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Trends in Corporate Social Responsibility and Corporate Partnering

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Discussion Points

- Brief Overview of K.I.Asia
 - History on CSR
 - CSR Services
- What is CSR – let's get on the same page
- Trends in CSR
- Case Study
 - At-Risk Women Project
 - BETTER Project(time permitting)
 - Common Elements of Successful Partnerships

K.I.Asia and CSR

Initially established in 1994 as a USAID project, managed by the Kenan-Flagler Business School and UNC.

Initial funding from the Kenan Fund, Thailand and US Governments of \$11 million USD.

Began offering CSR services in 2002, the first practitioner-based CSR training courses in Thailand.

Trained over 300 CSR managers, implemented over \$3 million in CSR community programming

K.I.Asia CSR Services

Training and Executive Briefings

Building Community Programs

Communicating and Branding CSR

Sustainability Reporting & Communication

Strategic CSR from "Talk to Action"

CSR Evaluation and Measurement

Advisory

Community and Firm Assessments

Volunteer Program

Social Reporting

Monitoring and Evaluation

Community Project Design

Awards Judging

Research

State of Corporate Citizenship in Thailand

Consumer Behaviors and Attitudes Toward CSR

ISO 26000 – local adaptation

Corporate Philanthropy After the Tsunami

Company Branded Projects

Merck IN-STEP

Citi At-Risk Women

Boeing - OCC

Microsoft BETTER

Colgate Clean Hands Zero Bird Flu

What Actually is Corporate Social Responsibility (CSR)

- Good Business
- Global Citizenship
- Values Driven Business
- Natural Capitalism
- Corporate Citizenship
- Business Ethics
- Responsible Governance
- Doing Good by Doing Well

Definitions

- A responsible company is one that listens to its stakeholders and responds with honesty to their concerns.
Starbucks, CSR Report, 2004
- CSR is the proposition that companies are responsible not only for maximising profits, but also for recognising the needs of stakeholders as employees, customers, demographic groups and even the regions they serve.
PricewaterhouseCoopers, 2004
- CSR is the commitment of business to contribute to sustainable economic development, working with employees, their families, and the local community and society at large to improve their quality of life, in ways that are both good for business and good for international development.
World Bank, 2004

A Broader Perspective

- ***CSR is a company's commitment to and implementation of strategies that create sustainable economic, social, and environmental value for shareholders and other stakeholders.***

Kenan Institute Asia

The CSR Tress



7 Noticeable Trends in CSR

1. More MNCs are focusing on strategic CSR
2. Strategic CSR in-roads in Asia
3. SMEs are embracing CSR
4. More Partnering with Government
5. More Stakeholder Engagement
6. More Sophistication
7. More Promotion of Activities

More MNCs Focus on Strategic CSR

- More Multinational Companies are focusing on strategic CSR than ever before.
- Many corporations have pushed beyond this and are building sustainable enterprises – Coke, Starbucks are good examples.
- The trend is for more CSR and for it to be more integrated with business practices.

Strategic CSR in-roads in Asia

- Although philanthropy remains the major model in Asia, many larger Asian companies are investing more resources in communities – Toyota and CP case
- 240 Asian companies reported using the GRI (mostly Japan) in 2010 (up from 50 in 2006 and 150 in 2008)
- This number will continue to grow

SMEs are embracing CSR

- More SMEs are developing CSR programs than ever before.
- SMEs do not need to make large investments in CSR, it can be in their hiring practices, environmental practices, employee volunteer days, etc.
- There may be a bigger learning curve for SME managers when it comes to CSR
- Multilateral development agencies (UNIDO, EU) and many governments have SME CSR projects.
- Look for more focus on SME CSR in the future.

More Partnering with Government

- Companies are more willing to partner with governments than previously – some are actively looking for this
 - Beware corporate rules on joining with regulators or benefiting regulators
- Companies may not be aware of government needs and reporting requirements – this can lead to misunderstandings
- We will see more partnerships, but also more problems (especially when it comes to how strategic it may be viewed)

More Stakeholder Engagement

- Most CSR programs are engaging more stakeholders than ever before, and looking to actively involve their employees as volunteers
 - This is a two edged sword for some projects, FedEx case
- More stakeholders are demanding input into CSR and are aggressively engaging companies (not always in a positive way) – fisher folk
- Look to see more stakeholders demanding a seat at the table – especially employees, governments, investors and communities.

More Sophistication

- Large companies are getting more sophisticated in their CSR programming, and are taking a longer view than ever before.
- Corporations are getting more sophisticated with their stakeholder analysis and monitoring and evaluation – demanding better results.
 - Merck is a great example, so is Coke
- This can match very well with GDA requirements.

More Promotion of CSR Activities

- Companies are keen to promote their CSR activities (maybe too keen)
 - Greenwashing
 - This is both internally and externally
 - Most companies now have large CSR sections in their annual reports, or issue entirely separate CSR reports.
- Companies are looking to their partners to do their promotion for them.
- Look for companies to become more creative in communicating their CSR message.

Case Studies

- Case Studies
 - At-Risk Women Project
 - BETTER Project (time permitting)
 - Common Elements of Successful Partnerships

Citi At-Risk Women Financial Literacy Project

Problem:

❑ Disadvantaged women lack financial and savings knowledge, and are unable to budget or save for their future. They are also vulnerable to predatory lending practices. Many of these women also have few skills and limited employment prospects.

Solution:

❑ K.I.Asia/Citi implemented a project called the 'At Risk Women Financial Literacy,' to help at-risk women learn the benefits of financial independence and keep them from loan sharks and learn vocational skills.

Program:

- ❑ Promote a better understanding of financial savings and basic banking services, as well as basic budgeting to disadvantaged women.
- ❑ Thailand Bureau of Women Promotion and Protection to recruit women into the program and train them in job skills.
- ❑ The financial services training methodology is the 'interactive method,' relying on games and small group activities instead of rote learning. The curriculum has been designed specifically for those with a low-level (year 3) of education.
- ❑ Citi volunteers utilized in the training project.

Microsoft-BETTER

Problem:

The current economic crisis has caused significant job loss in the manufacturing sector. Workers were losing jobs, and people entering the workforce have few employment opportunities (there is still a large skills gap for vocational training available vs. needs).

Solution:

- ❑ K.I.Asia and Microsoft (MS) Thailand designed a 3-year project to help people become more employable through training in ICT skills, and to help people become better prepared to engage in entrepreneurial activities through ICT and entrepreneurial training. Building Employability Through Technology and Entrepreneurship Resources (BETTER) – under the Microsoft Unlimited Potential Program
- ❑ Microsoft has provided US \$370,000 for the project, while the Ministry of Labor's Department of Skills Development (DSD) will provide US \$400,000 in in-kind support.

Program:

- ❑ Role out specialized training curriculum to all 76 DSD training centers; build capacity of 110 master trainers at DSD centers and factories through a train-the trainers program.
- ❑ Train 47,700 current and new workers in ICT skills, and train 26,730 in ICT + entrepreneurship.
- ❑ Reach an additional 33,000 people through MS Portals and on-line curriculum.
- ❑ Work with eazyjob.com and the Ministry of Labor to track employment placement and new job achievement.
- ❑ Microsoft volunteers utilized for IT training

Common Elements of Success?

- There is a direct link between the business' services and employee skills that can contribute to the project (meets business needs).
- There is a real, recognized need by the government.
- Government partner could work it into their existing activities.
- Clear understanding of roles and responsibilities (MOU between all parties), including for media and M&E.
- The government did not need to provide additional resources.

Thank you.



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