

Corporate Social Responsibility

Corporate self-regulation integrated in a business model

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Abstract— Today consumers, investors, governments and even employees have become more sophisticated and more aware of good corporate behavior, or lack thereof. In this new business environment, a company's reputation has become one of its most valuable assets, including Corporate Social Responsibility (CSR), which has become one of the key components of corporate reputation.

More and more Companies do Outsourcing of training opportunities, facilities and process of content creation discovers the outsourcing markets. Especially in the educational field corporate social responsibility can create more and more awareness of needs in “outsourcing” countries.

Outsourcing is a reality in today's global markets and brings many benefits to clients, such as faster deliveries, cost cuts, access to specialized skills, flexibility and elimination of peak staffing problems. However, an outsourcing provider needs to be chosen carefully. Trust, quality and social responsibility should be major components of a successful outsourcing experience.

“Ideally, CSR policy would function as a built-in, self-regulating mechanism whereby business would monitor and ensure its support to law, ethical standards, and international norms. Consequently, business would embrace responsibility for the impact of its activities on the

environment, consumers, employees, communities, stakeholders and all other members of the public sphere. Furthermore, CSR-focused businesses would proactively promote the public interest by encouraging community growth and development, and voluntarily eliminating practices that harm the public sphere, regardless of legality. Essentially, CSR is the deliberate inclusion of public interest into corporate decision-making, and the honoring of a triple bottom line: people, planet, profit.” [Wikipedia]

This paper will show some examples on how CSR could benefit businesses and education in developing countries. We also would like to motivate more companies joining this approach in their daily businesses.

In the increasingly conscience-focused marketplaces of the 21st century, the demand for more ethical business processes and actions (known as ethicism) is increasing. Simultaneously, pressure is applied on industry to improve business ethics through new public initiatives and laws.

We will also have a closer look to different approaches of CSR Practices. An approach for CSR that is becoming more widely accepted is community-based development approach. In this approach, corporations work with local communities to better themselves.

A more common approach of CSR is philanthropy. This includes monetary donations and aid given to local organizations and impoverished communities in developing countries.

Keywords— Corporate Social Responsibility, CSR, Thailand, Workplace

I. INTRODUCTION

Throughout the years Social Corporate Responsibility has been redefined many times. The CSR practices are still debated and criticized. On the one hand proponents argue that corporates benefit in multiple ways and its critics argue that CSR turns business away from its original focus and often is nothing more than a nice show to make companies look much nicer to the public.

The demand of ethical business processes is increasing. Still the most common approach for CSR is philanthropy. Companies are donating not seldom huge amounts of monetary values in projects and local organizations. Unfortunately this approach is not at all helping to build up skills of the local people.

Another more and more common approach is the community based development which leads to much more sustainability.

II. CSR IN THAILAND

Often CSR in Thailand is mentioned as part of a Western methodology. But especially here in Thailand the so called “patron-client culture”^[1] has very strong traditional roots in caring for the society around you.

Buddhist Temples and Mosques are much more than a place of worship. They often provide food and housing for the poor and education for the young people.

Helping those who are in need is seen as building the base for the next life. The lower ranking provide services and loyalty to the

higher ranking. The higher ranking provide for the welfare of their followers.

Companies can learn a lot from the royal projects. For example the Rajaprajanugroh Schools provide free education for those in need with most modern learning methods including e and blended learning.

Unfortunately companies have to compete for markets and capital. CSR has to fit their businesses so that companies can still take also responsibility for their shareholders and employees.

Companies like Intel, Microsoft and MSD focused in the past on education. Having a closer look to their activities we will realize that they are part of a very tight business idea which isn't always for the best of the society but very good to make people depending on them and creating a great security for the companies itself.

Especially the “American” CSR which came to Thailand seems to use CSR to run their businesses by building up good relationship with Peers and local communities as well with local organizations.

Japanese/Thai and Korean companies tend more to have the philanthropic approach to assist the needy. They don't focus so much on a strong business alignment.

In the past years many organizations have been formed, often with help from international organizations, to support CSR in Thailand. i. e.

- UNESCO Bangkok (supporting in multiple ways sustainable development and education for all since years)
- Kenan Institute Asia (financial support from USAID)
- Population and Community Development Association (PDA - Thai NGO) – their own business provides revenue for social activities.

- ➔ Thailand Chapter of the Business Coalition for Sustainable Development (focus on environment)
- ➔ Local Chapter of the Social Venture Network (midsize Thai and foreign companies)

➔ Thailand Business in Rural Development (TBIRD) – very innovative approaches i.e. in setting up companies in rural areas.

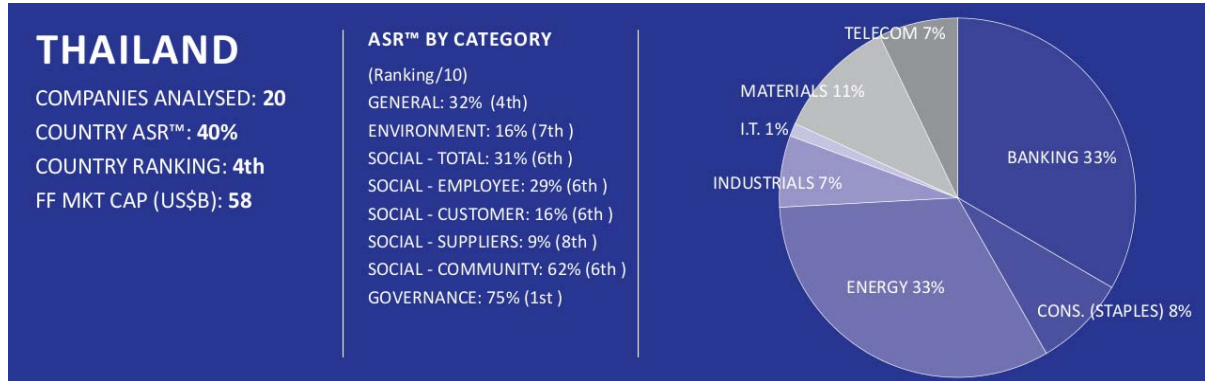


Fig. 1 Sustainability in Thailand - http://www.asiansr.com/Sustainability_in_Asia___Thailand.pdf

Since 2005 the Tsunami hit the Andaman region, Thailand became active in developing the ISO 26000 standard for social responsibility and Centers devoted to CSR and voluntarism have been established by governmental organizations.

In 2010 CSR Asia developed together with Responsible research an environmental, social and governance (ESG) benchmarking tool called the “Asian Sustainability Rating™,” (ASR™) Thailand is ranking 4th [2].

Thai companies did best in having governance, codes and policies in place. Charitable donations and community investment have been a common feature of philanthropic company leadership in the past and nearly all companies disclose some initiatives.

None disclosed reporting about 'long-term' and 'community relevant' and monitoring is very rare.

III. IMPLEMENTING CSR - YES/NO?

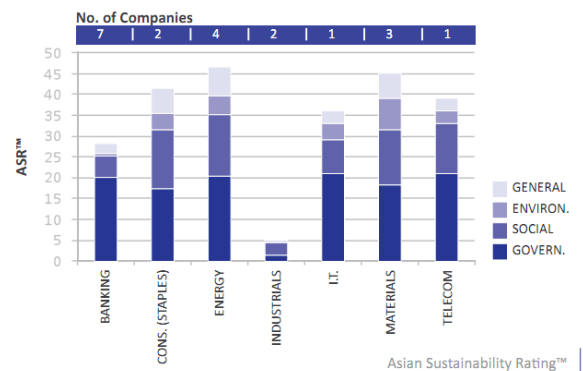


Fig. 2 Asian Sustainability Rating

The latest and most recent CSR arguments are profunded and go back to Milton Friedman:

- Executives owe a single duty in their jobs - to maximise returns for shareholders.
- Where the interests of company and society are aligned, then maximising profits can work to the benefit of society. But it isn't CSR.
- Where the interests of company and society are opposed, then executives have no business looking to the benefit of society, because it's against the interest of their shareholders.

- ☑ It is the job of governments to worry about society. They should introduce the laws, taxes and other incentives to make sure that companies can operate without having to worry about such things.

It seems to be a CEOs job to find the best way on how to make profit, mathematical seen. But there are many ways as those global Corporations mentioned at the beginning show us.

Microsoft would not invest in CSR so much if they would not profit out of it, nor do those others. On the other side while most car companies around the world only asked “What does the customer want today”, Japanese car manufacturers created the future before people started asking about. Japanese car manufacturers survived while others closed down as fact of missing CSR efforts in the past.

Many other examples like the Hurricana Katherina and Wal Marts activities demonstrate the power of CSR^[3]. Henry Ford realized this already when he started to pay his employees more salary so they can afford buying a car. Reducing poverty makes people buying things.

Most of those who started to invest in CSR did not know if it will turn back at least the values invested, but well implemented in a Corporation business plan CSR can be a vital part to increase wealth and prosperity for shareholders, employees and customers.

IV. LISANDI- CSR FOR SME

An Open, Democratic OpenSource Company



Fig. 3 We Empower People. The future is within us!

As an example we would like you to show how we implemented several ideas of CSR in our company.

In 2005 after the Tsunami where we did lots of Relief activities LisAndi Family got inspired by Srijan Technologies, an Indian TYPO3 Development Company. So we started to build up our own Company called LisAndi Co., Ltd.

Meanwhile the BOI certified LisAndi Business Development and Training Center at Software Park Phuket is part of the Creative Economy Zone Thailand in the heart of Open Source Innovation Paradise Phuket.

A number one location for excellent professional on time project management, training, design and development based on OpenSource technologies and principals. LisAndi sponsor social projects in Thailand with its knowhow and man power to empower people and businesses.

A. The way how we work:

After reading “A Better Way to Work – Towards Workplace Democracy” and longer skype chats/talks with Rahul Dewan (CEO of Srijan Technologies) we decided to follow their ideas by not only using OpenSource Software, but also being an "open" and democratic workplace.

We work differently than most traditional companies. We're in business to make a difference in the world we live in. We've started with making our company a better place to work with

- ☑ we're an extremely democratic and transparent organisation
- ☑ we've got distinct profitable-units who take decisions on their internal process, documentation, project communication processes fairly independently
- ☑ everyone's salary is made known to each person

- ☑ there's a core-committee comprising of key people across all groups; this committee gives overall direction to the company
- ☑ there's 20% profit sharing each quarter across all groups on achieving the targets; these targets have also been agreed to in the core-committee; each person has a single vote
- ☑ groups evolve their own appraisal mechanisms for distributing profits among the members
- ☑ all salary/remuneration corrections, including those for group heads, have to be approved by the group and then brought to the core-committee for final approvals; this leads to people setting their own salaries
- ☑ people are encouraged to work from home as often they like; only the group-heads are to kept in the loop on their activities (even the holidays and slow-work days)
- ☑ We take care as much as we can for our future generation - the kids of our employees and their families.
- ☑ we have regular team building and family activities
- ☑ we encourage and support our employees to work on social projects and i.e provide trainings of many different kinds for underprivileged and poor people.

B. Our Current Activities are:

Thanks to our BOI licensed status we are able to bring into Thailand highly qualified developers which help us to train Thai interns and our local customers. The huge "Thai" gap between the fear to get in contact and working for a foreigner is getting smaller and smaller. Currently we have a waitinglist for interns who want to start doing their internship with us.

Reasons are i.e. They work on real projects, get treated as Team Members who take place in decision processes. We encourage them to bring in their own ideas and they get also financially rewarded after the Team finished a project.

We join lots of social activities i.e. from our Local Lion Club of Patong Beach, the Phuket Navy League or the International Business Association of Phuket. We initiated and participated actively in the TechTalks at Software Park Phuket to bring professional knowledge about eBusiness and internet technology to mainly Thai People.

We go into schools and provide Computer, Ubuntu, Web Design and English Training to students and teachers.

We include our CSR Policies into our marketing efforts abroad and bring in new jobs and qualified technicians and trainers. We employ people who did not had the chance until now to get a university education and we train them to work alongside with us on real project tasks.

V. TRY IT YOUR SELF

We want to invite companies who want to change their workplaces to a more democratic one, as well as companies who would like to implement CSR into their businesses to get in touch with us. No matter how big or how small you are and how big your financial resources might be, there is always a way to make a change.

Join us in empowering people and businesses to bring back one major component of living together:

Be the change you wanna see in people!

ACKNOWLEDGEMENT

We would like to thank the Board of Investment of Thailand for his help to make our projects become possible. Without the legal requirements to bring in qualified foreigners into Thailand to train Thai underprivileged people and Students it would

not have been possible to run our company like we are doing it. Especially the fact that we are 100% master of our own company is the key of success in all our sustainable projects. It would be very helpful if these efforts for foreigners could be much more extended to bring in much more know how!

We also wanna thank all people who supported our past social activities financially and/or with manpower!

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