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Contextualising CSR: Multi-stakeholder Approaches to Development Initiatives in Southeast Asia

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Multi-stakeholder Approaches to Development Initiatives in Southeast Asia

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As the focus on CSR expands throughout Asia, discussion prevails about the form it needs to take to be germane to the needs of each respective country. The authors discuss Kenan Institute Asia's efforts in developing a responsible management education (or CSR curriculum and training) for future managers and business leaders in Vietnam.

About the Authors

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Successful CSR is sustainable CSR. In order for CSR to be sustainable, it must incorporate a multi-stakeholder approach. This requires not only fully-invested partners, but engaged, invested stakeholders who work together to achieve a common goal.

As the focus on corporate social responsibility (CSR) expands throughout Asia and becomes increasingly embraced as a priority by governments, business and communities alike, discussion prevails about the form it is taking – or needs to take – to be germane to the needs of each country. Those priorities vary, and many are observing how national and cultural values are shaping how business takes action. Rapid economic, cultural and environmental changes within Southeast Asia are creating new opportunities, risks, and challenges.

The essence of CSR is working closely with key stakeholders, including employees, governments, communities, suppliers, non-governmental organisations (NGOs), and academia. Therefore, engagement of the stakeholders often leads to multi-sector initiatives that develop relationships between the firms and the other stakeholders and that provide economic, social and environmental benefits. These multi-stakeholder partnerships can leverage the resources of each partner to increase impact. Philanthropy is not sufficient. Solving problems alone is not sufficient. CSR which changes the community for the better in the long-term requires transformation in the way CSR is approached and this needs to begin not only with business people and government officials, but earlier in the learning process - with an approach to education that enables students to integrate CSR into their professional lives.

ACTIVE CITIZENSHIP AND CSR

The concept of active citizenship, where the ability to exercise rights in a community exists hand in hand with certain responsibilities to the community, forms the fundamental basis for CSR. Companies not only operate within and profit from a functioning society; they are expected to contribute to and improve the environment in which they work. This symbiotic relationship, where communities and citizens provide for each other, creates functioning and operational societies desired and needed by public, private and non-profit spheres alike. Businesses must become true community citizens in order to ensure that such a relationship continues and societies continue to prosper. To do so, companies must accept certain responsibilities:

- Know the social and political history of the community;
- Be willing and able to think critically, deliberate, and discuss mutually beneficial solutions with other members of society;
- Create public good through collaborative work between private, public, and non-profit spheres and
- Be a civic-minded and socially responsible citizen who chooses to make a difference in the lives of others.

These responsibilities indicate the significance of being culturally and socially sensitive to the environment in which an organisation operates. In order to contribute meaningfully to a community, a company must have a thorough and intimate comprehension of the community. Combining this understanding with meaningful, substantial, and socially responsible involvement in a community through a well thought-out mission is what makes a business a true active citizen.

Many companies understand and embrace the concept of corporate citizenship. They formulate a plan for CSR, which, over and over again, entails some form of corporate philanthropy. Businesses may choose a cause important to the community and donate money, time and resources to this cause. However, these practices don't create sustainable solutions to a society's problems, nor do they ensure businesses are truly combating the negative effects on the environment in which they operate.

MULTI-STAKEHOLDER APPROACH

Successful CSR is sustainable CSR. In order for CSR to be sustainable, it must incorporate a multi-stakeholder approach. This requires not only fully-invested partners, but engaged, invested stakeholders who work together to achieve a common goal. Companies do not simply give back to the community through corporate philanthropy; instead, they involve and work with its members to implement projects to bring about socially responsible change. Engaging in a multi-stakeholder approach is no easy feat – companies are faced with the challenge of identifying and understanding who their stakeholders

A multi-stakeholder approach requires clear definitions. The type of engagement must be defined, key stakeholders identified, expectations and priorities of all discussed and understood. There also needs to be a commitment to continually build trust and nurture a mutually respectful working partnership and clear identification of what makes the partnership a "win-win" venture.

are, beyond just the company shareholders and creating trusting, lasting relationships with them. They must adjust and adapt to global versus regional and local needs, as well as to different communities and cultures. The Center for Creative Leadership in North Carolina, U.S.A., examined the role of the multi-stakeholder approach, stating:

> *A stark and complex shift has occurred in how organisations must understand themselves in relation to a wide variety of both local and global stakeholders. The quality of relationships that a company has with its employees and other key stakeholders—such as customers, investors, suppliers, public and governmental officials, activists, and communities—is crucial to its success, as is its ability to respond to competitive conditions and CSR.[1]*

A multi-stakeholder approach requires clear definitions. The type of engagement must be defined, key stakeholders identified, expectations and priorities of all discussed and understood (with an acceptance that everyone will have an agenda of some kind). There also needs to be a commitment to continually build trust and nurture a mutually respectful working partnership and clear identification of what makes the partnership a "win-win" venture. A respectful and strategic multi-stakeholder approach to CSR is critical to creating thoughtful, innovative, and scalable solutions – the types of contributions which truly fulfil a company's responsibilities as an active citizen.

SUCCESSFUL, SUSTAINABLE SOLUTIONS

As mentioned above, successful CSR requires the investment and engagement of both partners, those directly involved in funding and implementing the project, and stakeholders, those directly or indirectly affected by or having a stake in the project. For corporations, this means moving beyond simply creating a CSR department and an appropriate section in the annual report. It means ensuring that all levels of the organisation, from the CEO through management all the way to the individual employees, are invested in, understand, and care about CSR, and make it a critical component of the organisation's mission statement. For stakeholders,

this means staying involved in its implementation, and caring about its completion and the benefits resulting from it.

From years of experience in implementing development partnership programmes and following a multi-stakeholder approach, the Kenan Institute Asia (K.I.Asia) has identified six essential characteristics ensuring invested, engaged partners and stakeholders, resulting in programme success. The six critical success factors are:

Demand driven: No matter how noble a CSR project's cause may seem, without addressing the specific concerns of project stakeholders – community members, local governments, non-governmental agencies and institutions, such as universities, as well as local and corporate project partners - CSR has very little chance for success. A demand-driven project directly addresses these local stakeholders' interests and needs, in turn creating local ownership of a project.

Mutually beneficial: Not only must a project fit the demands and interests of the partners and stakeholders, it also must benefit both. Without invested self interest, organisations and stakeholders ultimately have little commitment to maintaining a partnership and project, leading to a lack of long-term sustainability.

Flexible: A flexible scope means that partnerships and projects can address a wide variety of public policy issues - from educational to social and environmental - which are common to developing and emerging market countries. However, flexibility does not mean oversimplifying the CSR concept, or taking such a broad view that the scope becomes fuzzy or ill-defined. Initiatives should be focused, but also allow room for adaptation to unusual circumstances and contextual requirements.

Peer to peer interaction: Consistent and clear peer-to-peer interaction and communication between partners and with stakeholders is critical to programme success. Beginning in the development stage, project partners must work together to set the terms for project collaboration and create a viable project in line
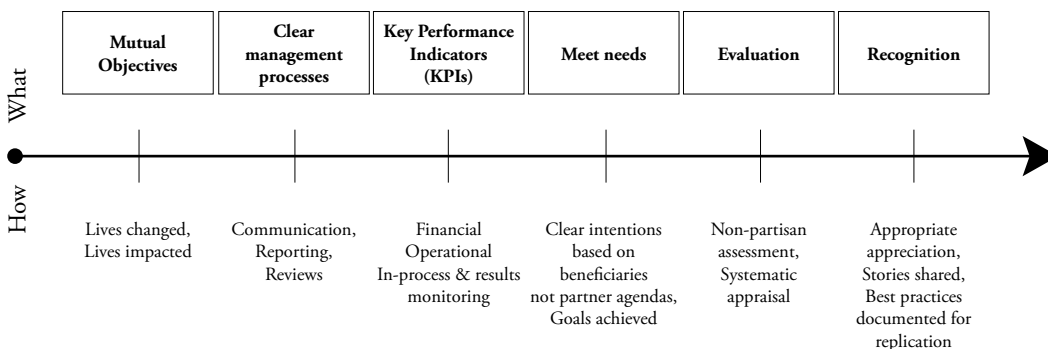
with all partners' abilities and goals. Expectations must be shared and understood. An implementing agency or project facilitator can ensure that all parties have a thorough understanding of necessary information, such as the issues at hand and their possible solutions. But the ultimate decision on project design and partner responsibilities must lie with the partners themselves. Consistent communication must continue throughout the project implementation phase to ensure all partners are on the same page in terms of where the project stands, what activities have been conducted, and what has worked successfully or not.

Contextually appropriate solutions: A successful CSR programme requires collaboration between partners whose missions align and a program which supports these missions while working within a company's capabilities. However, the partners must also ensure that the programme meets the concerns of the local stakeholders and is ultimately viable in the implementation stage. Partnering with local governments and organisations and working closely with stakeholders provides valuable insights into the conditions, culture and lifestyles which can affect both programme design and implementation.

Cost effectiveness / cost-sharing: Successful CSR programmes require partners to perceive that they are receiving tangible benefits either during or at the completion of a project. They also require partners to have a vested interest in the partnership and project if they want to gain something of value out of the programme's completion. A cost effective programme sees tangible benefits relative to the money and time invested. Cost-sharing, both financial and in-kind, ensures partner investment in the project. By contributing money, supplies, and personnel, partners have an increased level of involvement and interest in the project. As programmes are measured through a basket of both quantitative and qualitative metrics, all partners must be able to see they have received value for their investment.

Finally, projects must be implemented well despite problems associated with bureaucracy. Government systems, organisational structures, red tape, and administrative procedures are a fact of life best anticipated and planned for. The continuum below shows what the requirements of the various partners might be, and how they can be monitored and measured.

What	Mutual Objectives	Clear management processes	Key Performance Indicators (KPIs)	Meet needs	Evaluation	Recognition
How	Lives changed, Lives impacted	Communication, Reporting, Reviews	Financial Operational In-process & results monitoring	Clear intentions based on beneficiaries not partner agendas, Goals achieved	Non-partisan assessment, Systematic appraisal	Appropriate appreciation, Stories shared, Best practices documented for replication

ROLE OF EDUCATION

One of the key methods for engaging stakeholders is implementing a 'training-of-trainer' (TOT) process, where programme stakeholders build their training capacities and in turn, go out and deliver training in the community. Not only does this build trust (stakeholders become project implementers, whom other community members already know and trust), but it leads to long-term project sustainability. This type of training ingrains critical programme knowledge into some members of the community, who can then train others. This exponential growth of trainers creates greater change for good. The ability of CSR to build upon itself is critical to its success. According to Dr. Wayne Visser, a leading expert of CSR, scalability is crucial to sustainability and success:

> *"The CSR literature is liberally sprinkled with charming case studies of truly responsible and sustainable projects. The problem is that so few of them ever go to scale. We need more examples like Wal-Mart's 'choice editing' by converting to organic cotton, Tata creating the affordable eco-efficient Nano car or Muhammad Yunus's Grameen banking model."* [2]

By integrating education into CSR, such as through TOT, where the project doesn't simply implement, but teaches *how* to implement, programmes can begin to achieve the necessary scalability of which Dr. Visser speaks.

It is important to recognise that the role of education as a tool in CSR is not limited to the capacity building of TOT. It also includes utilising the education system. Just as education is implemented as part of CSR, CSR is integrated into tertiary business education, with corporate social responsibility, ethics, and governance as part of both an undergraduate and graduate curriculum. This education is strategic – it falls in line with the mission and priorities of students seeking to be successful in business. It builds on the values of the country. It extends to government, state-owned enterprises, universities, as well as the private sector. It taps teaching and organisational expertise of faculty and practitioners. As a key for sustainability, any such curriculum to develop responsible managers of the future must be supported by a teacher training programme to develop the capacity of individuals who will teach it.

CASE STUDIES OF THE SUCCESSFUL MULTI-STAKEHOLDER APPROACH TO CSR

K.I.Asia has successfully implemented numerous CSR projects, consistently following a multi-stakeholder approach. While all projects include the critical success factors and rules outlined above, two current projects clearly exemplify their effective use and sustainable results.

MICROSOFT BETTER

As a consequence of the 2009 global financial crisis, an estimated 70,000 workers were laid off from the garment, jewelry, electronics, food, small-medium sized enterprises (SMEs) and service industries in Thailand. This problem was intensified by the relocation of manufacturing bases from Thailand to emerging countries in the region owing to cheaper labour costs, as well as the low level of education of the Thai workforce. In order to address this problem, the Thailand Department of Skill Development (DSD) under the Ministry of Labour partnered with Microsoft (Thailand) Ltd. and K.I.Asia to implement a multi-stakeholder project which tackled unemployment in a manner which suited stakeholder needs as well as partners' missions and capabilities.

Through stakeholder engagement, the partners learned that many of those who lost their jobs lacked basic information and communication technology (ICT) skills and had little opportunity for further training. This placed them in a disadvantaged position for finding new or better employment. Almost all small and potential entrepreneurs in Thailand also lacked the necessary ICT training for managing and building their business, making it difficult to sustain business operations. As a result, the partners implemented the "Building Employability Through Technology and Entrepreneurship Resources" (BETTER) project, which provided ICT training and ICT for entrepreneurship training through the DSD for unemployed and at-risk workers, as well as SME operators.[3] The specific objectives of the project were to make training recipients more employable through increased ICT skills; to better prepare potential and existing entrepreneurs for engaging in entrepreneurial activities and to develop the capacity of the DSD to create and market their training courses to better serve industry demand. Ultimately, the goal was to successfully take over and expand the project at the end of a three-year trial period.

Using a multi-stakeholder and participatory approach, K.I.Asia is developing a 'responsible management' education (or CSR) curriculum and training for future managers and business leaders in Vietnam in partnership with four Vietnamese universities and other stakeholders. New curriculum will provide for both undergraduate and graduate levels, accompanied by a teacher training programme and supporting case studies.

Several factors contributed to the continuing success of the Microsoft BETTER project. It specifically addressed the needs and demands of those in occupations with a high risk of job loss. It also fit with the partners' visions and capabilities. Microsoft synchronised the company's vision of enabling underserved communities to realise their potential through the power of technology, in this case, ICT training, with the DSD's mission to raise Thailand's workforce standards and competitiveness through skills development, as well as K.I.Asia's role as a leading provider of services for sustainable development. Along with this congruency of missions, strategies and values, the project also maintained clear and constant communication with the stakeholders and project partners.

With the inclusion of K.I.Asia's critical success factors from the start of the project, partners and stakeholders have been engaged and involved throughout the implementation of BETTER. However, this is only one piece of the key to its sustainability, and therefore success. BETTER also incorporates the crucial element of education into its design through TOT, ingraining programme lessons into community DSD trainers, who can continue to pass these lessons on to Thai communities and create new leaders long after the project partnerships have ended. Within three years, the project proposes to establish twenty DSD training centres in 20 provinces, training over 40,000 DSD trainers, who will reach over 107,000 individuals. By training the DSD trainers themselves, the centres will be able to continue to train thousands of individuals for years to come.

EMBEDDING CSR IN VIETNAM THROUGH RESEARCH, TRAINING AND CURRICULUM DEVELOPMENT

Using a multi-stakeholder and participatory approach, K.I.Asia is developing a 'responsible management' education (or CSR) curriculum and training for future managers and business leaders in Vietnam in partnership with four Vietnamese universities and other stakeholders. New curriculum will provide for both undergraduate and graduate levels, accompanied by a teacher training programme and supporting case studies. This project builds on the premise that responsible business conduct is strengthened and propelled by being informed and educated on the impact and influence business behaviour and leadership can have on society – indeed, what it means to be a socially responsible corporate citizen. The university partners who were selected represent future business leaders in urban and rural settings, in the north and south, across SME, multinational corporations (MNCs) and state-owned enterprises, and future government leaders as well. Funded by the United Nations Development Programme (UNDP) and executed with the Vietnam Chamber of Commerce and Industry (VCCI) as the national implementing partner, the new curriculum is slated to be piloted in the autumn of 2010.

The Ministry of Education and Training (MOET) has taken several steps towards further improving tertiary education in the country. In 2007, MOET implemented the policy 'training based on the demand of the society'[4], where vocational training focuses on business needs rather than available resources. At this time, there is no formal tertiary level CSR curriculum offered in Vietnamese universities. An assessment conducted to determine the current availability of responsible management curriculum revealed a great deal of enthusiasm and desire for CSR education. Some related courses are available: environmental management, ethics and labour standards. The Vietnamese government's recognition that incorporating CSR into business practices in order to create sustainable development while continuing the economic growth rate achieved over the last decade is helping to support a heightened focus on new types of courses and new methods of teaching and learning. Nonetheless, there is a great need for a more strategic and holistic approach, particularly for curriculum and materials

All stakeholders benefit through this participatory process. The universities receive the first holistic tertiary-level CSR curriculum for Vietnam and are instrumental in its design and implementation. The business community and government may look forward to managers and leaders who understand the importance of financial, social, and environmental stewardship.

which draw from international standards and expertise, but are tailored to the Vietnamese context.

This responsible education project responds to the needs of the Vietnamese environment by:

- Learning from international best practices and considering international standards,while localising to fit the Vietnamese environment;
- Working with the university partners to 'co-produce' not only the curriculum, TOT and case studies, but to design a plan which assures success and sustainability and can be rolled out insync with school semester schedules and
- Understanding the background, interests, and level of knowledge of students in order to best target the curriculum.

Working together with educators, government ministries, and diverse stakeholders from the private sector, NGOs and the United Nations who have sponsored, partnered and championed capacity building initiatives of many kinds for CSR, it was well recognised that the process requires time (for stakeholder consultation), intention (to ensure all stakeholders are included), and organisation. A co-production process allows constant dialogue and fine-tuning of curriculum content and TOT methodology. Vietnamese experts provide input so that the curriculum, case studies and research reflect the Vietnamese environment. Leading international experts bring in knowledge of the latest trends and theories on CSR. The first student survey of its kind has been conducted to better understand the perceptions and perspectives Vietnamese students have of CSR. Formal feedback is sought among Vietnamese faculty and students throughout the programme.

All stakeholders benefit through this participatory process. The universities receive the first holistic tertiary-level CSR curriculum for Vietnam and are instrumental in its design and implementation. The business community and government may look

forward to managers and leaders who understand the importance of financial, social, and environmental stewardship. Vietnam itself profits by moving closer to a fuller understanding and commitment to integrated and institutionalised social responsibility, as articulated by the Global Compact: 'Common goals, such as building markets, combating corruption, safeguarding the environment and ensuring social inclusion,…[advance] sustainability solutions in partnership with a range of stakeholders… [which in turn] can help ensure that markets, commerce, technology and finance advance in ways that benefit economies and societies everywhere.'[5] Future managers and government leaders need to be able to 'scan the horizon' and "think laterally about how…relationships will contribute long-term to [the] bottom line in a constantly changing world." (Chartered Institute of Personnel and Development).[6] Supporting the development of innovative, responsible management education and training for future Vietnamese managers and business leaders in turn supports and encourages a strong, vibrant, and responsible public and private sector.

CONCLUSION

In the academic literature, CSR is the study of the relationship between business and the society in which it is situated. Closely connected to this is a problem-solving strategic methodology that seeks to identify, anticipate, and diffuse these tensions, producing sustainable businesses in a sustainable society. But in much of the academic literature on CSR this relationship is not seen just as a strategic challenge, but as a source of potential innovation (for instance in green energy initiatives or hybrid cars) and growth. Projects such as Microsoft BETTER not only train disadvantaged communities in ICT, but introduce the company's technology and the knowledge of how to use it to an entirely new consumer base. Likewise, Vietnam has recognised that if it does not embrace a strategic approach to the tensions between business and society, it risks not only being blind-sided by them, but may also miss out on an important

source of innovation. These tensions and the innovation that is made possible in seeking out a strategic resolution are understood to be central to a good business education and to successful business practices - a lesson which must be expanded beyond the Vietnamese tertiary education system to CSR education in general.

The need to integrate an educational component into successful CSR programmes, to develop skills and knowledge concerning the impact of organisational decision-making on the wider society and the natural environment, as well as on its financial outcomes, is now widely recognised. Suzanne Benn and Robin Kramar, authors for the Journal of Management and Organisation, propose that, "If education is to bring about deep seated change for CSR and sustainability it must be underpinned by education for sustainability principles such as values clarification, critical reflection, participation and systemic thinking, involving continuous learning and co-learning by 'student' and 'lecturer'."[7] It is becoming clearer and clearer that this educational foundation in sustainable CSR is vital for successful implementation of the multi-stakeholder approach, and this multi-stakeholder, partnership-oriented approach is the basis for true socially responsible transformation.

[1] A. Amato, A. Henderson and S. Florence, *Corporate Social Responsibility and Leadership: A Guide to Leadership Tasks and Functions* (The Center for Creative Leadership, 2009).

[2] Wayne Visser, "The Fall and Rise of CSR: 3 Curses of CSR 1.0 and 5 Principles of CSR 2.0," CSR International Blog, posted April 1, 2010, http://www.csrinternational.blogspot.com.

[3] The programme is ongoing.

[4] Prof. Dr. Pham Vu Tham, Keynote speech, Building Partnerships Conference, Hanoi, Vietnam, Jan 14, 2010.

[5] For more information on the United Nations Global Compact, http://www.unglobalcompact.org/aboutthegc/index.html.

[6] CIPD, The HR and Development Website, http://www.cipd.co.uk/default.cipd.

[7] Suzanne Benn and Robin Kramar, "Educating for Sustainability and CSR: What is the role of business schools?" *Journal of Management & Organization*, http://e-contentmanagement.com.