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Citation

Singapore Management University. Engaging the corporate citizen: Social challenges, business solutions. (2012).

Available at: <https://ink.library.smu.edu.sg/pers/26>

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Engaging the corporate citizen: Social challenges, business solutions

Published: 20 Nov 2012



When he came up with the idea of selling toilets in Cambodia, where more than 60 per cent of the population does not have access to basic sanitation, National Volunteer and Philanthropy Centre chief executive Laurence Lien was laughed at. His detractors told him: “Nobody is going to purchase toilets from you because this is a community that is dependent on (financial) aid.”

But tens of thousands of the toilets were sold within the first few months.

Speaking at the [Africa Singapore Business Forum, Connex](#), held at Singapore Management University in August 2012, Lien credits the success of the project to its ability to engage small businesses to develop, manufacture and market the sanitation products.

Instead of giving away free toilets, which the Lien Foundation had done previously, the new project engaged Cambodian small businesses to develop, manufacture and market the sanitation products. This created a business eco-system which fostered a sense of buy-in among the local residents who saw the toilets as an item with a given value.

Before long, the residents were designing, manufacturing and marketing these toilets. “The toilets which the foundation had previously constructed for the Cambodians were hardly utilised because the project had built a sense of dependency among the people”, elaborated Lien, sharing the experience to illustrate the difference between charity and philanthropy.

“One distinction between charity and philanthropy is that charity is to help people to get by; philanthropy is to help people get ahead or get out of the situation that they are in”, specified Lien during a panel discussion on the impact of corporate social responsibility (CSR) on the business environments in Singapore and Africa.

Lien believes that the key to helping communities build a better life lies in helping them achieve sustainability. This can be done by utilising their assets such as raw materials, labour, expertise and market knowledge to empower them to help themselves.. “CSR is moving towards helping these people get out of the situation they are in... So let’s get away from the traditional notion that it is just about the gift,” he said.

Not a one-way street

A key message during the dialogue session was that CSR and business profits are not mutually exclusive. SMU President Arnoud De Meyer said in an earlier speech that there is a “symbiotic relationship” between CSR and a company’s financial health. “I do believe, and there is a lot of research that indicates this, that they go together, and that it's part of being a good company. You are doing well financially, but at the same time you build up your corporate reputation and you invest in social performance," De Meyer noted.

Companies with a CSR programme are seen as taking care of their employees and improving the lives of the community. This helps the company develop positive links to the community – a necessity in some business environments such as Africa.

Sonny Aswani, director of the Tolaram Group, shared that when the company started operating in Africa, its CSR programme was implemented with a top-down approach. “Over time it dilutes to a natural situation where you see all the conditions around you, you really do want to go out and do something for those who are less fortunate.”

Tunde Onitiri, senior country manager at the International Finance Corporation in Singapore, said: “The more remote an area is (in Africa), the more responsibility the corporation has to take it up, whether you like it or not, because you are allocated the responsibility of government.”

This sense of responsibility is more acute for the African entrepreneur. Onitiri went on: “As an African entrepreneur, you wouldn’t call it CSR. There’s always these sense of responsibility to your employees...because of the cultural aspects of business. There’s always this sense of social awareness that you are responsible for the livelihood of your employees.”

Engagement and results

Another benefit of having a CSR programme for companies is that it can build employee morale by providing them with the opportunity to engage with the community. A survey conducted by HR consultancy Robert Walters in 2009 showed that 24 per cent of respondents in Singapore viewed a potential employer's green policies as a key consideration when deciding whether to accept a job offer.

Standard Chartered Bank (Singapore) chief executive Ray Ferguson said: "You need engaged and happy staff to engage with customers. CSR is not just about giving part of your profits; employees want to get involved."

Like business projects, a CSR programme cannot be implemented without having clear goals and indicators to measure its effectiveness. What these indicators should be is dependent on the kind of CSR work that is being done. For instance, if the company creates a medical centre for the community, then one gauge of success would be to see declining disease rates amongst the population, said Didier Acouetey, executive president of the Africa Search Group. He stressed the importance for companies to have clear criterion to measure the results for every CSR project it embarks on.

"That is why a lot of companies fail (in their CSR projects). They have a CSR policy just to please the community or the government."