Corporate Social Responsibility: Issues and Implementation in APO Member Countries

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“The mutual dependence of corporations and society implies that both business decisions and social policies must follow the principle of shared value. That is, choices must benefit both sides. If either a business or a society pursues policies that benefit its interests at the expense of the other, it will find itself on a dangerous path. A temporary gain to one will undermine the long-term prosperity of both” (Porter and Kramer, 2006:7).

Corporate social responsibility (CSR) was identified as a major issue in the May 2007 APO Study Meeting on the Social Dimensions of Productivity, in Kuala Lumpur, Malaysia. This paper defines CSR and offers three perspectives: 1) a brief review of current debates and perspectives on CSR; 2) promising organizational implementation practices; and 3) issues identified by APO member country participants. It concludes with strategic directions and actions for member countries derived from the creative conference deliberations.

**Current Debate on Corporate Social Responsibility**

“A business organization’s configuration of principles of social responsibility, processes of social responsiveness, and policies, programs, and observable outcomes as they relate to the firm’s societal relationship.”

Carroll’s classic definition included four parts: economic, legal, ethical, and voluntary or philanthropic (Carroll, 1983: 604; 1993; 2004). The interdependency between corporations and their social impact is clear in all definitions. In the private sector, CSR is an organizational imperative to address the “triple bottom line” (Elkington, 1998) of “people, planet, profit.” In the public sector, these initiatives focus on more sustainable environments, including public accounting tools (United Nations ICLEI, 2007).

Because CSR has emerged from the tensions between business and society (Friedman, 1970; Handy, 2002; Martin, 2002; Kooskora, 2006), the voices for doing good have overridden much of the complexity associated with actual implementation of social and environmentally good works. For example, pharmaceutical companies have been expected to respond to the AIDS pandemic in Africa, even when international legal and regulatory requirements would have increased their corporate liability and even though such pharmaceuticals were not their primary product line (Porter and Kramer, 2006). Since organizations are highly variable, such as for-profit and not-for-profit, global vs. local, manufacturing vs. service, the path via which they can respond varies greatly. In general, however, CSR has been demanded more often from the for-profit sector, where larger firms are more easily targeted by activists. Demands for increased social responsibility from the not-for-profit sector have taken the form of advocacy and legislative and regulatory initiatives (United Nations ICLEI).
Demands for CSR may be viewed in the context of four major arguments (Porter and Kramer, 2006): 1) moral obligation to “do the right thing”; 2) sustainability, focused on environmental and community stewardship; 3) license to operate, since corporations need approval to do business; and 4) reputation in terms of the company’s image, brand, morale, or stock value.

Porter (2006) said “…CSR has emerged as an inescapable priority for business leaders in every country.” Even among committed companies, responses to the various ranking and performance measures, resolutions, and government regulations have most often resulted in variable corporate reports derived from anecdotal, opportunistic initiatives. For example, 64% of the 250 largest multinational corporations published CSR reports in 2005 (Porter, 2006: 2). Thus, CSR remains complex theoretically, politically, and practically. Still, companies are now held accountable for the social consequences of their actions and are expected to consider social and environmental consequences along with their profit-driven priorities: “The question is no longer ‘whether’ but ‘how’ organizations can combine the principles of social responsibility with profit generation (Dentchev, 2005: 3; Smith, 2003).

**Theoretical Perspectives**

Theoretical criticisms portray CSR as ill defined and say that studies of CSR have an inherent social desirability response bias (Dentchev, 2005) and that measures of CSR lack validity. For example, Professor David Brady, Stanford University Graduate School of Business said, “When executives talk about corporate social responsibility, they can mean a million different things by it” (Steen, 2007: 1). Likewise, measures of CSR lack validity. For example, Chatterji et. al. (2007) evaluated the predictive validity of Kinder, Lydenberg, Domini Research & Analytics
(KLD), a widely used environmental rating, with mixed results. They called for more studies to include valid and standardized measures, examine correlations with financial performance, and investigate sound decisions about socially responsible forms. Thus, ratings that influence billions of dollars of socially responsible investments have been largely untested for various types of validity. Meta-analyses of the relationship between CRS and corporate financial performance (CFP) and other studies are underway to address this question, born of stakeholder theory (Orlitzky, et al., 2003; Perrini, 2006). Various theoretical models have been proposed using sociological frameworks such as contract theory, agency theory, social change, and poststructuralism, along with economic and accounting models (Crowther, 2004; McWilliams and Siegel, 2001).

**Political Perspectives**

The political complexities in CSR emerge mostly from the arguments for corporate moral obligations and license to operate, which imply a responsibility to the polity’s citizens. These are wide ranging, from a form of conspiracy thinking, i.e., that CSR is a myth (Doane, 2005), to regulatory control (because CSR is window-dressing if not regulated), to opposition to such regulation as emergent socialism:

The illusion of great and threatening power; the superficial attractiveness of this notion, and the frequent repetition of the mantra of corporate social responsibility have made this fallacy a part of the modern corporate zeitgeist. Like the citizens who were afraid to tell the emperor that he was naked, no responsible business official would dare contradict the notion publicly for fear of financial ruin, even though the practice continues to cost shareholders and society enormous amounts. This is especially so in large-scale retail businesses like Wal-Mart or Coca-Cola or BP that are highly vulnerable to organized public criticism. Our laws against extortion do no function effectively when it comes to corporations. And so to some extent these private entities have indeed, via the social responsibility notion, been converted into crypto-public enterprises that are the essence of socialism. Milton Friedman was right again (Manne, 2006).
Practical Perspectives

Practical implementation of CSR is currently uncodified. A search in major databases using the key words “corporate social responsibility” and “implementation” produced fewer than a handful of relevant citations. It appears that CSR practices fall in to two major categories: CSR as strategy and CSR as social system interventions toward sustainability, almost entirely contained in the Appreciative Inquiry case reports of action research.

**CSR as Strategy**

Earlier accounts of CSR portray initiatives in the context of three categories (Hess et al., 2002), competitive advantage, the new moral marketplace, and the comparative advantage factor, and are subject to various evaluations. In addition to the fundamental debate about CSR’s relationship to the firm’s bottom line, or triple bottom line, Porter and others (Stewart, 2006; Windsor, 2006) argue that CSR requires a major focus, using a strategic analytic approach rather than reaction to outside pressures or good intentions. Using the same value chain, he proposed in 1985 to map corporate strategy, then propose the value chain that can identify the positive or negative social consequences of all a firm’s activities. Similarly, social influences on the firm’s competitiveness can be identified in the classic diamond framework.

Having identified social issues, they make a bold claim: “The essential test that should guide CSR is not whether a cause is worthy but whether it presents an opportunity to create shared value—that is, a meaningful benefit for society that is also valuable to the business” (Porter and Kramer, 2006: 8). As a result, they show how a company can create a corporate social agenda,
composed of “responsive CSR” and “strategic CSR.” Responsive CSR has two elements: acting as a good corporate citizen and mitigating adverse or anticipated adverse effects from the business activity, essentially from company operations. Responsive CSR is inherently limited, however, because it remains incidental to the company’s business.

Strategic CSR aims at achieving large and distinctive social and business benefits from a strategically focused set of initiatives (Carlisle and Faulkner, 2004; Crawford and Scarletta, 2005). Toyota’s Prius, the hybrid electric/gasoline vehicle, has achieved environmental and competitive benefits by cutting gas consumption in half and pollutants by about 90%, while establishing the world standard in this technology. McDonald’s, well known for its support of hard-working franchisees, has also established its educational partnership with degree-granting institutions, offering tuition reimbursement and very high levels of internal promotion within its ranks, in addition to its waste reduction initiatives. Whole Foods has constructed an entire corporate value chain around its commitment to natural, organic products and environmentally friendly operating practices.

Rogovsky’s 2007 study on socially sensitive enterprise restructuring (SSER) provides many examples from Asian and other global business practices. When faced with economic slowdowns, the socially sensitive enterprise “takes into account, as much as possible, all stakeholders’ concerns, in particular by the workers and the management, without forgetting the fine aim of restructuring, which is improved enterprise competitiveness and even enterprise survival.” Practical tools to accomplish SSER include training, to develop enterprise awareness of alternatives to downsizing as a single approach to restructuring in the face of economic
downturns. Early retirement, voluntary redundancy, and severance packages are part of SSER. Human resource planning in anticipation of restructuring can provide continuous training and education for workers to support job rotation, job redesign, alternative work schedules, and the like. For displaced workers, counseling, retraining in new job skills, direct assistance in job search, and support in starting new businesses were found.

Finland’s approach to productivity in the face of fierce globalization was reported by Peter Rehnstrom, President of EANPC. Finnish labor productivity has consistently increased for more than 40 years. Still, global competition demands that productivity be addressed as a “state of mind,” rather than as a singular goal. Productivity has many contributing factors, including economic growth, competitive markets, quality of goods and services, work organization, employment conditions, health and safety, workforce skills and education, the environment, and social partnerships. Since the normal business cycle typically requires restructuring during economic downturns, human resource approaches that address social needs and concerns can be more effective than mere cost-cutting and lay-offs. Investments in workplace education and training should be viewed as a national investment in the country’s social capital, since learning requires much more than a formal educational experience. Security and productivity are intertwined, requiring social dialogue to develop national policies that promote productivity.

On this point, Yoji Inaba, Nihon University College of Law, provided case studies on social capital and productivity improvement. Social capital “refers to the social ties that facilitate collective actions among members of communities including firms” (Inaba, 2007: 2). Significant social capital may contribute to better health, better education, and knowledge transfer, lower
crime rates, social inclusion, or even higher productivity, where trust and norms permit a focus on shared goals, investments, and growth instead of antisocial activities. Inaba’s empirical analyses showed relationships to various factors, including labor participation, high school dropout rates, arrest rates, and other socioeconomic elements. Despite the need for more research, there is little doubt that social capital is related to socioeconomic stability and merits attention in social policy development. The Republic of China country report by Luh and Chang measured the impact of social capital on farmers’ economic performance in this conference.

**Issues and Implementation in Asian Productivity Organization Members**

Examples of policies that promoted productivity through social capital and other dimensions of productivity were reported by Professor Tan Wee Liang, Singapore Management University Lee Kong Chian School of Business. Tan (2007) reported on the growth of social enterprises in Singapore, in which a range of charitable organizations have been encouraged to become entrepreneurial and more professionally managed. Various benefits have resulted from the government’s recent Social Enterprise Fund (SEF), operated under the Ministry of Community Youth and Sports. Launched in 2003, the SEF awarded $3.6 million to 38 projects, of which 33 started operations. Now subsumed under the Community Care Endowment Fund (ComCare), “the ComCare Enterprise fund will help provide seed money to fund sustainable enterprises in the community that help need Singaporians and families” in the form of providing jobs or programs (Tan, 2007: 11). Additional funds may be expected from increased social venture philanthropy from businesses to sponsor a new charity, foundation, program, project, or social enterprise.
Seven additional social enterprises were described. For example, the FUED Café, short for Fun and Education, was begun by Anderson Tan, a private-sector social entrepreneur, to keep youths off the street in a safe, homely environment. As a half-café, half-LAN gaming center with food and beverages at low cost, it became a safe haven for kids and a source of part-time employment. An example of a government-initiated social enterprise is Bizlink, founded in the late 1980s “to link businesses to persons with disability, by providing job training and placement” (Tan, 2007: 14), from which three social enterprises had grown by 2006. In 2002, the Singapore Technologies Group (ST) collaborated with Bizlink. Trusted Hub Limited was incorporated, where Bizlink manages the disabled workforce in ST’s digital imaging lab. Later, Trusted Hub provided the technology for Singapore Airline ticket scanning, with Bizlink managing day-to-day operations. Within three months, this business became self-sustaining and generated 30 jobs for persons with disabilities, processing approximately 35,000 tickets daily. Data Entry Centre began in 2004, entering order form data and flagging undelivered mail. With additional contracts, it grew to 11 data entry operators, completing data entry on around 3,500 insurance policies per month.

Continued success of these social enterprises, much like small and medium enterprises (SMEs), requires entrepreneurial infrastructure specific to the needs for resource development. Financing, endowments, labor, and institutional governance structures and practices will be essential to achieve professional management and sustain mutually supportive relationships with the private sector. Sources of such professional training include the Singapore Management University’s center, with the Lien Foundation, which provides interns to work on social enterprises, founded
by Professor Tan. Another is Students in Free Enterprise (www.sife.org), in which students around the world are encouraged to apply free enterprise principles to help people in need.

A summary of participants’ country papers and presentations is included in the accompanying Table, showing a wide range of productivity initiatives in terms of their social dimensions and emerging results to date. In addition, three work groups suggested strategies to advance productivity with attention to its social dimensions in their respective countries. The most important social dimensions included:

- **Education** (formal education, literacy, workplace training, technical skill levels, and managerial development)
- **Societal conditions** (national infrastructure, business laws and investments, socioeconomic status, health, social security, population characteristics, social cohesion, and cultural and behavioral norms)
- **Technology** (state and appropriateness of available technology, transfer of skills, manufacturing practices, and extent of R&D)
- **Workplace conditions** (labor laws and practices, sharing gains from productivity, motivation, work ethic, communication, skill development, appropriate use of information technology, and facilities and services to enhance efficiency and effectiveness)

Suggested strategies address macro-level national planning, system development, and research to assess the level of CSR across countries.
National Planning

The link between government and business is inescapable. Therefore, each country needs to develop its plans in the context of its current social and economic conditions, with an aim toward global ideas such as the Millennium Development Goals to reduce poverty and achieve universal education. Using a stakeholder approach, government aims and plans can be achieved with public-private partnerships, as seen in the country reports from India, Pakistan, the Philippines, and Thailand. Government incentives for worker training and retraining, new technology development and dissemination, knowledge transfer among companies, infrastructure development, and business growth, especially among SMEs, have demonstrated success.

System Development

Participants suggested that a systems approach can advance productivity, including the concerns of various stakeholders who develop shared strategies to achieve key goals and objectives. Without sufficient agreement, the critical mass to advance productivity on a national level is unlikely. Therefore, attention to the concerns of government, employees, customers, and shareholders empowers a given plan. Each contributes to the success of a national initiative. Government offers the opportunity for consistent polices that advance corporate social responsibility and sustainability within the context of international and national norms. Governments can also establish major infrastructure, such as land and road developments and education. Shareholders demand effective management and good corporate image, while customer satisfaction requires quality and marketing. Employees want a sense of ownership and a safe, motivating workplace. These are synergistic and promote the formation of social capital at micro, meso, and macro levels, which is related to productivity. Examples of different plans and
productivity initiatives are shown in the country reports from Fiji, Indonesia, Malaysia, Mongolia, Nepal, and Sri Lanka.

**Assessment and Promotion of CSR**

In its broadest sense, CSR provides a framework in which all stakeholders can advance the triple bottom line of profits, people, and planet (Elkington, 1998). The following stage model of CSR was proposed:

- Unaware
- Compliance (involuntary, voluntary)
- Responsive
- Proactive
- Champion
- Ideal champion

More fully developed, such a model would permit research and assessment across industry and service sectors and across countries. The country report for Japan noted recent CSR research. Case studies, promotional materials, and training provided by the APO for member countries would allow NPOs to enhance knowledge transfer. The adoption of CSR could strengthen public-private partnerships, increase support for important social needs that affect productivity, and enhance the actual value of a company as perceived by its customers. However, CSR examples should include feasible examples to adopt and show tangible benefits. Examples include workplace childcare, community development for youth, women’s entrepreneurship,
sustainable agricultural practices for major buyers (such as Green Mountain Coffee Roasters),
and family-friendly workplace policies.

**Practical Applications to Advance CSR and Management Education**

The Aspen Institute provides a remarkable focus on CSR and sustainability. Examples can be
accessed in CASEPLACE.ORG, Developing Leaders for a Sustainable Society
(www.caseplace.org). An expanding Web site contains results and resources from the Aspen
Institute’s biennial survey in 2005, Beyond Grey Pinstripes, Preparing MBAs for Social and
Environmental Stewardship (www.beyondgreypinstripes.org). Educators and practitioners will
find “the world’s biggest MBA database, including detailed records of 1,672 courses, 1,730
extracurriculars, and 216 research articles at 128 schools on six continents.” Beyond the strategic
focus on CSR, implementation of CSR has yet to be codified. However, a major category of CSR
initiatives are conducted within an Appreciative Inquiry framework.

**Appreciative Inquiry Overview and Educational Developments**

Historically, organizational development and large system change initiatives have been
conducted within a problem-solving focus. Kotter’s eight steps for leading change (Kotter,
1996), reengineering (Hammer and Champy, 1993), and GE workout methods (Kerr et. al.,
2002) are examples. A new paradigm was developed largely by David Cooperrider, Chair of the
Center for Business as an Agent of World Benefit (BAWB), at the Case Weatherhead School of
Management. Called Appreciative Inquiry, Cooperrider developed a whole-system approach
within organizational development, social system change, and sustainability initiatives, now used
around the world. Appreciative Inquiry is prominent among a variety of sustainability initiatives,
which are themselves becoming a major new educational development (Vian et. al., 2007; Zink, 2005). An excellent overview of Appreciative Inquiry was provided on 24 January 2007, when Cooperrider and Chris Laszlo, cofounder of Sustainable Value Partners and visiting professor at Case Weatherhead School of Management, conducted a Web conference, sponsored by CasePlace.org, entitled “Sustainability for Value and Profit”; both the audio record and PowerPoint handouts can be downloaded from CasePlace.org (http://www.caseplace.org/references/references_show.htm?doc_id=448936). In February, 2007, a new executive program was launched, Sustainability for Value and Profit, with Cooperrider and Chris Laszlo, (http://www.caseplace.org/cnlib/pub/attachment_display.htm/FinalSustainabilityPressRelease_V2.pdf?object_type_id=2&download_key=mFjNBqWqoF&attachment_id=2_434382_3o9nr3aqY8.pdf).

Appreciative Inquiry transforms change management from a deficit inquiry into an appreciative inquiry about opportunities to be achieved (Bushe, 2005; Calabrese, 2006). A comparison of deficit-based thinking and Appreciative Inquiry is shown below:

<table>
<thead>
<tr>
<th>Deficit-based Problem Solving</th>
<th>Appreciative Inquiry</th>
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</thead>
<tbody>
<tr>
<td>Identify a problem to fix</td>
<td>Appreciate “what is” by imaging what gives life</td>
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<tr>
<td>Conduct root-cause analyses</td>
<td>Imagine what might be</td>
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<tr>
<td>Brainstorm solutions</td>
<td>Determine what should be</td>
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<tr>
<td>Develop action plans</td>
<td>Create what will be</td>
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</table>
Furthermore, Appreciative Inquiry (Araujo, 2003) must be grounded in leadership actions, including:

--positive assumptions about people and organizational and social relationships vs. problem focus;
--positive regard for diversity and multiple perspectives vs. reductionistic summary efforts;
--commitment to relationships as the source of energy for change vs. bifurcated, small group, and event facilitation; and
--discipline to ask the unconditional positive question vs. the more ingrained problem-focused approach.

The beliefs and the challenge in Appreciative Inquiry are to create an organizational environment of inquiry based on changes in the conversation, i.e., genuine dialogue, in which the relationship and learning process are derived from and drive the positive experience. Appreciative Inquiry creates a transformational environment beyond change management by discovering and harnessing the organization’s inspired action toward the achievement of deeply held ideals and dreams. This advances the social capital within the organization.

Corporate transformations using Appreciative Inquiry applications focused on sustainability have been reported in many types of companies, including DuPont, Fairmount Minerals, and Green Mountain Coffee Roasters in Mexico (http://www.business-ethics.com/whats_new/100best.html) and healthcare initiatives (Vian, 20007). It is clearly the most prominent practice advancing sustainability initiatives.
Educational programs are also adopting CSR and sustainability elements into their curricula, such as Washington State University Vancouver’s MBA program (http://www.caseplace.org/references/references_show.htm?doc_id=409777). McGaw and Gentile (2005) provide an excellent “overview of approaches by leading business schools around the globe to build the capacity of graduate students” concerning issues of sustainability using the Aspen Institute survey data. Twelve centers and institutes are identified as having a major focus on sustainability, with additional centers focused on globalization, and major educational reviews address the business case for sustainability, such as the Stanford Graduate School of Business (2006) and others (Gentile and Samuelson, 2005). Professional technical programs are flourishing, as well as executive development and social impact training.

Summary

CSR clearly impacts our corporations, society, and educational organizations. It provides a powerful driver for sustainable productivity across national boundaries. Despite its complexities, the numerous sustainability initiatives point toward continued, positive impact. Most of the reported cases have adopted Appreciative Inquiry as the predominant framework for shaping sustainability initiatives. Educational programs are expanding their integration of CSR and sustainability issues and practices into their leadership development programs. To date, the debates are better recorded than actual practice and results. This creates an opportunity for leaders and practitioners across the globe to participate in the many virtual communities that report on these exciting efforts and to collaborate with programs already in existence. NGOs and national leaders could create partnerships with skilled educators and scholar-practitioners to design, implement, and evaluate CSR and sustainability initiatives. In particular, continued
assessment and meta-analyses of these programs will better inform the largely anecdotal reporting to date.
References


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Table. Summary of Asian Productivity Organization Initiatives with Social Dimensions

<table>
<thead>
<tr>
<th>Country</th>
<th>Productivity Initiatives</th>
<th>Social Dimensions Addressed</th>
<th>Results</th>
<th>Author/Participant</th>
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</thead>
<tbody>
<tr>
<td>Cambodia</td>
<td>National Productivity Center</td>
<td>Education, technology training</td>
<td>Improved workforce skills</td>
<td>C. Sophanna</td>
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<tr>
<td>Fiji</td>
<td>NPO and Service Excellence Framework in public service organizations</td>
<td>Cultural mind set, performance expectations, customer service, and employment opportunities</td>
<td>Education and training</td>
<td>U.R. Sen</td>
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<tr>
<td>India</td>
<td>Commitment to Millennium Development Goals and social productivity to increase productivity, equity, sustainability, and empowerment</td>
<td>Socioeconomic challenges, including education, health, infrastructure, making growth inclusive, major social-sector initiatives to create social infrastructure and employment in rural areas, with accountability and transparency</td>
<td>Among world’s fastest-growing economies, with dramatic social improvements despite challenges in a country of 1.1 billion people</td>
<td>U.S. Singh, S.K. Das</td>
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<td>Country</td>
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<tr>
<td>Indonesia</td>
<td>Improving quality of public service through regional autonomy to enhance economic growth</td>
<td>Performance improvement through assessment and merit payment, training and education, and procedural efficiencies</td>
<td>Case study in local government shows improvements in rates of education, decreasing poverty, increasing per capita income, and more effective government services through restructuring, job analysis, performance evaluation systems, and budget improvements</td>
<td>Kristiono</td>
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<tr>
<td>Iran</td>
<td>Improvements in agricultural productivity, education, technology, use of natural resources</td>
<td>National planning initiatives, education, agricultural technology</td>
<td>Improved outputs, skills, rural development</td>
<td>R.S. Sabet</td>
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<td>Country</td>
<td>Productivity Initiatives</td>
<td>Social Dimensions Addressed</td>
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<tr>
<td>Japan</td>
<td>Research Study on Indexation of CSR</td>
<td></td>
<td>CSR behavioral indicator: Sustainable Productivity Index (SPI), measuring strategic implementation of CSR, allowing for evaluation. Derived from 350 corporate responses to survey questionnaire, SPI top-ranking companies view all stakeholders as important, have process to formulate CSR policy and cascade to all employee using PDCA cycle, and are guided by principles for justice, integrity, fairness and equity in productivity gains, and transparency in accounting</td>
<td>S. Ueda</td>
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<td>Malaysia</td>
<td>Productivity-driven national growth strategy</td>
<td>Productivity framework shows relationship between productivity and better quality of life</td>
<td>Quality of Life index shows improvements in 11 components of life; transformation from agrarian to manufacturing based economy, with radical reduction on poverty through national planning for diversified macro economy, corporate social responsibility and support for entrepreneurship among women</td>
<td>N.A.M. Amdzah</td>
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<tr>
<td>Mongolia</td>
<td>M-T-S LLC case example</td>
<td></td>
<td>Established in 1998, MTS, LLC produced higher-quality food products to achieve Mongolian standards adopted in 2003. MTS, LLC won top national awards since 1999, including Top National Enterprise from government and National Chamber of Commerce; CSR incorporated into product advertising</td>
<td>U. Ulambayar</td>
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<td>Nepal</td>
<td>Impact of NPO and Chamber of Commerce in promoting open market policies and business development</td>
<td>Need for common goals in business and society to achieve productivity and improve social benefits.</td>
<td>Common consensus on productivity among government, employers, trade unions, industry and trade associations achieved, with more to be done; Nepal Chamber of Commerce increasing awareness of importance for joint efforts on productivity, entrepreneurship, and social innovations between business and society</td>
<td>R.B. Chakubaji</td>
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<td>Pakistan</td>
<td>National Productivity Organization reestablished on macro- and micro-level goals to strengthen SMEs and promote productivity through public/private partnerships</td>
<td>Change mind-sets among the nation’s population about productivity, through stakeholder approaches in rural areas; developing human capital and knowledge through continuous learning and technology transfer; advancing quality improvement through extensive training programs in public and private sectors</td>
<td>About 40,000 workers completed training in public and private sectors; policy planning achieved international cooperation, with a clear NPO focus in the re-designed organizational structure</td>
<td>S.T. Shahabaz, I.A. Sheikh and K. Shabbir</td>
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<td>Philippines</td>
<td>Public-private partnership advanced employment conditions, productivity, gain sharing through socially responsible programs for SMEs</td>
<td>Working relationships between big and small/medium enterprises; training and educational programs; capacity building for knowledge gains and technology transfer; joint problem-solving processes; and policy development and transparent governance to advance productivity</td>
<td>Significant, widespread improvement in productivity; improved profitability of SMEs; better working conditions and relationships</td>
<td>J. Maligaya and C. Bagtas</td>
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<td>Country</td>
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<td>Republic of China</td>
<td>Using economic models for benefit measurement of social capital</td>
<td>Research on association of networks with productivity and production efficiency at local and global levels, showing local networks can work.</td>
<td>Using farmers’ organizations, analyses show improved economic performance as a result of services provided by social networks. In a global analysis, networks did not show as positive an impact.</td>
<td>Y.-H. Luh and C.-C. Chang</td>
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<td>Sri Lanka</td>
<td>Improved productivity, motivation and leadership through the 5 S system</td>
<td>Motivation, team work, decision making, work flow coordination to achieve goals.</td>
<td>Improved productivity in textiles and small industries; better team work, decision making, and attitudes to achieve goals.</td>
<td>S. Suraweera</td>
</tr>
<tr>
<td>Thailand</td>
<td>Ministry of Labour Project on Labour Standard Development to enhance free trade, 2002–2006</td>
<td>Standard on Thai Corporate Social Responsibility incorporated, along with others, into Thai Labour Standard to improve work conditions, productivity, and gain distribution among employees</td>
<td>More than 300 businesses achieved new Labour Standard with improved work conditions; work redesign achieved more productivity while reducing significant overtime, with business and workers participating to achieve new Labour Standard, with case study on Thai Garment Development Foundation “SHARE” initiative.</td>
<td>P. Tangktiwongporn and S. Thangtongtawi</td>
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<tr>
<td>Vietnam</td>
<td>Economic growth in new industry sectors</td>
<td>Efficiencies, effectiveness in technology, production, and services</td>
<td>Improving quality, work conditions, and social conditions through productivity principles and training.</td>
<td>D.M. Binh</td>
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Corporate social responsibility (CSR) and "corporate citizenship" are also often used synonymously. The confusion of terms shows, on the one hand, that CSR is a broad field and covers many sub-areas, while on the other hand, that the term itself is misleading. This is because "responsibility" implies an externally imposed principle and emphasizes the less voluntary nature of CSR. These days, large companies cannot afford to not take CSR seriously. Some employ CSR specialists who help to not only formulate the companies’ moral code but also to monitor its implementation. India is the first country in the world to make corporate social responsibility (CSR) mandatory, following an amendment to the Companies Act, 2013 in April 2014. Prior to that, the CSR clause was voluntary for companies, though it was mandatory to disclose their CSR spending to shareholders. Businesses can invest their profits in areas such as education, poverty, gender equality, and hunger as part of any CSR compliance. From UPSC perspective, the following things are important: Prelims level: Not Much. Part 2: Implementing corporate social responsibility Task 1: Conduct a CSR assessment Task 2: Develop a CSR strategy Task 3: Develop CSR commitments Key international CSR initiatives of governmental or intergovernmental bodies CSR and Human Rights Task 4: Implement CSR commitments Task 5: Report and verify progress Task 6: Evaluate and improve. Corporate Social Responsibility: An Implementation Guide for Business. Our biggest challenge this century is to take an idea that seems abstract—sustainable development—and turn it into a reality for all the world’s peoples. Kofi Annan, former UN Secretary General.