

**Corporate Social Responsibility and Public Relations:
Perceptions and Practices in Singapore**

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Abstract

This study explored the perceptions about corporate social responsibility (CSR) among a sample of corporate executives (512) and the CSR practices of a sample of corporations (74) in Singapore. A web-based survey and personal interviews were the primary methods of data gathering. The study tried to assess the activities, motivations, decision-making processes, stakeholders, communication processes, resource allocation, evaluation, and benefits of CSR among the sample corporations in Singapore.

Our findings revealed that while the sample corporate executives were able to define the concept of CSR comprehensively, identifying a range of parameters and stakeholders pertaining to CSR, actual practice tended to revolve around the philanthropic dimension. The sample corporations were motivated by different factors to practice CSR, which we saw as being driven by either a *proactive*, *accommodative*, or *reactive* approach. We also discovered that the lack of commitment among some corporations to evaluating CSR practices might have been because these corporations did not establish CSR goals in the first place.

Based on our findings, as well as our literature review, we offer a framework to evaluate how different stakeholders (whom we refer to as *drivers*) can help promote CSR in Singapore. We evaluated the effectiveness of these drivers based on their potential impact on corporations and their current activity level pertaining to CSR, and assessed their strengths and weaknesses. While we identified the government and the corporations to be in the best position to raise CSR awareness and performance, other drivers can collaborate to increase their individual effectiveness.

Keywords: Corporate Social Responsibility, Corporate Citizenship, Drivers of CSR, CSR in Singapore, CSR in Asia

Corporate Social Responsibility and Public Relations: Perceptions and Practices in Singapore

The notion that corporations ought to be socially responsible began during the 1960s, a time when businesses were expanding internationally and growing rapidly in size and power (Lantos, 2001). Since then, exposés of the unethical and irresponsible conduct of companies have heightened public awareness of the perils involved in the pursuit of economic profitability and social power. More recently, we have witnessed some of the most highly visible corporations such as Nike and Shell suffering loss of public confidence following wide publicity of their dishonourable conduct such as operating sweatshops in developing countries contributing to environmental damage. The collapse of once highflying companies such as Enron and Worldcom, affecting tens of thousands of employees and investors, have raised many questions regarding corporate practices and credibility and shaken public confidence in corporations.

These debacles are reminders that focusing only on economic interests is becoming increasingly detrimental not just to the reputation, but also the very survival of corporations. On a more positive note, the Asian tsunami disaster brought about an unprecedented level of humanitarian concern and response from businesses, NGOs, and governments as has the recent earthquake in South Asia. Indeed, at the core of corporate social responsibility (CSR) is the need for corporations to go beyond their economic and legal obligations, and act responsibly towards multiple stakeholders including the society at large. In the new millennium, failure to do so will threaten their very legitimacy to operate. The continuing search for a balance between the interests of multiple stakeholders and profitability, fuelled by publics' rising expectations of the social obligations of corporations, has paved the way for the global spread of the CSR movement.

Long recognized as one of the "Asian Tigers," Singapore (whose name means Lion City, and has the merlion as its mascot) is one of the leading economic centers in Asia. After becoming a Republic in 1965, the island-state developed rapidly within two generations and currently has the third highest per capita GDP (after Japan and Hong Kong) in Asia. Without resting on its laurels, this country with no natural resources is trying to stay economically competitive through various strategies. It is in this context that CSR is gaining recognition and momentum in Singapore. The government prides itself as being both a promoter and

practitioner of CSR (Ministry of Trade and Industry, 2004). Companies too, are allocating more resources to CSR practices (Khanna, 2004). A journalist from a local daily told her readers that they cannot get through the decade without knowing what CSR stands for (Tor, 2004). The British High Commissioner to Singapore went as far as saying that “the stage is now set for a CSR revolution in Singapore” (Collins, 2004). These factors served as the rationale for us to conduct a wide-ranging analysis of the status of CSR in Singapore.

Definitions and Terminology

A fundamental problem in the field of corporate social responsibility (CSR) is that there is no universally accepted definition of the concept. Bowen (1953) offered one of the earliest definitions seeing CSR as the “obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society” (p. 6). Since then, the field has evolved assuming different names such as corporate social responsiveness (in the 1970s) and corporate social performance (in the 1980s). This evolution also reflects an increase in awareness in important areas of action and performance that the early definitions had overlooked (Carroll, 1991).

For the purposes of this study, we adopted Bowd, Harris, and Cornelissen’s (2003) definition of CSR, which was derived from the views of scholars such as Carroll (1999), Wood (1991), Freeman (1984), and Friedman (1970). Bowd, et. al. also incorporated recent industry reports such as Commission of the European Communities (2001, 2002) and the Financial Times Top 100 Index to define the term:

CSR is corporations’ being held accountable by explicit or inferred social contract with internal and external stakeholders, obeying the laws and regulations of government and operating in an ethical manner which exceeds statutory requirements... (p. 19).

Addressing the vagueness of the term “ethical manner,” Bowd, et. al. offered examples of ethical behavior such as proactive community involvement, philanthropy, corporate governance, and commitment to the environment. This definition also entails a commitment to accountability, where the organization is obliged to measure and audit its CSR strategy, aims, principles, and manifestations, while simultaneously continuing its focus on generating profits for investors.

We adopted Bowd et. al.’s (2003) definition because we believe it is comprehensive, embracing the dominant academic and industry views on CSR. We next conducted a review of literature – a body which we see more as a collection of approaches rather than a coherent

theoretical body of knowledge. The lack of a unified body of knowledge is also indicative of the relative novelty of this field. We have divided the dominant literature in this domain to three categories: the business and society approach, economic approach and stakeholder approach. Using these approaches, we first describe how CSR is practiced around the world, in Asia, and finally in Singapore – the primary focus of this paper and identify the research questions for this study.

Business and Society Approach

The view that corporations have an obligation to society developed at a time when corporations were enjoying unprecedented levels of power – especially over citizens – while exercising little social responsibility (Wood, 1991, Carroll, 1999). Carroll’s model of CSR, which came into prominence during the 1970s, framed business responsibilities into four components: economic, legal, ethical, and discretionary. When the author reformulated the model in 1991, he depicted it in the form of a pyramid, with economic performance being the most basic function (depicted at the bottom of the pyramid) and moving up to legal, ethical and philanthropic (which replaced discretionary) components (**Table 1**).

Carroll’s CSR pyramid (1991) stated that a socially responsible corporation should simultaneously “strive to make a profit, obey the law, be ethical, and be a good corporate citizen” (p. 43). He specifically distinguished between philanthropic and ethical responsibilities noting that many corporations assume that they are being socially responsible by being good corporate citizens in the community. Interestingly, several scholars and economists have in fact rejected philanthropy as a legitimate corporate action (Lantos, 2001; Friedman, 1970). Carroll himself stated that philanthropy, while highly desirable, is actually less important than the first three components of CSR. It should be noted that even though the four components have been discussed as separate constructs, they are not mutually exclusive.

Building on Carroll’s work, Lantos (2001) classified CSR into three forms: ethical, altruistic, and strategic. Ethical CSR is the minimal, mandatory fulfillment of a corporation’s economic, legal, and ethical responsibilities to its publics. Lantos argued that strategic CSR, where corporations participate only in those philanthropic actions that will financially benefit them by attracting positive publicity and goodwill, should be practiced over altruistic CSR, which constitutes making philanthropic contributions at the possible expense of stockholders. He stated that altruistic CSR is not legitimate. Despite their different orientations, these scholars have put forth a common notion that corporations do not operate in isolation from the society where they exist. This symbiotic relationship was summarized by Wood: “Business and society are interwoven rather than distinct entities” (1991, p. 695).

Economic Approach

Contrary to the proponents of the business and society approach, classical economists separated social functions from economic functions, asserting that businesses have the basic responsibility of maximizing profits for their owners or shareholders. Adam Smith (1863, as cited in Lantos, 2001), perhaps the first to espouse the market value maximization perspective, argued that by pursuing profits, corporations produce the greatest social good because the invisible hand of the capitalist market ultimately helped solve society's problems. Lantos (2001) used the term Economic CSR to refer to profit-oriented CSR activities, which absolves corporations from social contribution because they pay taxes and wages to employees rather than enslaving them (Marvoux, 2000). Some economists have gone as far as to argue that the only social responsibility corporations have is to obey the law (Carr, 1996).

Like Carr, Nobel laureate economist Milton Friedman offered the dominant and well known view representing the economic approach separating social functions from business functions, asserting that the "business of business is business." (Klonoski, 2001). However, Friedman (1970) did recognize a spectrum of moral and ethical responsibilities, positing that the social responsibility of corporations is to "make as much money as possible while conforming to the basic rules of the society, both those embodied in law and those embodied in ethical custom."

Stakeholder Approach

The economic approach overlooked the fact that in the effort to maximize profits, corporations do affect multiple stakeholders (Freeman, 2001). The stakeholder approach to CSR viewed the corporation as "a set of interrelated, explicit or implicit connections between individuals and or groups of individuals" (Rowley, 1997) that include anybody who "can affect or is affected by the achievement of the organization's objectives" (Freeman, 1984). This approach distinguishes between primary (e.g. employees, customers and suppliers) and secondary (e.g. the media and NGOs) stakeholders according to their relative impact on the corporation (Clarkson, 1995). It advocates that corporations are responsible for addressing the interests of the various stakeholders – not just those of the owners and/or shareholders – because they make other, non-monetary investments, albeit at varying levels depending on the corporation's objectives (Freeman, 1984; Key and Popkin, 1998; Boehm, 2002).

Operationalizing and measuring CSR

A prevailing criticism against the functional conceptualization of CSR is that the term is too inclusive and "too vague to be useful" (Jones, 1980, p. 60). Rowe and Schlacter (1978,

p. 7) argued that the vagueness of the term has played a key role in corporations being hesitant to embrace CSR. The difficulty in measuring the manifestations and effects of CSR has proved to be another factor that has deterred managers from embracing the concept. Evidence that can prove the assumed links between CSR and the achievement of corporate goals (e.g. profitability, sustainability, reputation or branding) would perhaps be the “best and most effective argument to encourage uptake of CSR” (Commission of the European Communities, 2002).

Since the 1980s, there has been a growing interest in the field to reconcile theory with practice. Increasing attention is given to the development of measurement initiatives. Cochran and Wood’s (1984) empirical study represented one of the early attempts to operationalize CSR and linking it to profitability. They used the Moskowitz index - a reputation index that categorized corporations as “outstanding,” “honorable mention,” or “worst” to measure CSR. They however, conceded in the same study that this measure has its limitations and called for new evaluation tools (p. 55). Aupperle, Carroll and Hatfield (1985) operationalized Carroll’s theoretical four-part definition of CSR and used it as a measurement tool. Their study confirmed executives’ priorities of Carroll’s CSR components in the order: economic, legal, ethical and philanthropic (p. 457).

CSR and profitability

In recent years, there has been growing evidence in academia suggesting that the relationship between CSR practices and financial performance is at minimum neutral but quite likely positive (Bodwell, Graves, & Waddock, 2002). To date, there are no generally accepted models for auditing CSR practices, although the Global Reporting Initiative (GRI) and the International Organization for Standardization (ISO) did make significant attempts at providing guidelines for social responsibility. However, these do not constitute an overarching approach to auditing CSP as a result of which many corporations either contract auditing corporations to conduct traditional verification, draw on area expert consultancies, or use customized processes to measure their CSR activities.

CSR around the World

Although it originated in Western liberal democracies, the CSR movement has evolved into a global movement that includes multiple sectors such as businesses, governments, NGOs, and the general public. Increasing attention is given to CSR in the corporate and public spheres, alongside the proliferation of academic and management literature on the subject (Bowd et al., 2003). A study by Echo Research (2003) found that

media coverage on CSR issues in the UK, US, France, and Germany increased by a dramatic 407 % from 2001 to 2002.

Today, CSR is receiving increasing attention around the world and has become a legitimate issue on the international diplomatic agenda. Several inter-governmental agreements, such as the International Labor Organization (ILO) convention, have been in place for years. At the meeting of the World Economic Summit in Davos in 2000, UN Secretary-General Kofi Annan launched Global Compact in an attempt to get corporations around the world to voluntarily incorporate CSR into their operations. Ten principles covering four key areas – human rights, labor standards, environmental protection, and anti-corruption – have been established and corporations are asked to voluntarily adopt these principles and self-regulate. Further, at the ISO's international conference on social responsibility (2004), which was attended by stakeholders from 66 countries, there was a consensus among the participants in favor of ISO's work on CSR, affirming that social responsibility is globally relevant and there exists a clear demand for it around the world.

The US is one of the first countries where many corporations had acknowledged CSR as a legitimate business concern as far back as 1971 (Eilbirt & Parket, 1973). Competition is the primary driver for corporations to be more socially responsible (Keeler, 2002). A survey by the Centre for Corporate Citizenship at Boston College (2004) found that more than 80% of American CEOs polled believed that good CSR practices are beneficial to the bottom-line. The survey also found that a majority of the CEOs wanted CSR to be voluntary and not regulated or governed by law. Significantly, this contrasted with the European approach to CSR, where the preference was towards legislation and government intervention (Baker, 2004).

Pressure on Corporations to be Socially Responsible

Globalization has played a significant role in being the catalyst for corporate social responsibility. It is not surprising that multinational corporations (MNCs) are the main proponents of CSR since much is at stake for them (Commission of the European Communities, 2001). Most leading MNCs are headquartered in Western liberal democracies where organizations are pressured by government regulation, the mass media, and citizen groups (NGOs) to be socially responsible. MNCs have a presence around the world, with supply chains and manufacturing factories situated in numerous countries. In addition, business operations have become more transparent with the advancement of modern information and communication technologies. This heightened visibility ensures that unethical or irresponsible corporate actions are increasingly susceptible to public scrutiny and

criticism. For example, Nike struggled to regain its reputation years after a sweatshop labor scandal despite its efforts to implement better working conditions (“Nike answers critics”, 2002). A 2001 Social and Environmental study ranked Nike at the top of the list of corporations that had failed to fulfill their corporate responsibilities (“Nike answers critics”, 2002).

CSR in Asia and Singapore

The awareness about, and adoption of, CSR practices is generally low in Asia compared to the developed countries of the West. Globalization appears to be the single largest factor that has propelled the CSR movement in Asia (Chambers, Chapple, Moon, & Sullivan, 2003). Corporations based in Asia that venture into international markets have to improve their CSR standards to measure up to the expectations of their global stakeholders in order to remain competitive (Khanna, 2004b). The way CSR is perceived and practiced is shaped by culture, religion, political, and socio-economic conditions. Thus, there is likely to be significant differences in the way CSR is conducted across different countries and regions (Bronn & Vrioni, 2001).

Especially after the non-profit Centre for CSR was set up in this city-state in 2003, Singapore has seen an increase in attention on CSR among the mass media, academia, government agencies, and corporations although overall awareness level is still considered low (Hung & Ramasamy, 2004). Many early studies (e.g. Tsang, 1998; Andrew et al., 1989; Foo & Tan, 1988) used the disclosure method, which analyzed corporations’ self-reported CSR performances via corporate annual reports or websites, when studying CSR in Singapore. As CSR can be difficult to quantify, reports provide a means of determining the quality of corporations’ commitment to CSR (Macleod, 2001). A study of Singapore’s banking, food, and beverage industries during the period 1986-93 (Tsang, 1998) showed that 16 of 33 corporations had no references to social responsibility or community involvement. In the remaining 17, CSR reporting was focused largely on employee matters. Although Tsang’s paper aimed to stimulate similar studies with the hope of making longitudinal comparisons, we could not find a more recent study to determine whether the situation has changed in the last seven years.

The disclosure method, despite its popularity, has several drawbacks as a measure of CSR practices. For example, corporate social reporting may lag behind actual involvement and might not be an accurate reflection of corporate behavior (Hung & Ramasamy, 2004; Keeler, 2002). This method also may ignore the behavior of smaller corporations who tend to have lower disclosure rates (Andrews et al., 1989). There is also a concern that the

information provided by corporations in their annual reports and websites could be driven by publicity motives (Tsang, 1998).

Recent studies appear to move away from the disclosure method, preferring the stakeholder perspective. A study of nine Asia-Pacific countries including Singapore (Edelman, 2004) interviewed different stakeholders such as consumers and corporate executives and found that stakeholders in Asia-Pacific are increasingly (a rise from 29% in 2003 to 36% in 2004) concerned with the needs of the community beyond their own needs. About 65% of the stakeholders interviewed for the study felt that corporations need to be socially responsible, compared with 35% in 2003 – almost doubling in just one year. Interviewees ranked Community welfare as having the lowest priority and saw offering top quality products and services as the most important factor. While the study by Edelman provided good insights on stakeholders' perspectives, the findings were not specific to Singapore and did not account for significant differences in economic development and culture across the countries studied. Hung and Ramasamy (2004) also conducted a comparative study of CSR awareness but limited their analysis to only one stakeholder – employees. However, this is consistent with Clarkson's (1995) finding that "stakeholder satisfaction" should be used as a measure when evaluating CSR.

Besides the growing attention from scholars and the media, Singapore has hosted an increasing number of CSR conferences. In 2004, three significant conferences on CSR were held in the city-state involving organizations such as the British High Commission, Centre for CSR and UN Global Compact. The conferences were attended by executives of multinational and domestic corporations, small-and-medium-enterprises (SMEs), and private and public sector organizations. This is indicative of the increasing interest in CSR across a wide spectrum of corporations in Singapore.

At the conference organized by the British High Commission (2004), Nottingham University surveyed the delegates. More than half of the respondents said that there was a person in their organization dedicated to CSR and more than 80% said that they were required to consider CSR implications when doing their job. We feel these results appear to be highly optimistic and note that the sample was skewed as those choosing to attend the conference can be assumed to have heightened interest and a favorable disposition toward CSR from the very outset.

The Nottingham University survey also found that in Singapore, customers, shareholders, and employees were recognized as the most important stakeholders while suppliers, competitors, and NGOs were the least important. This finding corresponds with

the stakeholder approach where corporations are more concerned with primary stakeholders. An inconsistency here would be the perceived lack of primacy of suppliers and business partners among the respondents although these stakeholders have direct transactions with the corporation. The researchers noted that the respondents may not pay enough attention to the ability of these groups to do harm to the corporation's reputation – a trap Nike fell into when it believed it could keep the sweatshop practices of suppliers and partners out of its doorstep.

Research Questions

Our review of the relevant literature on CSR led us to conclude that the existing research pertaining to CSR in Singapore consists either of studies that measure social reporting (e.g. Tsang, 1998; Andrew et al., 1989; Foo & Tan, 1988) or comparative studies between CSR in Singapore and other nations (e.g. Hung & Ramasamy, 2004; Edelman, 2004; Welford, 2004). The current body of knowledge fails to provide information on the current status of CSR in Singapore. We therefore designed this study to assess the current status of CSR among a sample of corporations in Singapore. The following research questions were formulated to guide our study:

RQ1: What are the current perceptions of CSR among a sample of corporate executives in Singapore?

RQ2: What activities do the sample of corporations conduct in the name of CSR?

RQ3: What motivates these corporations to practice CSR?

RQ4: Which stakeholders do these corporations perceive to be important?

RQ5: What decision-making processes drive the CSR practices of these corporations?

RQ6: How do these corporations communicate their CSR-related messages to their stakeholders?

RQ7: What resources are allocated for their CSR programs?

RQ8: How do these corporations evaluate their CSR practices?

RQ9: What benefits have these corporations achieved in their CSR initiatives?

RQ 2, 4, 5, and 7 help us analyze the activities, motivations, decision-making processes, stakeholders, and resources related to CSR. RQ 6, 8, and 9 address the communication, evaluation, and success of CSR. Our study departed from the disclosure method, for reasons cited earlier and used stakeholder analysis based on responses from practitioners and non-practitioners. To get a comprehensive understanding of CSR in Singapore, we gathered data from corporations that practice CSR as well as those that do not.

Operationalization of Research Questions

For us, corporations include Small and Medium Enterprises (SME) as well as large corporations, public and private enterprises, as well as local, regional, and multinational corporations. To better understand the nature of corporations, we reviewed the definition of certain key terms. For instance, an SME is defined by Spring (2004) as a commercial establishment that has at least 30% local equity, has fixed assets (defined as net book value of factory building, machinery and equipment) not exceeding \$15 million, and employs no more than 200 workers for non-manufacturing/services corporations.

We also recognized that most corporations would be reluctant to provide us with financial information such as the value of their fixed assets. An analysis of 15 corporate websites revealed that we could not determine the status of corporations based on the information on their websites. Therefore, we decided to leave the identification of the size of the corporation (e.g. SME or large corporation) to the respondents' discretion.

Although we chose Bowd et al.'s definition (2003) to guide the study, we recognize that CSR may not be perceived similarly by all executives. Thus, we were cautious in our expression as we did not want to overlook the insights of executives who are not familiar with the term or have their own interpretations of it. We wanted to give our respondents the general focus of our study without limiting their perceptions about the concept itself.

Many corporations (e.g. Microsoft and ExxonMobil) employ the term *corporate citizenship* and often use it synonymously with CSR, especially in the US and Europe (Munshi, 2004). Indeed, the concept of corporate citizenship overlaps largely with the concept of CSR. Business executives interviewed in a US study (Centre for Corporate Citizenship at Boston College, 2004) defined a good corporate citizen as a corporation which makes profit, pays taxes, provides jobs, operates ethically, treats its employees well, produces reliable products, has a good environmental record, and works to improve conditions in the society. The parameters of corporate citizenship identified by the respondents are similar to what CSR encompasses. Acknowledging that Singapore is home to many American and European MNCs, we decided to use the terms interchangeably during data collection although we recognize that the two concepts have slightly differing connotations in the literature.

METHODOLOGY

This study used a triangulation of quantitative and qualitative methods in an effort to increase the validity of our study by comparing multiple forms of data and seeking convergence in the findings (Lindlof & Taylor, 2002). In addition, triangulation helps

neutralise the biases inherent in an individual method, thereby enhancing the study's reliability (Miles & Huberman, 1994).

Survey: We used a self-administered web questionnaire to collect data from the senior executive most likely to be involved with the CSR activities of the 74 corporations in our sample. We selected the Internet as the medium of choice to administer the questionnaire because it is both time and cost efficient (Dillman, 2000). Any possible sampling bias due to accessibility is also negligible, considering the high Internet penetration rate of 76% across corporations and organizations in Singapore (Infocomm Development Authority of Singapore, 2003).

We invited 288 corporations to participate in the study 74 of whom sent usable responses (response rate of 26%). The sample comprised an almost equal number of large corporations (51%) and SMEs (49%). We labelled corporations with more than 200 employees as "large." Of the 74 corporations that participated in the study, 39% were domestic and 60% multinational. These corporations represented various industries although the majority were from the Service (20%), Information Technology (18%), and Banking and Finance (16%) sectors in keeping with the economic landscape of Singapore.

Because we also wanted to know the perceptions of individual corporate executives toward CSR (in addition to organization-level practices), we used snowball sampling to elicit responses from 513 additional corporate executives gathering data over two months (from 5 December, 2004 to 5 February, 2005). The male to female ratio of our sample was balanced (51% to 49%) with the majority of corporate executives (67%) between 21 and 30 years of age. These executives represented various industries such as Service (23%), Banking and Finance (18%), and Information Technology (14%). Fifty three per cent of the executives were from large corporations and 47% were from SMEs. The majority (60%) worked for regional (ASEAN) or multinational corporations. We reminded participants - through an introductory phone call and cover letter - that we expected them to give their responses even if they had not heard of CSR or their corporations did not, in their view, practice CSR.

The questionnaire consisted of three sections of 18 questions spread over seven web pages. The questions and batteries were conceived after multiple comparisons with instruments employed by other empirical studies (e.g. Sagar & Singla, 2004; Lines, 2004; British High Commission, 2004). We also included perspectives from the literature (e.g. Carroll 1991; Freeman, 1984) as well as industry insights from the UN Global Compact, Centre for CSR, and National Tripartite Initiative, a CSR initiative of the Government of Singapore.

In-depth Interviews: In the second stage of data collection (following the surveys), we conducted in-depth face-to-face interviews with 19 corporate executives to seek insights on their CSR practices. Besides executives of corporations, we also interviewed managers of NGOs, community representatives, trade associations, and the mass media. Dexter (1970) termed interviews with those who are influential, prominent, and well-informed in their fields, as elite interviews. In these elite interviews, interviewees are not subject to standardized questioning but are allowed to introduce “their notions of what they regard as relevant, instead of relying upon the investigator’s notions of relevance.” We found this approach useful because these elites were able to elaborate on the status of CSR in Singapore because of their experience.

FINDINGS AND ANALYSIS

One of the purposes of this study was to identify the perceptions about CSR among a sample of corporate executives in Singapore as well as CSR practices among a sample of corporations in Singapore. Findings from this study suggest that many of the corporate executives surveyed as well as those interviewed had a broad understanding of the concept of CSR. They were able to recognize that CSR consists of a range of responsibilities covering legal, ethical, and philanthropic aspects (Carroll, 1991). The survey respondents recognized the different parameters (e.g. anti-corruption, health and safety, business ethics) listed in the questionnaire as factors that would make a corporation socially responsible. Likewise, interviewees were able to describe CSR comprehensively and viewed CSR as essential to a corporation’s sustainability. The discussion of profitability as a parameter of CSR was more controversial and the respondents were divided on whether generating profits was considered CSR. Many of them, however, felt that a corporation needs to be profitable first before it can consider CSR as important to its corporate agenda. With this broad overview of the perceptions among corporate executives, we next answer each of the research questions relying on both quantitative and qualitative data.

RQ 1: The first research question sought to know the perceptions about CSR among the sample of corporate executives in Singapore. We found that the awareness level was high (69%), which might be attributed to the recent increase in media coverage as well as the launch of several initiatives to promote CSR in Singapore all of which occurred when we were conducting this study. Further, the means for all the CSR parameters listed by us were rather high (means ranging from 3.64 to 4.47) indicating that the sample of corporate executives perceived all the parameters we listed to be significant and that the parameters are relevant in Singapore (**Table 1**). *Anti-corruption* ($M = 4.47$, $SD = 0.615$), *business ethics* (M

= 4.44, SD = 0.654), *health and safety* (M = 4.44, SD = 0.662), *environment* (M = 4.34, SD = 0.695), and *labor practices* (M = 4.32, SD = 0.707) were listed as the most significant parameters with the highest means and lowest standard deviations (**Table 1**). This indicated a relatively high consensus among respondents that these five parameters were most significant in defining a socially responsible corporation. Likewise, common themes of CSR that emerged during the interviews revolved around ethical practices, employee welfare, care for the environment, and “giving back to the society.”

Although *profitability* scored the lowest mean (M = 3.64, SD = 0.928) among all the parameters, it was still perceived by the sample of corporate executives to be a significant aspect of CSR (**Figure 1**). The interviewees expressed mixed sentiments towards profitability. A few interviewees did not think that being profitable is a part of a corporation’s social responsibility. One interviewee commented that “being profitable is the basic requirement of any company that exists in the economy.” According to this interviewee, it would be too “narrow-minded” to consider profitability as part of CSR. On the other hand, several interviewees felt that profitability is an essential part of CSR. One interviewee from a public listed corporation felt that his corporation has to be profitable “to run the company efficiently... improve the system... be responsible to his [sic] shareholders... staff... contribute to the community.” (**Figure 1**)

The survey data revealed that *charitable contributions* (M = 3.85) and *community involvement* (M = 3.95) were the least significant parameters after *profitability*. Along the same line, 41% of the sample of corporate executives disagreed (M = 2.86, SD = 0.995) that CSR is about making charitable contributions, while 29% took a neutral stand. Similar sentiments were echoed in some interviews as indicated by one interviewee who said: “there are notions of volunteerism and corporate philanthropy involved, but these are just elements of it [CSR]. The meat of CSR is to mainstream it into the regular business operations.”

Interviewees had diverse interpretations of CSR one describing the term as a “concept akin to an amoeba.” Many interviewees said that the parameters of CSR are relevant to different corporations in varying degrees depending on the nature of the industry and the stakeholders that corporations perceived to be important. For instance, one interviewee from the engineering sector felt that environment is a more significant parameter compared to charitable contributions because the environment’s condition has a direct impact on his corporation’s long-term survival.

A majority of the corporate executives surveyed (83%) disagreed that corporations need not be concerned with the society (**Figure 2**). This suggested that they perceived

corporations to have some obligations toward the society and viewed business and society as “interwoven rather than separate entities” (Wood, 1991, p. 695).

More than half (52%) of the corporate executives felt that CSR should be recognized as a core business function while almost three-quarters (74%) agreed that social responsibility should be a consideration when formulating corporate strategies. Further, a majority (63%) perceived CSR to have a positive impact on the financial performance of corporations. These findings suggested that the corporate executives in our sample acknowledged that CSR should be an integral part of business. Yet, nearly half (49%) agreed that CSR is largely a publicity issue. This suggests a discrepancy between how the corporate executives in this sample felt CSR should be practiced (normative), as opposed to how they perceived CSR is practiced (positive).

We raised the appropriateness of using CSR to gain publicity with our interviewees. While some felt corporations should not leverage CSR activities for publicity purposes, others felt that the benefits derived from these activities are more important than the intended motives. One interviewee explained:

We don't mind companies doing CSR for publicity. That's OK as long as they are doing something good. Who knows, maybe after coming out to do something and having felt good, they might continue to do it. Whatever the reason, it's a way to get started.

As for the need to regulate CSR, 46% of the respondents agreed that CSR should be completely voluntary and not governed by any law or regulation. A few interviewees felt that CSR should “come from the heart” rather than merely complying with government regulations or legislations. An executive from a MNC felt that CSR is not about what the government sees as right or wrong, saying, “It's not what the government should do but what companies should do.... It is not about just operating within the rules.”

An interesting issue that emerged during the interviews was the balance between profitability and CSR – whether corporations need to be profitable before engaging in CSR actions. A majority of interviewees perceived profitability as a pre-condition before their corporations could commit resources to CSR. The owner of an SME felt that it is understandable for corporations to put profitability as the top priority as “every business wants their company to be as profitable as possible.” Another common sentiment was that CSR should be placed at the higher end of the “hierarchy of needs,” which would be considered only if a corporation is profitable. On the other hand, a few interviewees felt that CSR does not necessarily have to come after profitability, as indicated by one interviewee:

It is acceptable to aim to be profitable but you don't have to wait to do CSR. It has to be in the corporation's roots and culture and thus CSR has to start from the first day. Your main objective can be to increase profits and sub-objective to be a socially responsible corporation. This is regardless of your size or industry or development stage.

RQ 2: Of the 74 corporations surveyed 72 (97%) engaged in CSR-related activities, as defined by their own notions of CSR. The most commonly performed activities were *charitable donations* (76%), *employee welfare & training programs* (74%), and *community projects* (69%) (**Figure 3**). These findings were confirmed by many interviewees who discussed philanthropic activities as CSR efforts before any prompting by the interviewer. Some interviewees felt that CSR is simply a new way to label some of the philanthropic functions that have been traditionally practiced by corporations. One interviewee perceived CSR as basically involving altruistic actions:

When I see this term CSR, what comes to my mind are mainly donations, or some charitable work for the society, doing something other than directly involved in the profitability of the company.

Interestingly, some interviewees disagreed that philanthropy should be a major aspect of CSR, even though they acknowledged it as a commonly practiced activity in Singapore. One interviewee differentiated between CSR and philanthropy:

Companies tend to see CSR as donating money to charities and putting out a statement so that people know that they have done it. And that is a very short-term view... That is not CSR. That is just giving. That is just donations.

Our interviews also revealed that the type of CSR activities conducted was closely linked with the nature of the corporation. Size and industry of the corporations too, were considered to be important determinants of the type of CSR activities practiced. One SME interviewee expressed concern over the applicability of the various CSR parameters to smaller corporations which are generally less concerned with community relations and global outreach. Some interviewees also reported that Business-to-Business corporations have fewer incentives to practice CSR because their clients are unlikely to appreciate their investment in CSR efforts. An interviewee from an engineering corporation commented:

A company that serves the public will need to leave an impression but we are more of a business to business. Businesses do not care if you are charitable in nature... For consumer products, CSR gains market share and consumers' favour by doing corporate volunteering but doesn't help an engineering company.

RQ 3: Our survey findings indicated the listed motivators to be relatively important, with ratings of their importance ranging from 3.20 to 4.08 (with 1 = least important and 5 =

very important). The only exception was *avoid regulation* ($M = 2.87$, $SD = 0.940$). The top three motivators were *enhance reputation* ($M = 4.08$, $SD = 0.812$), *long term sustainability* ($M = 4.08$, $SD = 0.897$), and *enhance community trust and support* ($M = 4.04$, $SD = 0.920$) (**Table 3**).

The results suggested that our sample of corporations considered CSR as being vital for a corporation's survival. In addition, the focus on *enhancing reputation and community support* indicated that the corporations in the sample were receptive to the *business and society approach* reviewed earlier in this paper.

Interestingly, our interviewees were more inclined to value external and punitive motivators such as "consumer pressure," "government guidelines," and "crisis prevention." Interviewees also generally agreed that corporations should not be considered as being separate from the community, regardless of whether a corporation is local or multinational. One interviewee summed up these sentiments:

We realize that we are part of the world. An organization doesn't exist in isolation ... For any company to go on as a perpetual entity, whoever [is] holding the fort need [sic] to ensure that the economy and world that it operates in continue to be a safe environment.

Economic motivators align a corporation's CSR efforts with potential monetary returns. *Attract investors, promote transactions/ partnerships, and increase profits* were categorized as economic motivators. The relatively low average mean of the three motivators ($M = 3.68$) implied that most corporations in the sample did not practice CSR for bottom-line reasons. Although most corporations considered all the motivators listed as essential, motivators aligned with corporate agenda ranked among the lowest in importance (**Figure 4**).

Some interviewees who were skeptical about certain local corporations' CSR efforts questioned the above findings as indicated by an interviewee:

There are a lot of organizations out there who are actually using (the tsunami disaster) by donating 10% of proceeds and so on. We see that as a bit gimmicky, which means they are trying to get sales. They are trying to appeal to the emotion of somebody, ultimately to get sales, because it is tagged to the sale of an item.

External pressures ($M = 3.20$, $SD = 0.811$) was considered as not being such an important motivator. Only 35% of respondents agreed that external pressures coming from NGOs, government, media, consumers, and community are important in motivating CSR practices. This finding was consistent with the relatively low level of civil activism prevalent in Singapore.

The executives of the corporations in the sample were divided on whether *government regulation* should be considered as a CSR motivator. Almost half of them (49%) indicated a neutral stand toward government intervention. It is important to note that the mean ($M = 2.87$) indicated that the other half of the sample corporations did not consider *government regulation* as a motivational factor. The actual distribution of corporations between “not important” and “important” was relatively balanced.

Interestingly, some of our interviewees believed that the Government of Singapore should be instrumental in driving the CSR movement. Their reasons ranged from the government’s powerful financial, media, and human resources, to the large number of Government Linked Companies (GLC, or public sector enterprises) and a vast amount of regulatory power. One advocate of government regulations as a CSR driver said, “It [government regulation] sets a precedent, it puts that out in the public domain, it becomes a norm, it becomes part of a corporation’s daily operations.... The structure naturally becomes self-substantiated on its own.”

RQ5: Our data revealed that *CEO* (74%), *Head of HR* (45%), *Directors* (39%), and the *Head of Corporate Communications* (38%) most often made CSR-related decisions. Nearly half (45%) of the sample of corporations reported that three or more departments made CSR-related decisions, suggesting an integrated CSR decision-making process (**Figure 5**). Our data suggested that CSR initiatives are top-down driven in Singapore. For example, the MNCs in our sample received directives regarding CSR mainly from their regional or global headquarters. On the other hand, CSR-related decisions in SMEs were made by the CEO.

One of the corporations in the sample had a considerably formalized decision-making structure where the Corporate Communications department led CSR initiatives. A yearly budget is allocated and all employees are entitled to two days of leave per year to serve as volunteers. Each of the three vice-presidents of the corporation is in-charge of an adopted charitable organization and organizes activities in coordination with the beneficiaries. The committee’s progress is evaluated and systematically documented. These records provide guidelines for future committees. Even though this procedure is not typical of the corporations in our sample, we believe that this would be a good model for other corporations to follow in instituting their own CSR programs.

Research Question 4 (**RQ4**) sought to understand which stakeholders corporations in the sample perceived as important and **RQ 6** asked how corporations in the sample communicated their CSR-related messages to their stakeholders. Corporations in the sample

identified **the primary stakeholders**¹ listed in the battery as the most important stakeholders. The top two stakeholders were *customers* ($M = 4.54$, $SD = 0.771$) and *employees* ($M = 4.41$, $SD = 0.855$) (**Table 4**). This perception of the high importance of employees was consistent with our earlier finding that employee welfare programs constituted a major portion of the CSR activities in the sample corporations. These findings were mirrored by our interviewees who saw employees and customers as significant stakeholder groups with the power to impact CSR. Some interviewees cited examples in the US where consumer advocacy groups pressured corporations to be more CSR conscious by boycotting products. (**Table 4**)

Within the *primary stakeholder* group, *suppliers* ($M = 3.59$, $SD = 1.13$) were considered by the sample of corporations to be the least important (**Figure 4.6**). Some interviewees stressed that there is a growing need for corporations to pay attention to their suppliers' practices. One interviewee believed that the onus is on individual corporations to monitor and investigate the ethical behavior of their suppliers (**Figure 6**). Interestingly, the least important stakeholders appeared to be *NGOs* ($M = 3.28$, $SD = 1.06$). The representative of one NGO interviewed by us was not surprised with this finding. He explained that NGOs in Singapore play a "facilitator" role rather than that of "community activist." He elaborated that this is due partly to the limited power of NGOs and the relatively low level of activism in most Asian societies including Singapore.

A majority (89%) of the corporations communicated with their stakeholders about their CSR practices. The stakeholders with whom organizations communicated most frequently were *customers* and *employees* (see Figure 4.7) and these corresponded with the stakeholders who were perceived by the sample of corporations to be the most important. The main communication tools employed were *company leaflets and posters, websites, and annual reports*. (**Figure 7**)

Interestingly, the sample of corporations did not communicate as frequently with the mass media. Only 37% of the sample corporations issued press releases and 32% communicated to the mass media about their CSR activities (**Figure 8**). It is reasonable to presume that the mass media are not a common tool used by the sample of corporations to disseminate information about CSR.

¹ Clarkson (1995) distinguished between *primary* and *secondary stakeholders*. *Primary stakeholders* are those groups or individuals that have direct transactions with the corporation and include: owners, suppliers, employees, and customers. *Secondary stakeholders* have a more "distant" even if no less important relationship and include environmental groups, society at-large, media, local community groups, social interest groups, and consumers.

RQ7 sought to know the resources allocated by corporations for their CSR programs. Almost a quarter of the corporations in the sample (23%) had a department dedicated to CSR activities. About 10% indicated that CSR activities were handled mostly by ad-hoc project groups. Annually, about 42% of the corporations allocated a budget specifically for CSR activities. Many interviewees reported that the allocated budget tends to fluctuate based on situational factors such as profit margins and scale of activities. Referring to the Tsunami crisis, one interviewee noted:

One of our past trainers who used to work in India was raising funds and asked us for assistance. The directors gave a blank check... It really depends on the severity, scope and the kind of help needed. There is no fixed model to follow.

As far as the breakdown of the manpower distribution for CSR activities is concerned, almost half of the sample corporations (49%) had designated staff to plan CSR activities of whom about 40% allocated more than eight members (**Figure 9**). However, a significant proportion of respondents (30%) were unable to cite specific numbers, suggesting the low level of commitment to tracking manpower allocation. Some interviewees explained that the number of planners varied among projects because of the voluntary nature of the ad-hoc committees. Further, CSR planning in some of the corporations spans across several departments, making it difficult to determine the exact number of staff designated for CSR activities (**Figure 9**).

RQ8 asked how corporations evaluated their CSR practices. Not unlike the evaluation of public relations activities, a majority of the corporations (61%) surveyed indicated that they did not evaluate their CSR practices at all. Likewise, many of the corporate executives interviewed also reported that they did not conduct any evaluation. Interviewees attributed this to the novelty of CSR. Further, many of the interviewees stated that their corporations did not specify goals or targets for their CSR initiatives.

We found that the standards and methods for evaluation differed widely among survey respondents. This was confirmed in our interviews where evaluation techniques ranged from casual and informal methods such as tracking media coverage or simply talking to customers for feedback to more formal methods such as focus groups and surveys. Nevertheless, many interviewees viewed evaluation as an essential step that should be adopted. Problems associated with evaluation, according to interviewees, include the lack of appropriate evaluation instruments, the intangible nature of the results of CSR practices, and the perceived lack of importance given to CSR reporting. One interviewee illustrated this:

There is difficulty in comparing fieldwork and actual practices with guidelines or checklists. A common standard to be developed by the NGOs might help although the guidelines will not be [sic] too specific.

Our survey data indicated that verbal feedback was the most common method used to evaluate CSR efforts (**Figure 10**). Out of the 29 corporations in the sample that conducted CSR evaluation, only five used profit figures to measure the success of their CSR efforts. This result appeared to contradict our earlier finding that profitability is a perceived benefit of CSR. This deviation between the two findings might be due to the difficulty in measuring the relationship between CSR and profitability. While the sample of corporate executives might believe that CSR has a positive impact on financial performance, it might be difficult for corporations to actually measure the impact and link the two variables conclusively (**Figure 10**). Other evaluation methods used were the number of corporate volunteers, feedback from beneficiaries, and the number of days of leave claimed to serve as volunteers were also used. A quarter of the corporations surveyed were not sure of how data for evaluation were collected. Half of the corporations reported their CSR initiatives either in their annual reports or on their websites.

RQ9 asked what benefits the corporations in the sample had achieved in their CSR initiatives. The most frequently cited benefits were *improved customer loyalty* (57%), *improved organizational culture* (53%), and *attracting and retaining employees* (35%) (**Figure 11**). The top benefits cited by the corporations in our sample were related to customers and employees, who were also the most important stakeholders identified. The interviewees also cited similar benefits. In addition, they reported that their corporations enjoyed a more cohesive workforce, enhanced image, and reduced business costs as a result of CSR practices.

It was paradoxical that *improved image and reputation* (11%) was the least frequently cited benefit of CSR, considering an earlier finding that *enhancing reputation* was the most significant motivation for corporations to engage in CSR activities. The sample of corporations might have difficulty assessing the impact of CSR on reputation because corporate reputation is hard to measure. Having answered the research questions individually, we next address some key themes based on our data.

CSR Activities: In Singapore, CSR activities appear to revolve around philanthropic aspects because most interviewees equated CSR with philanthropic activities such as “employee volunteerism,” “corporate donations,” and other charitable activities. This could be attributed to the limitation that it is easier for the interviewees to discuss such activities as

opposed to legal and ethical activities. We also acknowledge that such community-oriented activities may be preferred by corporations because of their ability to generate better publicity and garner public goodwill. While actual practice appears to lag behind perceptions (which is more comprehensive), this is understandable as the modern concept of CSR was introduced to Singapore less than half a decade ago (Roche, 2000) and it is coming to vogue only in the last couple of years.

Decision-making: CSR practices varied among the sample of corporations. For decision-making, most of the interviewees cited that a top-down approach is ideal. Likewise, the survey results revealed that almost three quarters of the CEOs from the sample of corporations made decisions on CSR, thus centralizing decisions on CSR.

Motivations: Based on the descriptions of our interviewees, we found that corporations adopted three major approaches when they practiced CSR: *proactive*, *accommodative* and *reactive*. *Proactive* corporations are motivated by their corporate values and agenda to implement initiatives on CSR, which are aligned with their corporate strategies. These are typically large and multi-national corporations. *Accommodative* corporations tend to follow existing guidelines and regulations to fulfill minimum CSR criteria. They also may consider feedback from important stakeholders and attempt to meet the CSR expectations of these groups. *Reactive* corporations tend to react to events and conduct CSR activities on an ad-hoc basis.

Evaluation: One obstacle hindering corporations from evaluating their CSR efforts can be the inherent difficulties in measuring CSR, as stated in our literature review. We also discovered from the interviews that some corporations do not set goals prior to implementing their CSR projects. Thus, there is no benchmark for these corporations to evaluate their CSR activities as a result of which they seem to do very little by way of CSR evaluation.

Analysis of potential effectiveness of CSR drivers

Another objective of this study was to develop recommendations that can be used to drive the CSR movement in Singapore. Based on our quantitative and qualitative data, as well as insights from the literature review, we identified seven stakeholders that are able to influence corporations to practice CSR. We refer to these stakeholders as drivers: the government of Singapore, NGOs, mass media, corporations, trade associations, consumers, and employees (**Table 2**).

In order to evaluate the effectiveness of these drivers, we assessed the current activity level of each driver. Drawing inspiration from the terminology and concepts of the situational theory of publics (J. E. Grunig, 2005), we rated individual drivers on their level of

awareness and activity in promoting CSR. We used three criteria to conduct our analysis: 1) awareness of the concept of CSR, 2) recognition of the issues and opportunities surrounding CSR, and 3) organizing and taking actions to manage CSR issues and leverage opportunities. When none of the above three conditions is present in a driver, it is labeled a *non-driver*. When the driver is aware of the concept of CSR, but does not fully recognize the issues and opportunities surrounding the concept, it is labeled a *latent driver*. When the driver recognizes the issues and opportunities, it moves from the latent stage to the *aware* stage. Unlike a *latent driver*, an *aware driver* will think about, and communicate about, CSR but it does not act upon these thoughts and discussions. Lastly, an *active driver* will engage in formalized discussions about CSR, seek to promote CSR, and organize to actively bring about changes to make corporations more CSR-minded.

Potential Impact: We also analyzed the *potential impact* that each driver may have in motivating corporations to practice CSR. Factors that contributed to this analysis include the perceived importance of the driver among the sample corporations and the perceptions about corporate executives towards CSR. Insights and recommendations from our elite interviews, coupled with our understanding of Singapore's political, socio-economic, and cultural variables, also helped us make informed evaluations. An arbitrary index was developed to rate the *potential impact* of each driver. The index consists of ratings: *very weak, weak, moderate, strong and very strong*. Drivers that are rated *very weak* or *weak* are unlikely to influence the CSR behavior of corporations. Drivers rated *moderate* may be able to change attitudes and perceptions among corporation executives but are unlikely to change corporate behavior significantly. Those rated *strong* and *very strong* are the drivers with the most potential to lead the CSR movement in Singapore.

We recognize that the *potential impact* and *current activity level* of the drivers can be highly variable, particularly among corporations, consumers and employees. The final rating established is based on an estimation of the average of the aggregate behavior. (**Table 2**) Based on our analysis, drivers that featured strongly in both areas of *potential impact* and *current activity level* include the government and corporations. Some senior government ministers have taken the lead to promote CSR in high-profile seminars targeted at corporations. While our interviewees were divided on whether the government should legislate CSR, most agreed that the government is in a strong position to raise CSR awareness and performance among corporations, given the nature of political system that exists in Singapore.

Our data suggest that despite their high level of interest and *activity*, NGOs appear unlikely to bring about significant changes in corporate behavior vis-à-vis CSR. This is not surprising considering that civil activist groups in Singapore are relatively quiet. In fact, the interviewees representing two local NGOs recognized the limitations of their efforts to drive CSR. One way to increase the impact of NGOs will be for the NGOs to collaborate with trade associations or other drivers to give these organizations the added muscle. An example of one such effort is the setting up of the National Tripartite Initiative (NTI) on CSR in 2004, which consists of volunteers, government representatives, labor unions, a consumer group, and a trade association. Considering that over 100 corporate members attended its launch, we believe NTI will establish a strong presence in the CSR movement in Singapore. Based on our data, we have rated the mass media, including business publications, as moderate for their potential impact. This is also in line with the non-activist orientation of most of the mass media in Singapore due to the existing media system.

Conclusion, Limitations, and the Future

We recognize that ours is by far a descriptive study from which we have made data-based extrapolations such as the drivers of CSR in Singapore. However, as Wood and Pasquero (1997) suggested: “At this early point in [a] field’s maturation process... description should be as legitimate as explanation. We do not know enough... to construct variable-based theory that would lend itself to quantitative explanatory research.” Because there is very little empirical data about CSR in Singapore, it is almost impossible to construct research instruments that will help predict phenomena related to this concept. We hope our study will spur more research on CSR in Singapore and help the movement grow as well. Future researches may select specific variables from the framework (e.g. employees and potential impact) and test their relationship empirically.

We also relied only on participants’ input about their corporations’ behavior. Survey respondents and interviewees may feel apprehensive about revealing information about their corporations due to the sensitivity of the issues discussed. As a result, responses that have the potential to put corporations in a negative light may have been omitted. Social desirability bias could also have skewed the results positively. Further, the Asian tsunami disaster (December 2004), which happened in the midst of data collection for this study, may have raised the awareness of CSR among corporations in Singapore and skewed the level of understanding of CSR.

Further, some elements of the questionnaire, such as evaluation and CSR activities, may have been open to wide interpretations by respondents, and the survey findings may

have masked these variations. These problems associated with the survey methodology were compensated with the in-depth interviews with corporate executives and elite interviewees, which added considerable depth to our study.

With regard to the external validity of this study, there is inevitably some degree of self-selection of the respondents as the sample is dependent on the corporate executives' and corporations' willingness to participate. Thus, those who volunteered to respond are likely to have more interest in CSR. Further, because we did not use probability sampling, we consider this study to be a snapshot at this point in time. Future studies may be able to replicate our study and confirm our findings.

We studied two units of analysis to answer the nine research questions, resulting in a descriptive study covering a wide scope. Future researchers can use our study as a benchmark to address correlations of variables and conduct explanatory studies. One area of study can include examining the correlation between size of corporations and their level of CSR practices.

CEOs and top managers were found to be the key decision makers of CSR activities among the corporations in our study. Future research can conduct a deeper study of their attitudes towards CSR. Another area of study can include investigating the perceptions about consumers and employees, as they were regarded the most important stakeholders by the sample of corporations in our study. Future research can also examine the potential impact and current activity level of customers and employees, as well as other stakeholders such as NGOs and trade associations to test our analysis on the various CSR drivers empirically.

Another possible research avenue is to explore the distinct CSR issues associated with the different industries so that specific guidelines and recommendations can be formulated. A longitudinal study to uncover any significant trend in executives' perceptions about CSR and corporations' CSR activities over time may also be an interesting area for future research.

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Table 1

Economic, Legal, Ethical & Philanthropic Components of Carroll's CSR Pyramid

| Economic Components (Responsibilities) | Legal Components (Responsibilities) |
|---|---|
| 1. It is important to perform in a manner consistent with maximizing earnings per share | 1. It is important to perform in a manner consistent with expectations of government and law. |
| 2. It is important to be committed to being as profitable as possible. | 2. It is important to comply with various federal, state, and local regulations. |
| 3. It is important to maintain a strong competitive position. | 3. It is important to be a law-abiding corporate citizen. |
| 4. It is important to maintain a high level of operating efficiency. | 4. It is important that a successful corporation be defined as one that fulfils its legal obligations. |
| 5. It is important that a successful corporation be defined as one that is consistently profitable. | 5. It is important to provide goods and services that at least meet minimal legal requirements. |
| Ethical Components (Responsibilities) | Philanthropic Components (Responsibilities) |
| 1. It is important to perform in a manner consistent with expectations of societal mores and ethical norms. | 1. It is important to perform in a manner consistent with the philanthropic and charitable expectations of society. |
| 2. It is important to recognize and respect new or evolving ethical moral norms adopted by society. | 2. It is important to assist the fine and performing arts. |
| 3. It is important to prevent ethical norms from being compromised in order to achieve corporate goals. | 3. It is important that managers and employees participate in voluntary and charitable activities within their local communities. |
| 4. It is important that good corporate citizenship be defined as doing what is expected morally or ethically. | 4. It is important to provide assistance to private and public educational institutions. |
| 5. It is important to recognize that corporate integrity and ethical behaviour go beyond mere compliance with laws and regulations. | 5. It is important to assist voluntarily those projects that enhance a community's "quality of life." |

Source: Carroll, A. B. (1991) The Pyramid of Corporate Social Responsibility: Toward the Moral Management of Organizational Stakeholders. *Business Horizons*, 34 (4), 39-48.

Table 1 (contd.)

Cronbach's alpha reliability test

| Items | Alpha value if item deleted |
|--|-----------------------------|
| <i>Parameters of CSR</i> | |
| Compliance with all laws & regulations | 0.872 |
| Business Ethics | 0.863 |
| Mission, visions & values | 0.867 |
| Profitability | 0.877 |
| Corporate governance | 0.868 |
| Accountability & disclosure | 0.864 |
| Anti-corruption | 0.862 |
| Quality of products & services | 0.866 |
| Environment | 0.862 |
| Health & safety | 0.861 |
| Labour practices | 0.862 |
| Non-discrimination/ Equal opportunity | 0.859 |
| Human rights | 0.862 |
| Charitable contributions | 0.866 |
| Community involvement | 0.864 |
| Sustainability | 0.862 |
| Cronbach's Alpha Value for 16 items = 0.872 | |

Motivations for practising CSR

| | |
|----------------------------|-------|
| Increase profits | 0.800 |
| Long-term sustainability | 0.794 |
| Company tradition | 0.813 |
| Recruit / retain employees | 0.797 |

| | |
|--|-------|
| Attract investors | 0.775 |
| Promote transactions / partnerships | 0.787 |
| Enhance community trust and support | 0.788 |
| Avoid regulation | 0.799 |
| Enhance reputation | 0.778 |
| Favourable media coverage | 0.796 |
| Improve public welfare | 0.797 |
| Altruism | 0.807 |
| External pressures (NGOs, government, media, consumers, community etc) | 0.820 |

Cronbach's Alpha Value for 13 items = 0.809

Stakeholders

| | |
|---|-------|
| Employees | 0.796 |
| Shareholders | 0.809 |
| Business partners | 0.784 |
| Suppliers | 0.779 |
| Customers | 0.797 |
| Community | 0.791 |
| Government | 0.782 |
| Media | 0.792 |
| NGOs / Unions / Special interest groups | 0.788 |
| Competitors | 0.819 |

Cronbach's Alpha Value for 10 items = 0.811

Table 1 (contd.)*Means and standard deviations of parameters of CSR*

| Variables | Mean | SD |
|---|-------------|-----------|
| Compliance with all laws and regulation | 4.32 | 0.731 |
| Business ethics | 4.44 | 0.654 |
| Mission, visions, and Values | 4.00 | 0.798 |
| Profitability | 3.64 | 0.928 |
| Corporate governance | 4.04 | 0.767 |
| Accountability and disclosure | 4.28 | 0.707 |
| Anti-corruption | 4.47 | 0.615 |
| Quality of products and services | 4.26 | 0.753 |
| Environment | 4.34 | 0.695 |
| Healthy and safety | 4.44 | 0.662 |
| Labour practices | 4.32 | 0.707 |
| Non-discrimination/ Equal opportunity | 4.24 | 0.754 |
| Human rights | 4.16 | 0.785 |
| Charitable contributions | 3.85 | 0.865 |
| Community involvement | 3.95 | 0.872 |
| Sustainability | 3.96 | 0.832 |

Table 1 (contd.)*Means and standard deviations of corporations' motivations to engage in CSR activities*

| Variables | Mean | SD |
|------------------------------------|-------------|-----------|
| Increase profits | 3.79 | 0.897 |
| Long-term sustainability | 4.08 | 0.846 |
| Company tradition | 3.81 | 0.811 |
| Recruit/ retain employees | 3.82 | 0.948 |
| Attract investors | 3.69 | 0.988 |
| Promote transactions/ partnerships | 3.55 | 0.898 |
| Enhance community trust & support | 4.04 | 0.920 |
| Avoid regulation | 2.87 | 0.940 |
| Enhance reputation | 4.08 | 0.812 |
| Favourable media coverage | 3.77 | 0.842 |
| Improve public welfare | 3.81 | 0.793 |
| Altruism | 3.70 | 0.811 |
| External pressures | 3.20 | 1.023 |

Table 1 (contd.)

Means and standard deviations of stakeholders perceived to be important by the corporations

| Variable | Mean | SD |
|--------------------|-------------|-----------|
| Employees | 4.41 | 0.855 |
| Shareholders | 4.17 | 1.042 |
| Business partners | 4.15 | 0.905 |
| Suppliers | 3.59 | 1.129 |
| Customers | 4.54 | 0.771 |
| Community | 3.89 | 0.871 |
| Government | 3.89 | 1.076 |
| Media | 3.82 | 0.99 |
| NGO/Special groups | 3.28 | 1.058 |
| Competitors | 3.61 | 1.011 |

FIGURES

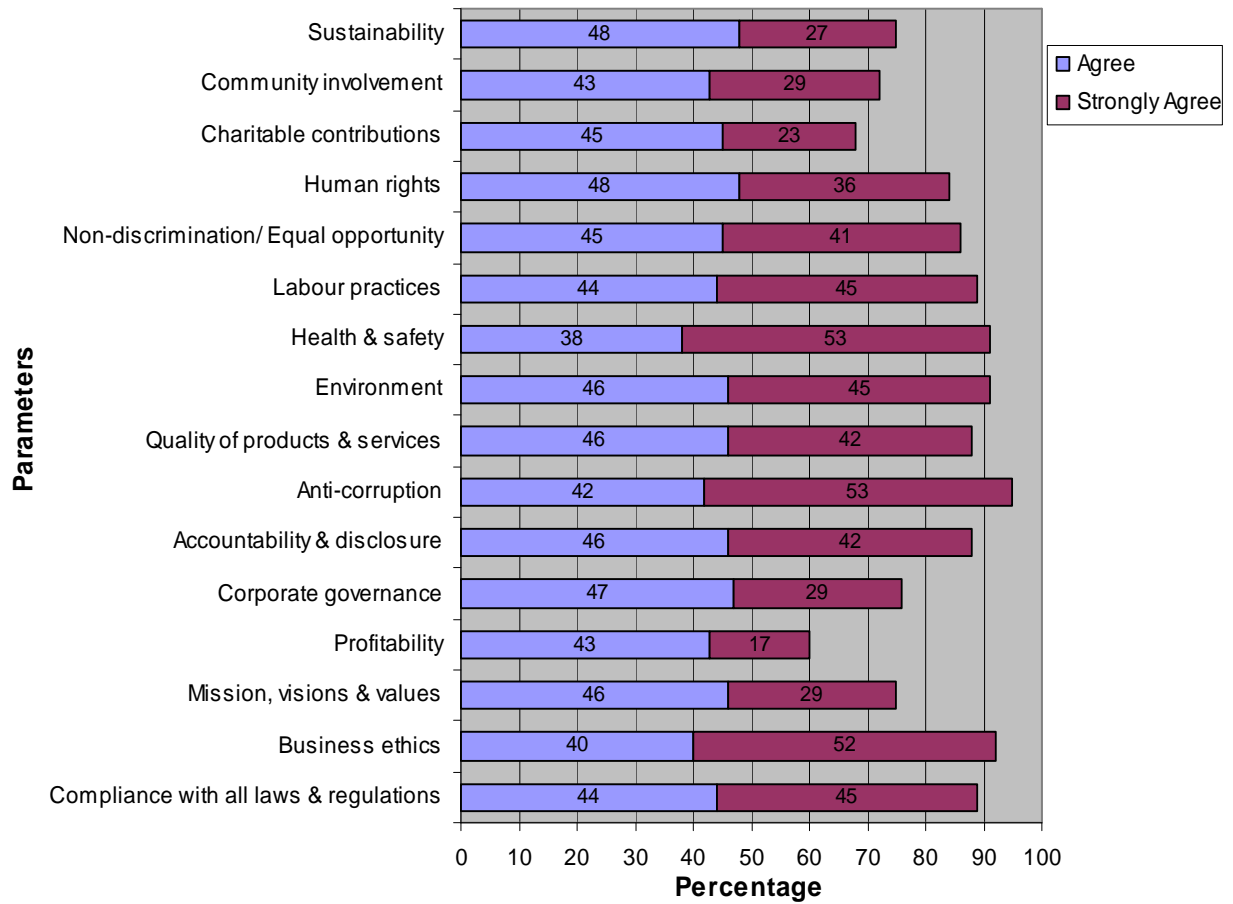


Figure 1. Percentage of corporate executives who agreed that the parameters contribute to CSR

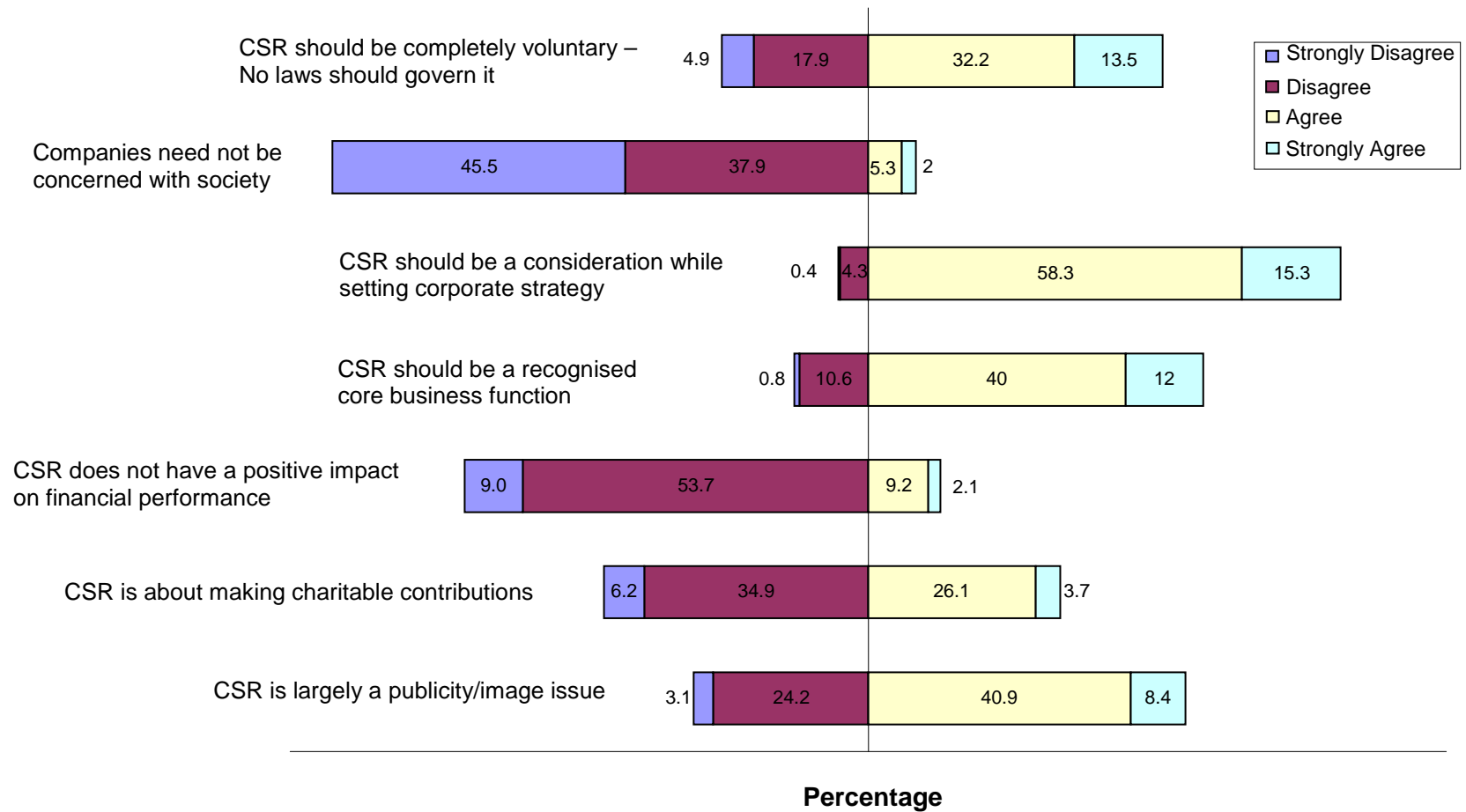


Figure 2. Corporate executives’ perceptions about CSR.
Percentage of corporate executives who agreed or disagreed with the statements on CSR

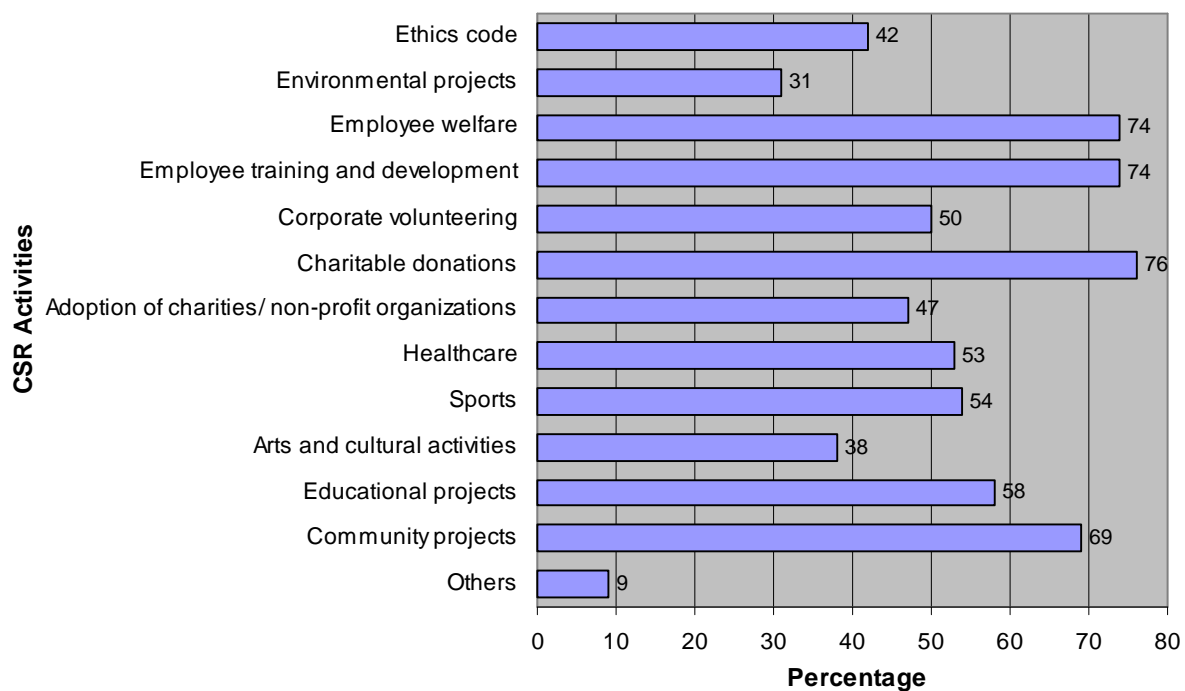


Figure 3. CSR activities conducted by the corporations

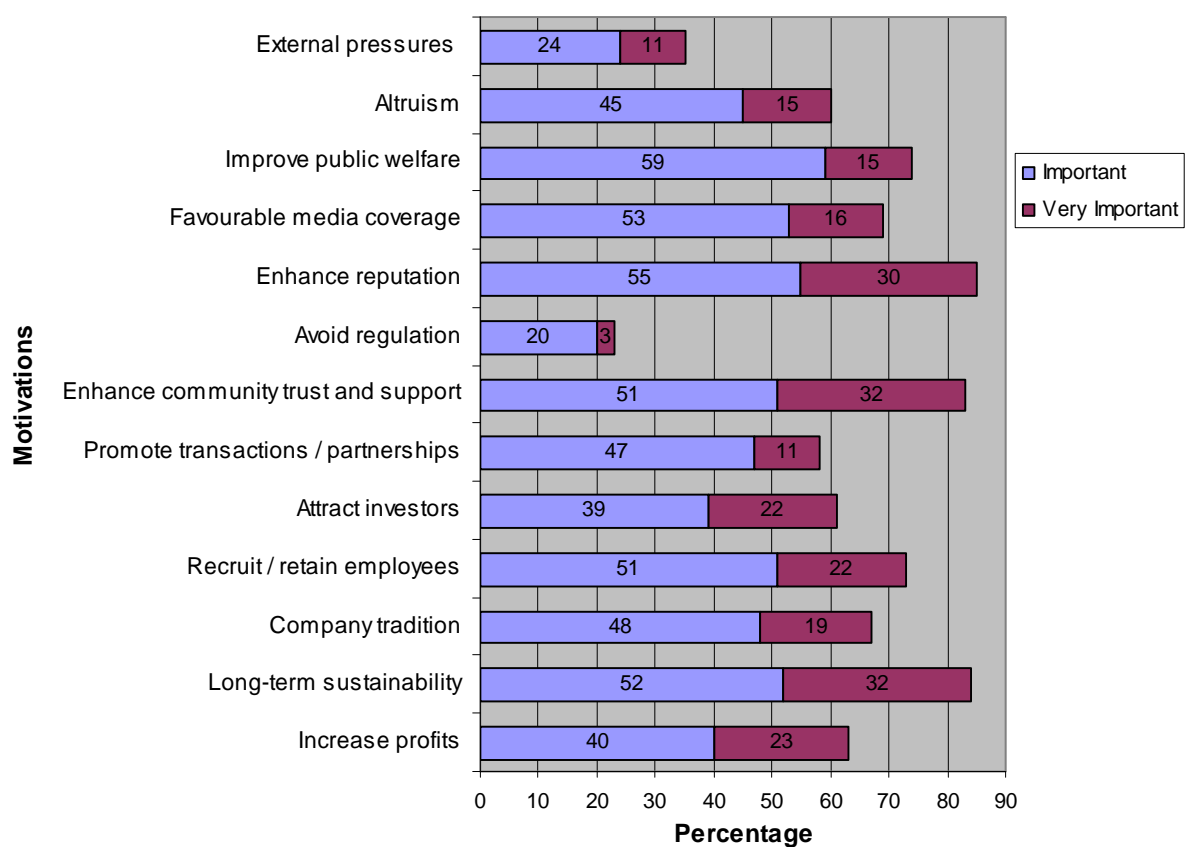


Figure.4. Motivations behind corporations' CSR practices

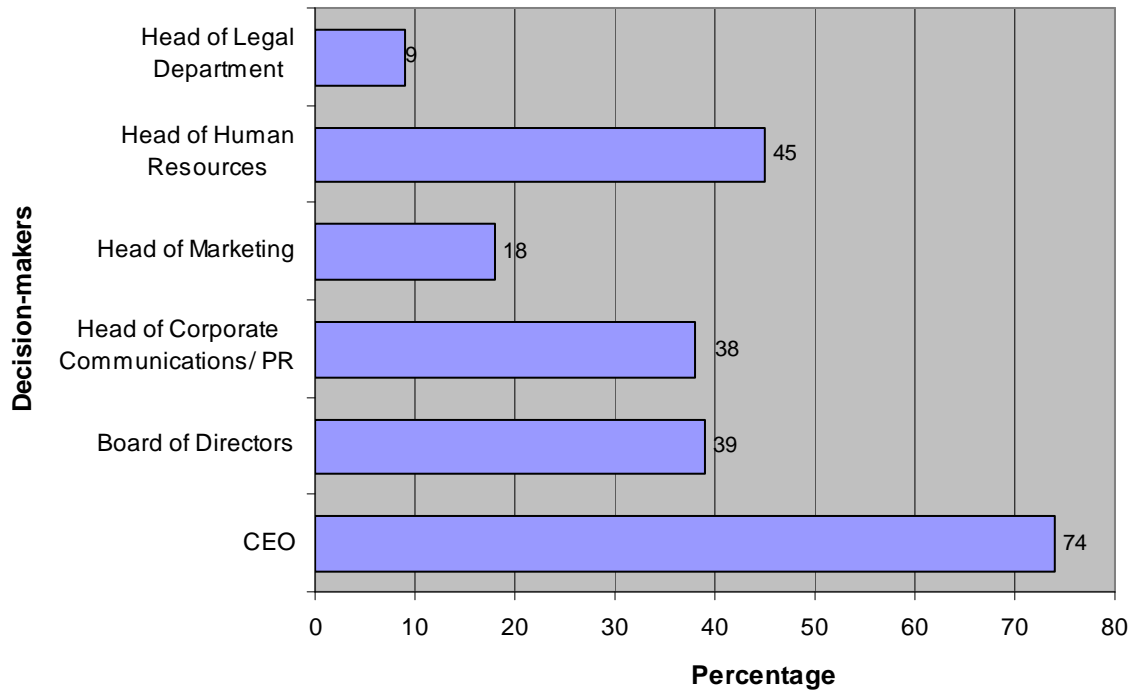


Figure 5. Decision-makers of CSR activities in the corporations

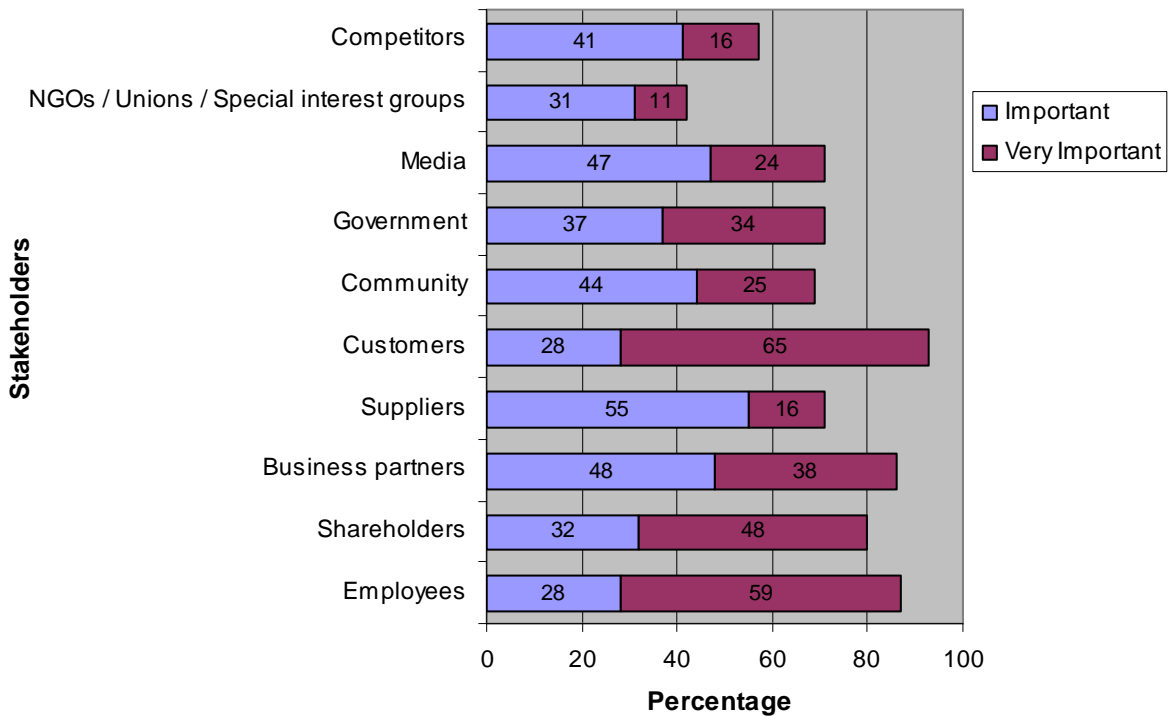


Figure.6. Stakeholders perceived to be important by the corporations

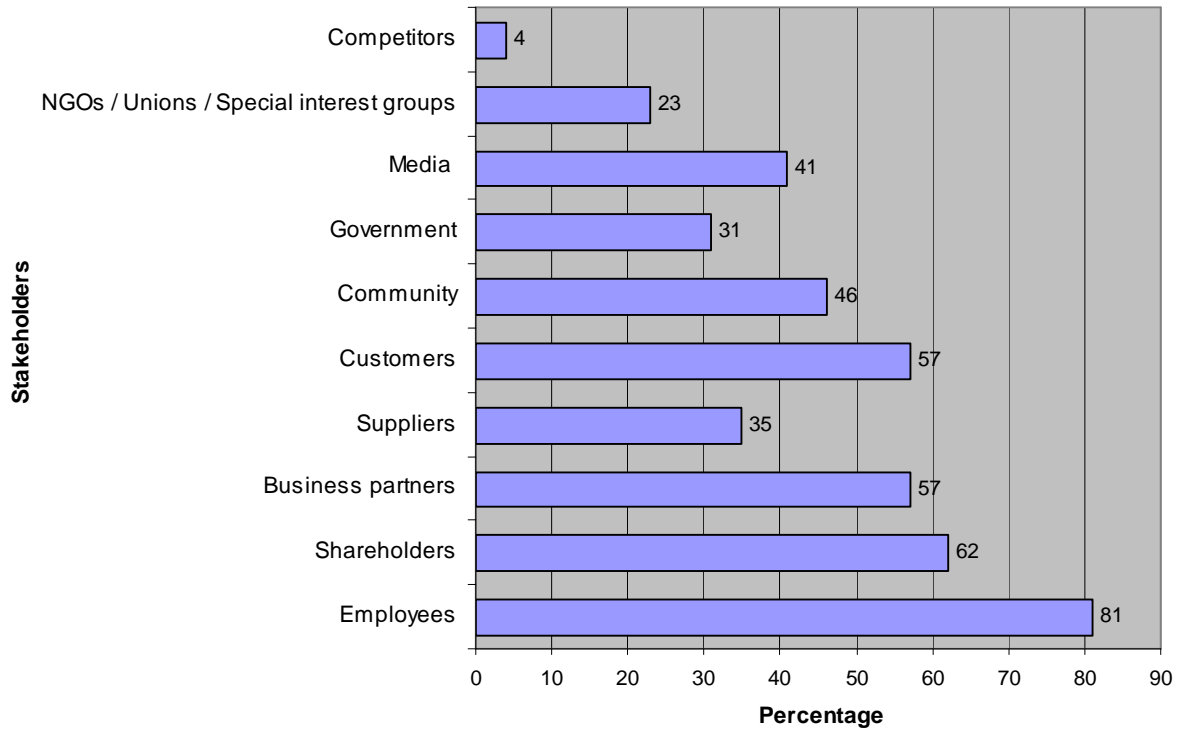


Figure.7. Stakeholders whom the corporations communicated with about their CSR efforts

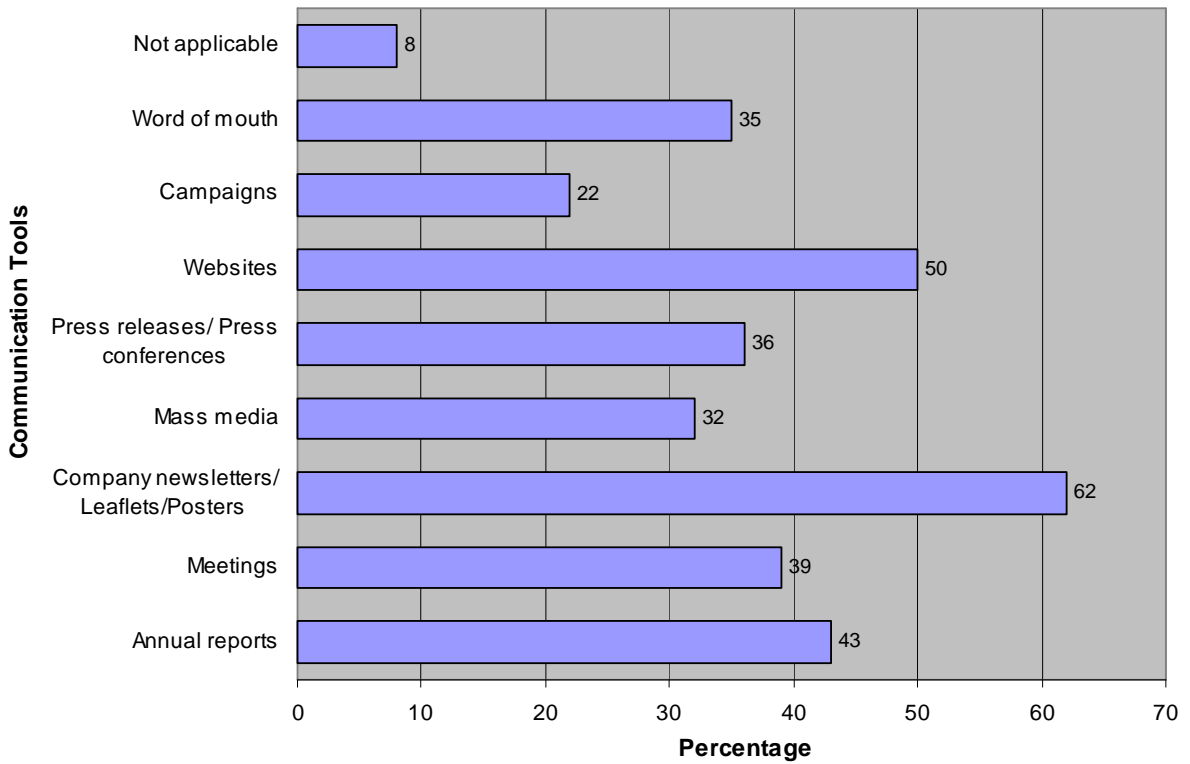


Figure 8. Tools used by the corporations to communicate their CSR activities to stakeholders

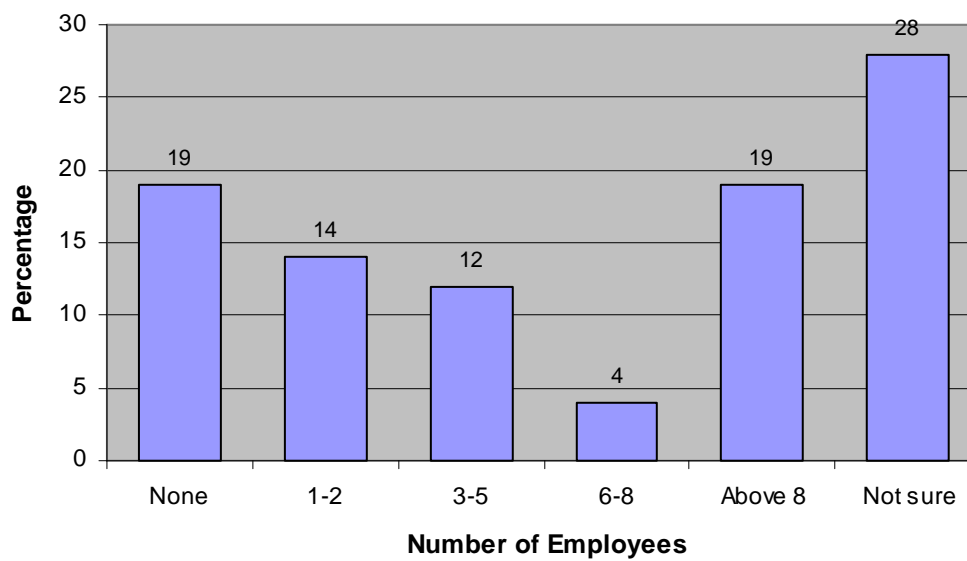


Figure 9. Number of employees dedicated to planning CSR activities

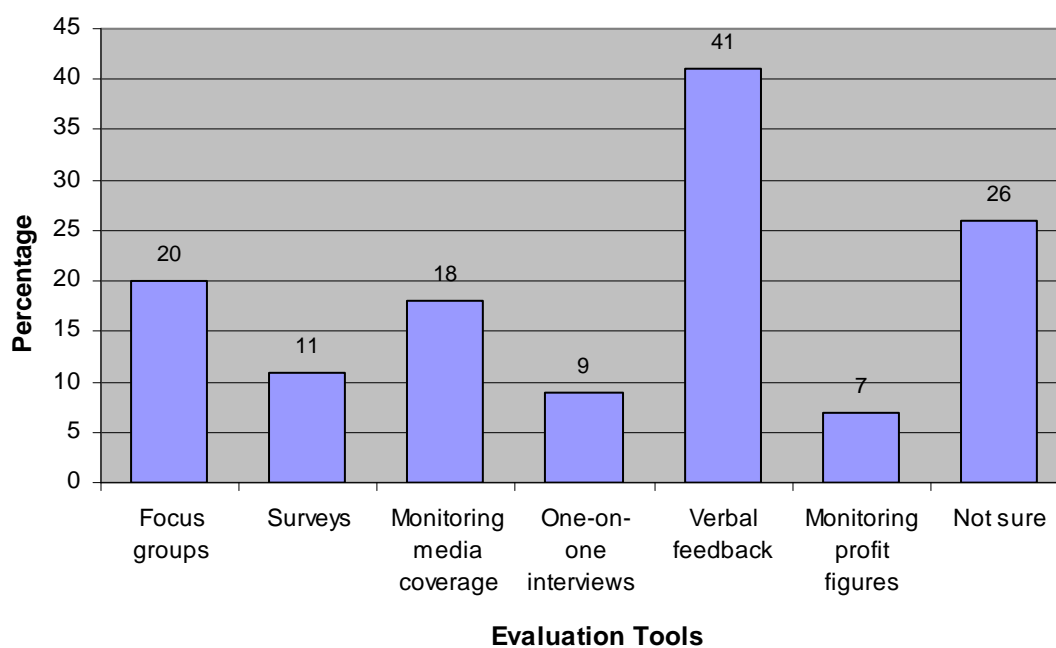


Figure 10. Tools used by the corporations

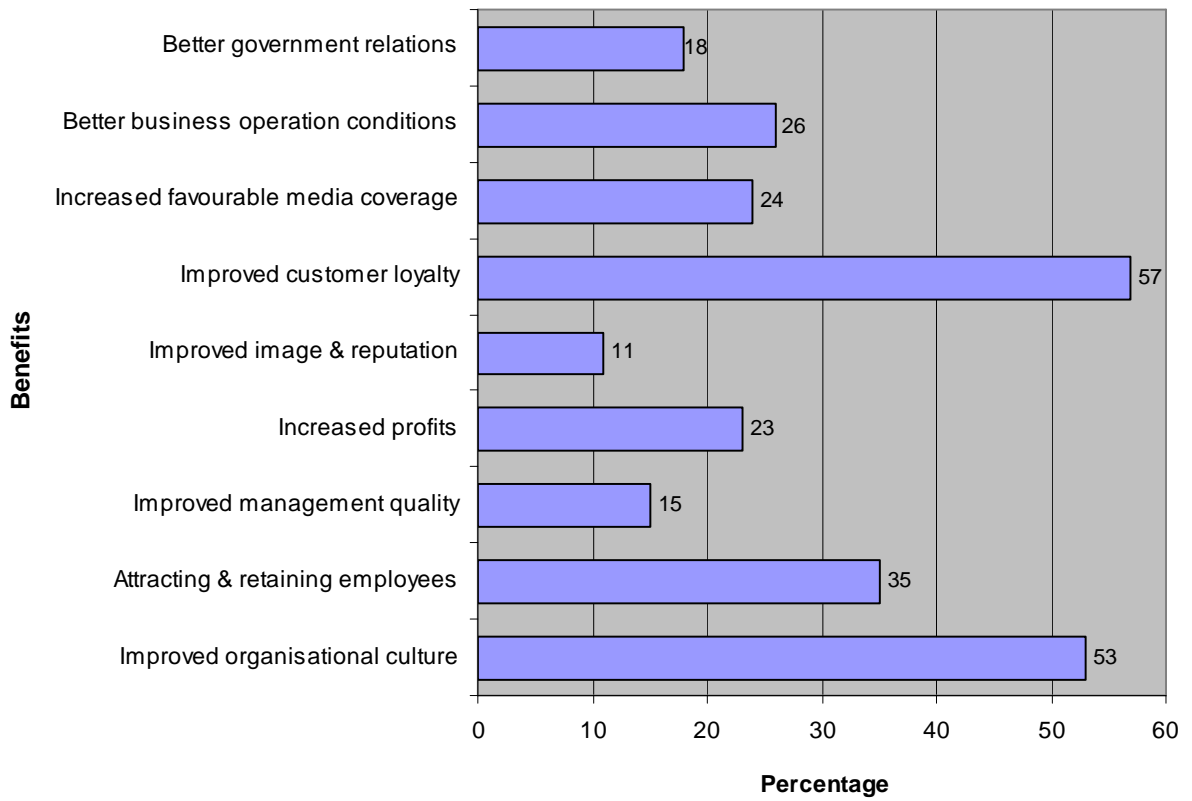


Figure 11. Benefits that the corporations achieved from their CSR activities

Table 2 An Analysis of the Potential Effectiveness of CSR Drivers in Singapore

| | (What Driver can do to promote CSR) | Impact | Activity Level | |
|------------|---|----------|----------------|--|
| Government | <ul style="list-style-type: none"> ▪ Legislate and regulate CSR ▪ Set minimum standards that need to be met ▪ Set CSR-friendly laws such as tax-exemption on corporate donations | Strong | Active | <p>Strengths:</p> <ul style="list-style-type: none"> ▪ Ability to ensure that minimum standards are fulfilled ▪ Authority to get the attention and compliance of corporations <p>Weaknesses:</p> <ul style="list-style-type: none"> ▪ Preference (among corporate executives surveyed and interviewees) for CSR to be voluntary ▪ Limited ability to be comprehensive and cover all areas ▪ Weak motivation for corporations ▪ Lack of sensitivity to market needs and changes |
| NGO | <ul style="list-style-type: none"> ▪ Raise awareness among various stakeholder groups ▪ Stimulate discussion on CSR ▪ Establish corporate networks / alliances on a local and global basis to facilitate communication on CSR ▪ Establish standards to assess CSR performance ▪ Establish CSR awards to recognize positive CSR practices | Weak | Active | <p>Strengths:</p> <ul style="list-style-type: none"> ▪ Independence from the government and corporations ▪ Possess the desire to change corporate behavior <p>Weaknesses:</p> <ul style="list-style-type: none"> ▪ Perceived unimportance of NGO as a stakeholder among sample corporations and interviewees ▪ Limited power of civil activists in Singapore |
| Mass Media | <ul style="list-style-type: none"> ▪ Expose irresponsible conduct of corporations as Fourth Estate ▪ Highlight positive CSR practices ▪ Raise awareness of issues and opportunities surrounding CSR ▪ Initiate evaluating systems to assess and publicize CSR performance | Moderate | Aware/Active | <p>Strengths:</p> <ul style="list-style-type: none"> ▪ Extensive outreach across different sectors of the society ▪ Ability to act as a watchdog on corporations <p>Weaknesses:</p> <ul style="list-style-type: none"> ▪ Limited success of existing efforts by media to promote CSR among corporations |

| | | | | |
|--------------------|--|-------------|--------------|---|
| Corporations | <ul style="list-style-type: none"> ▪ Communicate with stakeholders about CSR practices to raise awareness ▪ Require that business partners follow certain CSR standards | Strong | Latent/Aware | <p>Strengths:</p> <ul style="list-style-type: none"> ▪ Groups (e.g. Temasek Holding Companies) and large MNCs have power to influence behavior of business partners ▪ Corporations driven by competition; actions of rival corporations may get more attention than actions of NGO and Media <p>Weaknesses:</p> <ul style="list-style-type: none"> ▪ Behavior among corporations is highly variable ▪ Difficulty in reaching out to SMEs ▪ Danger of corporations jumping onto the bandwagon without a proper understanding of CSR |
| Trade Associations | <ul style="list-style-type: none"> ▪ Regulate CSR practices within the industry ▪ Set industry-specific CSR standards ▪ Identify relevant CSR issues and opportunities ▪ Establish system to recognise corporations that fulfil industry CSR standards ▪ Highlight positive CSR practices | Strong | Latent | <p>Strengths:</p> <ul style="list-style-type: none"> ▪ Possess best knowledge of industry needs and issues ▪ Access to corporations in the industry ▪ If membership is important in the industry, potential to use membership criteria to promote CSR practices <p>Weaknesses:</p> <ul style="list-style-type: none"> ▪ CSR may not be a concern of the trade association ▪ Limited power of trade associations in specific industries ▪ Not all corporations are regulated by their trade associations |
| Consumers | <ul style="list-style-type: none"> ▪ Product and corporation boycotts ▪ Support companies with strong CSR practices ▪ Exhibit willingness to pay more for products by socially responsible corporations | Very strong | Non-driver | <p>Strengths:</p> <ul style="list-style-type: none"> ▪ Affect corporations' bottom-lines directly ▪ Perceived importance as a stakeholder among sample corporations and interviewees <p>Weaknesses:</p> <ul style="list-style-type: none"> ▪ Singaporean consumers are generally apathetic and so, minimal activists |
| Employees | <ul style="list-style-type: none"> ▪ Consider CSR when choosing employment ▪ Provide feedback on CSR practices ▪ Participate in CSR activities ▪ Express interest and desire in CSR activities | Very strong | Non-driver | <p>Strengths:</p> <ul style="list-style-type: none"> ▪ Affect corporations' bottom-lines directly ▪ Perceived importance as a stakeholder among sample corporations and interviewees <p>Weaknesses:</p> <ul style="list-style-type: none"> ▪ Singaporean employees generally apathetic ▪ Lack of activist labor union in Singapore |