expectations and charitable norms can lead to further conflicts as previously discussed in the second inadequacy of current CSR models. Peck and Gibson (2000) argue, “There is a crucial role for governments in facilitating the transition to an economy that is much more efficient, much more fair and much less damaging. Governments that lead and practice CSR values globally will be in a stronger position to set the agenda and establish advanced positions for their industries and their citizens. Countries that lag behind will inevitably

face increasing competitive disadvantage and lost opportunity” (Peck and Gibson, 2000). The Singapore government recognizes how CSR can increase competitive advantage for business and society. Participant one implies, “Singapore laws are tough and I know and understand why they were put in place. If CSR refers to organizations being socially responsible, there are no laws addressing this. Other common laws are sufficient”. Participant two states, “The Singapore government actively promotes campaigns and programs relating to CSR”. Thus, government plays a vital part in effective CSR best practices and standards worldwide.

DISCUSSION

Summary of two innovatory CSR models: The two innovatory models derived from the seven key CSR lessons learned and five inadequacies of current CSR models. Compared to other CSR models, these models incorporate internal and external domains that meet at the global crossroads of commonality without focusing solely on stakeholder demands or charitable contributions. There is no social domain because CSR begins with the individual. In addition, the innovatory models do not include a philanthropy domain because charitable contributions do not increase the competitive advantage and ethics of business and society. Thus, the innovatory models embody and integrate internal domains of the individual, leadership, HRD and the organization, into the external domains of society globally.

Instead of focusing upon specific industries, CSR issues and external domains, the innovatory models’ internal and external domains provide a common global framework to establish CSR best practices and standards worldwide. The first model is a concentric circle that has culture in the center, followed by personal and collective ethics, economic, legal, environment and government domains. The second model is a concentric circle that has HRD in the center followed by the same domains as in the first model. Due to the consistent changing global environment, HRD can be a viable and sustainable resource to increase competitive advantage with CSR best practices and policies and drive cross-cultural CSR into the core global business strategy of an organization. The domains are interdependent and equitable. Overall, the two innovatory CSR models can drive and set CSR global business standards within an integrated and interdependent common framework worldwide.

CSR model I:

Culture domain: Global cultural norms can differ with regards to decision-making. The participants’

responses, No. 4 and 6 key CSR lessons learned and the first inadequacy of current CSR models reveal that when people can be flexible and put aside cultural differences and begin with the basic cultural similarities and values people can “solve conflicting views in a professional, matured manner” (participant two). Murtha *et al.* (1998) suggest “that managers faced a need to unlearn a logic that evaluated integration and responsiveness as trade-offs before they could replace it with a logic of synthesis”. Thus, effective CSR requires a global organization to be a global learning organization.

On the other hand, the participants recognize the necessity to understand cultural differences. Global organizations should begin with the basic cultural similarities to move forward to cross-cultural differences and values. Participant three argues, “In cross-cultural negotiation, there is a need to examine cultural diversity in various multicultural societies and not just assume that cultural diversity in other countries is similar to cultural diversity in North America” (Osman-Gani and Tan, 2002). Therefore, in order to interact successfully across cultures global leaders, managers and individual employees should continually unlearn and relearn the similarities, ambiguities and differences of other cultures and themselves.

Personal and collective ethics domain: The participants overall responses, the fourth inadequacy of current CSR models and No. 1, 2 and 6 key CSR lessons learned led to a personal and collective ethics domain. Participant three recommends, “All ethnic groups are individual and collective (Osman-Gani and Tan, 2002). Therefore, all ethnic groups can practice individual and collective ethics by starting with common ethics. Participant one suggests, “Deep down inside us, (ethics) must be the same. We may be different only in the circumstance of our lives” (participant one). Continual ethics training can “teach the younger generations about the evils of corruption and the problem that corruption can cause to the individual, to organizations, to families and to the society at large” (participant two). Global organizations should promote continuous ethics training to “prevent the need to corrupt” and to influence the “mindset and value aspects of people in society” (participant two). Furthermore, global ethics training can help to omit “the opportunity to corrupt” through the “development of control mechanisms, systems, structures and business practices” (participant two).

Effective global CSR can succeed with “mindset management through learning, education and experience” (participant two). Petrick and Quinn (2001)

suggest “good business judgment in the face of uncertainty and complexity that distinguishes the excellent from the average or poor business leader and for that reason, judgment integrity is at the core of integrity capacity and business leadership accountability”. Overall, the emphasis of personal and collective ethics can help to reveal individuals and groups that may be detrimental to organizations and society, while promoting individual ethics and collective ethics that can benefit organizations and society.

Economic domain: The third inadequacy of current CSR models, No. 3 key CSR lesson learned and participant one and participant two answers demonstrated how economic decisions play a vital role in the future success of the global organization and society. For these reasons, CSR requires an economic domain. Participant Two argues, “as far as I am aware, many Chinese Singaporean businesses have a balanced approach to running a business enterprise, especially the very well established ones. Economic performance is as important as social contributions”. Participant one implies, “All businesses are set up to make money and the Singaporean Chinese makes money. Some Singaporean Chinese head clans that contribute back to their people. Younger Singaporeans have other ways of giving back; they give of their time, money and resources.” Overall, participant one and participant two view economic activity as foundational to all other domains because it is important to maintain a strong competitive position and to live a better quality of life.

Legal domain: The legal domain derived from No. 5 key CSR lesson learned and consistent answers about necessary laws from participant one and participant two. CSR appears unnecessary or “hyped up” (participant one) because the Singapore government will implement tough laws as necessary. “If we take the several campaigns in Singapore from the early years, about 1960s, we had the Keep Singapore Green and Clean campaign, we banned chewing gum as people were sticking them to lift buttons and the train doors. There was a No Spitting campaign too. You will smile if you understood why people spat in the first place. The Singapore government is not a populist government. If CSR refers to organizations being socially responsible, there are no laws addressing this. Other common laws are sufficient” (participant one). Singaporeans “follow strictly the rule of law as we conduct ourselves in the public arena” (participant one). Although participant one and two are not aware of any legal requirements relating to CSR, the Singapore

government “does actively promote CSR campaigns and programs” (participant two). Moreover, CSR is implicit in the “common laws of Singapore” along with “tight corporate governance” (participant one). Therefore, strict interpretation, regulations and enforcement are necessary to prevent global corruption and advance CSR worldwide.

Environment domain: Participant one and participant two’s answers about the environment and No. 3 key CSR lesson learned indicate that business impacts natural resources. Participant one suggests, “CSR as it is spoken about today is hyped up. The most basic premise is that as individuals and organizations we need to take only what we need from the environment and buy only what we need”. Participant two elaborates, “in Panasonic we do work closely with the secondary schools to promote environmental management and we also recently held an exhibition to showcase Panasonic’s products that are eco-friendly and thus environmentally friendly too”. Natural resources are integrated with the economic and social decision-making of Participant one and two to increase competitive advantage of the global organization and society. Thus, a global organization should integrate economic, social and environmental performance equitably to increase ROI.

Government domain: The fifth inadequacy of current CSR models, No. 7 key CSR lesson learned and participant one and participant two responses about the role of government in CSR demonstrate the need for a government domain. Participant one argues, “The Singapore government is not a populist government. It will implement tough policies when needed”. The Singapore government “does actively promote campaigns and programs relating to CSR” (participant two). Peck and Gibson (2000) recommend, “There is a crucial role for governments in facilitating the transition to an economy that is much more efficient, much more fair and much less damaging. Governments that lead and practice CSR values globally will be in a stronger position to set the agenda and establish advanced positions for their industries and their citizens. Countries that lag behind will inevitably face increasing competitive disadvantage and lost opportunity” (Peck and Gibson, 2000). Overall, the Singapore government plays an active worldwide role in promoting CSR practices collaboratively across global sectors and industries.

CSR model II (includes model I domains with the HRD domain): The HRD domain was added as a

second CSR model due to participant three’s response to the interview questions and No. 4 key CSR lesson learned.

HRD domain: Although participant three did not have the time to answer the interview questions, he suggested reading two articles that he published. The articles led me to create a second CSR model that adds HRD as a CSR domain. In one article, Participant three argues “HR professionals were found to be relatively weak in strategy formulation, partnering and consulting skills, which are essential in today’s business environment. Other deficient areas include financial skills, cross-functional experience, project management skills and understanding of business” (Osman-Gani and Chan, 2009). HR professionals should be required to have CSR global business skills because not all global leaders will be knowledgeable about the concepts and effective best practices of CSR. Instead of organizations focusing on a CSR department, talented HRD professionals that have CSR global business skills can provide ongoing global CSR education and trainings to leadership and individual employees. Thus, continual CSR and global literacy assessment and training for leadership and employees can increase organizational performance, ROI and reduce globalization’s unintended consequences.

HRD can play a vital role in providing cross-cultural trainings in global negotiations and global leadership. Multiculturalism is practiced differently in many countries. Participant three suggests examining “cross-cultural negotiation not just from the cultural diversity perspective of the United States but also from that of other multicultural, multiethnic societies” (Osman-Gani and Tan, 2002). Because not all global leaders may be sufficiently knowledgeable about the concepts of global literacy, HRD can be useful in providing best practices of global CSR that reveal the subtle differences of multicultural societies and cross-cultural communication. Overall, HRD can be a useful tool to develop and implement CSR practices on an individual and organizational level.

When HRD and CSR are aligned into the core global business strategy instead of a CSR business unit, HRD can play a vital role to improve and achieve global strategy, change management and organizational performance. Furthermore, instead of global organizations focusing on a CSR department, CSR and global business skilled HRD professionals can integrate CSR into the core global business strategy. Additionally, HRD can provide ongoing CSR education and trainings and measure the business impact of global leaders, managers and individual employees to increase ROI.

CONCLUSION

In conclusion, two innovatory global CSR models were developed as a result of the participants' responses, seven key CSR lessons learned and five inadequacies of current CSR models. The innovatory CSR models are not considered to be inclusive of all possible global business practices and the models do not attempt to classify the activities of individuals and organizations solely within a CSR model. However, the innovatory CSR models can assist global organizations to successfully manage changing global conditions when the organization is viewed as an interwoven and dynamic whole that generates continuous knowledge and bridges its systems, processes and structures that are constantly transforming into an internal and external common global network.

Philanthropy and stakeholder requests do not increase the competitive advantage and ethics of business and society. Therefore, the innovatory CSR models can be a useful tool to help global organizations develop, implement and drive CSR within the core global business strategy and set CSR standards worldwide. Because business and society have a reciprocal relationship, people can use their money to increase business competition, education and other quality of life concerns when people desire a better way of living in the present and in the future that can result in "a place to shine" (participant two). CSR values, not stakeholder demands or charitable contributions from global business leaders, managers and individual employees play a significant role in reducing globalization's unintended consequences and increasing the competitive advantage of global organizations and society. Furthermore, instead of global organizations solely responding to stakeholders' requests and meeting society's charitable norms, global organizations can become a resource to shape and advance cross-cultural CSR best practices and policies worldwide. In sum, the innovatory CSR models integrate internal and external CSR domains that can create a global common framework to set CSR standards and achieve worldwide business and society excellence.

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