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MNCs and CSR Engagement in Asia: A Dialectical Model

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Abstract

Using the Circuit of Culture as a guiding framework, this study highlighted how MNCs in Asian developing countries engage and negotiate with local stakeholders as they implement their CSR initiatives. Twenty-one qualitative semi-structured interviews were conducted with PR practitioners responsible for CSR projects in Asia. Thematic analysis was used to identify themes related to the framework elements. Results demonstrated how MNCs practice CSR in Asia through the five moments (identity, regulations, production, representations, and consumption). MNCs faced a number of dialectical tensions (e.g. following the country's laws, lack of CSR comprehension among employees, and resistance from the stakeholders). Effective strategies to embrace the local cultures and manage dialectical tensions were discussed and a proposed dialectical model for international CSR practice was developed.

Keywords: Asia, conflict, culture, developing countries, multinational companies, social responsibility

Introduction

The presence of multinational companies (MNCs) in developing countries is not uncommon these days. MNCs attempt to establish their subsidiaries internationally either to secure their shares in emerging markets and/or to lower their operating costs (Ghemawat & Hout, 2008). Besides for-profit activities, most MNCs launch corporate social responsibility (CSR) activities, as part of their giving back to the societies they operate in. To comply with international standards, MNCs often adopt a wider perspective in addressing the “world issues” and social problems such as humanitarian and environmental protection in their operations (Chen & Bouvain, 2009). This may include social responsibility practices on environmental work, societal changes, human rights, and care. Some do it to benefit local communities while others see commercial values in such activities (Moreno & Capriotti, 2009). Regardless of the motivations, MNCs carrying out CSR activities may inadvertently impose their standards on local cultures unintentionally.

Beyond the issue of culture are other issues that may generate tension between the MNC and the host country. First, the issue of competing prerogatives. Initiatives created at the corporate head office that are promoted throughout the organization often run the risk of conflicting with national cultures (Newman & Nollen, 1996). Second, the issue of decentralization. Pang, Cropp and Cameron (2006) argue that the corporate headquarter may allow its local subsidiaries a higher degree of autonomy as they decentralize. The challenge, then, is for these regional or geographic centers to take the initiative to set their own agendas, programs, and directions.

Additionally, Kolk and Lenfant (2010) argue that CSR activities of MNCs in developing countries could be generic and local contexts bore little relevance to the type of CSR activities offered in host countries, particularly developing countries. The lack of awareness in embracing local cultures in CSR efforts may not only cause the failure in such activities but can also jeopardize their businesses. The actual process of developing, implementing, and assessing CSR initiatives in developing countries could be more challenging than envisaged.

However, there may be other underlying issues. Curtin and Gaither (2007) identified five components: Issues of identity, regulations, production, representations and consumption. This study will be examined through the theoretical lens of Curtin and Gaither’s (2007) Circuit of Culture. Given these challenges, it is pertinent for MNCs to understand the tensions, issues, and contradictions (Pang, Cropp, & Cameron, 2006) involved in communicating with the local communities to build cohesion, transparency, and stability which are vital not just to the success of an organization’s sustainability program while not neglecting their global stakeholders (Polonsky & Jevons, 2009; Ruijter & Londen, 2006).

Organizations thus have to balance the interests of all stakeholders

(Mitchell, Angle, & Wood, 1997) to practice CSR focusing on ethics and stakeholder values in relationship building. The main goal of CSR is to create value for key stakeholders and organizations cannot separate what they do in the workplace from ethics (Freeman, Velamur & Moriarty, 2006). Social responsibilities are essential factors that allow MNCs to survive in the countries whose cultures and values differ sharply from those of their headquarters (Lee, 2008). If MNCs are successful in balancing its local and global interests, this can also help generate global brand (Torres, Bijmolt, Tribó, & Verhoef, 2012).

This paper aims to investigate how MNCs communicate with key stakeholders in the host countries in Asia with respect to their local cultures when implementing their CSR initiatives. Asia, particularly Southeast Asia, is the focus of this study not only because its emerging markets have gained immense attention by MNCs but also due to its unique cultural values and contexts.

Conceptual framework

Circuit of culture as a guiding framework for analysis

The *Circuit of Culture* (Curtin & Gaither, 2005) is used as the theoretical lens for this study. It allows researchers to observe and interpret the interactions between distinct cultures in various moments. This framework was originally developed in cultural and media studies when Hall (1980) and Johnson (1986/1987) attempted to establish a rigorous analytical lens to analyze cultural texts by considering how cultural artifacts were produced, circulated, and consumed, as they coined the terms circuit of production, circulation, and consumption in parallel with Karl Marx's notion of circuits of capital. The *Circuit of Culture* was then further expanded and established by du Gay, Hall, Janes, Mackay, and Negus (1997) as they studied the culture of people who used Walkman cassette player and posited that for any cultural analysis study to be complete, researchers must investigate the interdependence of all five elements including identity, production, representation, consumption, and regulation. Another media scholar, Goggin (2006), for example, employed this framework to develop insights into how cell phones affected our lives and how these mobile technologies were implicated in the changing cultural patterns. Curtin and Gaither (2007) applied this framework to study public relations in international contexts arguing that public relations practitioners served as essential intermediaries between production and consumption processes in a larger dynamic socio-cultural context.

The five components or "moments" in the *Circuit of Culture* can be used to interpret interactions between MNCs and their stakeholders, particularly through their CSR efforts. First, *identity* includes the process of negotiating shared meanings with their stakeholders in developing countries and other network members, which would be adopted by the MNCs. Second, *regulations* refer to the norms, rules, and policies that regulate communicative practices in a particular community. This may include both formal requirements possibly from the headquarters and local governments as well as the unspoken rules that

people in the local communities take for granted. Third, *production* is the process of meanings making through the use of symbols, in other words, how CSR messages are constructed by MNCs. Fourth, *representations* refer to any symbols and language that illustrate ideology and value. This could be seen from the message of CSR activities by MNCs in developing countries. Finally, *consumption* is the process in which individuals make sense of and adopt the symbols as a part of their daily lives. In this case, consumption refers to the adoption of assistance and benefits from MNCs' activities. Table 1 summarizes the elements of the five moments.

Table 1: The Circuit of Culture (Curtin and Gaither, 2005) in International CSR Context

Moments	Applications in International CSR Context
Identity	<ol style="list-style-type: none"> 1. How does the identity of the organization shape the kind of CSR efforts it carries out? 2. Is the organization willing to relinquish power and allow new hybrid meanings to emerge? 3. Can local interests be placed before global ones to decenter power and allow new identities to emerge? 4. Does the organization continually monitor the identities assigned to target audiences and adjust their efforts accordingly? 5. How does the organization adapt its CSR efforts to fit the identities of the local audiences in the host countries?
Regulations	<ol style="list-style-type: none"> 1. What are the international and governmental rules that dictate CSR practices in host country? 2. What are the informal and social norms of the local community that dictate CSR practices by MNCs? 3. Does the political alignments of the host country affect the CSR beneficiaries? 4. Do citizens in the host country press organizations to be socially responsible? 5. Do the citizens in the host country have a great attachment to their environment/culture?
Production	<ol style="list-style-type: none"> 1. How do MNCs research the needs of local communities in developing their CSR activities? 2. What are some limitations with the primary communication modalities in the host country when it comes to promote the CSR activities? 3. How do the mass communication vehicles and interpersonal communication use for CSR activity differ when promoted in different areas in the host country? 4. Who are some of the opinion leaders/groups in the host country for the CSR activity/issue that your organization is addressing? 5. To what extent can the CSR activity be sustained by the organization in the host

	country?
Representations	<ol style="list-style-type: none"> 1. How are intended messages brought across through campaigning/publicity materials and the sustainability report? 2. Does representation differ between different host countries? 3. How are CSR activities presented through language, symbols and brand identity (e.g. logo, slogan and motto)? 4. Which stakeholder(s) dictate the representation of the organization's CSR efforts? 5. To what extent does the organization's representation affect the host country?
Consumption	<ol style="list-style-type: none"> 1. What is the competing discourse that could affect the way audiences decode CSR message? 2. How do audience use the CSR initiatives? 3. What is the value to the target audience? 4. How are CSR activities accepted and/or rejected by the communities in host cultures? 5. How do beneficiary stakeholders in host countries receive and make sense of the messages from CSR activities?

The framework is applicable to analyze CSR activities of MNCs as it provides a holistic picture of stakeholder engagement. The five moments are considered a circuit because they are interdependent and intertwined to create a full circle of cultural currents. Each moment informs and is informed by one another and hence depicts the complex relationships between MNCs and local cultures in developing countries as the two entities are interdependent. Curtin and Gaither (2007) explain that the five moments overlap with one another, creating the process of *articulation*, or the expression of culture in a particular situation. This articulation could depict the harmonious nature or tensions of each culture, depending on how the five moments are linked with each other. In short, the five moments in this framework allow us to determine the meanings in a particular situation as they arise.

Given that the framework is able to portray the negotiation process among the five moments through their linkages, the *Circuit of Culture* serves as a useful model to illustrate the tensions perceived by stakeholders and organizations as they negotiate their needs and interests. For instance, the closure of Starbucks café inside the Forbidden City in China illustrated the mismanagement by Starbucks in handling the tension between the linkage of consumption (acceptance of their brand by Chinese communities) and regulations (societal norm that considers the Forbidden City as a sacred venue) (Han & Zhang, 2009). In contrast, a successful management of the linkages was illustrated by Chaidaroon and Mak's (2013) study of a rural alternative cancer treatment center in Thailand that turned a traditional temple into an alternative healthcare service provider (identity) as they blended with the traditional Thai cultural values (representation) via social media (production) effectively.

Research questions

Given the tensions, this paper examines three research questions:

RQ1: What are the current CSR engagement and communication practiced by the MNCs in Asian developing countries?

RQ2: What are the tensions that MNCs and stakeholders in host countries experience, if any, in developing and implementing CSR activities?

RQ3: How do MNCs engage and communicate CSR with stakeholders in Asian markets in relation to the cultures and values of the host countries?

Method

Based on the notion of naturalistic inquiry (Guba, 1979), a non-positivistic approach for a detailed understanding of a particular setting, the qualitative method was adopted in order to allow the researchers to understand the phenomenon holistically. Professionals from 21 MNCs who had initiated and implemented CSR activities in Asian developing countries (e.g. Malaysia, Vietnam, Thailand, India, and China) were interviewed and their head offices are located in Singapore. A list of CSR companies was generated from media coverage, industry reports and CSR forums. Purposive sampling was employed to identify only participants who had the relevant experience (Silverman, 2006). The semi-structured interviews enabled the researchers to gather data systematically while unearthing new insights as they emerged during the interview process (Eriksson & Kovalainen, 2008). Consent was obtained from each respondent prior to the interview. These interviews were conducted in 2012, ranging from 30-45 minutes, were audio recorded and then transcribed for the analysis purpose.

Participants

The 21 practitioners included a wide range of CSR practitioners representing organizations from diverse industries. This is illustrated below in Table 2. They included those who represented organizations that received CSR-related awards as well as signatories to the United Nations Global Compact (UNGC). The headquarters of these organizations were from Europe, China, and other parts of Asia but the interviewed participants were responsible for the CSR projects in the head offices in Asia. Most interviewees reported various types of CSR activities their organizations launched in Southeast Asian developing countries. As expected, all participants seemed to take pride of their CSR efforts and shared the stories willingly. They also shared the challenges faced when starting new CSR initiatives in the host countries and how they adapted to the local cultures and effectively engaged with their stakeholders.

Table 2: List of Participants and their Organizations

Participants	Organizations
Practitioner A	Petrochemical company
Practitioner B	Food processing company
Practitioner C	Manufacturer of electronic products
Practitioner D	International bank in Southeast Asia
Practitioner E	Industrial equipment company
Practitioner F	Consumer goods provider
Practitioner G	Food and beverage company
Practitioner H	Financial consulting and planning company
Practitioner I	Freight forwarding and supply chain management service provider
Practitioner J	Wireless competence center
Practitioner K	Agrifood
Practitioner L	Engineering consulting company
Practitioner M	PR consulting agency
Practitioner N	Retail chain with outlets
Practitioner O	International property and hotel conglomerate
Practitioner P	Food and health supplement company
Practitioner Q	Suppliers of cement
Practitioner R	International network of member firms in audit, tax & advisory services
Practitioner S	Asia's leading agribusiness group
Practitioner T	International electronics company
Practitioner U	Manager and developer of resorts, hotels and spas

Data analysis

The transcripts were coded by the researchers to allow for emerging themes that respond to research questions (Strauss & Corbin, 1990). Following the abduction logic (Bazeley, 2013; Pierce, 1979), we adopted the *Circuit of Culture* as the guiding framework while allowing emerging data to recontextualize the framework in an iterative manner, resulting in fresh insights. Constant comparison was performed until all themes were saturated and no new themes emerged (Strauss & Corbin, 1990).

Results

The three research questions are explored conjointly as we illustrate the level of CSR engagements practiced by the MNCs in Asian developing countries, the

tensions between the MNCs and their respective local stakeholders, and how MNCs engage and communicate with these stakeholders.

RQ1) Circuit of culture moments

Identity: fulfilling business practice vs. meeting needs of stakeholders in the host countries.

Participants reported various CSR activities ranging from promoting fairness in their workplaces, complying with environmentally friendly operating practices, initiating and participating in community development activities. These activities are also in line with their business operations and/or competencies and take the needs of the stakeholders in the host countries into account. For example, the three key areas of CSR practices of a food processing organization are water, rural development and health wellness. As Practitioner B explained, these programs “are dependent on what the country needs and what the country can do.” Practitioner J from a wireless service provider emphasized that their responsibilities included the introduction and development of new technology in the telecommunication field to bring about better communication to improve the development of civilization in the host countries.

Identity: led by the top vs. market-driven

The motivations of doing CSR in the developing countries vary across the types of industries. Practitioner F from a global consumer goods organization stated, “With a strong sustainability direction coming from our head office, our CEO has been very vocal.” As such, there is a large involvement from the top management, which trickles down to their marketing and communication on sustainability to the public. For Practitioner N, since the organization operates department stores, choosing to care for the environment is to build a strong relationship between the local government and community, which will better help them to expand their influence. Practitioner L from an engineering consultancy added, “Our global CEO believed that corporations do good because they want to be seen as being socially responsible and good corporate citizens. Inherent in such CSR activities is an element of promotion, reputation, and brand positioning.” Practitioner M from a global communication consultancy explained that the organization started out on CSR and sustainability practices as a strategic advisory service for their clients but felt that they had to “walk the talk” as well. Headed by the CEO’s brother, the CSR focus is more on alleviating poverty and hunger aligned with the United Nation’s Millennium Development goals. Practitioner M further explained, “Our staff are also given opportunities to work with NGOs, getting exposed to social issues which are also issues that our clients are also dealing with, and we also believe that we can help add value and solve a certain issue with our skills.”

Regulations: meeting international standards vs. managing the operating environments in the host countries

Some considerations of the regulation systems include both the global and local standards in the developing countries' operating environments. Participant A from a petrochemical organization headquartered in the Middle East acknowledged that their challenges, responsibilities, and opportunities were global. Hence, they participate in the B20 anti-corruption working group, where this group is formed to advise the G20 matters of business concern throughout the world, through participating in the UN Global Impact, International Council of Chemical Association, and the World Business Council for Sustainable Development. Practitioner E in industrial equipment business said that the organization has a global strategy and a council for safety, health and environment with representatives from the operations and from corporate. There is a controller looking into CSR reporting and performance issue. On the contrary, Practitioner G from a food and beverage organization stated that the organization follows different regulations in their different host countries. For example, segments of one of the Yangtze River regions in China were restored by installing equipment and improving the villagers' agricultural practices and irrigation and helping to pass a new status in the Mekong River region in Southeast Asia. All the initiatives and outcomes are reported back to the US headquarter to be included in the global sustainability report.

Regulation: managing challenges of consumerism and other social-political barriers

Some interviewees felt that the control enforced by the socio-political environment forms an important basis of consideration for organizations doing CSR. Being a huge international product and service producer, Practitioner K stressed that his organization's management acknowledges that they have to understand the consumers first. For example, if the organization engages in child labor, it could mean that "certain customers could, to some extent, stop buying from us because our customers expect us to have a responsible supply chain." Practitioner N in retail business emphasized how its CSR projects always adapt to the local contexts and abide by the different laws and policies. The team also familiarizes themselves with how local officials implement regulations, including knowing their habits and routines. He continued, "In countries like China, negotiations are allowed, as the officials are more flexible when (it comes to) regulations."

Production: utilizing evidence-based vs. ad-hoc approach

Many interviewees said their organizations make it a point to engage in researching the local communities in the host countries before launching their CSR initiatives. Practitioner K from an agrifood business emphasized, "the

mistake that many companies make is that they take the same approach to doing CSR wherever they go. However, it is more important to do what matters.” In doing so, organizations that come under scrutiny are able to justify what they have done and “could reach a huge population and sort of tackle a social need.” Conversely, a few interviewees expressed that their organizations’ CSR strategy is rather ad-hoc and tend to follow the CEO’s interests. Practitioner H from a financial and insurance marketing organization commented, “There is no concrete, consistent strategy that binds all stakeholders and all markets within a single brand.”

Production: engaging in formal vs. informal CSR communication

All interviewees communicate with their shareholders, financial analysts, and bank creditors by complying with some global reporting guidelines such as the Global Reporting Initiatives. Informally, they use various means to reach specific stakeholders. Aside from the corporate websites highlighting various pillars of their sustainability programs, some even utilize social media networks such as corporate blog, Facebook, and Twitter to spread the word about work that they have done in the community and highlight some of the causes they support. Practitioner I said that the business customers are invited to events, where the management takes the chance to cultivate them by explaining the CSR initiatives. This can happen frequently, on a monthly or quarterly basis. In terms of using the communication channels, understanding the local mediums is extremely important. Practitioner H said, “Thailand is big on billboards, so anything on billboards seems to be believable.” Practitioner N from the retail chain outlets added, “In countries where people are more sensitive about their privacy, they may feel disturbed by SMS. But in China, SMS is widely accepted by the public, and it is unavoidable because many companies do that to inform the public.”

When being asked about working with the media, our interviewees held different views. For example, Practitioner C from manufacturing electronic products business believed that with any high-scale CSR effort, media coverage is always an added benefit that will help to raise awareness of both the cause and the organization. Practitioner G from a food and beverage industry suggested, “Often we work with different media and find out what they’re interested in. The programs and initiatives that we do here are all very, very local. We mainly just target local media.” Practitioner E from an industrial equipment organization said, “Sometimes we end up in the media mostly because we have done something good. But sometimes of course we are in bad publicity but it is primarily when journalists have an idea of how to display a topic.” Practitioner D from a regional bank added, “It is a perception thing that for every CSR initiative conducted, a lot of money is used up to help a small pool of beneficiaries.”

Apart from media relations, some interviewees also communicate their

efforts to their staff internally. Practitioner C from a manufacturing electronics organization leveraged on the intranet and email blasts to share news about upcoming activities as well as extensively report work that has already been done through newsletter articles. Practitioner D from a regional bank added, "For post-event communication, our CEO will communicate to the staff via email, to build awareness and garner support for future activities."

Representations: cross-sector collaboration vs. single campaign across the host countries

To reach out to stakeholders in host countries, many organizations collaborate with local organizations to guide them on the best way they can communicate their messages to the public. For example, Practitioner L from an engineering consultancy said, "In Australia, we collaborate to fund an NGO that develops a vocational training program to help disadvantaged young men from poor communities in Bangladesh to be trained in skills such as motor mechanics, electronics, housewiring, and welding." Some organizations also choose to focus on one single pillar to practice CSR across different Asian developing countries. Practitioner G from a food and beverage organization described, "Water is one of the key pillars in our sustainability program and different water-initiatives are driven in different countries."

Representations: determining tone of message and choice of communication style

Only a few interviewees acknowledged that the tone of corporate message could affect their reputation, as well as how stakeholders view their organizations. Practitioner A said, "In Asian countries, if the culture is that of humility, it will not be appropriate to boast about the CSR program in place, as opposed to that of American organizations where many of their corporate culture is about being straightforward." In addition, a few interviewees are culturally sensitive to communication styles. For example, Practitioner N who works for an organization that runs a chain of retail outlets said, "Green color is widely accepted as good luck or festival by Malaysian people, you can see their green decorations everywhere during Hari Raya and yellow color stands for power in their culture. So we tend to use these colors more in the activities in Malaysia." Acknowledging that not everyone has a television set or the same literacy rate in less developed countries or areas, Practitioner F said that her organization developed "a large network of door to door or local community salespeople to understand the brand," allowing them to communicate sales on a community level.

Consumption: managing technology transfer and keeping standard to increase the product quality

Following stakeholders' demand for greater transparency about where and how raw materials that MNCs trade and process are produced, interviewees said their organizations have been working to develop standards that their businesses can use to assess and manage the environmental and social impacts of their operations and supply chains. Practitioner B from a food processing business said, "In Africa and India, where rural development is of utmost importance, we invest in food technology to ensure that the crops that are yielded by the farmers are of better quality."

Consumption: developing measures to evaluate and adjust their CSR programs

Some organizations work with their staffs to co-create meaning to shape outcomes for their programs. Practitioner M from a global PR consultancy added, "We did a global survey in hopes of understanding issues that mattered to them. This resulted in issues like poverty and nutrition coming up as top, which is aligned with our pillars." Practitioner L from an engineering consultancy said that with 60 local staffs affected by the flooding in Thailand in 2011, USD30,000 was collected from global offices from London to Australia. Practitioner M used the project of supporting people with disabilities in the winter season in Delhi as an example, "The campaign raised 205,000 rupees, which were used to purchase more than 1,500 blankets, mend and pack more than 150 sacks of clothes, distribute more than 300 sweaters for children, and purchase and distribute more than 300 sleeping mats."

RQ2) Tensions in relation to the moments

When asked about the challenges or tensions in implementing CSR in host cultures, most of them referred to issues of language and cultural differences. However, when probed further, five main tensions were identified through examples participants shared. In most instances, these tensions were the result of MNCs and local stakeholders attempting to negotiate the linkages between moments in the Circuit of Culture.

Production-Regulations: the norm of initiating CSR activities

The first tension resulted from the fact that local hosts initiate the request for MNCs to develop CSR activities to the community. Contrary to the assumption that MNCs initiate or impose themselves on the local culture, Practitioner K from an agribusiness shared:

When you are operating in a country which has very dubious government relationships. For example, in Indonesia, government officials often come to ask you for favors. Favors in the sense that okay, we need to rebuild a mosque. We need to build a road. When you don't have a CSR strategy in place, you are open to these sorts of requests. Which means that when they come to you with a request, it is hard to say, no.

In such instance, if the MNC agrees to help the local organization based on whatever needs that arise, the generic motivation to engage in CSR would be compromised. This practitioner explained further that to avoid such tension, his organization usually developed a CSR plan one year ahead so that ad-hoc CSR requests could be rejected with a clear justification that it did not fit with the annual plan or there was no budget.

The tensions from different regulations could also be a result of different cultural values as Practitioner N from a retail chain with outlets illustrated:

When I am helping PR events in Malaysia, I found the local people very inefficient and have different views of time. They don't really keep to schedule. Their lives are very relaxed. My colleagues and I are from China. We all feel our pace is faster than locals. To solve this problem, we try to adapt our rhythm and habit to the local people's preference and learn more about the local culture from the local employees.

Regulations-Identity: following country's CSR law merely to become socially accepted

The second tension is the result of the country's regulations that require MNCs' compliance on their CSR practices. Another participant said,

[...]I think this is tricky in some countries. For companies that engage in natural resources, for example, mining, there's a CSR law in Indonesia that says that you need to contribute back and it does not explicitly tell you how you contribute back or how much so it gets very tricky because what the government officials will do is come to you and say there is a law that says that you need to contribute back so why don't you start contributing.

Once again, this illustrated the view that MNCs considered themselves in a disadvantaged position when negotiating in local host cultures. Viewed from the *Circuit of Culture* framework, it seems that the regulations of host culture dictate the practice of CSR initiatives of MNCs and hence these organizations considered themselves being forced to do CSR so that they can become socially accepted by the host culture.

Identity-Production: lack of comprehension on CSR among the local employees

Other participants also expressed that their CSR activities were more favorably

regarded than a mere philanthropic effort. Practitioners saw CSR as embedded in various aspects of business operation and thus could manifest in different forms. For example, Practitioner U from a resort and hotel developer regarded CSR from a long-term perspective which he felt was apt, because most businesses would want to have a “business continuity model” and that was where CSR had a role to play. He said, “We feel sustainability is the better term because anything you do, employee relations, community engagement, how you consume and save resources, how you are achieving all of that helps you sustain that business and profits.” Practitioner P from a health supplement manufacturer regarded CSR from the triple bottom-line approach because, “That clearly states what areas company should look at, and be sure they are doing the right thing.” By looking at the social, environment, and financial results of an organization, he feels it sets clear and measurable guidelines for the organization to follow.

All practitioners also agreed that CSR has to benefit their businesses as well. Practitioner C argued against the idea of looking at CSR as uni-directional benefitting either employees, customers, or the external community. She felt that, “CSR has to benefit the company as well and not just the beneficiary. Otherwise it will not be sustainable.” As a result of viewing CSR as an integral part of business operations with practical and important implications for the organization, most practitioners interviewed viewed philanthropy as the most insignificant part of CSR.

However, some interviewees found it challenging to educate their staff and public on the CSR program they were conducting. Practitioner D from a regional bank said, “They just didn’t know what it is.” Also, she felt that it is not easy to get the employees to participate in CSR activities because “everybody is given higher KPIs.”

Production-Consumption: designing CSR messages and how they are received in the host cultures

The importance of how CSR messages were delivered to the audience and the channel of the media that host cultures use may differ. Practitioner B from a food processing organization highlighted that the ultimate goal for CSR activities is to get their stakeholders to be receptive about their CSR programs and make changes in their own lives. Yet the communication channels that MNCs were familiar with may not be the most efficient means to deliver CSR messages to the audience in host cultures. This linkage between production and consumption of CSR meanings could also pose a challenge for CSR practitioner in Southeast Asia as Practitioner N explained:

Ways useful in Malaysia may not be effective in China, such as newspaper. Most Malaysian people live a more relaxed and slow-paced life so they have more time to read newspapers comparatively. But in China, especially young people may not have enough time to read newspapers unless they just want to kill some time on the subway to work. So it is better to use the Internet or TV to

convey information to the public.

Besides channels, how meanings were interpreted by the local stakeholders from what was intended by the MNCs in their CSR initiatives also illustrated the tension from production-consumption linkage. Practitioner I from a supply chain service provider shared an example when her organization decided to adopt pandas with the intention to help wildlife conservations. However, in the eyes of the locals, those money could have been better spent on other aspects. This misunderstanding of the CSR motives stemmed from the lack of trust which could be overcome. Practitioner J explained,

[...] at the beginning of any CSR activities or commercial activities, you would face the trust problem. Local people even local government may misunderstand your motivation of these activities. It is a normal phenomenon, as the cooperation moves on, the misunderstanding or mistrust will gradually disappear. We gain respect and trust from local people and government. A health relationship between our company and local people is really helpful in implementation future work.

Consumption-Regulation: managing resistance from the local stakeholders and social norms

Some interviewees expressed that in the developed countries, their employees were more educated and would be able to work according to guidelines set. However, it is different in the emerging economies. Practitioner I from a freight forwarding and supply organization described, "Overloading is a very common issue in China. Drivers who are supposed to be stopping every four hours, in reality, they just continue driving and they are so tired and accidents happen." To enforce the work policies, Practitioner I set up certain stop checks to calculate the distances from point to point, and drivers are required to check in and sign a book.

RQ3) Effective CSR strategies facilitated by the linkages

Experiencing these tensions when doing CSR work, MNCs employed various communication strategies to engage beneficiary stakeholders and embrace indigenous cultures and values.

Production-Regulations: negotiating with the key authorities and partners

Some CSR interviewees found that the best way to engage the local community and assess their needs is through their country's leaders or any key authority in that area. Participant A from a petrochemical industry said, "If you have a code of ethics that doesn't allow you to accede to this person's request, then you are caught in the middle. As such, there will be negotiation taking place with the key

authority to see how our company can best cater to the needs of the host country.” Practitioner I from a freight forwarding and supply organization stated, “One of the first things we did was speak to the local community, government officials, and the mayor to understand the community and its needs. In China, big organizations take their cues from the government as it is the safer bet.” Practitioner G from a food and beverage organization summed up:

Sometimes we have partners that come to us who say we have this opportunity, sometimes we could reach out to the government and partners to collaborate depending on what the needs are at the time. The beauty of working for a big company like us is that we can share a lot of the learning in the region.

Regulations-Identity: understanding the local system is critical

Given that the political systems are conceivably different, interviewees suggested more time and energy should be taken in understanding the local government’s decision-making process. Practitioner J from a wireless service provider gave an example, “When Malaysia was under the peaks of anti-corruption, we launched our CSR programs in the same manner as we usually did in other Southeast Asian countries but we inadvertently stepped on toes. It taught us a good lesson that implementing CSR activities should follow the change of the local policies.”

The media system is another component to understand. For instance, Malaysia’s media system has been described as neo-authoritarian (Merrill, 2000). Governance is dominated by one political party, which also controls the key institutions like the political, social, economic, and media systems. Singh (2001) argued that there are at least six laws governing the media, namely the Copyright Act; contempt of court; defamation; Official Secrets Act; printing licenses; and sedition. Through the printing license law, for instance, newspapers had lost their licenses when their editors or journalists “publicly criticize the government” (Taylor & Kent, 1999, p. 138). This has impact on how CSR initiatives are reported. In Singapore, for instance, even if they wanted to, practitioners have to be mindful that the media would be unlikely to portray the competing organizations in bad light as they are cautious of litigation (Pang, Mak, & Lee, forthcoming).

Identity-Production: embracing CSR culture and formulate effective media strategies

Some interviewees expressed that education is a top priority to gain internal support. Practitioner L from an engineering consultancy said, “Not everyone knows us so the PR department does take the effort to go down to mingle with colleagues as well as hold informal sessions like luncheons and roadshows. We want branding not just to external people to showcase what we are doing, we

also want our employees to know.” Nearly all interviewees expressed that empowering local staff with some training is the most effective way to carry out the CSR activities. In relation to this point, the organizational culture of MNC also affects the ways in which organizations embrace local cultures in their CSR activities. Almost all interviewees explained that their organizations adopted the “decentralized” culture and were flexible in allowing them to tailor their CSR activities to their host countries. For example, Practitioner B from a food processing MNC discussed her organizational culture as follows, “[Our] markets all practice the same philosophy (the same model) and do different things. Some more, some less. Philippines and Malaysia, they do a lot. So we are quite decentralized.” Practitioners seem to agree that it is ideal to have a general CSR plan or model from the headquarters with some flexibility for them to tailor the activities and messages.

Practitioners have devised several strategies to portray their organizations’ CSR efforts in the media. One way is to establish the organization as an expert in the area so that when the media covers an issue specific to the industry the organization is situated, the former would approach the latter for comments, and this often allows the latter to showcase some of their own CSR engagement. Practitioner S from an agribusiness shared her strategy:

I put my chairman in one of those high level think tanks speaking engagement, you know that naturally there will be people who will come and cover you because only companies or people of certain calibre can be invited so you don’t even have to invite the media. Let the media come to you rather than you have to go to the media.

Another strategy is to build long-term relations with the media and the importance of this relationship can be seen from Practitioner P’s strategy of working closely with media companies to make them remember, “I think what we try to do there is being friends with them on a regular basis. We don’t want to just call them when we need them...this has certainly made a difference.”

Customizing media strategy is the third way. Practitioner U from a resort and hotel developer talked about how his organization manages the two groups of journalists when it comes to CSR. Towards journalists who share an interest in CSR, Practitioner E alluded to an existing camaraderie he shared with journalists and hence was able to find out if the CSR news would be relevant to the journalists. He cited the example of a journalist, who has been actively working on CSR, “We would feel odd pitching to her because she’s actually doing a lot more for the cause that we share.” Towards journalists who have not shown an interest in CSR, his organization’s policy is to leave it to the PR department to push the story.

Production-Consumption: partnering with NGOs to deliver the CSR message

To gain higher receptivity from the local stakeholders, most work proactively with

local NGOs to do CSR work. In particular, they work closely with community organizations with solid reputations and strong leadership to identify the needs of the developing communities and implement innovative ways to address the issues. Practitioner K from an agrifood organization partnered with the UN's World Food Program on its feeding program because "working with them allowed us to act as a catalyst" and this had triggered the local government to follow suit for the rest of schools in the district.

Consumption-Regulation: learning from the CSR lessons and moving forward

Finally, in order for MNCs to really engage local stakeholders in their CSR efforts, organizations need to learn from their own mistakes and continue to have consultations with the local communities on CSR development. Practitioner I from a freight forwarding industry gave an example:

One of the lessons we learned is the adoption of pandas. The feedback was not so good because after we adopted the pandas (an idea from the Chengdu government), the locals' response was: that was a lot of money to spend on pandas. We thought we were helping the wildlife conservations. In the eyes of the locals, those money could have been better spent on education, people who live in the mountains, or anything else other than those pandas.

Discussion and conclusion

As indicated in the themes and findings to the three research questions, CSR practices of MNCs in developing countries of Asia could be depicted by all five moments in the *Circuit of Culture* (Curtin and Gaither, 2005), which illustrates how each moment complements and challenges one another. Two important issues are worth discussing.

Dialectical approach in CSR practice

First, CSR practices in the international context are inherently dialectical. Dialectics in communication arise as the conflicting or opposing forces, commonly described as pushes and pulls, require communicators to manage these tensions (Baxter, 1988). According to Dhanesh (2014), the central theme of a dialogic approach to dialectics is "the co-existence of multiple contradictions, which are constantly engaged in a push-and-pull struggle between unifying, centralizing centripetal forces on one side and disunifying, decentralizing centrifugal forces on the other" (p. 159).

Findings illustrate that practitioners had to wrestle with the pushes and pulls within their CSR processes in relation to the five moments. In terms of the *identities* of their organizations, regardless of whether CSR is top-down versus

non-hierarchical driven or doing CSR with business integration versus genuinely responding to stakeholders' needs, these elements affect the way MNCs develop and process their CSR activities in the host countries. In the *production* moment, practitioners struggled to implement their CSR activities as ad-hoc or evidence-based, and to communicate them formal or informal. The respondents also indicated the tension between following international standards or local requirements in the *regulations* moment. Their CSR messages were delivered focusing on a single pillar across the host countries or work across different sectors in the *representation* moment.

Second, those dialectics became more obvious when respondents were asked to describe tensions they experienced. This suggests that CSR practitioners are not mindful of the dialectical tensions until elicited. In most interviews, participants did not seem to be able to articulate the challenges they faced in their CSR work immediately. The interviewers employed probing techniques and found that participants were wrestling with a number of tensions. While MNCs may have good intentions to initiate CSR activities for host cultures, the organization-dominant practice of CSR could potentially lead to misunderstanding and unintended consequences experienced by beneficiary stakeholders. Hence, a process approach to research, develop, and communicate CSR programs in the host countries is strongly advocated.

A dialectical model for CSR practice in host countries

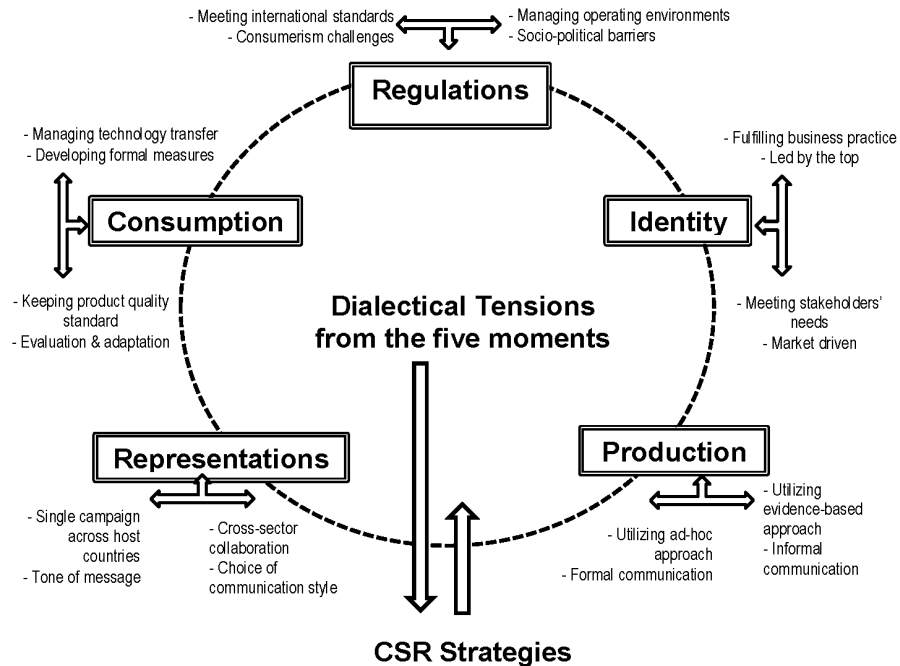
Understanding the tensions of CSR initiatives by MNC in developing countries and how the tensions could be resolved through stakeholder communication is essential for public relations practitioners who serve as intermediaries between dominant coalitions and beneficiary stakeholders in international contexts. While, PR practitioners and MNCs seem to be aware of the sensitivity for cultural diversity, their understanding of "globalization is limited to neoliberal economic perspective, rather than geared toward genuine critique and creative alternatives" (Bardhan, 2013, p. 391). The "genuine" sense of cultural respect could be elicited once these professionals reflect on the challenges in their international and cross-cultural encounter. This study, therefore, adopts the interpretive stance to understand the tensions of CSR initiatives by MNCs so that creative alternatives to manage international stakeholder communication could be explored as Bardhan (2013) suggested.

Based on our findings, we propose a dialectical model as a guiding framework for MNCs to practice CSR in host countries. In Figure 1, the five moments are intertwined to create a full circle of CSR practice in relation to the cultural flows in a host country. In each moment, the dialectic relationship between a MNC and its stakeholders in the host country and other network members creates pull and push factors for CSR engagement and communication, resulting in tensions depicted in the center of the model. CSR strategies identified from our research resolve the conflicts and power struggles

in those moment linkages.

Figure 1

A Dialectical Model of International CSR Practice for MNCs



It is important to note that the linkages of all five moments in the Circuit of Culture both *enable* and *constrain* the organizations and their various stakeholders in collaborating with each other. Based on the findings from this study, we have learned that the tensions that CSR practitioners experienced were derived from the linkages of the five moments. While MNCs may encounter intractable tensions in various degrees depending on the type of industry, operating business environment in the host country, as well as level of CSR engagement and CSR communication approach, they should take all five moments and their linkages into account. As depicted in Table 3, each moment affects each other and it is impossible to separate their linkages clearly. At the same time, the effective strategies to embrace local culture of their beneficiary stakeholders were also derived from the linkages among the five moments as MNCs took into consideration all five elements in the *Circuit of Culture*. Hence, our proposed dialectical model of international CSR practice is heuristic in capturing this complex process, offering diagnostic lens for international CSR analysis, as well as suggesting strategies for MNCs to carry out their CSR activities in developing countries effectively.

Practical implications

While MNCs may face the challenges of dealing with personal requests from

local communities as well as complying with local regulations, it is important for MNCs to embrace local cultures in implementing their CSR activities to ensure that they address the local needs. This qualitative study preliminarily suggests three overall strategies for MNCs to engage local cultures in their CSR efforts: conducting research to identify community needs, developing decentralized culture to allow flexibility for tailoring CSR activities to the local context, and adopting proactive approach to CSR communication. Together with the list of questions in Table 1 as a diagnostic tool to develop and evaluate the CSR plan, CSR practitioners of MNCs can achieve competency and knowledge to be the cultural intermediaries between their organizations and the key authorities, partners and communities in the host countries.

Table 3: Summary of dialectical tensions and CSR strategies

Moment linkages	Dialectical tensions	CSR strategies
Production-Regulations	The norm of initiating CSR activities	Negotiating with the key authorities and partners
Regulations-Identity	Following country's CSR law merely to become socially accepted	Understanding the local system is critical
Identity-Production	Lack of comprehension on CSR among the local employees	Embracing CSR culture and formulate effective media strategies
Production-Consumption	Designing CSR messages and how they are received in the host cultures	Partnering with NGOs to deliver the CSR messages
Consumption-Regulation	Managing resistance from the local stakeholders and social norms	Learning from the CSR lessons and moving forward

Research limitations and future directions

The researchers acknowledge that only MNCs practitioners' viewpoints were presented in this study. Future study can incorporate the views of participants from local communities on what they would consider challenges they face working on projects initiated by MNCs. The triangulated views can generate greater understanding between both parties, which will further help us understand the significance of the dialectical model for CSR practice for other stakeholders.

In addition, industry-specific CSR surveys can be done by incorporating the questions in Table 1 and the key elements in Figure 1 to understand the unique challenges, opportunities, and recommendations for CSR engagement in host countries. This study served the purpose of understanding the processes behind

doing CSR from respective MNCs across the industries. More needs to be done to learn the specific cultural currents of each developing country in Asia, and other emerging markets such as the Middle East and Africa.

As this study has illustrated, doing CSR in international settings is a complicated process. MNCs may have good intentions to help their beneficiary stakeholders through their CSR activities so that they can operate sustainably in host countries but their good intentions may bear negative unintended consequences. Within a socio-economic and cultural context, this qualitative study critically explored and analyzed the significance of the new knowledge in CSR engagement in Asia. A comprehensive dialectical model that provides a holistic picture of various elements is necessary for MNCs to embrace local cultures and regulations into their CSR initiatives successfully. While the tensions that arise from being a foreign enterprise operating in local communities could pose challenges for MNCs in many aspects, these tensions could be managed and turned into drivers for MNCs to implement their CSR activities more effectively. CSR practitioners from MNCs, in particular, are encouraged to be mindful of these dialectical tensions they will experience throughout the process so that they can properly manage these forces resulting mutual benefits between the organizations and local stakeholders through their genuine collaborative efforts.

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