國立臺灣大學工學院工業工程學研究所

碩士論文

Graduate Institute of Industrial Engineering

National Taiwan University
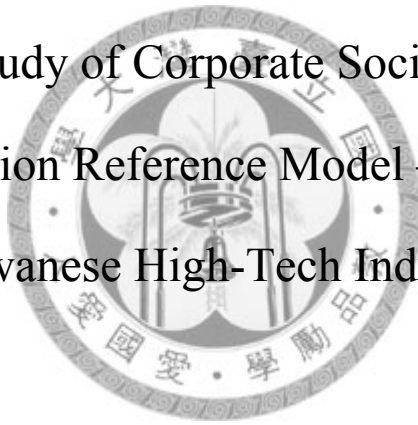
Master Thesis

企業社會責任導入參考模式之實證研究
－以台灣高科技產業為實例

An Empirical Study of Corporate Social Responsibility

Implementation Reference Model – The case of

Taiwanese High-Tech Industry

周興源

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僅以本論文獻給我最親愛的父母

Abstract

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Title: An Empirical Study of Corporate Social Responsibility Implementation Reference

Model – The case of Taiwanese High-Tech Industry

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The primary purpose of this empirical study was to develop a CSR implementation reference model using both qualitative and quantitative methodologies to investigate and analyze actual CSR management systems and approaches adopted by four of the Taiwanese manufacturers in high-tech industry which had been accredited with the Global Reporting Initiative (GRI) Application Level A^+ certification for their outstanding CSR reports and performances.

In the past few decades, literature seeking to define the concept of corporate social responsibility had emerged in abundance as the concept slowly began to take shape and gain prominence and publicity. Yet only until recently the heighted scrutiny of CSR performances and the fierce horizontal competition around the globe had led organizations to suddenly come to realize the fact that there were very limited existing literature and case studies on practical CSR implementations, especially in Taiwan. Therefore, this study aims to address the pressing needs of a practical CSR implementation model by Taiwanese corporations to seriously engage in CSR initiatives

and manage CSR-related issues. To this end, the proposed CSR implementation reference model was designed in accordance with the GRI G3 Sustainability Reporting Guidelines and a combination of three methodologies, both qualitative and quantitative research methods, wasconducted in this study.

The research commenced with expert in-depth interview to acquire detailed information on the actual CSR management systems and approaches adopted by the four participating Taiwanese manufacturers to address the 34 CSR aspects in accordance with the GRI G3 Sustainability Reporting Guidelines. In the subsequent procedure, the fuzzy Delphi method was used to obtain consensus among the board of experts on the proposed CSR implementing prioritization of the 34 CSR aspects based on their actual experience and expertise in this field. Lastly, the full CSR implementation reference model was also complemented by an alternative model, which was developed using the analytic hierarchy process (AHP) in the even that engaging in all CSR dimensions concurrently might not be a viable option. It is hoped that this research could provide the underlying groundwork for 1) other Taiwanese high-tech industry wishing to replicate the same achievements in implementing CSR and2) the future development in the realm of developing practical CSR implementation reference models.

Keywords: CSR, Corporate Social Responsibility, Sustainability, Global Reporting Initiative, GRI G3 Sustainability Reporting Guidelines, Fuzzy Delphi, Analysis Hierarchy Process (AHP).

企業社會責任導入參考模式之實證研究
－以台灣高科技產業為實例

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中文摘要

本研究調查通過企業社會責任報告 CSR GRI G3 之最高等級 A⁺水準的臺灣優良高科技產業，研究臺灣高科技產業導入 CSR 之管理制度實務內容、管理手法與其建置時序，並將研究結果彙整為臺灣企業社會責任導入參考之模式。

從二十世紀中發展至今，企業社會責任逐漸受到各國政府與全球企業的熱切關注，其所涵蓋之相關議題與層面也愈加廣泛。企業是擁有豐富資源的體系，企業的經營理念、方針、商業決策與營業行為已深入社會廣大層面，因此，企業對社會與其利害關係人的影響是不容小覷的。歷年來雖有許多文獻探討企業社會責任的內涵與定義，但隨著國際市場競爭白熱化，以及各界對永續發展與企業社會責任之要求的提升，臺灣企業不得不正視此一議題的重要性與迫切性，同時也突顯國內外對於導入 CSR 實際作法的相關文獻之不足。因此，本論文將採取 CSR 全球報告倡議組織在 2006 年所發佈、被全球企業廣泛應用的「CSR GRI G3 全球報告綱領」為架構，合併質性與量化研究方法，剖析臺灣優良高科技產業針對企業社會責任報告綱領中的六大構面（經濟、環境、勞工、人權、社會與產品責任）共 34 項考量面（CSR Aspects）的實際管理系統與手法，並將之整理歸納為臺灣高科技產業導入 CSR 之參考模式。

首先，本研究透過專家深度訪談，瞭解臺灣通過 GRI G3 最高等級 A⁺水準之優良高科技產業是如何落實企業社會責任，同時調查針對 GRI G3 的 34 項 CSR

考量面（CSR Aspects）的實際管理系統、制度與導入手法為何，再以德菲法（Fuzzy Delphi）取得專家在各指標建置時序上之共識。最後，本文也將透過層級分析法(Analytic Hierarchy Process, AHP）探討，若在無法同時進行 CSR 各大構面之考量面的情況下，相對較重要之考量面總建置時序。期望藉由本研究結果，促進國內高科技產業對企業社會責任議題之瞭解與共識，肩負保護自然與社區環境的責任、提高競爭優勢、同時強化與員工以及利害關係人之關係，並做為國內欲導入企業社會責任的高科技產業或 CSR 領域後續發展之參考。

關鍵詞：CSR、企業社會責任、永續性、全球報告倡議組織、GRI G3 全球報告綱領、德菲法（Fuzzy Delphi）、層級分析法(AHP)。

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CHAPTER ONE

INTRODUCTION

The concept of corporate social responsibility (CSR), which emerged in the mid nineteenth century, has been gaining immense world-wide attention from multinational corporations and local enterprises alike, and the practice of which has become a prevailing trend and is regarded by many as top priority when conducting business. Nearly three decades ago, many corporations and companies in North American had realized the strategic importance of corporate social responsibility and begun integrating the concept into their business culture, core values, and day-to-day operations long before their counterparts did in other parts of the world. In Asia, large corporations have arisen in recent years in late effort to keep abreast with the quickly developing trend by taking seemingly identical actions: creating wealth and job opportunities, minimizing the negative impact on the environment, and contributing to philanthropic business and public welfare. These highly regarded Asian forerunners were excellent examples to their fellow countrymen and competitors, but the overall percentage of these benchmarking corporations accounted for was only a small fraction which diluted their positive influence, especially in a rapidly industrializing island society such as Taiwan that consists of mostly small and medium enterprises. On the other hand, although from
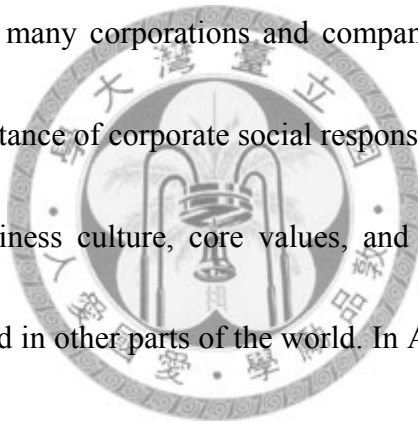
the existence of some corporate code of conduct it is certainly evident that most of the companies are aware of the urgency and the importance of corporate social responsibilities, the implementation and the practice of such concept in general are lacking a systematic management approach.

Corporate social responsibility poses a significant impact on the strategic management of virtually any industry. It brings changes to the vision of the corporation in relation to its business philosophy, policies, and core values within the structure of society. The concept, which substantially involved society, advocates sustainable development, environmental protection, and making the world a better place to live. Instead of short-term advantages, business should focus on long-term goals that will benefit the business itself and the society by producing products or services that serve economic needs without damaging the ecological environment. In addition, the understanding of corporate social responsibility needs to be further reinforced as it is much more than making philanthropic donations and abiding the laws and regulations. In fact, CSR implementation and strategy development should be viewed as a process of a major organizational shift or as a new set of working definitions with regards to daily operational activities. Its goal is to strive for the balance between the financial performance and the societal welfare through engaging all stakeholders and identifying
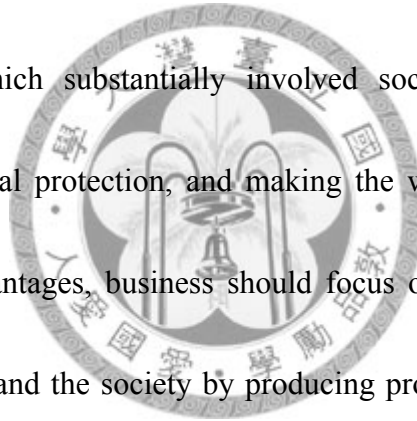
their expectations. In addition, CSR comes with a rather steep learning curve and the

results are to be anticipated slowly over time. Hence, in order to move beyond the

definition and the superficiality of current CSR development in Taiwan, leadership with

vision and a robust CSR strategic management approach is much needed for a complete

and successful implementation.

1.1 Purpose of this Research

The purpose of this research is develop a CSR implementation reference model

by 1) investigating actual management systems and approaches Taiwanese business

leaders have adopted as they championed corporate social responsibility initiatives; 2)

seeking to dissect and extract the knowledge and management strategies within; 3)

understanding the vision, mindset, and core values that fortified their will and

determination during the course of implementing CSR into their business organizational

structure and corporate agenda. The content domain of this thesis consists of recurring

themes such as sustainability which help establishing the foundation of CSR, a broad

concept with multi-dimensions.

1.2 Research Objectives

This research aims to produce a pragmatic CSR implementation reference model, which is set to illustrate:

1) The CSR management systems and approaches adopted by the participating Taiwanese high-tech manufacturers to address the 34 CSR aspects in order to obtain an A^+ Application Level in conformity with the GRI G3 Sustainability Reporting Guidelines;

2) The within-dimension prioritizations or the local rankings of the 34 GRI G3 CSR aspects according to actual implementation priorities of the participating Taiwanese High-tech manufacturers.

3) The alternative CSR implementation prioritizations or the global rankings of CSR aspects deemed relatively more important by the participating experts in the event that it was not a viable option to embark on all CSR dimensions concurrently.

1.3 Research Scope

In all effort to obtain the best research results and in order for the CSR implementation management roadmap to be pragmatic and effective, this study focused

primarily on a small fraction of large enterprises in Taiwan and how they championed

CSR. More specifically, the scope of this research is limited only to Taiwanese

manufacturers in high-teach industry that had already received the A$^+$ Application Level

in conformity with the GRI G3 Sustainability Reporting Guidelines.

The qualitative part of this study was conducted through semi-structured

interviews with managerial or administrative members from the best CSR practice

corporations in Taiwan a) to gain an in-depth understanding of their approach, b) and

also to examine how CSR was defined and promoted to both of their internal and

external constituents.

The quantitative methodologies performed in this research, Fuzzy Delphi and

analytic hierarchy process (AHP), will help unveil the prioritization of the actual CSR

aspects and an alternative one if the companies were not able to embark on all CSR

dimensions at once possibly due to stringent constraints, such as limited time, budget,

and utilizable resources.

The research results and findings will offer insights into the strategies and the

strengths of these leading corporations, and the CSR implementing reference model

generated in this study is GRI G3 compliant, which could be generalized to corporations

of similar size, industrial type, and vision.

1.4 The Organization of this Thesis

The first chapter provided a basic understanding of the term: Corporate Social Responsibility, and outlines the purpose, the objectives, and the scope of this research. The remainder of this thesis is organized as follows.

Chapter 2, Literature Review, began by familiarizing the notion of Sustainability which underpins the core and concept of CSR, followed by a comprehensive overview of the history, development, and the continuously evolving definition of Corporate Social Responsibility. This section also contained discussions on a list of potential benefits of implementing a CSR approach for business, and how stakeholders were defined and the important role they played in the concept of CSR. This subsection concluded by a brief introduction of a Sustainability Report and the process of its verification. The next section was dedicated to the existing literature on CSR designs and implementation models, which summarized a limited list of a few recent implementation designs and frameworks. The scarcity of literature and reference on CSR implementation was what gave rise to the purpose of this study. This chapter ended with thorough description of the GRI Guidelines and Reporting Framework. It had emerged as a guide and a standard for CSR reporting, which was released in 2006 by a net work-based organization: Global Reporting Iniatives.

There are four main purposes to Chapter 3, Methodology: 1) to describe the research design of this research; 2) to define the population and the sample selection; 3) to provide a run-through of how In-depth Interviews were conducted in this study; and 4) to shed light on the rationale and the analytic framework of the two methodologies in this research: Fuzzy Delphi and Analytic Hierarchy Process.

Chapter 4, Research Results, began by presenting general background information on corporations that participated in this research, and followed by interpretation of the results obtained via in-depth expert interviews, fuzzy Delphi, and AHP, which in combination help developed the complete CSR implementation reference model. The goal of this chapter was to provide individuals, who wish to delve into the journey of implementing CSR, a general understanding of what and how these precursors had been doing, because establishing a management system by imitation and innovation is usually easier than having to invent one.

Chapter 5, conclusions, summarized this study by discussing the research results, key success factors in championing CSR initiatives, and the justification and the contribution of this study. This thesis concludes with a list of specific research limitations and recommended future research directions.

CHAPTER TWO

LITERATURE REVIEW AND BACKGROUND STUDY

The purpose of the literature review was to collect basic background information

and knowledge on CSR from a wide range of authors to help establish the conceptual

foundation of this study. Another purpose of this chapter was to identify a much more

realistic set of information across various disciplines to highlight the complexity of CSR.

The literature review of this thesis had spanned sustainability, corporate social

responsibility, existing CSR designs and implementation models, and GRI guidelines

and reporting framework.

2.1 Sustainability

Sustainability literally refers to the capability to endure. This intelligible word

has long become a comprehensive concept which is frequently applied to the disciplines

of economy, environment, and ecology. Paul Hawken, an environmentalist, equated his

understanding of sustainability to an economic state where the demands of people and

commerce placed upon the environment can be met without compromising the capacity

of the environment to meet those of the future generations. (Hawken, 1993) In other

words, a society that is extravagantly exhausting the available yet limited natural

resources of earth to fulfill their needs at the expense of future generations to meet

theirs is not a sustainable society. Ideally, a sustainable society is one that is able to

persist over generations, one that is resilient enough, and provident enough not to

undermine either social or physical systems of its support. (Donella H. Meadows,

Meadows, & Randers, 1992)

The term or the concept of sustainability may be well acquainted, but there is yet

to be a universally accepted definition because it relates extensively to too many aspects.

Sustainable Enterprise Expert Thomas Gladwin had given a more rigorous definition of

sustainability: At a minimum, sustainability mandates no net loss of (a) ecosystem and

social system health; (b) critical natural capital, (c) self-organization, (d) carrying

capacity, and (e) human freedom including the fulfillment of basic human needs.

(Gladwin, Kennelly, & Krause, 1995) Implications of these statements are highly

significant, but living up to the ideal sustainability remains a difficult challenge. Hence,

ecologically sustainable development is in place to make endeavours towards this goal;

concerns for the environment and the ecology of earth had been turned into plausible

plans and ideas to stabilize and to reduce the environmental burden. As a result,

sustainability within a society demands an effective and efficient utilization of energy

resources, which reveals the intimate connection between energy resources and

sustainable development. (Dincer, 2000)

Since the global ecosystem is a non-growing, finite, materially closed system, it is readily comprehensible that due to its limited regenerative and assimilative capabilities the human economy cannot be sustainable perpetually without a major collective effort. Such magnitude of effort must be put forth by people who are aware of limits of the natural environment to nurture and support the economic growth. (Shrivastava, 1995) Apart from creating a life-sustaining earth, the pith of this grant scheme is to improve the quality of human life while maintaining the integrity of ecological systems that all life and production depend upon.

The economy system that provides material goods and living necessities to humanity is underpinned by ecological systems. A change in one goes a long way to affect the other; a significant portion of the environmental impact is associated with its use of energy resources. (Dincer, 2000) Just how many organizations could survive in a day without the supply of fresh water or electricity? Energy is deemed the convertible currency of technology. However, problems with energy supply and use not only constitute one of the reasons that cause climate change and global warming, but also involved in a list of other environmental concerns such as acid precipitation, ozone depletion, flood, and displacements of fertile agricultural zones. Many scientific

evidences led to one suggestion that the economy system is now operating unsustainably,

and the environment is bound to degenerate drastically if the current level of

degradation to the ecosystem is not immensely alleviated. The consequences of failing

to do so could ultimately jeopardize the survival of humanity.

Potentially the most important environmental problem relating to energy

utilization is the greenhouse effect, also known as global warming. According to

Colonbo, his research showed an increase of about 0.68ºC in earth's surface temperature

over the last century, which contributed to a rise in sea level approximated at 20cm.

(Colonbo, 1992) In addition, if predicted correctly, further increment of earth's surface

temperature by another two or perhaps by up to four degrees in the next century is likely

to induce a rise in sea level estimated at 30 to 60 cm. Had this prediction been realized,

it is going to have an unimaginable impact on human activities all over the globe.

Moreover, the effect of global warming is not uniformly distributed. A two-degree

increase in average temperature could mean 0ºC change in certain regions but +4ºC in

others, and also the same amount of increment in earth's surface temperature has a more

significant influence over regions in terrestrial poles than regions along the equator.

(Murasawa, 2008)

The seriousness and the complexity of these environmental problems has

escalated enough to receive the proper attention on a global scale which they long deserved, because the principle of "the polluter pays" can no longer be applied to a lot of these problems. For instance, acid precipitation, one of the environmental issues of recent times, is still a growing problem especially in developing countries where coal combustion remains unregulated, and worst of all the acid precipitation produced by the emission of one country also falls onto the lands of other countries. The damage has and had already been spilling over geopolitical borders as the greening effort of the developed world has been offset by the rapidly industrialized developing countries, who were merely trying to emulate what the developed nations had been doing to get to where they are right now.
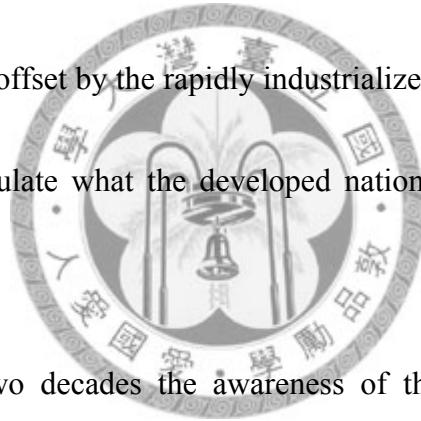
During the past two decades the awareness of the risk from environmental degradation has become more prevalent. Some claimed that the roots of the problem are both the soaring population growth and rapidly emerging economy of the developing countries, because the burden has by far exceeded the carrying capacity of the supporting ecosystems. By the year 2030, world population is expected to double from 5.5 billion to 11 billion. (Ehrlich & Ehrlich, 1991) In order to accommodate the population increase, with current technology the production of goods and basic amenities and all energy consumption are estimated to be about 5 to 35 times of today's

level, which will lead to a commensurate increase in environmental degradation. (Commoner, 1990; Frosch & Gallopoulos, 1989; D. H. Meadows, Meadows, Randers, & Behrens, 1972; Shrivastava, 1995)

Ecological problems root in corporate activities due to the paucity of attention and effort by corporations in achieving ecological sustainability. According to Thomas Gladwin, one of the reasonable explanations is that most traditional organizations are profit-driven and technocentric. Technocentrism believes that humankind is separate from and superior to nature while nature is tough and resilient in disturbance and damage is generally reversible. Corporations that consider only human elements of the environment are more inclined to believe that relieving environmental problems with ecologically benign technologies could only incur exorbitant costs. On the contrary, few realized the fact that environmental opportunities can actually become a source of revenue growth. Greening has been generally understood in terms of cost cutting, risk reduction, and reengineering, but rarely is greening linked to technology or strategy development. Therefore, in most cases corporations are reluctant to make any changes and only incrementally when they do.

Various essential parameters, such as public awareness, information, environmental education and training, renewable energy resources, financing,

monitoring and evaluation tools, can help a society in achieving a sustainable development. (Dincer, 2000) Corporations, on the other hand, also serve as powerful intermediaries because they are the engine of economic development. They process the resource, technology, knowledge, and the influence to generate tremendous positive changes in the society and the ecosystem as a whole. If goal of sustainability is to be achieved, traditional ways of running a corporation must be redesigned, restructured, and reform to minimize their negative ecological impacts. (Gladwin, 1992) Ecological sustainability must be incorporated into the corporate plans, vision, and all internal processes to reinvent a positive relationship between nature and humanity.
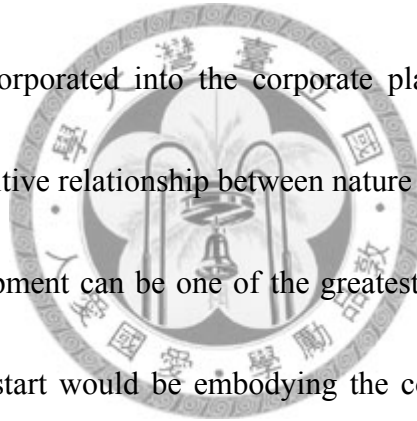
Sustainable development can be one of the greatest opportunities in the history of commerce and a head start would be embodying the concept of sustainability into organizational strategic thinking. Companies could benefit by capturing the emerging ecological green markets or by reducing production costs via better efficiencies. Meanwhile, by creating ecological originality and preferences for products and services can improve and transform the image and the way customers think of a company. This way, companies can transform themselves into educators rather than pure advertisers of products. Achieving sustainability requires stabilizing or alleviating the environmental burden. It can be done by lowering the level of waste production or by adopting

ecologically benign technologies. With regards to technology, the concept of sustainable development accentuates the importance of improving productivity and end use efficiency of resources. (Daly, 1990) This means, analogously, more fuel efficient vehicles rather than more oil refineries.

Today many companies have sworn to do no harm to the environment. Products and production processes are becoming cleaner; and where such change is under way, the environment is on the mend. In the industrialized and developed nations, more and more corporations have accepted their social responsibilities as they came to realize that they can increase profits and reduce pollution simultaneously. (Hart, 1997)

Pollution prevention, waste management, product renovation, and clean technology all move an organization towards sustainability. For leaders or decision makers in organizations, taking on the challenging of sustainability such as going through a thorough organizational revamp will require a leap of faith. Some may be overwhelmed by all the risks and uncertainty associated with investing in sustainability seemingly outweighing the potential benefits, others will galvanize people in their organizations because they understand the urgency and the importance of sustainability. However, without a reference model to give directions and to guide those activities, their impact is prone to dissipate. A vision of and a commitment to sustainability for a

corporation is like a road map to a sustainable future, showing the way services and

products must evolve and what competencies will be needed in order to get there. (Hart,

1997) The concept of sustainability requires ongoing leadership and commitment within

and throughout the organization; it drives managements towards the interdisciplinary

and transdisciplinary journey that will lead to better quality of life and a sustainable

world.

2.2 Corporate Social Responsibility

The ultimate goal of the economic growth is not to accumulate the wealth of

some individuals or to raise personal income interminably, but to improve the lives and

the living standards of all human beings in order to live sustainably and providently.

There has been a growing recognition of the significant influence private sector and

organizations have on the society – on employees, customers, communities, the

environment, competitors, business partners, investors, shareholders, governments and

others. (Government of Canada, 2006) Leaders of organizations and firms have soon

come to realize the fact that they are at a position to contribute to the overall societal

wealth as well as their own corporate wealth by carefully weighing the effect on the

society at large at making business decisions. Report on Business Magazine noted that

"many business leaders now believe that doing good for others means doing good for

shareholders as well." (Industry Canada, 2010) It has reflected the fact that integrating

broader societal concerns into business planning and performance is an act of good

management. In addition, acting responsibly and building a trusty relationship with the

community not only enables firms to attract loyal customers and employee, but also

solidifies shareholders' confidence in their firms.

Businesses make an integral part to communities in which they do not operate in

isolation. Hence, their success depends on the good relations with a wide variety of

individuals, groups, and organizations. This fuels the urge to support socially

responsible business practices, and businesses that failed to operate socially responsibly

are prone to lose competitive edge in the market. Businesses that are unable to

demonstrate responsible business behaviour via their goods and services will eventually

be eliminated altogether by both the society and the educated consumers. Apart from the

behavioural change by the consumers, shareholders also look for business that

integrates social and environmental considerations. Such pressures are real as some of

multinational corporate leaders can attest: failure to maintain ethical standards and other

social responsibility can lead to severe blows to corporate reputations. In contrasts,

there have been organizations that thrived in building their business model explicitly on
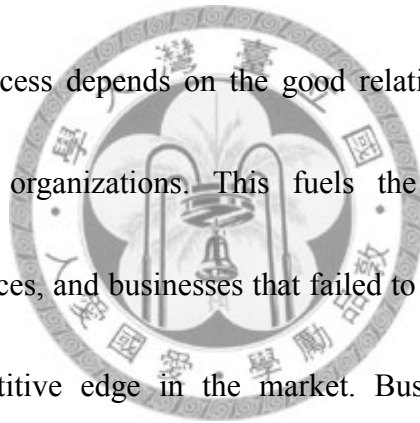
ethical and societal foundations. (Pearce & Doh, 2005) In this sense, the implementation

of corporate social responsibility in contemporary business practice has proven that the

concept has been transformed from a mere ideology to the reality. CSR signifies a

corporate reform as well as a colossal stride all businesses have to make.

2.2.1 An Overview of Corporate Social Responsibility

Corporate social responsibility (CSR) have emerged and have been discussed

since the 1950s, and it has attained a high profile which was considered by many a

necessity for organizations and firms to define their roles in a societal context and

adhere to social, ethical, legal, and responsible standards. (De Bakker, Groenewegen, &

Den Hond, 2005; Lindgreen & Swaen, 2004; Lockett, Moon, & Visser, 2006; Luo &

Bhattacharya, 2006; Maon, Lindgreen, & Swaen, 2009) The concept of corporate social

responsibility is not new, but what it comprises has not stopped evolving. Hence, the

term CSR has yet to have a universally accepted definition and it is also known by a

number of other names such as corporate social responsiveness (Ackerman & Bauer,

1976; Frederick, 1998; Strand, 1983), corporate social performance (Stanwick &

Stanwick, 1993; Swanson, 1995; Wood, 1991), corporate responsibility, corporate

accountability, corporate ethics, corporate citizenship, sustainability, stewardship, triple

bottom line and responsible business, and etc. (Government of Canada, 2006)

As mentioned earlier, the first conceptualization of corporate social responsibility was developed in the 1950s and it all began in the research area of business responsibility. Bowen (1953), the father of CSR, "argued that business people have the obligation to pursue desirable policies in terms of societal objectives and values." (Bowen, 1953; Lindgreen & Swaen, 2004) A continuing state of emergence can best describe the current state of CSR knowledge along with its definitions; Mohan (2003) regarded CSR as an empirical concept that relates to more than one of the many incarnations of business – the society relationship. (De Bakker, et al., 2005; Lockett, et al., 2006; Mohan, 2003)
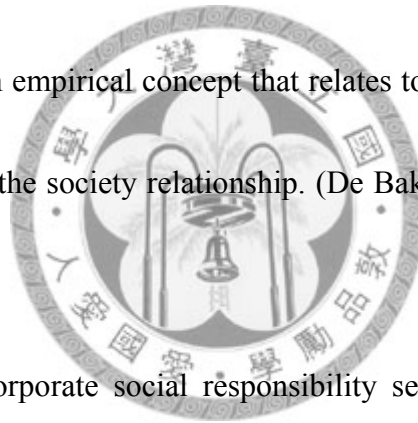
The meaning of corporate social responsibility seems to vary with time and place. In general, corporate social responsibility is comprehended to be the way corporates integrate the three important concerns: social, environmental, and environment into their values, culture, business strategy and daily operations in an accountable manner and thereby enhance the corporate image, create wealth and improve economy and society as a whole. More normative literatures are readily available in a normative field such CSR is, new concepts replace existing concepts for their demonstration of improved explanatory power and superior effectiveness in

providing a moral justification for why firms and organizations should attend to social

responsibilities. (De Bakker, et al., 2005)

Moreover, most of the CSR definitions have evolved from the pre-existing

literatures by pioneers in this field and these definitions seemed to relate to more

dimensions of CSR as time progressed. The definitions and which of the five

dimensions of CSR have been mentioned are summarized in chronological order as

shown in the following table.

Table 2-1The Evolution of CSR Definitions

Source	Definition	Dimensions				
		Voluntariness	Stakeholders	Social	Environmental	Economic
Bowen (1953)	CSR refers to the obligations of businessmen to pursue those polices, to make those decisions, or to follow those lines of actions which are desirable in terms of the objectives and values of our society.			√		
Sethi (1975)	CSR implies bringing corporate behaviour up to a level where it is congruent with the prevailing social norms, values, and expectations.			√		
Carroll (1979)	The social responsibility of business encompasses the economic, legal, ethical and discretionary expectations that society has of organizations at a given point in time.			√		√
Grey et al (1996)	CSR is a stakeholder oriented concept that extends beyond the organization's boundaries and is driven by an ethical understanding of the organization's responsibility for the impact of its business activities, thus, seeking in return society's acceptance of the legitimacy of the organization.	√		√		
Brown and Dacin (1997)	Societal view of CSR = company's status and activities with respect to its perceived societal obligations.			√		
Khoury et all (1999)	Corporate social responsibility is the overall relationship of the corporation with all of its stakeholders. These include customers, employees, communities, owners/investors, government, suppliers and competitors. Element of social responsibility include investment in community outreach, employee relations, creation and maintenance of employment, environmental stewardship and financial performance.		√	√	√	√

The World Business Council for Sustainable Development (2000)	Corporate Social responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as the local community and society at large.	√		√	√	
Commission of the European Communities (2001)	Corporate social responsibility is essentially a concept whereby companies decide voluntarily to contribute to a better society and a cleaner environment.	√		√	√	
Marsden (2001)	Corporate social responsibility (CSR) is about the core behaviour of companies and the responsibility for their total impact on the societies in which they operate. CSR is not an optional add-on nor is it an act of philanthropy. A socially responsible corporation is one that runs a profitable business that takes account of all the positive and negative environmental, social, and economic effects it has on society.			√	√	√
Warhurst (2001)	A strategy of CSR is defined as the internalization by the company of the social and environmental effects of its operations through proactive pollution prevention and social impact assessment so that harm is anticipated and avoided and benefits optimized. […] Contribute in ways that go beyond traditional responsibilities to shareholders, employees, and the law, and that internalize indirect socio-economic and biogeophysical effects as well as direct impacts.		√	√	√	√
Lea (2002)	CSR is about businesses and other organizations going beyond the legal obligations to manage the impact they have on the environment and society. In particular, this could include how organizations interact with their employees, suppliers, customers and the communities in which they operate, as well as the extent they attempt to protect the environment.	√	√	√	√	
Ethical Performance (2003)	At its best, CSR is defined as the responsibility of a company for the totality of its impact, with a need to embed society's values into its core operations as well as into its treatment of its social and physical environment. Responsibility is accepted as encompassing a spectrum –from the running of a profitable business to the health and safety of staff and the impact on the societies in which a company operates.		√	√	√	√
Ethics in Action Awards (2003)	CSR is a term describing a company's obligation to be accountable to all of its stakeholders in all its operations and activities. Socially responsible companies consider the full scope of their impact on communities and the environment when making decisions, balancing the needs of stakeholders with their need to make a profit.		√	√	√	√
IndianNGOs.com (2003)	Corporate social responsibility is a business process wherein the institution and the individuals within are sensitive and careful about the direct and indirect effort of their work on internal and external communities, nature and the outside world.		√	√	√	√
Van Marrewijk (2003)	In general, corporate sustainability and CSR refer to company activities –voluntary by definition –demonstrating the inclusion of social and environmental concerns in business operations and in interactions with stakeholders.	√	√	√	√	√
The World Business Council for Sustainable Development (Government of Canada, 2006)	CSR is the business contribution to sustainable economic development. Building on a base of compliance with legislation and regulation, CSR typically includes "beyond law" commitments and activities pertaining to: corporate governance and ethics; *health and safety; environmental stewardship… supplier relations, for both domestic and international supply chains*. These elements of CSR are frequently interconnected and interdependent, and apply to firms wherever they operate.	√	√	√	√	√

(Brown & Dacin, 1997; Ethical Performance, 2003; Ethics in Action Awards, 2003; IndianNGOs.com, 2003; Khoury, Rostami, & Turnbull, 1999; Lea, 2002; Marsden, 2001; Sethi, 1975; Van Marrewijk, 2003; Warhurst, 2001; World Business Council for Sustainable Development, 2000)

Clarkson (1995) concurred with Votaw's (1973) opinion on the term corporate social responsibility: the term is brilliant; however, it does not always convey the same meaning to everybody. To some CSR carries the meaning of legal responsibility or liability; to others it is perceived as ethically and socially responsible behaviours; to still many others, the term merely connotes a casual responsibility, which is generally equated with a charitable contribution or activity by firms or organizations. (Clarkson, 1995; Votaw, 1973) Truly, unlike civil laws there are no generally accepted principles that can be followed or enforced as it is much more difficult to define and test ethical responsibilities. Furthermore, Clarkson noted that a corporate code of conduct and ethics can certainly exemplify a company's awareness to some or certain responsibilities; nevertheless, how the ideal practice is being actualized or implemented remains vague. Also, some researchers pointed out the fact that most of the code of conducts and ethics were primarily defensive, and many of which are deemed discretionary responsibilities.

As Carroll (1979) stated that the society generally does not have a clear-cut boundary on discretionary responsibilities for businesses, which are volitional and philanthropic in nature; hence, they are very difficult to ascertain and evaluate. (Carroll,

1979; Clarkson, 1995) Furthermore, Porter (2006) described that "most common practices of CSR have been neither strategic nor operational but cosmetic: public relations and media campaigns, the centrepieces of which are often glossy CSR reports that showcase companies' social and environmental good deeds." (Porter & Kramer, 2006) Certainly, these concerns are righteous for companies that are merely window dressing and have no real intention in implementing CSR solidly and internally. Nevertheless, if one dwells excessively on the definition and the coverage of this evolving concept and does not have a systematic plan, overlaps and lacuna will likely become hurdles in implementing CSR.

In an effort to move beyond all such common CSR confusions, understanding the opportunities and prospects CSR brings to the company and to the society as a whole is a good starting point in realizing why a new approach is necessary to integrate notions of CSR more effectively into business strategy and core operations. In a competitive market environment as it is now, corporate social responsibility has reached a high-profile status that constitutes a strategic importance to firms and businesses. (Luo & Bhattacharya, 2006) Corporations should possess the internal linkage to transform strategic decisions on social issues into operations by means of objective setting, performance appraisal and rewards; if, instead, organizations and firms were to evaluate

and assess their prospects for social responsibility using the same framework which

their core business decisions are based on, they would soon realize that CSR can be so

much more than a cost, a burden, a constraint, or a charitable deed –it can be source of

opportunity, revenue, innovation, and competitive advantage. (Clarkson, 1988; Porter &

Kramer, 2006)

Advancing CSR must be first rooted in the understanding of a board

interrelationship between an organization and society, because it is the foundation that

keeps corporations out of the muddle created by a plethora of the current social

responsibilities. The influence of a single corporation cannot solve all of society's

problems nor bear the cost of doing so. Alternatively, each organization must work on

the issues which coincide with its particular business. Meanwhile, whether a cause is

worthy or not should not be the premise of any CSR decisions, instead firms and

organizations ought to understand its inherent opportunity to create shared value, which

is beneficial and valuable to both the business and the society. (Porter & Kramer, 2006)

Any business success at the expense of the society is prone to be short-lived and

by the same token, a healthy society is underpinned by successful companies that create

jobs and wealth that ultimately improve living and societal conditions. In return, these

positive influences enrich the wealth that pays taxes which support the government and

the society. The growing recognition of the significant effect corporate decisions have

on the society is no longer negligible, and it has also become increasingly apparent that

it is possible to contribute to the overall societal wealth as well as the corporate wealth

by implementing CSR.

In the 21st century, CSR activities are deemed the entry ticket for doing business,

thereby illustrating the growing acceptance of the fact that corporate survival is

inextricably linked to responsible and accountable management. (Altman, 1999;

Lindgreen & Swaen, 2004) When these ethical judgements and decisions affect

corporation's survivability, the ethical awareness and management of ethics in a

corporation quickly gained strategic importance and devoted attention. Therefore, from

the CSR perspective, organizations act as the drivers in a society to promote and

construct a better world by demonstrating accountable corporate responsibility.

(Friedman & Miles, 2002; Maon, et al., 2009; Pinkston & Carroll, 1994)

The myriad CSR definitions are all describing the same phenomenon, but it is

not about how to manage the challenges within this phenomenon. Because the challenge

for business lies beyond defining CSR, as it is to understand the specific societal context

constructed in CSR in order to take into account when business plans and strategies are

developed. (Dahlsrud, 2008) In order words, organizations need a clear vision and a set

of working definitions incorporated into the corporate agenda that will lead

organizations to the mutual goal of achieving the balance between prosperity and

harmony of the society.

2.2.2 The Potential Benefits of Implementing CSR

In general, the potential benefits of implementing a CSR approach for business

vary from firm to firm, depending on a number of factors. The company size and

industry type could easily influence the propensity of the company's engagement in

corporate social responsibility; furthermore, the presence of an impassioned group of

leaders and managers may facilitate the progress of incorporating CSR concepts into the

corporate agenda, which would also have a positive impact in the business environment

and how they address CSR related issues. (Lindgreen & Swaen, 2004; Lockett, et al.,

2006)

Businesses begin to understand the fact that adopting a proper and effective

approach to CSR can substantially reduce the risk of business disruptions while opening

up new business opportunities and enhancing corporate reputation. (Government of

Canada, 2006) In addition, consumers and investors are beginning to show interest in

supporting socially responsible businesses and are demanding to know more about how

companies are addressing social and environmental risks and issues. Ed Zander, Ex-

Chairman and Ex-Chief Executive Officer of Motorola, believes that firms with a

commitment to corporate responsibility are arguably more sustainable, better managed,

and therefore, better long-term investments; as he also stated in the corporate citizen

report of 2004 that strong economic performance and good social environmental

performance are not mutually exclusive and good corporate citizenship improves

Motorola's bottom lines. (Motorola Inc., 2004.)

There is an abundance of literature discussing the potential benefits that serve as

strong incentives for corporations to implement CSR approach. According to a

comprehensive guide to implementing CSR generated by the Government of Canada

(2006), key potential benefits of implementing a CSR approach includes:

- Better anticipation and management of an ever-expanding spectrum of risk;
- Enhanced ability to address change;
- Enhanced operational efficiencies and cost savings;
- Improved competitiveness and market positioning;
- Improved ability to build effective and efficient supply chain relationships;
- Improved reputation management;
- Enhanced ability to recruit, develop and retain staff;
- More robust social license to operate in the community;
- Better access to capital;
- Improved relations with regulators.

Source: Government of Canada, 2006

The ability to effectively manage and anticipate social, environmental, economic,

legal and other issues in the business environment can secure and improve the market

stability. Assessing company's impact on interests of parties is one of the ways to

manage and to anticipate an ever-expanding spectrum of risk. By the same token, good

management and anticipation of potential risks and interruptions will put companies in a

good position to respond to these crises and to promptly restore operations. One of the

important aspects of CSR is to increase operational efficiency in order to reduce waste

and negative impact on the environment. This can be done through process refinement

with continuous improvement to increase output consuming less input or reducing waste;

reducing system-wide energy use to turn waste streams into revenue streams.

(Government of Canada, 2006)
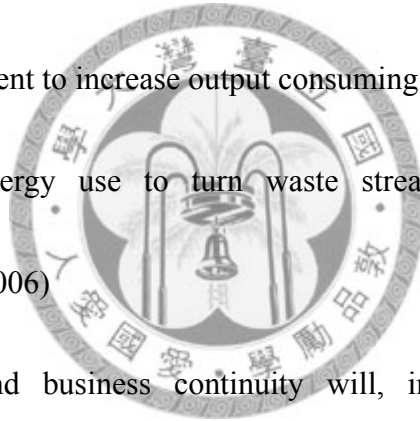
Better stability and business continuity will, in turn, lead to improved

competitiveness and market positioning. Moreover, good CSR practices can stimulate

organizational, process and product innovation and differentiation, which will create

new business opportunities and gain better access to new markets. For instance, a

company, certified to environmental and social standards under the requirement of CSR,

will naturally become one of the leading candidates for business partnership in the

supply chain. Companies with mutual understanding of corporate social responsibilities

are likely to form profitable long-term business partnerships. Large corporations can
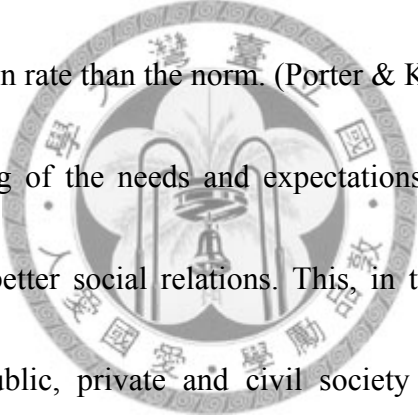
also become the driver or the stimulus to smaller businesses in CSR implementation. This way all businesses in the supply chain will share the same codes and standards and exert positive influences on each other to elevate the level of CSR as a whole.

Businesses that perform well with regard to CSR can build reputation, while those that perform poorly can seriously damage their brand and company value because of their failure to maintain quality, ethical and other social responsibilities. (Government of Canada, 2006; Maon, et al., 2009; Pearce & Doh, 2005) It holds particularly true for larger corporations with high-value retail brands, which are constantly under the scrutiny of media, activist, and consumers. Reputation is comprised of business values such as trust, reliability, credibility, quality and consistency. Even for companies that do not have direct retail exposure through brands, their positive reputation as a supply chain partner for addressing CSR issues will have a significant effect on gaining respectability and realizing every business opportunity.

Another direct result of company's positive image and business reputation is the ability to recruit, develop and retain company's valuable staff. Socially responsible companies can easily foster employee morale, loyalty, and pride through improved human resources and CSR related programs and activities. Marriott, a worldwide operator and franchisor of a broad portfolio of hotels, provides chronically unemployed

job candidates a combination of nearly 200 hours of paid lessons and on-the-job

trainings. This effort is further combined with support from local community service

organizations, which identify, screen, and refer the candidates to Marriott. As a result of

this tremendous effort in human resource, Marriott is able to benefit the community and

reduce the cost of recruiting entry-level employees; approximately ninety percent of

those candidates in the training sessions were employed by Marriott and nearly sixty-

five percent of them remained in their positions in the subsequent year with a

substantially higher retention rate than the norm. (Porter & Kramer, 2006)

Better understanding of the needs and expectations of the employees and the

community translate into better social relations. This, in turn, may evolve into more

robust and long-lasting public, private and civil society alliances. (Government of

Canada, 2006) Financial institutions are progressively incorporating social,

environmental, and economic criteria into their assessment of responsible businesses.

Effective CSR implementation and management are undoubtedly the indicators that

investors are looking for when making financial decisions about where to place their

trust, equity, and money. According to Luo and Bhattacharya (2006), his study on the

impact of CSR indicated that CSR contributes positively to market value and investors

can obtain competitive advantages and reap more financial benefits by investing in

firms with CSR. To be more specific, for a typical company in the study sample with an average market value of approximately $48 billion US dollars, one unit increment in the CSR ratings would induce an increase in profits at an approximation of $17 million US dollars on average in subsequent years, a substantial amount of financial returns. (Luo & Bhattacharya, 2006) There are also examples where governments alike are rewarding socially responsible businesses that have outperformed beyond regulation requirements by expediting their operational approval processes.

The potential benefits of implementing CSR have accentuated the fact that businesses play a pivotal role in creating jobs and wealth in society. CSR is a strategic management that positions companies to proactively manage potential risks and grasp possible business opportunities, as businesses begin to acknowledge that their corporate reputation is closely connected to how they resolve social, environmental, and economic issues. As a result, CSR is all about taking actions, moving beyond definitions to make changes and to carefully observe societal impacts, because, as Government of Canada nicely states, "reputation is an invaluable, albeit largely intangible, corporate asset that must be managed as carefully as any other." (Government of Canada, 2006)

2.2.3 Stakeholders

In the past few decades, the measurement of success in business had primarily been limited to the satisfaction of and creation of wealth for only one stakeholder, the shareholder; and the pursuit of which has been proven to be outright deficient. (Clarkson, 1988) Shareholder is not synonymous with stakeholder. The purpose of corporation's existence is gradually recognized to be creating and distributing value and wealth amongst stakeholders, without favouring some in particular at the expense of others. The concept of stakeholder is core to CSR. According to Freeman (1984), "stakeholders may be defined as groups and individuals who can affect, or are affected by, the achievement of an organization's mission." (Freeman, 1984) An alternative definition was given by Clarkson (1995): "stakeholders are persons or groups that have, or claim, ownership, rights, or interests in corporation and its activities, past, present, or future. Such claimed rights or interests are the result of transactions with, or actions taken by, the corporation, and may be legal or moral, individual or collective." (Clarkson, 1995) Stakeholders can be classified according to their interests, claims, or rights, and the list of stakeholder groups includes but not exclusive to shareholders, investors, employees, consumers, suppliers, trade business partners, government, local communities, societies, media, and academics. (Clarkson, 1995; Khoury, et al., 1999;

Maon, et al., 2009)

The concept of stakeholders appeared to have extended to a much wider perspective, which pertains to all entities that have a stake in or a claim on the firm. (Bomann-Larsen & Wiggen, 2004; Evan & Freeman, 1988) The success and the survival of an organization depend heavily on the organization's ability to generate wealth and meet stakeholder's demands and expectations. Stakeholders, thus, have a considerable amount of influence on the behaviour and activities of an organization. Base on the level of interdependence between the organizations and the stakeholders, some studies categorized stakeholders as primary and secondary stakeholders.

A primary stakeholder group is a stakeholder group who shares a direct relationship with the organization and their existence and participation are essential to the success and survival of the organization. Failure to maintain a positive relationship and a healthy communication with the primary stakeholder group can result in the disruption of that organization, and discontinuation of business is almost certain if any primary stakeholder group becomes dissatisfied and withdraws from the organization, in whole or in part. (Clarkson, 1995) There is a high level of interdependence between the organization and its primary stakeholder group, which typically comprised of customers, employees, communities, shareholders, investors, suppliers, and governments.

(Clarkson, 1995; Maon, et al., 2009; Post, Frederick, Lawrence, & Weber, 1996; Preston, 1990)

Secondary stakeholder group, on the other hand, are defined as those who influence or affect indirectly, or are influenced or affected indirectly by, the organization, but they are not engaged in transactions with the organization. (Clarkson, 1995) Such secondary stakeholder group may include media, nongovernmental organizations, and a wide variety of other special interests groups that possess the capacity to manipulate public opinion in favour of, or in opposition to, an organization's performance. (Clarkson, 1995; Maon, et al., 2009) The survival of an organization is not directly dependent on secondary stakeholder groups. However, such groups can severely sabotage an organization. As Freeman (1984) commented, some individuals or groups may have as an objective to simply interfere with the smooth operation of businesses. (Freeman, 1984) It is unfortunate for business having to take these unsavoury stakeholder groups into consideration, but from the standpoint of CSR implementation it must be done.

CSR strategy implementation and development could be considered as an organizational process change or as a new approach to organizing and working. (Dawson, 2003; George & Jones, 1996) Its purpose is to align the organization with the

business and social environment along with their dynamic demands via identifying,

engaging, and managing stakeholder expectations. (Government of Canada, 2006;

Maon, et al., 2009) In addition to organizational process change, CSR incorporates

learning and the ability to improve the understanding of stakeholder's expectations and

the specifics of the context, in order to ensure that the change is both appropriate and

beneficial. (Burnes, 2004) Stakeholders play an important role in the process of

representing, expressing, and delivering their expectation to the organization. Different

stakeholder groups will propose and emphasize different concerns, because their

viewpoints are slightly different from one another, as they aim to further their specific

interests and their perspective of what CSR is or should be. (De Bakker, et al., 2005) As

a result, leaders of organizations must remain actively aware of and understand both of

stakeholders' viewpoints and expectations, as well as acknowledge the fact that any

changes they decide to implement will, in turn, shape the environment. (Maon, et al.,

2009; Mitleton-Kelly, 2003)

There are many forms of stakeholder engagement which involve an aggregation

of different stakeholder groups coming together to discussing how to meet both social

and commercial ends. Taking stakeholders into consideration is undoubtedly vital to

organizations, but it does not necessarily imply that their demands and expectations are

always fulfilled; rather it means that their input is appreciated and that mutual accommodation can be reached with respective needs and interests acknowledged and evaluated. Achieving this level of stakeholder interaction entails that leaders should be equipped with the capability of understanding the perspective of others, and such wisdom and integrity are crucial for a successful CSR implementation. (Lindgreen & Swaen, 2004) Motivated, in part, by this mounting importance of CSR in practice, the result of several marketing studies have indicated that CSR programs have a significant positive influence on customer-related outcomes. (Luo & Bhattacharya, 2006) With respect to consumers, the awareness of CSR practices appears to have a positive influence on consumers' evaluation of product and service attributes, attitudes toward the organization, corporate reputation, and customer loyalty. (Brown & Dacin, 1997; Creyer & Ross, 1997; Fombrun & Shanley, 1990; Lindgreen & Swaen, 2004; I. Maignan, Ferrell, & Hult, 1999; Murray & Vogel, 1997) Martin (2002) also pointed out the fact that consumers, investors, and business leaders alike are now exerting more pressure on companies to remember their obligations and responsibilities to the employees, communities and environment, because companies do not operate in a vacuum composed solely of shareholders, but exist within larger networks of social, financial, and political entities. (Lindgreen & Swaen, 2004; Martin, 2002)
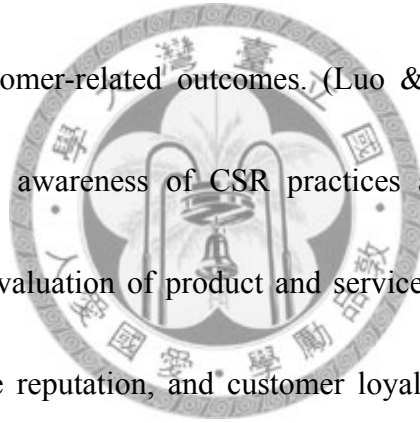
Intensified corporate attention to CSR has yet to be entirely voluntary. Myriad companies were astounded by public responses requiring them to address to issues that were not previously considered as part of their business responsibilities. Furthermore, as Porter (2006) argued that "many firms' CSR efforts are counterproductive, for two reasons: they pit business against society, when the two are actually interdependent. And they pressure company to think of CSR in generic ways, instead of crafting social initiatives appropriate to their individual strategies." (Porter & Kramer, 2006) Too much attention had been focused on the friction between business and society, but not enough on the interdependence and the consensus of achieving the principle of shared value, in which choices can benefit both sides. Pursuing lopsided interests at the expense of the other might yield a temporary gain, but this will undermine the power of interdependence and the long-term prosperity of both. (Grayson & Hodges, 2004; Porter & Kramer, 2006)

However, responding excessively to each of the different stakeholder groups can diffuse a company's effort and the positive impact on the society, resulting in an enormous loss of opportunity and the potential to support and reach both business and community goals. Also, governments, activists, and the media have become adept at holding organizations to account for social consequences of their activities and rank

them on the performance of their corporate social responsibility; therefore, in order to develop a constructive relationship with stakeholders, rather than to attempt to set up a buffer between the two sides, a context-specific direct dialogue has emerged as a top priority for all organizations and companies worldwide. (Andriof, 2001; Dahlsrud, 2008; Lindgreen & Swaen, 2004; Van Marrewijk, 2003) If strategically approached, stakeholder engagement can generate business opportunity and innovation, and competitive advantage for organizations while resolving pressing social and ethical problems at hand.

2.2.4 Verification and Sustainability Report

In the field of corporate social responsibility, the verification of its process is an important proof of an organization's success in implementing CSR. Verification, also known as conformity assessment or assurance, is a form of measurement that can take place in a number of ways: internal audits, industry (peer) and stakeholder reviews, and professional third-party audits. (Government of Canada, 2006) Verification involves processes such as on-site inspections, management reviews, and systematic evaluations to determine the level of conformity to a specific set of result-based criteria or standards that an organization has previously agreed to adhere. In accordance with many of these

criteria and standards, there are qualified companies and institutions that specialize in providing third-party auditing services and certifications. Such approach is generally used for external audit purposes because of their expertise in pinpointing problems that might not have otherwise been brought to attention. On the other hand, the merit of most internal reviews is that normally they can be conducted expeditiously at a less cost. However, such reviews do not have the credibility of those that are conducted by external parties; hence are subject to criticism by the public due to conflict of interests. Most of the time a company needs to be verified in order to obtain or maintain the license to continue its business operations. The credibility and the reputation of a company can be seriously damaged if the verification activities have not been done in a rigorous and professional manner, thereby jeopardizing future business opportunities and profitability. (Government of Canada, 2006)
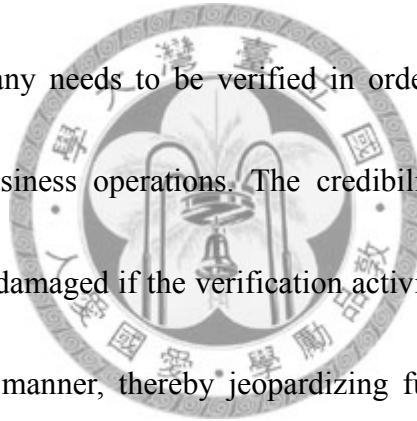
An organization's published identity, core value, and various accomplishments including effort devoted to implementing CSR should be publicized to demonstrate its awareness of the current social, environmental, and ethical issues, and its readiness to find solutions with its stakeholders. As a result of the increasing media coverage of and public interests in CSR issues, companies are taking direct and visible steps to communicate their CSR initiatives to their stakeholders via active dialogues,

stakeholder interactions, and most importantly, sustainability reports. (Lindgreen & Swaen, 2004; Luo & Bhattacharya, 2006; Schultz, Tannenbaum, & Lauterborn, 1992)Measuring and publicizing an organization's CSR performance is potentially a constructive way to bring about positive influences on corporate behaviours, under the condition that CSR ratings and evaluations are consistently determined to accurately reflect the real CSR performance and challenges., A sustainability report is also a vehicle to measure, disclose, and communicate with both internal and external stakeholders about an organization's social, environmental, and economic management and performance towards the goal of sustainable development. (Global Reporting Initiative, 2006; Government of Canada, 2006)

A proper corporate sustainability report should address how an organization is being affected by societal trends and, in turn, how an organization is affecting each of its stakeholders and the society as a whole. This annual report signifies an organization's motivation and willingness to be open and transparent to its stakeholders and to position itself under the scrutiny of the public eye. Fostering an organization's transparency is crucial to CSR implementation, in which the objective is to disclose information to stakeholders in order to gain trust and build credibility. In addition, there is now a stakeholder-management standard which has a distinct character: AA1000; and
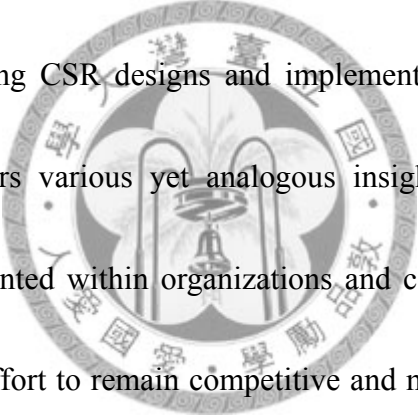
the content and the liability of this sustainability report itself can also be evaluated, ranked, and verified by a third party such as Global Reporting Initiative. (Lockett, et al., 2006; Porter & Kramer, 2006)

A sustainability report, according to Global Reporting Initiative (2006), should be a balanced and genuine representation of the social, environmental, and economic performance of a reporting organization, which includes both positive contributions and negative impacts. Apart from information pertains to the financial position, in the reports organizations are encouraged to state explicit performance targets they aim to achieve, and to disclose outcomes and results of important issues or events that take place within the reporting period, in the light of the organization's mission, strategy, and management approach. Moreover, reports can be used for other purposes: as a benchmark with respect to laws, norms, codes, performance standards, and voluntary initiatives; as a demonstration of how the organization influences and is influenced by expectations of sustainable development; and finally as a performance comparison mechanism within an organization and between competitors over time. (Global Reporting Initiative, 2006)
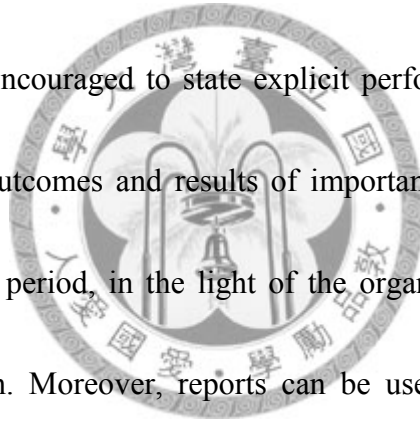
2.3 Existing Literature on CSR Designs and Implementation Models

Corporate social responsibility implementation models involve and require a major organizational change process or some refers to as organizational paradigm shift. (Dawson, 2003; George & Jones, 1996; Gladwin, et al., 1995; Werre, 2003) The aim of such models is to align organizations or corporations with the dynamic demands of the commercial, environmental, and societal environment by developing, establishing, and executing a series of recursive CSR practices. (Maon, et al., 2009)
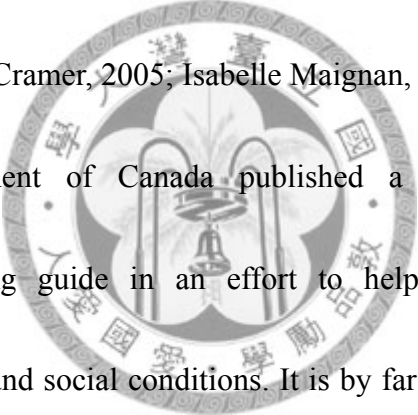
Literature on existing CSR designs and implementation models that emerged over the past decade offers various yet analogous insights into how CSR can be introduced to and implemented within organizations and corporations. In 2002, Khoo and Tan proposed that in effort to remain competitive and maintain reputable corporate image must demonstrate their commitment to CSR, which envelop all employees, the quality of products and services, the continuous improvement of processes, and the company's profit-making opportunities. (Khoo & Tan, 2002) Based on the case study of an Australian company and the Australian Business Excellence Framework, the authors suggested a four-stage cycle to help transform a company from its initial state to one that is both sustainable and socially responsible; and the four stages are 1) preparation which involves leadership and strategic planning; 2) transformation which requires

people and information management; 3) implementation which involves the embedment

of sustainability in the corporate agenda; 4) sustainable business results which reviews

the system performance. (Khoo & Tan, 2002)

Instead of directing all the attention on the internal effort of the organization,

Panapanaan et al., (2003) took a whole different approach by emphasizing the

importance of understanding the corporate social responsibility from the perspectives of

different stakeholders. In the study, observation of 12 Finnish companies and their CSR

management had revealed some insights, aspects, and direction, which help established

a preliminary CSR framework. The framework consists of two major steps: 1)

assessments of the social risks involved with employees, community, suppliers, and

customers; 2) and base on those assessments, decisions and adjustments are made on the

following CSR management activities: organization and structure, planning,

implementation, monitoring and evaluation, communication and reporting. (Panapanaan,

Linnanen, Karvonen, & Phan, 2003) In the same year, Werre (2003) developed a CSR

implementation model in a general sense with respect to economic, environmental and

social dimensions that is comprised of four phases: 1) raising top-management

awareness; 2) formulating a CSR vision and core corporate value; 3) changing

organizational behaviour; and 4) anchoring the change. (Werre, 2003)

The CSR implementation models emerged in the subsequent years had shifted most of its focus from mainly internal organizational reform to the emphasis of external voices from stakeholders. Maignan et al., (2005) stated that business commitment to CSR is regarded as, at minimum, adopting social norms and values to minimize negative impacts while maximizing positive impacts on stakeholder issues. (Isabelle Maignan, Ferrell, & Ferrell, 2005) Also, dialogues with stakeholders and their feedback are taken into consideration when making business decisions and developing short and long term CSR strategies. (Cramer, 2005; Isabelle Maignan, et al., 2005)

In 2006, government of Canada published a 90-page corporate social responsibility implementing guide in an effort to help Canadian firms improve economic, environmental, and social conditions. It is by far the most compressive CSR implementation guide released which made references to CSR-related international standards such as GRI, AA1000, SA8000, ISO 14001, and etc. The framework follows the well-known Deming cycle "plan, do, check, and improve" which is in consistency with those of the International Organization for Standardization (ISO) guidelines and standards in quality and environmental management systems. There are six main tasks, Plan: 1) Conduct a CSR assessment, 2) Develop a CSR strategy; Do: 3) Develop CSR commitments, 4) Implement CSR commitment; Check: 5) Verify and report on progress;

Improve: 6) Evaluate and Improve, and each extends to three to seven sub-tasks. One striking similarity between Canada and Taiwan is that the majority of the companies fall into the "small business" category and hence the CSR implementation guide works in sync with the "plan, do, check, and improve" model, which is a sound and flexible approach for firms of virtually any size.

The increased awareness of corporate social responsibilities around the globe and the growing desire of a more effective and thorough CSR implementation model had both contributed to the birth of successive models to ease the process of implementing and practicing CSR activities. Subsequent models proposed by scholars or researchers might have different emphases on areas deemed more important, but in the general the nuts and bolts of these models have been strikingly similar. The CSR implementation process always begins with raising CSR awareness and recognition throughout different levels of the organization, and then followed by a series of status assessments, developing and implementing CSR-integrated strategic plans, and finally the cycle would end with evaluation of performances and institutionalization of viable CSR plans. (Kakabadse, Kakabadse, & Lee-Davies, 2009; Maon, et al., 2009)

Table 2-1Summary of Existing CSR Designs and Implementation Models

		Increase CSR Awareness	Economic	Environmental	Social	Stakeholders	Actual Management Approaches and Standards	Proposed Implementation Prioritization
Khoo and Tan (2002)	"the integration of processes, decision making and the environmental concerns of an active industrial system that seeks to achieve economic growth, without destroying precious resources or the environment" (Khoo and Tan, 2002, p. 197)	√	√	√	√			
Panapanaan et al. (2003)	"CSR encompasses three dimensions economic, environmental and social and is about doing business sustainably and ethically as well as threating or addressing stakeholders' concerns responsibly" (Panapanaan et al., 2003, p. 135)	√	√	√	√	√		
Werre (2003)	"the strategic choice to take responsibility for the impact of business with respect to economic, environmental and social dimensions" (Were, 2003, p. 260)	√	√	√	√		√	
Cramer (2005)	"the commitment of business to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve their quality of life" (Cramer, 2005, p. 583)	√	√	√	√	√	√	
Maignan et al. (2005)	"at minimum, adopt values and norms along with organizational processes to minimize their negative impacts and maximize their positive impacts on important stakeholders issues" (Maignan et al., 2005, p. 958)	√	√	√	√	√		
Government of Canada (2006)	"CSR is understood to be the way firms integrate social, environmental and economic concerns into their values, culture, decision making, strategy and operations in a transparent and accountable manner and thereby establish better practices within the firm, create wealth and improve society" (Government of Canada, 2006, p. 5)	√	√	√	√	√	√	
Maon et al. (2009)	"organizations develop and update programs and policies in an attempt to measure their social and environmental performance, while also engaging in consultations with stakeholders and, during this process, communicating their values to employees, environmental groups, local communities, and governments" (Maon et al., 2009, p 71)	√	√	√	√	√		

(Cramer, 2005; Government of Canada, 2006; Khoo & Tan, 2002; Isabelle Maignan, et al., 2005; Maon, et al., 2009; Panapanaan, et al., 2003; Werre, 2003)

The table above is a summary of the prominent existing CSR implementation

models arised over the past decade. The idea and the core behind these models are

consistent with each other and the concept of CSR implementation being a continual

and cyclinal process is also clearly evident across many of these models. However, most

of the models have a tendency to address certain aspects more than other equally

important ones, and as a result those models are missing some of the key components to

integrating CSR of all dimensions into the organization's structure, strategy, and culture.

For instance, the work proposed by Cramer (2005), Maignan et al., (2005), and

Panapanaan et al., (2003) stress on concerns of stakeholders and the role they play in the

big picture of implemeting CSR.

Most importantly, these existing models were bulit from real case studies and

careful observations of successful companies, but the majority of them have not

included actual management approaches, nor have they made references to external

CSR-related regulations and standards, which together will lead to a standardized and

sound CSR implementation. In addition, such literature is almost non-existent in Taiwan,

and due to cultural and other discrepancies between organizations or corporations from

different countries, these models might not at all be suitable for Taiwanese counterparts.

Therefore, the missing components of these existing models becomes the aim of this

research, which is to develop a CSR implementation reference model by studying

Taiwanese high-tech industry, and to supplement the reference model with common

CSR management approaches and their viable implementing sequence.

2.4 Global Reporting Initiative Guidelines and Reporting Framework

The Global Reporting Initiative (GRI) is a net work-based organization that has

pioneered the development of the world's most widely used sustainaibilty reporting

framework and is committed to its continuous improvement and application worldwide.

(Global Reporting Initiative, 2010) All the GRI Guidelines and the reporting framework

are created through a sconsensus-seeking multi-stakeholder process, which is

formulated by practical considerations and issues faced by a variety of different types of

organizations –from small enterprises to large multinational corporations. It also means

a consensus has been achieved by a diverse range of stakeholders –including labour,

community, civil society, business, investors, accountancy, non-governmental

organizaitons, academia, and others –to determine what the guidelines should contain,

in order to ensure that multiple needs of the stakeholders have been accommodated.

GRI aims to provide a trusted and credible framework for sustainability reporting in an

effort to communicate clearly and openly about sustainability via a globally shared

framework of concepts and consistent language. (Global Reporting Initiative, 2006)
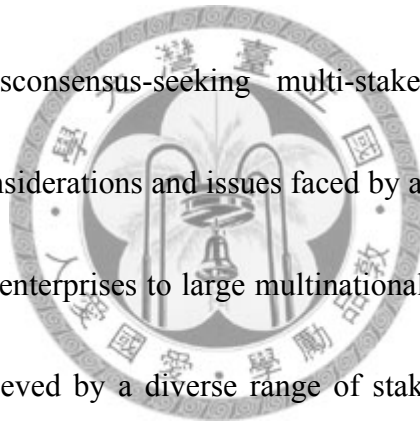
The GRI Reporting Framework, available in 24 languages, has rapidly emerged as a guide and a standard for CSR reporting, which have been used and referred to by more than 1,500 organizations from over 60 countries to produce their corporate sustainability reports by the year of 2009. In the sustainability reporting guidelines, GRI has enumerated a list of 79 criteria scattered across three major aspects: economic, environmental, and social, supplemented by auxiliaries for different industries. Consisting of general and sector-specific criteria and guidance, the GRI Reporting Framework has been accredited world-wide to be generally applicable for reporting the sustainability performance of an organization. Futhermore, all Reporting Framework documents are subject to testing and continuous improvement. (Global Reporting Initiative, 2006)

The latest version of the sustainability reporting guidelines produced by Global Reporting Initiative is referred to as the G3, which was released in October, 2006. The G3 is known as the third generation that is built on G2, released in 2002, with improvements on the universal compatibility of this guidance, so that the G3 can be applicable to businesses, companies, multinational corporations, and organizations of any size or location from around the world. The G3 Sustainability Reporting Guidelines consist of reporting principles, reporting guidance, and standard disclosures including

Performance Indicators (refer to section 2.4.1). (Global Reporting Initiative, 2006)

These elements are intended to be equal in weight and importance to help reporters define the content, quality and boundary of the report in accordance with principles of accuracy, reliability, balance, clarity, comparability, and timeliness. In addition to the core of the sustainability reporting framework, there are also other elements such as Sector Supplements and National Annexes for use in conjunction to respond to the needs and the issues of specific industries, regions, or countries. The third generation of the Sustainability Reporting Guidelines, G3, is open to public, and readily available for the use of any organization.

All organizations, regardless of levels of experience in CSR, are encouraged to adhere to the G3 Guidelines when producing their sustainability reports. The tests are designed for self-diagnosis purposes, rather than a limited list of specific disclosures to report against. These tests, however, can serve as a reference or a reflection of an organization's capability to explain each application of the Principles. The Principles, in turn, are helping reporting parties to achieve transparency –a core value and a goal that underlie every aspect of a sustainability report. Transparency can be defined as a reporting party's responsibility and integrity to accurately and honestly disclose information on topics and indicators to reflect significant impacts, so that stakeholders

are able to objectively assess its performance in order to make educated decisions. In other words, the report should avoid selections, omissions, or presentation formats that are reasonably likely to unduly or inappropriately influence a decision or judgment by the report reader. (Global Reporting Initiative, 2006) Furthermore, the overall content of the report should be an unbiased presentation of the reporting party's performance, which includes both favourable and unfavourable results to clearly distinguish factual presentation from desirable interpretation of information.

2.4.1 Performance Indicators

The section on the Performance Indicators in the G3 Sustainability Reporting Guidelines is organized by Economic, Environmental, and Social categories; and Social Indicators are further categorized by Labour Practices and Decent Work, Human Rights, Society, and Product Responsibility. (Global Reporting Initiative, 2006) Each of the six categories listed above includes a Disclosure of Management Approach and a corresponding set of Core and Additional Performance Indicators. The purpose of disclosing the management approach is to provide readers a brief overview and a general direction of the organization's management approach towards aspects defined in each indicator category, in turn setting the context for reporting material.

There are a total of 79 indicators: 50 Core Indicators and 29 Additional Indicators. Core Indicators are developed through the multi-stakeholder process by GRI that are deemed generally applicable indicators for most organizations. All core indicators should be reported on unless deemed not material according to the GRI Reporting Principles. Additional Indicators represent emerging issues or topics that might be applicable for some organizations, but not for others. Moreover, the Indicators in the final version of the corresponding Sector Supplements should be regarded as Core Indictors. For further details, please refer to the Defining Report Content of the G3 Sustainability Reporting Guidelines in Appendix 7.3.
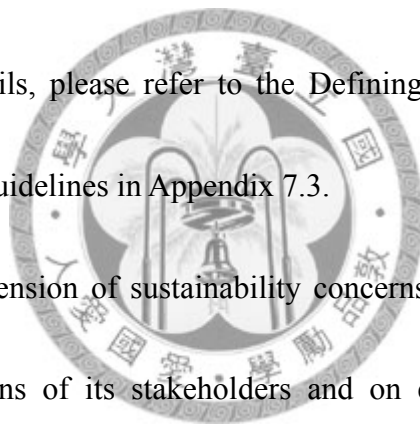
The economic dimension of sustainability concerns the organization's impacts on the economic conditions of its stakeholders and on economic systems at local, national, and global levels. (Global Reporting Initiative, 2006) There are nine performance indicators that illustrate mainly the flow of capital amongst different stakeholders and the organization's economic impacts on the society. A major portion of an organization's sustainability is shaped by its financial performance and contributions to the economic system. Organizations are required, by G3 Sustainability Reporting Guidelines, to disclose their economic management approach with reference to Economic Performance, Market Presence, and Indirect Economic Impacts. The second

dimension of sustainability, the environmental dimension, concerns an organization's impacts on living and non-living natural systems, including ecosystems, land, air, and water. (Global Reporting Initiative, 2006) It is by far the largest of all six aspects that comprises a total of thirty performance indicators covering a wide range of environmental performances outlining the organization's both positive and negative impact on the biological community and the ecosystem. The management approach items should refer to the following environmental aspects: Materials; Energy; Water, Biodiversity, Emissions, effluents, and waste; Products and services; Compliance; transport; and Overall.

The social dimension of sustainability pertains to the organization's impacts on the affiliating social systems. The GRI Social Performance Indicators that identify key social performances of an organization are subdivided into four categories: Labour Practices and Decent Work, Human Rights, Society, and Product Responsibility. The fourteen performance indicators under specific aspects in the category of Labour Practices and Decent Work are based on internationally recognized universal standards, including: United Nations Universal Declaration of Human Rights and its Protocols; United Nations Convention: International Covenant on Civil and Political Rights; United Nation Convention: International Covenant on Economic, Social, and Cultural

Rights; ILO Declaration on Fundamental Principles and Rights at Work of 1998 (in particular the eight core conventions of the ILO); the Vienna Declaration and Programme of Action; the ILO Tripartite Declaration Concerning Multinational Enterprises and Social Policy; and the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises (The last two instruments were drawn upon by the Labour Practices Indicators to directly address the social responsibilities of business enterprises). (Global Reporting Initiative, 2006) The Disclosure on Management Approach on Labour Practices and Decent work is intended to conform to the last two instruments listed above (particularly the eight core conventions of the ILO) with addition primary reference points: Employment; Labour/Management Relations; Occupational Health and Safety; Training and Education; and Diversity and Equal Opportunity.
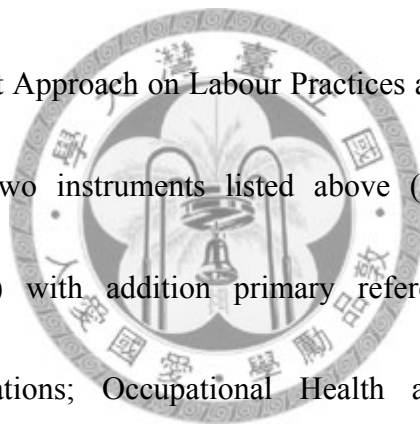
In respect of Human Right Performance Indicators, organizations are mandated to declare which human rights are applied and enforced in selection of investment, suppliers, and contractors. Also, the indicators (9 Human Rights Performance Indicators) encompass basic rights that employees are entitled along with other human rights, including non-discrimination, freedom of association, child labour, indigenous rights, and forced and compulsory labour. Generally recognized human rights are defined by

the following Conventions and Declarations: United Nations Universal Declaration of

Human Rights and its Protocols; United Nations Convention: International Covenant on

Civil and Political Rights; United Nations Convention: International Covenant on

Economic, Social, and Cultural Rights; ILO Declaration on Fundamental Principles and

Rights at Work of 1998 (in particular the eight core conventions of the ILO); and the

Vienna Declaration and Programme of Action. (Global Reporting Initiative, 2006)

Disclosure on Management Approach should be stated in a concise fashion with

reference to the primary human rights aspects listed below: Investment and Procurement

Practices; Non-discrimination; Freedom of Association and Collective Bargaining;

Abolition of Child Labour; Prevention of Forced and Compulsory Labour; Complaints

and Grievance Practices; Security Practices; and Indigenous Rights.

Society Performance Indicators (8 indicators) concentrate on the influence and

the magnitude of impacts organizations have on the communities in which they operate,

and disclosing how they managed and mediated risks that may arise from interactions

with other social institutions, particularly risks associated with bribery and corruption,

undue influence in public policy-making, and monopoly practices. (Global Reporting

Initiative, 2006) As a result, it is suggested that the Disclosure on Management

Approach with regards to Society Performance Indicators be composed in the direction

of the following Society Aspects: Community; Corruption; Public Policy; Anti-Competitive Behaviour; and Compliance. Finally, the focus of the last set of nine performance indicators is the Product Responsibility. Product Responsibility addresses the aspects of a reporting organization's products and services that directly affect customers, namely, health and safety, information and labeling, marketing, and privacy. (Global Reporting Initiative, 2006) Majority of these aspects were covered through the disclosure on internal procedures with emphasis on ones that are non-compliant. Disclosure on Management Approach in Product Responsibility includes Customer Health and Safety; Product and Service Labeling; Marketing Communications; Customer Privacy, and Compliance. Once again, all aspects mentioned above are intended to be equal in importance to help report makers define the content, quality, and boundary of the sustainability report in congruence with the GRI Reporting Framework to achieve excellence in accuracy, reliability, balance, clarity, comparability and timeliness.

2.4.2 GRI Application Levels

As a finalization process of a sustainability report, report makers self-declare the level of their reports via the GRI Application Level system, which is a preliminary

report grading system developed by GRI. Declaring an application level foster a clearer communication about which elements of the GRI Reporting Framework have been applied in the preparation of a report, and the result also serves as a vision or a path that impel organizations to incrementally expand their application of the GRI Reporting Framework over time. (Global Reporting Initiative, 2006)

There are three levels to the GRI Application Levels: C, B, and A. The reporting criteria in each level indicate an increasing extent of application or coverage of the GRI Reporting Framework. For instance, an organization can self-declare a level C if they have reported on a minimum of ten GRI Performance Indicators in their sustainability report (at least one indicator from each of: social, economic, and environment dimension). In order to obtain level A, an organization must respond on all Core G3 and Sector Supplement Indicators or with satisfactory reason for any omissions. Please refer to table2-3 for details on the criteria on each application level.
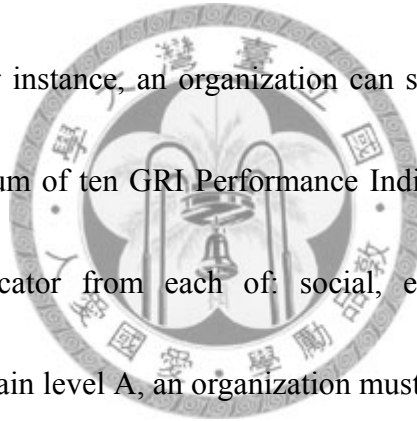
Table 2-2 GRI Application Levels

Report Application Level		C	C⁺	B	B⁺	A	A⁺
Standard Disclosures	G3 Management Approach Disclosure	Not Required	Report Externally Assured	Management Approach Disclosures for each Indicator Category	Report Externally Assured	Management Approach disclosed for ach Indicator Category	Report Externally Assured
	G3 Performance Indicators & Sector Supplement Performance Indicators	Report on a minimum of 10 Performance Indicators, including at least one from each of: social, economic, and environment.		Report on a minimum of 20 Performance Indicators, at least one from each of: economic, environment, human rights, labour, society, product responsibility.		Respond on each core G3and Sector Supplement indicators with due regard to the materiality Principle by either: a) reporting on the indicator or b) explaining the reason for its omission	

Source: Global Reporting Initiative, 2006

A report preparer can self-declare a plus at each level if the report was assured and certified by an accredited external institution. Again, the self-declared level is based on the organization's own assessment of its own report content against the criteria aforementioned in the GRI Reporting Initiative Guidelines. If a report wishes to be recognized as a GRI-based report, a GRI Application Level grid must be appended to the report to indicate which level is being declared and names of external assurance if applicable. Organizations also have the option to contact GRI to seek opinions and advices on the accuracy of their self-declaration, which is referred to as a GRI Application Level Check. So far the Application Level Check requests could only be submitted to GRI electronically via their website at www.globalreporting.org, and once there is an agreement on the self-declared Application Level, an icon corresponding to

the level will be provided by GRI for online and printed reports. (Global Reporting

Initiative, 2006) However, a GRI Application Level Check is not an external assurance

equivalent, hence, will not result in attainment of a plus status. In addition, a statement

from the external assurance provider must be present if an organization declares a plus

status during the course of a GRI Application check.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

The purpose of this research was to respond to phenomenon of the increased

public scrutiny and horizontal competition which had induced corporations and

organizations alike to address CSR issues and expand its initiatives into organizational

strategies. Wherefore the goal of this thesis was to organize and to compile a detailed

CSR implementation reference model by investigating and analyzing the best practices

in Taiwan. In this research, the CSR initiatives along with the corresponding

management approaches were identified and prioritized according to each of their levels

of significance and/or urgency and the research results, in turn, can be of reference to

corporations who wish to replicate the success.

To that end, the research design, methodology used, population and sample

selection, and issues pertaining to informed consent and confidentiality were discussed

and elaborated in this chapter.

3.1 Research Design

The methodology employed in this research was a combination of qualitative

and quantitative methods in effort to develop a prioritized CSR implementation

reference model. The first methodology, in-depth expert interview, was used to identify

management approaches taken by the participating companies to proactively improve

CSR performances, and also to glean the unique experience of each company's CSR

engagement in retrospect.

The second proposed methodology of this research was a joint method referred

to as the fuzzy Delphi method that merges fuzzy logic and the Delphi technique. Unlike

the traditional Delphi approach that requires rounds of intensive questionnaires, the

fuzzy Delphi method is a widely used quantitative tool that generates aggregated

weights, which enable researchers to quickly reach consensus amongst the selected

panel of experts. Once the consensus is reached, the implementation sequence of each

CSR initiatives can be established according to the level of importance and urgency,

which completes the second half of the CSR implementation management roadmap.

Finally, the purpose of the third methodology, analytic hierarchy process, was to

develop an alternative CSR implementation reference model when there might exist

insurmountable difficulties to address aspects from all six CSR dimensions at the same

time. Hence, this section, as a continuation of the previous methodology, would inherit

the results and only consider aspects that were deemed relatively more important by

experts for further analysis. This implies that the alternative CSR implementation

reference model would cover slightly fewer CSR aspects and establish an overall

prioritization of these aspects as opposed to the full reference model, which contains all

aspects that were prioritized strictly within their corresponding dimensions.

3.2 Population and Sample Selection

This research delved into the best CSR practices in Taiwanese high-tech industry

and aims to develop a CSR implementation reference model in full conformity with the

GRI G3 Sustainability Reporting Guidelines. Such model would summarize and

prioritize their management approaches towards each of the CSR aspects so that their

success can be replicable. Thus, in order reap the best research results and for the

implementation reference model to be pragmatic and effective, a precondition was

imposed on the target population of this study to only consider the small fraction of

Taiwanese corporations in high-tech industry that had already implemented and

championed CSR. More specifically, the target population was limited only to

Taiwanese high-tech corporations that have achieved the A^+ Application Level in the

GRI G3 Sustainability Reporting Guidelines.

According to the statistics provided by CSR in Taiwan in May of 2008, the

number of CSR or sustainability reports published by Taiwanese corporations had

slightly increased to a total of 53, and only 9 of which had declared an A^+ GRI

Application Level and were audited externally by a third party accreditation. Invitations

for research participation were sent out to all five Taiwanese high-tech corporations of

such qualification to request permission for in-depth interviews. All five responded

while four accepted the invitation to participate in this research. According to the

categorical definition by the Ministry of Economic Affairs, R.O.C., all five participating

companies qualify as large enterprises, and four of which are in the IT industry.

Adequacy of sample size in qualitative studies should be judged or determined

based on the intended purpose or the intended qualitative product of the research, just as

a small sample size may be deemed adequate for researches involving homogeneous

samples. (Sandelowski, 1995) The purposefully selected samples in this research share

many similar attributes and characteristics as they are all large high-tech enterprises in

Taiwan that have excelled in implementing CSR and achieved the A^+ GRI Application

Level with third-party accreditation. The GRI Application Level in a way acts as a

sampling criterion in this study to ensure the qualification of all the selected samples. A

high level of resemblance between the qualities of the participating companies could

imply smaller variations in their CSR management approaches comparing to other

dissimilar counterparts and, therefore, it seems fair to assume that a small sample size of

four suffices to serve the intention of this information-rich in-depth research.

In addition, determining an adequate sample size in a research was ultimately a matter of judgment in evaluating the quality of information acquired and the presentation in which it is used. (Sandelowski, 1995) As long as the sample size is sufficient to explicate the supporting rationale and show what was originally set out to display, researchers should not feel obligated to increase sample size blindly in attempt to meet the requirement of statistical representativeness without developing a better study. More samples mean more data, more interviews, and perhaps much more work. The study might be larger but not necessary richer in context, and also if the research becomes too complicated and incomprehensible, the study can easily lose its worth. (Morse, 2000)
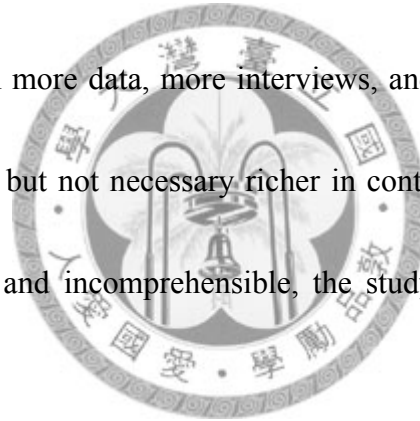
3.3 Background Information on the Participating Companies

There were four Taiwan-based high-tech companies that participated in this study, and all of which have been excellent CSR practitioners who obtained and declared an A^+ GRI Application Level in 2009 with third-party accreditation. As stated previously, the number of CSR or sustainability reports published by Taiwanese firms in 2008 was 53 and only 9 of which were qualified for level A^+, and therefore, firms

with such qualification account for merely a small fraction of business entities in

Taiwan that had incorporated the concept of CSR.

According to the definition of SME issued by the Ministry of Economic Affairs,

R.O.C., all four companies participated in this study both exceeded the maximum staff

headcount of 200 and the financial ceiling of 80 million Taiwan Dollars, hence are

regarded as large enterprises. In addition, average number of employees of the four

companies exceeded 28,000 with average sales revenue in 2009 surpassing the 200

billion Taiwan Dollars mark. Refer to the following table for more detailed information

on each participating company.

Table 3-1Background Information of the Participating Companies

Company	Capital	No. of Employees (as of Dec, 2009)	Sales Revenue in 2009	Industry
A	Approx. NT$88 billion	Over 42,000 Worldwide	Approx. NT$360 billion	IT Industry
B	Approx. NT$595 billion	Over 24,000	Approx. NT$286 billion	IT Industry
C	Approx. NT$260 billion	Over 12,000	Approx. NT$89 billion	IT Industry
D	Approx. NT$22 billion	Over 33,000 Worldwide	Approx. NT$97 billion	IT Industry

Note: Dollar figures are rounded to the nearest whole number.

3.4In-depth Expert Interviews

The in-depth expert interview is one of the most important and frequently used

data gathering methods in qualitative research for its ability to look deeply and

comprehensively into subjective realities, and also for its high adaptability. (Kvale,

1996)It was suggested in many related literatures that qualitative interviews can take the form of face-to-face group interviews, telephone interviews, and mailed questionnaires, which cover a wide range of topics with flexible formality that can be conducted anywhere as long as the interviewee and the interviewer are able to talk in relative privacy without distractions. (Fontana & Frey, 1998; Lindlof & Taylor, 2002) The in-depth information obtained through interviews is invaluable for qualitative and exploratory studies. Another advantage of employing qualitative interviews is its tolerance for uncertainty since the design permits changes as the researcher uncovers new information and probes further. (Rubin & Rubin, 1995)

There are various types of qualitative interviews which are generally categorized into the following types: a) structured interviews, b) unstructured or semi-structured interviews, c) group interviews. (Fontana & Frey, 2000) In a structured interview, a complete pre-prepared script is adhered to during the process that leaves no room for improvisation, and it is usually used in surveys where the interview is not necessarily conducted by the researcher. (Myers & Newman, 2007) On the other hand, an unstructured or semi-structured interview, the most frequently used type in qualitative research, follows an incomplete script that allows improvisation and spontaneity, in which more useful and constructive responses are often inspired. Lastly, group

interviews can be structured or unstructured interviews that involve two or more interviewees at once by one or more interviewers. In this research the second type of interview, more particularly the semi-structured interview, was used as it is most suitable to the intent of this research because of the abovementioned advantages, especially the associated flexibility and openness that grants the researcher opportunity to discern the essence of interviewees' experiences in this field and to be able to understand their perspectives.

3.4.1 Procedure

Upon obtaining agreement to participate in this study, interviews were scheduled according to availability of each of the four participating companies. Discussing issues and management approaches of an extensive concept such as corporate social responsibility, the interviewees should be and were briefed in advance on the purpose of the study and types of questions to expect during the interview in order to elicit more complete and information-rich responses and feedback from the interviewees. All the interviewees were notified and consented to have the interviews audio-recorded for transcribing purposes.

The length of interviews was designed to be two sessions of approximately forty

minutes each with a ten-minute break in between. During the sessions, the interviewees were encouraged to provide detailed and descriptive responses including specific examples. If deemed necessary, additional questions might be inserted to facilitate communication, otherwise the interview in this study typically consists of six sections, a total of 22 open ended questions: 1) company background information and confirmation of CSR GRI G3 status; 2) corporate governance; and CSR performances on 3) economic dimension, 4) environmental dimension, and 5) social dimension; followed by 6) supplementary questions. The subsequent section is devoted to elaborate on how and why the interview questions were developed. The interviews were then transcribed and analyzed.
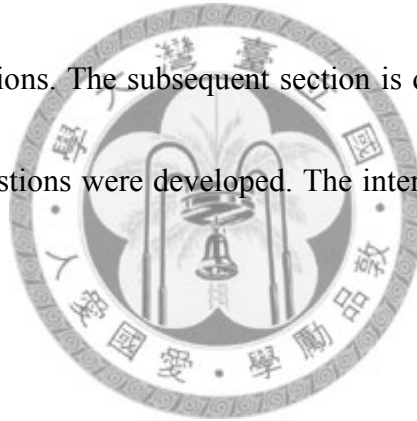
3.4.2 Forming Interview Questions

As discussed earlier, the form of semi-structured interview was used in this study with a pre-prepared list of open-ended questions to promote exchange of information during the course of the interview. The interview questions should achieve two purposes: 1) to acquire information on management approaches employed by a company to proactively improve and report on the performance indicators in each and every CSR aspects; 2) to encourage discussions on perspective and vision of CSR, as

well as the unique experience and hardship each company had endured as a whole

during the CSR implementation and practice.

Most importantly, the CSR implementation reference model compiled in this

study is a summary of management approaches engaged in by the five participating

companies in order to achieve the A^+ GRI G3 Application Level and, therefore, the

interview questions were developed in the light of the GRI G3 Sustainability Reporting

Guidelines released by Global Reporting Initiative in 2006 so that the structure and the

use of terminology are consistent. Precisely, the questions are purposefully designed to

obtain actual management approaches for each of the aspects associated with economic,

environmental, and social dimensions in guidelines as listed in following table.

Conceptually, the responses received from all participants should form a complete set of

management system that underpins the CSR implementation reference model.
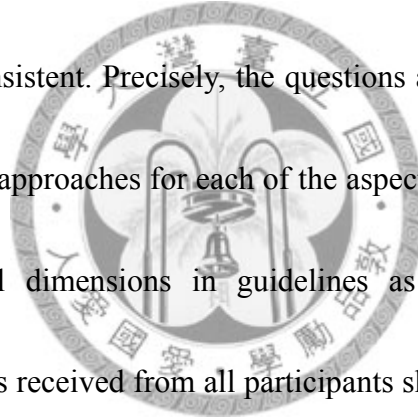
Table 3-2 Table of CSR Dimensions and Corresponding Aspects

Dimensions (Number of Aspects)		Aspects
Economic (3)		Economic Performance
		Market Presence
		Indirect Economic Impacts
Environmental (9)		Materials
		Energy
		Water
		Biodiversity
		Emission, Effluents, and Waste
		Products and Services
		Compliance
		Transport
		Overall
Social	Labour Practices and Decent Work (5)	Employment
		Labour Management Relations
		Occupational Health and Safety
		Training and Education
		Diversity and Equal Opportunity
	Human Rights (7)	Investment and Procurement Practices
		Non-discrimination
		Freedom of Association and Collective Bargaining
		Child Labour
		Forced and Compulsory Labour
		Security Practices
		Indigenous Rights
	Society (5)	Community
		Corruption
		Public Policy
		Anti-competitive Behaviour
		Compliance
	Product Responsibility (5)	Customer Health and Safety
		Product and Service Labeling
		Marketing Communications
		Customer Privacy
		Compliance

(Source: Global Reporting Initiative, 2006)

The interview concluded with a set of supplementary questions that are related to this study, which might be of interest to researchers trying to identify 1) possible sources of pressure prior to or during the commitment to CSR; 2) the challenges and hardship a company is likely to encounter in the process of engaging in CSR initiatives;

3) critical factors that lead to a successful CSR implementation.

3.4.3 Handling Confidential and Sensitive Information

Protecting the confidentiality of non-public information obtained from participants in a research is an integral principle of all academic integrity and business ethics. Frequently, it was inevitable for interviewees to mention names of others and to disclose private information that pertains to their organizations during an interview. As a result, a researcher was in a position to determine whether or not the inclusion of such information will compromise the identity of the interviewees that can lead to personal or social harm, or otherwise breach confidentiality. (Morse, 1994; Punch, 1994)

A convention way to avoid aforementioned consequences was to carefully assess and address the issue. In general, a researcher may opt to omit names of companies, organizations, or individuals and replace them with code names such as letters of English alphabets when referred to. Such substitutions would then help researchers to retain important and contextual information while protecting the identity of the participants in the research. (McLellan, MacQueen, & Neidig, 2003) In other instances, highly sensitive information and figures are completely removed before any transcription is undertaken due to business confidentiality.

The same meticulous approach was employed in this research via informed consents before every interview and survey agreeing to 1) provide anonymity to the participating companies to safeguard their identity; 2) remove any sensitive or non-public information shared during any kind of interactions between the researcher and participants to restrict dissemination of their intellectual property. It was also agreed that this study will not breach any confidentiality issues nor compromise the commercial advantages of participating companies as the research was purely for academic and educational purposes.

3.5 The Fuzzy Delphi Method

The proposed methodology of this research was a joint method that combines fuzzy logic and the Delphi method, referred to as the fuzzy Delphi method, which can be used as a quantitative tool to represent the overall evaluation by consolidating the disparate opinions of the evaluation committee members. (Manoliadis, Pantouvakis, & Christodoulou, 2009) The main rationale behind applying a fuzzy Delphi method in this research is to evaluate and then reduce the degree of subjectivity in assessing the level of significance and urgency of each CSR aspects, and to which a weight is methodically assigned in order to prioritize CSR initiatives in the CSR implementation framework.

Generally, for fuzzy Delphi method the data is collected through surveys; however, for this research the data was gathered during the interviews. The responses of the participants and the consensus among them will contribute to the intended purpose of this study, a CSR implementation reference model. The following sections are set to provide an overview of the Delphi method, fuzzy set theory, and the fuzzy Delphi data analysis.

3.5.1 Delphi Method

The Delphi technique, developed during the mid-1950s by the Rand Corporation located at Santa Monica, California, has been a widely used and accepted method for eliciting, refining, and achieving convergence of group judgments or opinions via a series of questionnaires to obtain data or information from a panel of purposefully selected subjects. (Hsu & Sandford, 2007) The Delphi method is primarily characterized as a communication device that enables a group of individuals to deal with complex problems effectively as a whole.

The logic behind the procedure was that when a desired consensus on certain issue has yet to be reached, repeated use of structured questionnaires with controlled opinion feedback, overseen by a moderator, should help to conceive a shared vision

among the panel of experts. (Dalkey, 1969; Linstone & Turoff, 1975) The Delphi method has been applied in a wide variety of areas including economic and social changes, legislative processes, determination of policies, and researches of market. (Benaire, 1988; Cicarelli, 1984; Rowe & Wright, 1999; Sviden, 1988) The approach is an iterative forecasting procedure that is designed to generate the maximum amount of unbiased information from the panelists in each round, which allows them to modify their assessments and contemplate beyond their own subjective views, and in turn results in the best forecast available. (Chang, Gable, Smythe, & Timbrell, 2000; Corotis, Fox, & Harris, 1981)

Another advantage of the Delphi approach is that in situations where the problem is not so easily analyzable it can benefit from collective and subjective judgment defining areas of uncertainty or disagreement amongst the panel of experts (Hussein, 2006; Linstone & Turoff, 1975), such as the case of reaching a consensus on the priority sequence of the CSR initiatives in the implementation reference model.

3.5.2 Fuzz Set Theory

The fuzzy set theory has been very useful in dealing with multi-criteria decision making which takes the uncertainty of alternatives into account. (Zadeh, Klir, & Yuan,

1996) It is very common for decision makers to evaluate and assess a range of vague

and sometimes conflictive criteria, so in these cases it is much easier to the decision

makes to express their opinions or judgments in linguistic terms, such as 'high',

'medium', and 'low', rather than assigning numbers to measure ambiguous events.

(Manoliadis, et al., 2009) Linguistic variables contain multiplicity of meanings and,

therefore, instead of using a single value in the traditional determinist methods the

responses received can be then expressed as fuzzy numbers.

The fuzzy set is an extension of the conventional two-valued logic to handle

partial concurrences, where the ambiguous responses lie between perfect agreements

and perfect disagreements. In a mathematical sense, the fuzzy set theory maps each

linguistics hedge onto a point between the unit interval [0,1]. The value ranges between

0 and 1, where 0 and 1 can usually be designated as a perfect disagreement and a perfect

agreement respectively. The fuzzy set theory can be applied to linguistic approximation

as such in order to develop fuzzy arithmetic. First, for each decision all evaluations or

rankings in linguistic terms are converted into corresponding fuzzy numbers, which are

aggregated into a single fuzzy number in the next step. Finally, the number is to be

converted back into linguistic terms where the final decision is expressed in readily

understandable terms. (Manoliadis, et al., 2009)

3.5.3 The Fuzzy Delphi Data Analysis Framework

An expert may be defined as an individual with specialized skills, knowledge, or qualification recognized or evidenced by other experts in the same area of expertise. The success of the fuzzy Delphi method could rely chiefly on the effort in selecting the panel of experts (Bryman, 1996; Edmunds, 1999; Morgan, 1998) and therefore, in order to reach meaningful and educated consensus, the degree of consistency between the experts is as important as the level of knowledge and experience possessed by the experts in the research topic. Such concern appeared to be very minimal due to the fact that the panel of experts participated in this study possessed the experience of working in CSR or related department for more than twelve years, and some were at eighteen years and counting.
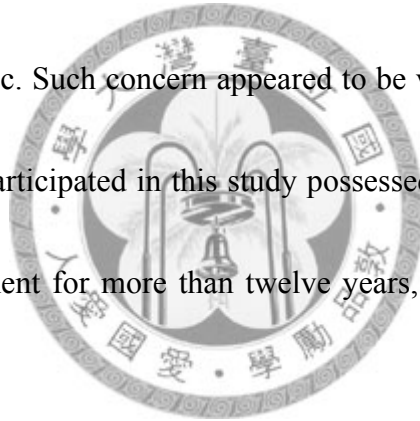
The fuzzy Delphi method in this research consists of the following steps (Bojadziev & Bojadziev, 1997; Manoliadis, et al., 2009):

Step 1: The list of CSR aspects, based on the GRI G3 Sustainability Reporting Guidelines, was presented to the panel of experts as shown below in the table of decision criteria.

Table 3-3 Decision Criteria

Economic	Economic Performance
	Market Presence
	Indirect Economic Impacts
Environmental	Materials
	Energy
	Water
	Biodiversity
	Emission, Effluents, and Waste
	Products and Services
	Compliance
	Transport
	Overall
Labour Practices and Decent Work	Employment
	Labour Management Relations
	Occupational Health and Safety
	Training and Education
	Diversity and Equal Opportunity
Human Rights	Investment and Procurement Practices
	Non-discrimination
	Freedom of Association and Collective Bargaining
	Child Labour
	Forced and Compulsory Labour
	Security Practices
	Indigenous Rights
Society	Community
	Corruption
	Public Policy
	Anti-competitive Behaviour
	Compliance
Product Responsibility	Customer Health and Safety
	Product and Service Labeling
	Marketing Communications
	Customer Privacy
	Compliance

Source: Global Reporting Initiative, 2006

Step 2: Based on the actual sequence of implementation and/or their professional knowledge and judgment, the experts were to evaluate each CSR aspect according to its level of importance and urgency with respect to their companies. The experts E_j ($j=1,2,..,m$; m=4) were asked to provide their evaluations on all the CSR aspect ($i=1,2,…,n$; n=34), determining the least optimal L_{ij}, the most plausible M_{ij}, and the most optimal values U_{ij} for these evaluations referring to the following conversion table.

Table 3-4 Linguistic Terms and Corresponding Fuzzy Numbers

Linguistic Term	Fuzzy Number
First Priority	10
Very Important and Very Urgent	9
Very Important and Urgent	8
Very Important but Less Urgent	7
Important and Urgent	6
Important but Less Urgent	5
Important but Not Urgent	4
Less Important and Less Urgent	3
Less Important but Not Urgent	2
Not Important nor Urgent	(0, 1)

⇧ Low (Priority) High ⇧

The values are presented in the form of triangular numbers:

$$A_i = (L_i, M_i, U_i), i = 1, 2, \ldots, n$$

$$where \; Li = \min_j(Lij), j = 1, 2, \ldots, m$$

$$Mi = \left(\prod_{j=1}^{m} M_{ij}\right)^{1/m}, j = 1, 2, \ldots, m$$

$$Ui = \max_j(Uij), j = 1, 2, \ldots, m$$

Step 3: To normalize the values in the triangular numbers, they are divided by the number of choices so that the resulting numbers will all fall within the range between 0 and 1. (Manoliadis, et al., 2009) Finally, the normalized values are the fuzzy weights W_i, which is defined by the following equation.

$$W_i = \left\{ \min_j(W_{ij}), \left[\prod_{j=1}^{n}(W_{ij})\right]^{1/n}, \max_j(W_{ij}) \right\}, i = 1, 2, \ldots, n$$

The above equation exhibits how the fuzzy weight is calculated for the three boundary conditions (minimum, geometric mean, and maximum) of the triangular distribution (Manoliadis, et al., 2009), where W_i indicates the fuzzy weight for aspect i (i=1,2,…,n; n=34) and j=1,2,…,4 signifies the decision makers.

Step 4: It is a technique used to convert the result of the fuzzy Delphi, a set fuzzy numbers, into a set of single real numbers. After the defuzzification process, the fuzzy weights obtained in the step 3 are converted into a set of single real numbers to help determining the local priority of the CSR aspects. The following step is referred to as the defuzzification. There are several methods available to serve this purpose: mean-of-maximum, center-of-area, and α-cut methods (Anisseh, Yusuff, & Shakarami, 2009; Tsaura, Te-Yi, & Chang-Hua, 2002; Zhao & Govind, 1991) The center-of-area method is used in this study for its simplicity and the fact that it does not require researcher's personal judgment. (Anisseh, et al., 2009) The defuzzified values can be calculated from the following equation.

$$\widetilde{W}_i = [(U_i - L_i) + (M_i - L_i)]/3 + L_i, i = 1, 2, \dots, n$$

The defuzzified values $\widetilde{W}_i$ derived from the above equation will be the determinant of the local sequence of the aspects in each CSR dimension.

3.6 Analytic Hierarchy Process

The Analytic Hierarchy Process (AHP) was developed by Thomas L. Saaty in 1970s and since then the methodology has been extensively used and refined. (Saaty, 1990) AHP is a structured technique with a comprehensive and rational framework that has been frequently used for dealing with complex strategic decisions. (Saaty, 1990; Vaidya & Kumar, 2006; Zahedi, 1986) Instead of prescribing a correct decision, the process of AHP helps a group of decision makers decide as a group and find one that best suits the goal and the understanding of the formulated problem. In other words, it is a process that systematically organizes tough-to-make decisions by relating the important elements or factors to the overall goal, and by evaluating the alternative solutions.
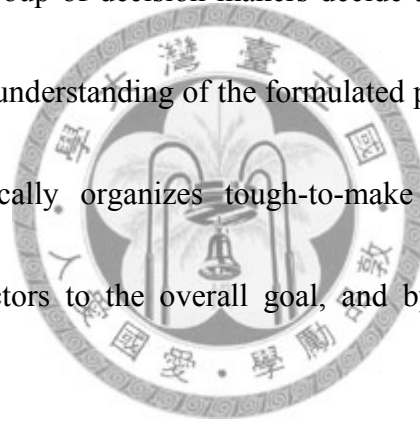
It is a popular methodology in group decision making and is used extensively in a wide variety of applications, in areas such as business, industry, government, healthcare, and education. (Vaidya & Kumar, 2006; Yen, 2005) Analytic Hierarchy Process is a multiple criteria decision procedure that involves pair-wise comparisons using the Eigen value approach. (Vaidya & Kumar, 2006) In essence, the process of developing a hierarchy allows users to focus separately on the criteria or properties that help construct a sound decision, and the most effective way is to perform pair-wise

comparisons because it concentrates judgment on two criteria at a time. (Saaty, 1990) In essence, the analytic hierarchy process combines both quantitative and qualitative approaches into one single empirical inquiry that assigns weights to each criterion to help users to identify the key elements and make better decisions. (Yen, 2005)

The AHP procedure is based on three principle of analytic thinking: 1) constructing hierarchies, 2) establishing priorities, and 3) logical consistency. (Saaty, 1980; Saaty & Vargas, 1994)

3.6.1 AHP Data Analysis

According to Saaty (1995), the AHP procedure follows three principal analytic procedures: 1) constructing the hierarchy, 2) establishing priorities, and 3) confirming logical consistency. (Saaty & Vargas, 1994)

The first step of solving a problem using AHP is to break down the problem by constructing a hierarchy. (Yen, 2005; Zahedi, 1986) Saaty (1995) recommended the following steps when constructing a hierarchy:

(1) Identify the overall goal;

(2) Identify the sub-goals of the overall goal;

(3) Identify criteria that must be satisfied to fulfill the sub-goals of the over goal;

(4) Identify sub-criteria under each criterion;

(5) Identify the actors involved;

(6) Identify the actors' goals;

(7) Identify the actors' policies;

(8) Identify the options or outcomes

Source: Saaty and Vargas, 1994
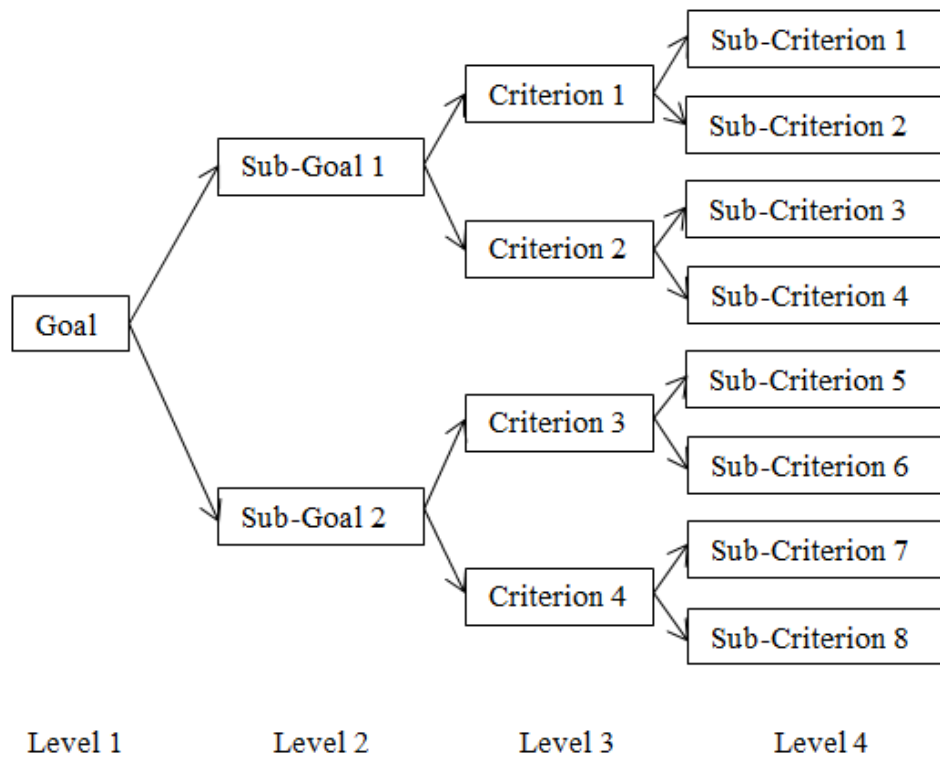
Figure 3-1An example of the hierarchical structure

In order to construct a hierarchy, the decision analyst is to break down the goal

or decision problem into a hierarchical model of interrelated decision criterion or

elements. (Saaty, 1990; Saaty & Vargas, 1994; Zahedi, 1986) The goal or decision

objective is on the top of the hierarchical model, level 1, and the lower levels of the

hierarchy are the attributes or criteria that contribute to the formation of the goal or

decision. Details of these attributes or criteria are broken down further and become the

lower levels of the model. This scheme takes the simplest form as depicted in the figure

above. When setting up a decision hierarchical model, the number of levels is

determined by the complexity of the goal or problem at hand and the desired degree of

detail. Since n elements under the same goal will generate $\frac{n(n-1)}{2}$ pair-wise comparisons,

Saaty (1990) suggests that the number of elements at each level be confined to a

maximum of nine. (Saaty, 1990)
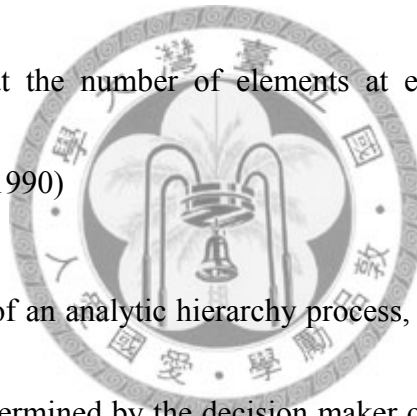
In the second step of an analytic hierarchy process, the priorities and weights of

each criterion are to be determined by the decision maker or a group of experts. This is

done by performing pair-wise comparisons on the criteria or elements of each level of

the hierarchy. Base on the results of the pair-wise comparisons, a matrix is set up to

indicate the relative importance of each element in the corresponding levels. (Mendoza

& Sprouse, 1989) The pair-wise comparison approach is a simple, yet effective way of

determining which one of the two criteria is deemed more important with regards to

achieving the desired outcome or solving the problem. To assign the weights of criteria,

each relative importance judgment is made in linguistic terms, and then translated into

the numerical values according to Saaty's scale of measurement for pair-wise

comparisons as presented in table 3-5. (Cheng & Li, 2001; Yen, 2005)

Table 3-4 The Scale of Measurement for Pair-wise Comparisons

Numerical Value	Verbal Scale	Explanation
1.0	Equal importance	Two elements contribute equally to the objective
3.0	Moderate importance of one over another	Experience and judgment favour one element over another
5.0	Strong importance of one over another	An element is strong favoured
7.0	Very strong importance of one over another	An element is very strongly favoured and dominant
9.0	Extreme importance of one over another	An element is favoured by the highest possible magnitude
2.0, 4.0, 6.0, 8.0	Intermediate values between the two adjacent judgments	Used to compromise between two judgments

(Forman & Selly, 2002; Saaty, 1980, 1990; Yen, 2005)

After all the elements in the hierarchy have been compared and evaluated, a paired

comparison matrix can then be formed. The general form of the matrix is as follows.

$$A = \left(a_{ij}\right) = \begin{bmatrix} a_{11} & \cdots & a_{1n} \\ \vdots & \ddots & \vdots \\ a_{n1} & \cdots & a_{nn} \end{bmatrix} (i,j = 1,2,...,n \text{ and } a = 1 \forall i = j)$$

$$\text{if } a_{ij} = x, \text{ then } a_{ji} = 1/x, x \neq 0$$

Once the matrix is setup, the relative weights can be obtained from each of the n rows

from matrix A. In all cases, matrix A has rank 1; and hence,

$$A \cdot W = n \cdot W$$

where $W = (w_1, w_2, \ldots, w_n)^T$ is the vector of actual relative weights, and n is the number of elements. In matrix algebra, n and W are the eigenvalue and the right eigenvector of matrix A respectively. (Zahedi, 1986) The judgments could be expressed as $a_{ij} = w_i/w_j$ if the judgments are perfectly consistent $(a_{ix} \cdot a_{xj} = a_{ij} \forall x \in N)$. And the final weights of each element can be expressed as

$$W_i = a_{ij} / \sum_{k=1}^{n} akj, \forall i = 1, 2, \ldots, n$$

The last step in analytic hierarchy process is to examine the logical consistency of responses. A>B; B>C; C>A can be a simplest example of a logical inconsistency, and the respondents have a tendency to give inconsistent responses when answering 1) a set of questionnaire with too many elements; 2) a set of poorly designed questions; or 3) the relative importance of the elements are very close to another. It is crucial to do a logical consistency test because once inconsistency in the responses occurs the result of analytic hierarchy process will become invalid. To detect such inconsistency, a few properties of the matrix had led to the construction of consistency index (CI) and consistency ratio (CR) by Saaty in 1980. (Saaty, 1980)

$$CI = (\lambda_{max} - n)/(n - 1)$$

$$CR = CI/R.I.$$

The λ_{max} in the consistency index (CI) denotes the largest eigenvalue of A, and the

closer λ_{max} is to n, the more consistent are the observed values of A. (Zahedi, 1986)

The R.I. in the consistency ratio (CR) is the average index of randomly generated

weights. (Saaty, 1980) The consistency is deemed acceptable if the value of consistency

ratio $CR \leq 0.1$, and in general the small the value of the CR is, the smaller is the

deviation from consistency. (Ong, Koh, & Nee, 2001; Saaty, 1980)

Table 3-5 The Average Index of Randomly Generated Weights

n	1	2	3	4	5	6	7	8	9	10	11	12	13	14
R.I.	0.00	0.00	0.58	0.90	1.12	1.24	1.32	1.41	1.45	1.49	1.51	1.48	1.56	1.57

(Saaty, 1980)

3.6.2 AHP Questionnaire Design

The results from the previous methodology were inherited in this part of the

research, which helped construct the hierarchy and the questionnaire. The goal in this

analytic hierarchy process is to implement CSR and there are six equally important sub-

goals in this case: Economic, Environmental, Labour Practice and Decent Work, Human

Rights, Society, and Product Responsibility as illustrated in figure 3-2.
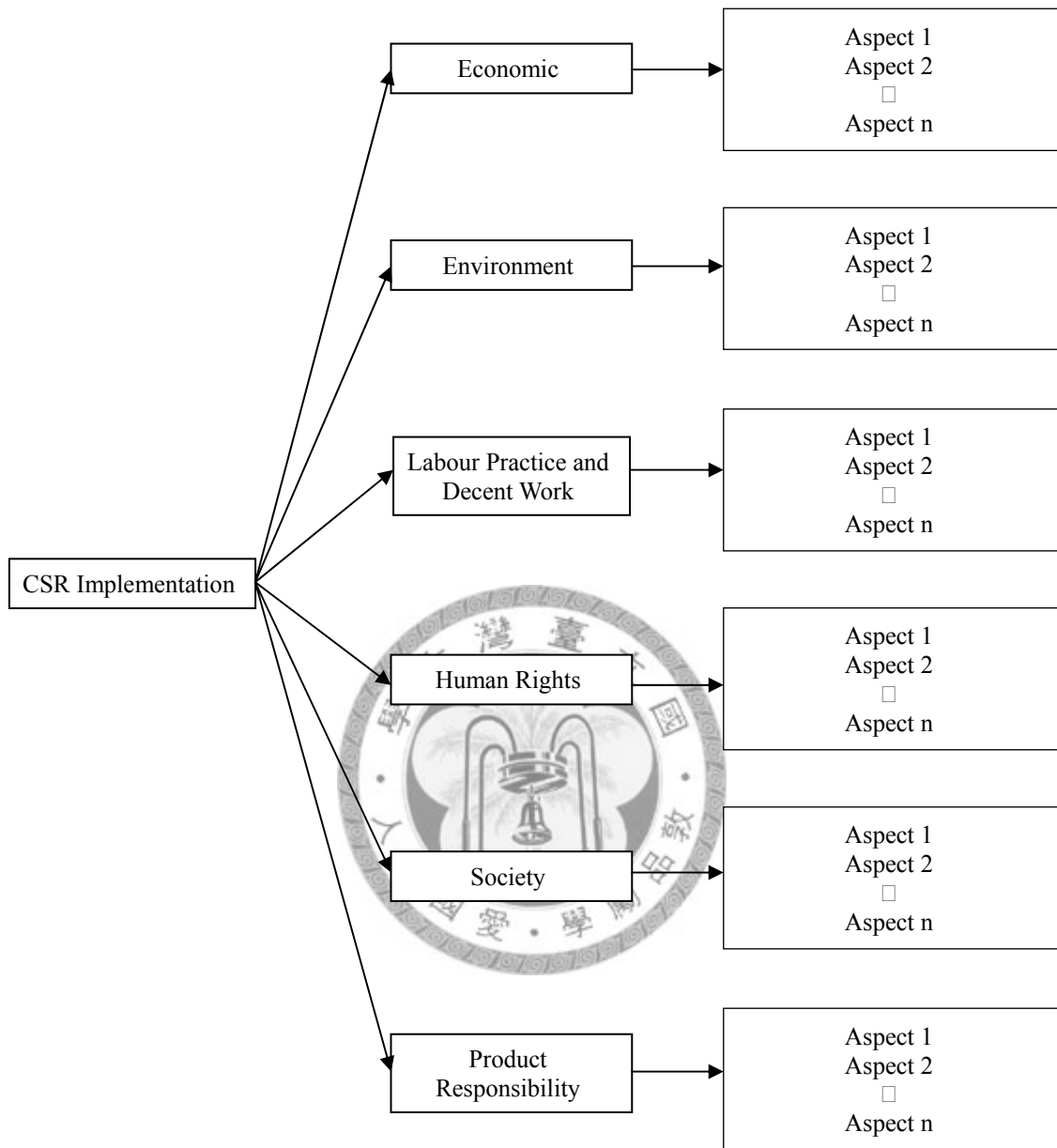
Figure 3-2Hierarchy of the CSR Implementation Reference Model

At the first glace of this hierarchy, it appears to be analogous to the decision

criteria listed in the previous methodology, but there are two major adjustments made to

this model since the purpose in this section is to develop an alternative CSR

implementation reference model in the event that not all six CSR dimensions can be

embarked on concurrently: 1) only the decision criteria that are deemed relatively more important in the previous section will be considered, which implies that the number of the third level criteria, aspects, in this model will be less than 34 (the number of aspects that are included in the full reference model, which is in conformity with GRI G3 guidelines); 2) the aspects in the full reference model that were prioritized within dimensions are to be ranked across dimensions in this model, which will generate an overall prioritization.
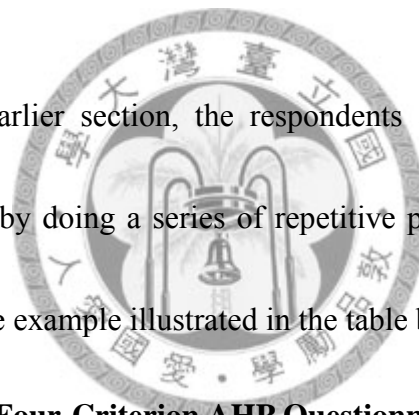
As noted in the earlier section, the respondents are to evaluate the relative importance of the criteria by doing a series of repetitive pair-wise comparisons as the four-criterion questionnaire example illustrated in the table below.

Table 3-6A Four-Criterion AHP Questionnaire Sample

Relative Importance	Extremely importance	Very Strong Importance	Strong Importance	Moderate Importance	Equal	Moderate Importance	Strong Importance	Very Strong Importance	Extremely Importance	Relative Importance
Criteria	9:1 8:1	7:1 6:1	5:1 4:1	3:1 2:1	1:1	1:2 1:3	1:4 1:5	1:6 1:7	1:8 1:9	Criteria
Criterion 1										Criterion 2
Criterion 1										Criterion 3
Criterion 1										Criterion 4
Criterion 2										Criterion 3
Criterion 2										Criterion 4
Criterion 3										Criterion 4

The example is a four-criterion AHP questionnaire used to obtain relative importance of the four elements. There are a total of six, 4(4-1)/2=6, pair-wise

comparisons to be evaluated in this case, and then a four by four matrix can be determined to calculate the weight of each element. Since there are four elements, the random index (R.I.) to test the consistency of the response is 0.90 as provided in the table.

The instructions of answering an AHP questionnaire are straightforward and pair-wise comparisons do not seem so difficult when two criteria are juxtaposed. Nevertheless, corporate management decisions such as ones that are made during a CSR implementation might not be nearly as readily discernible as they first appear to be. Decisions that are relatively difficult to make can easily give rise to the aforementioned inconsistency. However, one simple technique to prevent the baffling inconsistency from occurring is to add an extra set of instruction on the AHP questionnaire, which is to suggest respondents to numerically rank each set of elements first before they do the pair-wise comparisons. Beginning the questionnaire with ranking the elements allows respondents to establish the recognition of the overall importance before they become too concentrated and focused on evaluating the relative importance of the pairs.

CHAPTER FOUR

RESEARCH RESULTS

The goal of this research was to compile a prioritized CSR implementation reference model in full compliance with the GRI G3 Sustainability Reporting Guidelines via the research methods described in chapter 3. In chapter 4, it was set out to discuss the research results by summarizing and presenting the main discoveries of this study.

4.1 In-Depth Expert Interview Findings

As stated earlier in chapter 3, the in-depth expert interview served two main purposes: 1) to obtain information on management systems and approaches that have effectively assist a company to proactively improve and report on the performances with respect to each of the CSR aspects; 2) to encourage discussions on perspective and vision of the company on CSR, as well as the unique experience and hardship each company had endured as a whole during the CSR implementation.

The group of interviewees consisted of direct, senior manager, and two managers, a total of four representatives from each of the four participating companies.

All the interviewees were currently working in a CSR or CSR-related department/division of their respective companies with at least twelve years of experience. Detailed information of the participating experts is as listed in the following table.

Table 4-1 List of Experts Interviewed

Company	Department/Division	Position	Years of Experience
A	Risk & ESH Management Division/President Office	Director	18
B	Environment, Safety & Hygiene Strategic Planning Department/Risk Management & Corporate ESH Division	Senior Manager	13
C	Environmental Protection Engineering/GRM & ESH Division	Manager	17
D	CSER Committee/GCEO Office	Manager	12

It is important to emphasize here again that the four participating companies had been verified as the highest level A† in conformity with the GRI G3 Sustainability Reporting Guidelines by third-party inspection and certification companies. Furthermore, the four companies have received and strived to maintain such status for more than 2 consecutive years prior to and at the time of this study. Thus it can be seen that CSR implementation is not an overnight effort, instead it is a long-term project which requires strategic planning including business models, execution procedures, company policies, and employee training systems. Therefore, the results of this in-depth expert interview are intended to provide information on the actual management systems

and approaches employed by the participating companies during their CSR implementation.

Almost all of the management systems mentioned in the interview results were widely used international standards developed by non-governmental organizations such as the International Organization for Standardization (ISO). In contrast, the management approaches were common management methods or means which generally took forms that include, but not limited to, corporate charters, business operations, or CSR activities. The management systems and approaches used by the four companies to address each CSR aspect are summarized and introduced in the following sequence: Economic, Environmental, Labour Practices and Decent Work, Human Rights, Society, and Product Responsibility.
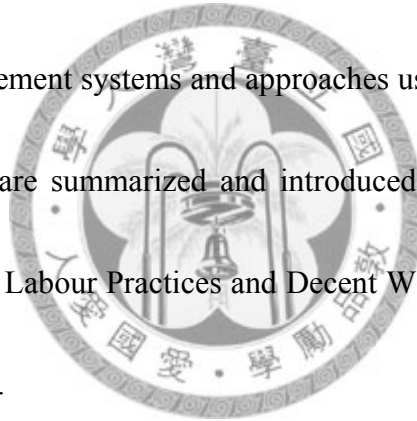
Economic:

Economic performance depicts the ability of a corporation to generate economic value and it is also one of the underlying capabilities to execute and fulfill corporate social responsibilities. The global adoption of the international standard ISO 9001:2000 by companies could be attributable to a number of reasons: 1) the quality management systems were designed to assist companies meet the needs of their customers and

stakeholders (International Organization for Standardization, 2010a), 2) the majority of

purchasers demand their suppliers or partners to be ISO 9001 certified; 3)

implementation of ISO 9001 led to superior operational and stock market performances

(Chow-chua, Goh, & Wan, 2002; Naveh & Marcus, 2007); and 4) one of the ancillary

advantage has been identified to be a significant financial benefits, which was supported

by a survey from the British Assessment Bureau showing approximately 44% of their

certified clients attracted new business opportunities. (The British Assessment Bureau,

2010)

In addition to the quality management system, business continuity management

helps companies to identify both internal and external risks and threats to provide

effective preventive and recovery plans in order to maintain competitiveness and system

integrity. (Elliot, Swartz, & Herbane, 1999; Gibb & Buchanan, 2006; Herbane, Elliott,

& Swartz, 2004) Numerous corporations adhere to the BS 25999 standards produced by

the British Standards Institution (BSI) for such implementation to be objectively and

independently audited. (Sharp, 2007)

Establishing corporate policy on proportion of procurement from local suppliers

and procedures for hiring local employees and contractors is deemed important by the

definition of market presence in CSR. As the interviewees pointed out that there were

no specific laws or regulations addressing this issue; however, the four participating companies had each developed their own corporate code of conduct to manage these issues.

Lastly, indirect economic impacts of a company can be understood and assessed by engaging stakeholders. Launched in 1999 by AccountAbility, the AA 1000 framework has been a systematic stakeholder-based approach to identify related issues to improve accountability and performance through learning during stakeholder engagements. (AccountAbility, 2010; Government of Canada, 2006) Most common and direct investments and services provided for public benefits have been in-kind donations and charitable foundations. The international management system standards and management approaches used by at least one of the four participating companies to address the economic aspects are summarized in the following table.
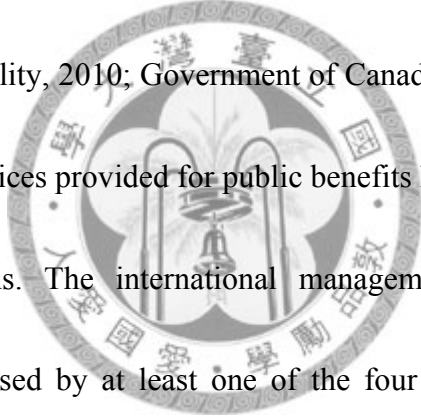
Table 4-2 Managing Economic Aspects

Aspect	Management Systems	Management Approaches
Economic Performance	• ISO 9001:2000 • BS 25999-2	• Revenue and Cost Analysis • Risk Management
Market Presence	• Policy and Procedures for Hiring Local Employee and Contractor	• Pay Management • Local Supplier Management • Local Employment Procedures
Indirect Economic Impacts	• AA1000	• Stakeholder Engagement • In-Kind Donations and Charity

Environmental

Despite being the largest dimension in CSR, the aspects in environmental dimension are considered to be less ambiguous and more straight-forward to manage in nature than those of which in rest of the CSR dimensions. The concept behind the environmental dimension of CSR is to manage and reduce a company or an organization's negative impact on the ecosystem and as a result, all of the environmental aspects are designed to ensure that the output of a business operation such as affluent and waste is manageable and within acceptable range. The international management system standards and management approaches used by at least one of the four participating companies to manage the environmental aspects are listed below in the following table.

Table 4-3 Managing Environmental Aspects

Aspect	Management Systems	Management Approaches
Materials	• IECQ QC 080000 • Green procurement	• Product/Process Analysis • Hazardous Material Management • Recycling and Reuse
Energy	• ISO 50001	• Energy Management
Water	• Water Footprint	• Water Balance/Management • Wastewater Recycling
Biodiversity	• Ecology Conservation	• Community Greening • Ecology Conservation
Emissions, Effluents, and Waste	• ISO 14001 • ISO 14064-1	• Emission, Effluence, and Waste Reduction/Management • Accidental Spillage Management
Products and Services	• ISO 9001:2000 • ISO 17025 • PAS 2050 • Green Products/Services	• Environmental Impact Analysis • Supply Chain Management • Product and Packaging Recycling
Compliance	• SHE Management System	• Related Licenses and Permits
Transport	• ISO 14064-1 • Green Logistics	• Contractor Safety • Transport Management

| Overall | • Green Accounting | • Safety, Health, Environmental Asset and Expense Management |

As one can observe, the environmental dimension is a rather strict one and also heavily embodied by a bundle of international standards. Brief descriptions of these widely used international management system standards will be given here as further elaboration is beyond the scope of this study.

- **ISO 9001:2000** – As introduced earlier in the economic dimension, the ISO 9001:2000 was published by ISO in 2000 and is one of the ISO standards that relate to quality management systems, which was designed to assist companies and business ensure that they are meeting the needs and demands of their stakeholders. (Poksinska, Dahlgaard, & Antoni, 2002) The ISO 9000 family is used to administer the fundamentals of quality management systems (Tsim, Yeung, & Leung, 2002), which encompasses the eight management principles (Beattie & Sohal, 1999) and deals with requirements that companies and organizations planning to meet.

- **IECQ QC 080000** – Released in October of 2005 and in response to the European Restrictions of Hazardous Substances (RoHS), the electronic and related technology industry leaders gathered to develop a set of process-based standards to which all companies are held accountable and responsible for controlling all hazardous and restricted substances throughout the production process. (RH Anderson Consultants, 2010)

- **ISO 17025** – Originally known as ISO/IEC 25, the second release of the Laboratory Accreditation standard was in 2005 for laboratories to demonstrate their core competencies (precision and accuracy) and ability to maintain an effective quality system by generating valid calibration and test results. (RH Anderson Consultants, 2010; United Kingdom Accreditation Service, 2008)

- **ISO 14001** – the ISO 14000 environmental management system standards are in many managerial perspectives analogous to the ISO 9000 quality management system standards. ISO 14001, released in 2004, is designed to help organizations to a) minimize the negative impact of their operations and processes on the environment; b) comply with applicable laws and other environmentally oriented regulations and requirements; c) improve their environmental performances continually. (International Organization for Standardization, 2010b)

- **ISO 14064-1** – The ISO 14064, published in 2006, is the most recent addition to the ISO 14000 series pertaining to the greenhouse gas emissions and trading schemes. Specifically, the ISO 14064-1:2006 stipulates principles and requirements at organization level to measure, quantify, manage, reduce, and
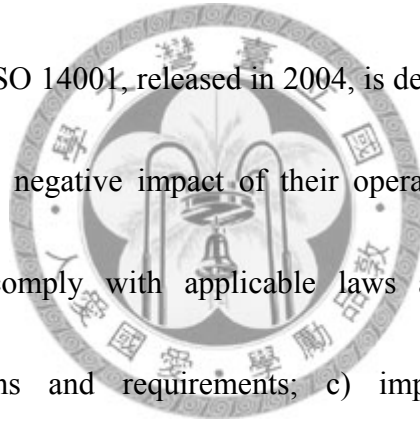
report greenhouse gas emissions. (International Organization for Standardization, 2010c)

- **PAS 2050 -** PAS 2050, established in 2008 by BSI British Standards, is a publicly available set of standard specifications for assessing product carbon footprint and product life cycle GHG emissions. (Carbon Trust et al., 2008)

- **ISO 50001** – Existing ISO management systems such as ISO 9000 and ISO 14000 series have successfully promoted continuous improvements within organizations around the globe. The new voluntary ISO 50001 Energy management systems, introduced in late 2010, are expected to achieve a major and long-term increase in energy efficiency. (International Organization for Standardization, 2011)
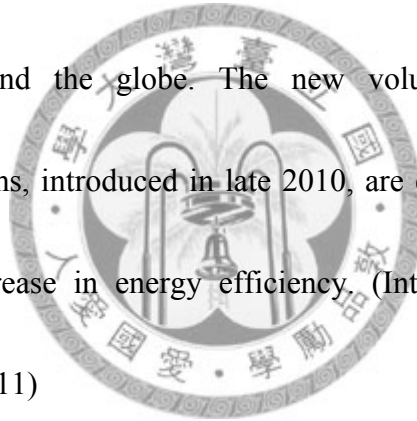
Labour Practices and Decent Work:

The management approaches and schemes in effort to administer issues such as employment and labour/management relations seemed to vary slight between companies. However, there still exist a number of international and Taiwanese management systems for companies to refer to in this respect. For instance, the Electronic Industry Code of Conduct (EICC Standards) is set of standards established

by Electronic Industry Citizenship Coalition to ensure that 1) the working environment and conditions in the electronics industry supply chain are safe; 2) workers and employees are treated with dignity and respect; 3) business operations are environmentally responsible. (Electronic Industry Citizenship Coalitio, 2009) Therefore, the four participating companies in this study that look to prolong their close working relationships with foreign companies were also required to adhered to these standards.

OHSAS 18000 is an international occupational health and safety management assessment series for health and safety management systems at organization level. It is one of the earlier standards whose intention is help an organization to control and manage occupational health and safety risks. (The Occupational Health & Safety Group, 2010) And in Taiwan, in attempt to adapt to the international development of the occupational safety and health management, the Council of Labour Affairs of the Executive Yuan (CLA) consolidated essentials from the OHSAS 18001:2007 standard and established the innovative Taiwan Occupational Safety and Health Management System (TOSHMS) in 2007 as part of the CLA's effort towards a robust system on this domain. (SGS GROUP, 2010)

Human resource is the biggest asset of any company, and yet companies had been in the midst of losing such asset due to a missing strategic and systematic

workforce management to gain competitiveness by finding, training, educating,

retaining, and utilizing the limited number of skilled and highly skilled workers. In

attempt to alleviate such predicament companies had been facing, the Bureau of

Employment and Vocational Training had developed Taiwan TrainQualiSystem (TTQS)

in 2008 to effectively boost the ability of Taiwanese companies to train, assess, and

retain employees. (Tze-Chiang Foundation of Science and Technology, 2010)

Furthermore, according to the interviewees, all four companies had received a series of

trainings from TTQS to improve their performance in this regard. The international

management system standards and management approaches used by at least one of the

four participating companies to manage the labour practices and decent work aspects are

listed below in the following table.
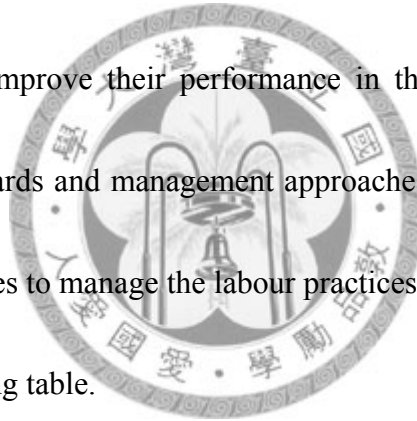
Table 4-4 Managing Labour Practices and Decent Work Aspects

Aspect	Management Systems	Management Approaches
Employment	• Labour Standards Act • Human Resources Management	• Performance Management • Staff Turnover Management • Employee Welfare Committee
Labour/Management Relations	• EICC Standards • Employee Handbook	• Employee Suggestion Scheme • Complaint Review Board • Union Organization
Occupational Health and Safety	• OHSAS 18001 • TOSHMS	• Labour Health and Insurance • Labour Safety Committee
Training and Education	• TTQS	• Environment, Safety, and Health Training
Diversity and Equal Opportunity	• Principle of Honour	• Basic Salary Ratio Analysis for both Sex and Age

Human Rights

The expert pointed out during the interviews that the aspects in human rights are more compulsory than ones in other dimensions as most of the aspects in this section are overseen by applicable laws and regulations instead of management system standards. Since 1984 the Labour Standards Law has been the key labour law in TW in which terms such as worker, employer, wages, and contract were defined in order to delineate the rights and obligations of both workers and employers. (Council of Labor Affairs. Executive Yuan Taiwan R.O.C, 2010) Since December 1998, The law has been revised in extended to cover issues such as all employer-employee relationships and non-discrimination. In addition, the Labour Standards Law strictly prohibits unfair work hours and forced labour and grants employees the right to be compensated for occupational injuries, layoffs, and a pension upon retirement. (Government Information Office Republic of China (Taiwan), 2010)

SA8000 is an international standardized code of conduct for improving social accountability and working conditions, developed and overseen by Social Accountability International (SAI). (Social Accountability Accreditation Services, 2010) However, one notable discrepancy is that only one of the four participating companies particularly stated that their company policies pertaining to human rights adhered to the

SA8000 while others indicated that they simply ensured their compliance with applicable laws and regulations in Taiwan such as the Labour Standards Law, which had appeared to be superior to others in rigor and comprehensiveness. The international management system standards and management approaches used by at least one of the four participating companies to address aspects in human rights are as listed in the table below.

Table 4-5 Managing Human Rights Aspects

Aspect	Management Systems	Management Approaches
Investment and Procurement Practices	• Contractor and Supplier Management	• Supply Chain Management (Quality, Health & Safety, and Human Rights)
Non-discrimination	• Labour Standards Law • Domestic Law	• Board of Discrimination • Complaints and Mediation
Freedom of Association and Collective Bargaining	• Labour Standards Law • Unions Counselling	• Union Organization • Freedom of Association
Child Labour	• Child Labour Law • SA8000	• Strict Child Labour Prevention and Prohibition
Forced and Compulsory Labour	• Labour Standards Law • SA8000	• Attendance Management • Employee Handbook
Security Practices	• Staff Education and Training	• Specialized Security Training
Indigenous Rights	• Aboriginal Rights • Employee Services Act	• Incident and Violation Management

Society

The utmost attention focused on the society performances is the ability of a company's ability 1) to demonstrate its congruence with prevailing social norms, values, and expectations; 2) to create a better environment for the community where it operates; 3) to generate wealth and accommodate stakeholder's demands and expectations;

because after all these abilities can be translated into better corporate image, reputation, and social relations. The aforementioned AA 1000 AccountAbility that helps corporations and organizations to embed ethical, environmental, social, and governance accountability into their organisational DNA, was referred to in this section again to achieve these goals. (AccountAbility, 2010)

In addition to compliance with laws and regulations with regards to any dishonest or fraudulent conduct, all four participating companies had formally and publicly issued policy statements and announced declaration against corruption and bribery. Other management approaches used by at least one of the four participating companies to address society aspects are summarized in the following table.

Table 4-6 Managing Society Aspects

Aspect	Management Systems	Management Approaches
Community	• AA 1000	• Stakeholder Engagement • Localized Procurement • Community Greening
Corruption	• Anti-Bribery Declaration	• Principle of Honour • Anti-corruption Training
Public Policy	• Public Policy Statement	• Pronouncement of Objective and Neutral Public Policy
Anti-competitive Behaviour	• Policy Statement	• Policy Declaration
Compliance	• Local Regulations	• Related Licenses and Permits

Product and Responsibility:

In general, the international management system standards are complete schemes that help corporations oversee the entire manufacturing process from beginning

to the end, which includes assessing the quality of the outcome. This explains why many of the international management system standards used to manage environmental performances (the manufacturing process) reappeared here to address product and responsibilities (outcome). Water footprint in product and service labelling is a fairly notion that all four companies are currently trying to integrate into their manufacturing process. Water footprint is defined as the total volume of freshwater each product or service consumed directly or indirectly throughout its lifecycle. (Water Footpring Network, 2010) Other international management system standards and management approaches used by at least one of the four participating companies to address product responsibility aspects are summarized in the following table.

Table 4-7 Managing Product Responsibility Aspects

Aspect	Management Systems	Management Approaches
Customer Health and Safety	• ISO 9001:2000	• Product Quality Control • Customer Complaint Management
Product and Service Labelling	• PAS 2050 • Green Product Labeling • Water Footprint	• Product Specs and Labeling • Quality Information Management • Customer Satisfaction
Marketing Communications	• Marketing Regulations • Marketing Ethics	• Business Management Approach
Customer Privacy	• Confidential Information Management • Employee Training	• Employee Confidentiality Affidavit
Compliance	• Consumers' Foundation • Applicable Laws and Regulations	• Related Licenses and Permits

The following comparison table illustrated which management systems were adopted by which of the four companies in this study.

Table 4-8 Implemented Management System by Company

Management Systems	Company			
	A	B	C	D
ISO 9001:2000 Quality Management Systems	√	√	√	√
OHSAS 18001:2007 Occupational Health and Safety Management System	√	√	√	
SA8000:2008 Social Accountability				√
AA 1000 AccountAbility	√	√	√	
ISO 14001:2004 Environmental Management Systems	√	√	√	√
IECQ QC 080000:2005 Hazardous Substance Process Management	√	√	√	
ISO 14064-1:2006 Greenhouse Gasses Part1	√	√	√	√
TOSHMS Taiwan Occupational Safety and Health Management System	√	√		
BS25999-2:2007 A Specification for Business Continuity Management	√			
TTQS Taiwan TrainQuali System	√	√	√	√
PAS 2050:2008 Carbon Footprint of Products	√		√	√
ISO 50001:2011 Energy Management	√			

As readily discernible from the comparison chart above, a number of the

management systems were not adopted unanimously and this can be explained by the

differences in their products and their business partners local or abroad, which caused

some of the management systems to be relatively more indispensible to a company than

others.

4.2 The Fuzzy Delphi Method Results

In this section, the fuzzy Delphi method was used to investigate the local

rankings or the prioritization of the CSR aspects under their respective dimensions. This

was done by distributing questionnaires to the representatives of the four participating

companies. They were senior managers working in CSR or CSR-related

department/division with more than 12 years of experience. The detailed information of

the questionnaire respondents is listed as follows.

Table 4-9 List of the AHP Questionnaire Respondents

Company	Department/Division	Position	Years of Experience
A	Risk & ESH Management Division/President Office	Director	18
B	Environment, Safety & Hygiene Strategic Planning Department/Risk Management & Corporate ESH Division	Senior Manager	13
C	Environmental Protection Engineering/GRM & ESH Division	Manager	17
D	CSER Committee/GCEO Office	Manager	12

After the questionnaires were returned, the local weights and rankings of each CSR

aspects could be tabulated and the results are shown by dimensions.

Economic:

Table 4-10Local Weights of the Aspects in Economic

Aspects	Min	Likeliest	Max	Local Weight	Local Rank
Economic Performance	7	8.0	9	0.7323	1
Market Presence	6	6.5	7	0.6160	2
Indirect Economic Impacts	4	4.9	6	0.4316	3

Many CSR-literatures had suggested a strong correlation between CSR

capability and financial performance of a company and it was evident here with

economic performance ranking first at (0.7323), followed by market presence (0.6160).

Environmental:

Table 4-11Local Weights of the Aspects in Environmental

Aspects	Min	Likeliest	Max	Local Weight	Local Rank
Materials	7	8.0	9	0.7323	2
Energy	5	5.7	7	0.5231	5
Water	4	5.2	6	0.4393	6
Biodiversity	2	2.9	4	0.2304	9
Emission, Effluents, and Waste	6	6.9	9	0.6300	3
Products and Services	5	6.7	8	0.5551	4
Compliance	8	9.0	10	0.8324	1
Transport	4	4.9	6	0.4316	7
Overall	2	3.2	4	0.3075	8

Complying with laws, governmental regulations, and other applicable legal obligations had always been the top priority for all companies; hence, compliance ranked first with a weight of 0.8324. This result was in accord with the concept of CSR that an organization should begin with fulfilling the governmental requirements and then progressively improve each of its CSR performances, which will eventually surpass the expectations of all stakeholders.
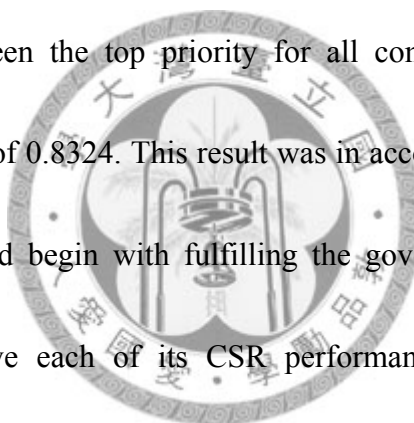
Labour Practices and Decent Work:

Table 4-12Local Weights of the Aspects in Labour Practices and Decent Work

Aspects	Min	Likeliest	Max	Local Weight	Local Rank
Employment	8	9.0	10	0.8324	1
Labour Management Relations	8	8.5	9	0.8162	2
Occupational Health and Safety	7	8.2	10	0.7394	3
Training and Education	7	7.5	8	0.7161	4
Diversity and Equal Opportunity	3	4.7	8	0.3560	5

Human resource (employee) has been one of the most valuable assets to organizations. Companies had never ceased to work on building positive relationships with their employees to retain talents. After all, employees are the one of the most important primary stakeholders whose actions can directly affect the operations of a business. Therefore, the first four indictors in labour practices and decent work all scored fairly high in weight; 0.8324, 0.8162, 0.7394, 0.7161, respectively.

Human Rights:

Table 4-13 Local Weights of the Aspects in Human Rights

Aspects	Min	Likeliest	Max	Local Weight	Local Rank
Investment and Procurement Practices	4	4.9	6	0.4316	5
Non-discrimination	5	6.8	9	0.5606	4
Freedom of Association and Collective Bargaining	5	6.9	8	0.5627	3
Child Labour	7	8.9	10	0.7636	1
Forced and Compulsory Labour	7	8.5	9	0.7484	2
Security Practices	3	4.2	5	0.3387	7
Indigenous Rights	4	4.5	5	0.4157	6

Human rights is one of the most rigorous dimensions which has been overseen by many pre-established Taiwanese governmental and domestic laws and regulations, which all operating business entities in Taiwan must adhere to. Most of the aspects in human rights are mandatory and compulsory; however, the issue of child labour stood out amongst them was probably due to the outbreak of the child-labour scandal by the well-known sportswear and equipment supplier, which severely damaged company's

image and reputation. Even though, child labour had been bringing catastrophic effect to

violators, it can be combated and avoided by self-initiated child labour prohibition and

better supply chain management.

Society:

Table 4-14 Local Weights of the Aspects in Society

Aspects	Min	Likeliest	Max	Local Weight	Local Rank
Community	5	6.9	8	0.5627	4
Corruption	6	7.9	9	0.6632	2
Public Policy	7	7.7	9	0.7236	3
Anti-competitive Behaviour	3	3.7	5	0.3221	5
Compliance	8	9.2	10	0.8404	1

Much in contrary to human rights, the aspects in society are relatively more

loosely defined as most of them were to be managed and overseen by corporate code of

conducts, instead of governmental laws. Again, compliance with laws and regulations

such as disclosing monetary value of significant fines and total number of non-monetary

sanctions ranked first at weight 0.8404.

Product Responsibility:

Table 4-15 Local Weights of the Aspects in Product Responsibility

Aspects	Min	Likeliest	Max	Local Weight	Local Rank
Customer Health and Safety	6	7.9	9	0.6632	4
Product and Service Labeling	8	8.5	9	0.8162	2
Marketing Communications	7	8.0	9	0.7323	3
Customer Privacy	4	4.7	5	0.4243	5
Compliance	9	9.5	10	0.9162	1

Lastly, the ability of a company to fulfill the needs and demands of customers is one of the direct ways to reflect its CSR capabilities. Compliance with laws and regulations pertaining to product responsibility, which had been enforced by the Taiwanese Consumers' Foundation, ranked first at 0.9162. In addition, there are strict regulations with regards to product and service labeling (ranking second at 0.8162), and they are applicable to all manufacturers and service providers in Taiwan. Table 4-16 is a summary of all the results from each of the six dimensions.

Table 4-16Fuzzy Delphi Method Results

Dimensions		Aspects	Local Weight	Local Rank
Economic (3)		Economic Performance	0.7323	1
		Market Presence	0.6160	2
		Indirect Economic Impacts	0.4316	3
Environmental (9)		Compliance	0.8324	1
		Materials	0.7323	2
		Products and Services	0.6300	3
		Emission, Effluents, and Waste	0.5551	4
		Energy	0.5231	5
		Water	0.4393	6
		Transport	0.4316	7
		Overall	0.3075	8
		Biodiversity	0.2304	9
Social	Labour Practices and Decent Work (5)	Employment	0.8324	1
		Labour Management Relations	0.8162	2
		Occupational Health and Safety	0.7394	3
		Training and Education	0.7161	4
		Diversity and Equal Opportunity	0.3560	5
	Human Rights (7)	Child Labour	0.7636	1
		Forced and Compulsory Labour	0.7484	2
		Freedom of Association and Collective Bargaining	0.5627	3
		Non-discrimination	0.5606	4
		Investment and Procurement Practices	0.4316	5
		Security Practices	0.4157	6
		Indigenous Rights	0.3387	7
	Society (5)	Compliance	0.8404	1
		Corruption	0.6632	2
		Public Policy	0.7236	3
		Community	0.5627	4
		Anti-competitive Behaviour	0.3221	5
	Product Responsibility (5)	Compliance	0.9162	1
		Product and Service Labeling	0.8162	2
		Marketing Communications	0.7323	3
		Customer Health and Safety	0.6632	4
		Customer Privacy	0.4243	5

4.3 Analytic Hierarchy Process Results

In this section, analytic hierarchy process was used to develop an alternative

CSR implementation reference model when it is not practicable to engage in aspects

from all six CSR dimensions concurrently. Such alternative model differs from the full

reference model in the respect that a global prioritization of slightly fewer CSR aspects

was produced. Hence, a shorter list of aspects that were deemed relatively more

important by the experts from the fuzzy Delphi results in section 4.2 was considered in

this analytic hierarchy process. It seemed reasonable to consider aspects that weighted

above the 0.50 mark since any lower weights would suggest the aspects being relatively

less important and less urgent. The following table shows the list of 23 aspects that

weighted above the 0.50 mark in the fuzzy Delphi method.

Table 4-17 The List of Aspects with Relatively Higher Importance

Dimensions		Aspects	Local Weight
Economic		Economic Performance	0.7323
		Market Presence	0.6160
Environmental		Compliance	0.8324
		Materials	0.7323
		Products and Services	0.6300
		Emission, Effluents, and Waste	0.5551
		Energy	0.5231
Social	Labour Practices and Decent Work	Employment	0.8324
		Labour Management Relations	0.8162
		Occupational Health and Safety	0.7394
		Training and Education	0.7161
		Diversity and Equal Opportunity	0.3560
	Human Rights	Child Labour	0.7636
		Forced and Compulsory Labour	0.7484
		Freedom of Association and Collective Bargaining	0.5627
		Non-discrimination	0.5606
	Society	Compliance	0.8404
		Corruption	0.6632
		Public Policy	0.7236
		Community	0.5627
	Product Responsibility	Compliance	0.9162
		Product and Service Labeling	0.8162
		Marketing Communications	0.7323
		Customer Health and Safety	0.6632

Once 1) the overall goal (level1): CSR implementation; 2) sub-goals (level 2):

Economic, Environmental, Labour Practice and Decent Work, Human Rights, Society,

123

and Product Responsibility; 3) and criteria (level 3): the 23 CSR aspects listed above are

determined, the hierarchical structure of this analytic hierarchy process can be formed

easily as illustrated in the figure below.
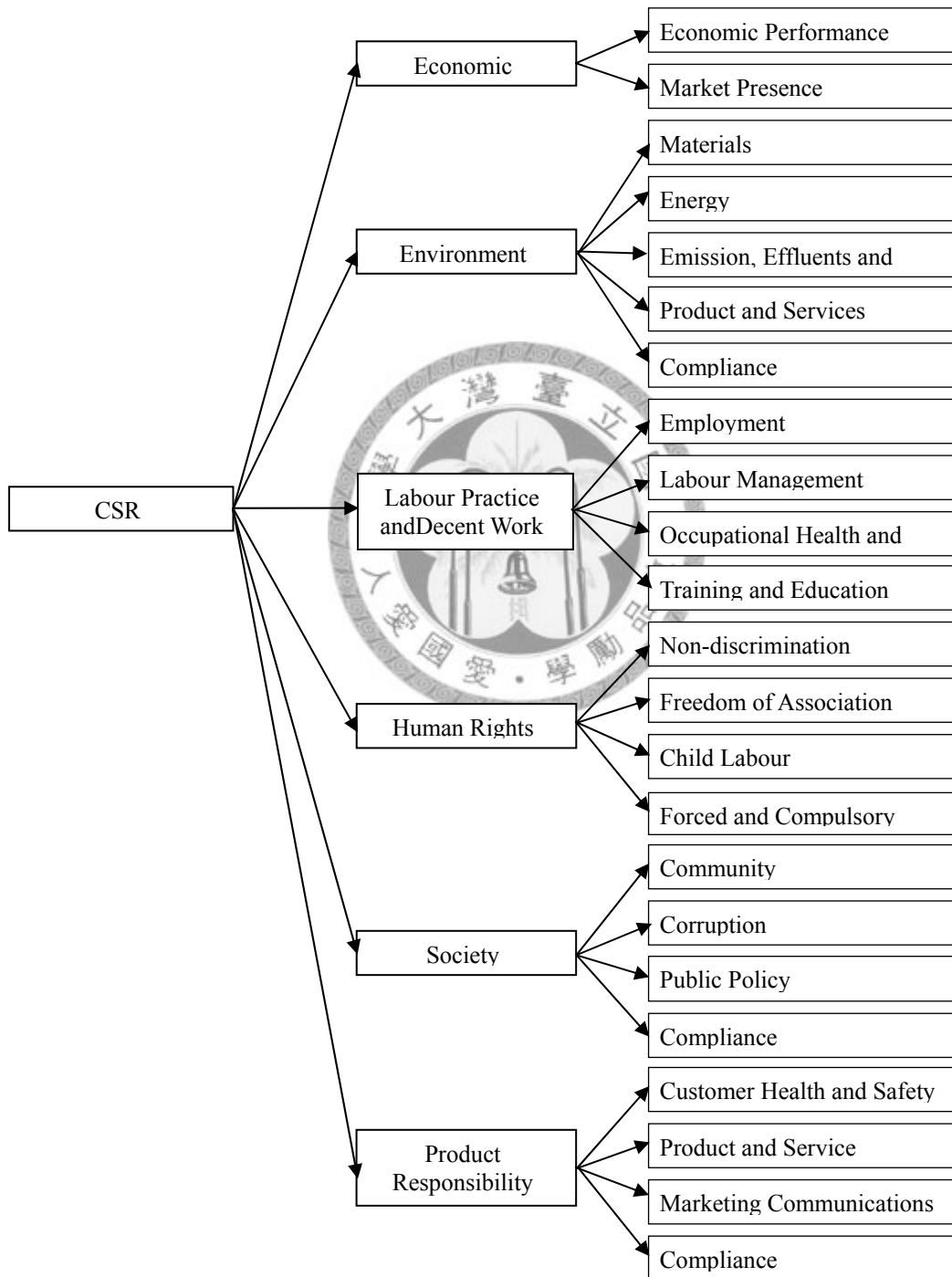
Figure 4-1 The Hierarchical Structure for the Alternative Model

The second step of the analytic hierarchy process is to establish the priorities, which is done by distributing questionnaires to the board of experts. There were a total of 12 respondents consisting of the four senior managers who participated in the in-depth interview and eight of their senior colleagues from the same department (two from each of the four participating companies). All the respondents were working in CSR or CSR-related department/division at the time with years of experiences ranging from 7 to 20 years. Detailed information pertains to the board of experts is as follows.

Table 4-18List of the AHP Questionnaire Respondents

Company	Department/Division	Position	Years of Experience
A	Risk & ESH Management Division/President Office	Director	18
	Corporate Sustainability & Environment Department/Risk & ESH Management Division	Senior Engineer	8
	Corporate Sustainability & Environment Department/ Risk & ESH Management Division	Assistant Manager	14
B	Environment, Safety & Hygiene Strategic Planning Department/Risk Management & Corporate ESH Division	Senior Manager	13
	Environment, Safety & Hygiene Strategic Planning Department/Risk Management & Corporate ESH Division	Technical Manager	15
	Environment, Safety & Hygiene Strategic Planning Department/Risk Management & Corporate ESH Division	Senior Engineer	10
C	Environmental Protection Engineering/GRM & ESH Division	Manager	17
	Environmental Protection Engineering/GRM & ESM Division	Staff Engineer	7
	Environmental Protection Engineering/GRM & ESM Division	Staff Engineer	12
D	CSER Committee/GCEO Office	Manager	12
	CSER Committee/GCEO Office	Assistant Manager	10
	Manufacturing of Excellence	Senior Manager	20

In many literatures, it was emphasized that all six CSR dimensions should be deemed equally important and hence, in general they should be considered and planed conjointly. (Dahlsrud, 2008; Global Reporting Initiative, 2010; Government of Canada, 2006) As a result, a predetermined equal weight of 1.7 (1/6≈1.7) was assigned to each of the six CSR dimensions at level two of the hierarchy. As noted earlier, the priorities of the CSR aspects at level three were determined using analytic hierarchy process questionnaires, which consisted of 35 pair-wise comparisons. The questionnaire in this study was meant to be concise and only to be sent to a small group of experts to gather their responses; and therefore, the return rate was 100% (12 questionnaires were sent and all 12 were returned). Once the questionnaires were collected, the weights and rankings of each CSR aspects in their corresponding dimensions could be quickly calculated and analyzed for consistency.
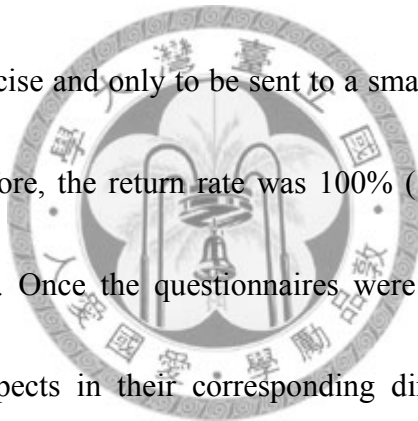
Economic:

Table 4-19 Relative Weights of the Aspects in Economic

Dimension	Aspects	Weights	Rank	C.I.	C.R.
Economic	Economic Performance	0.59	1	0.00	0.00
	Market Presence	0.41	2		

From the AHP analysis results, it appeared that the panel of experts was weighing Economic Performance slightly more than Market Presence at about 9 percent.

Since logical inconsistency only arises when performing pair-wise comparisons on three

or more elements, hence the C.R. value is automatically zero in this scenario.

Environmental:

Table 4-20 Relative Weights of the Aspects in Environmental

Dimension	Aspects	Weights	Rank	C.I.	C.R.
Environmental	Materials	0.16	4		
	Energy	0.25	2		
	Emission, Effluents, and Waste	0.27	1	0.01	0.01
	Products and Services	0.18	3		
	Compliance	0.15	5		

The environmental dimension is the largest dimension of all, which involved

five aspects: Compliance; Materials; Products and Services; Emission, Effluents, and

Waste; and Energy. Emission, Effluents, and Waste ranked first weighing 0.27 with

Energy, a close second, at 0.25. This phenomenon could be explained by the recent

industrial attention and effort on establishing and managing carbon/water footprint and

all aspect of energy including procurement and use. On the other hand, the concept of

corporate social responsibility goes further beyond merely complying with the laws and

regulations and meeting the minimum requirements, and hence Compliance was ranked

fifth at 0.15 as a result. A C.R. value of 0.01, significantly less than 0.1, indicated that

the subjective evaluations made the experts are consistent.

Labour Practices and Decent Work:

Table 4-21 Relative Weights of the Aspects in Labour Practices and Decent Work

Dimension	Aspects	Weights	Rank	C.I.	C.R.
Labour Practices and Decent Work	Employment	0.36	1	0.00	0.00
	Labour Management Relations	0.26	2		
	Occupational Health and Safety	0.18	4		
	Training and Education	0.19	3		

As illustrated in the table above, there are four aspects to consider: Employment, Labour Management Relations, Occupational Health and Safety, and Training and Education. Out of which, the Employment was unanimously ranked first at 0.35 followed by Labour Management Relations at 0.26. Surprisingly ranked closely behind Training and Education is Occupational Health and Safety and their weight are 0.19 and 0.18 respectively. The C.R. value is much smaller than 0.1, which suggests the experts' judgments were highly consistent.
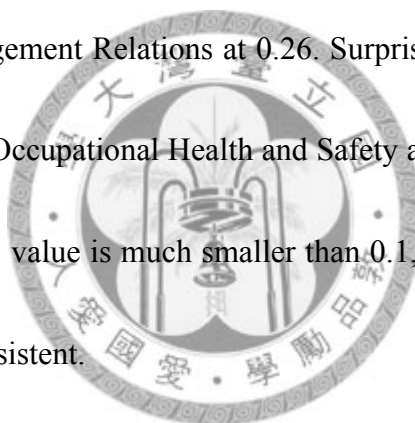
Human Rights:

Table 4-22 Relative Weights of the Aspects in Human Rights

Dimension	Aspects	Weights	Rank	C.I.	C.R.
Human Rights	Non-discrimination	0.36	1	0.01	0.01
	Freedom of Association	0.14	4		
	Child Labour	0.28	2		
	Forced and Compulsory Labour	0.23	3		

Taiwanese corporations and organizations have always worked on eliminating issues of discrimination at work place especially ones involving women and aboriginals. Child Labour issue was also deemed important in Human Rights to avoid child labour

scandals which can bring devastating effect to the image and the reputation of the corporation. Forced and Compulsory labour caught the least attention mainly because it is prohibited and strictly enforced by the labour standards law in Taiwan. A C.R. value of 0.1 has shown that the consistency is easily acceptable.

Society:

Table 4-23Relative Weights of the Aspects in Society

Dimension	Aspects	Weights	Rank	C.I.	C.R.
Society	Community	0.54	1		
	Corruption	0.20	2	0.06	0.06
	Public Policy	0.18	3		
	Compliance	0.08	4		

The philosophy behind CSR about giving back to the society and contributing to the local community could help explain why Community weighs heavily in this dimension at 0.54. As for the rest of the aspects in society, the importance wasn't as distinguished perhaps because the framework of international standards and regulations on society isn't as dominating and as rigid as those of which imposed on environment and human rights. Therefore, it is explainable for the experts' opinions to diverge marginally, which in turn produced a slightly higher, yet still acceptable C.R. value of 0.06.

Product Responsibility:

Table 4-24Relative Weights of the Aspects in Product Responsibility

Dimension	Aspects	Weights	Rank	C.I.	C.R.
Product Responsibility	Customer Health and Safety	0.59	1		
	Product and Service Labeling	0.17	2	0.01	0.01
	Marketing Communications	0.10	4		
	Compliance	0.14	3		

The experts who were mostly senior managers regarded Customer Health and Safety as top priority, because customers are stakeholders that have the utmost and direct influence on the daily operations of any business. Product and Service labeling, Compliance, and Marketing Communications were weighing very close to one another ranging from 0.17 to 0.10. Lastly, the C.R. value of 0.01 showed that the consistency of the judgments in Product Responsibility is acceptable. (0.01<0.1)

The six analytic hierarchy process results can be combined and summarized as illustrated in table 4-25 to calculate the global weights and ranks of each third level aspect.

Table 4-25Analytic Hierarchy Process Results

Level 2 Dimension (Local Weight)	Level 3 Aspect (Local Weight)	Local Rank	Global Weight	Global Rank
Economic (0.16)	Economic Performance (0.59)	1	0.098	2
	Market Presence (0.41)	2	0.069	4
Environmental (0.16)	Emission, Effluents, and Waste (0.27)	1	0.044	8
	Energy (0.25)	2	0.042	10
	Products and Services (0.18)	3	0.030	16
	Materials (0.16)	4	0.026	18
	Compliance (0.15)	5	0.025	19
Labour Practices and Decent Work (0.16)	Employment (0.36)	1	0.060	5
	Labour Management Relations (0.26)	2	0.044	9
	Training and Education (0.19)	3	0.032	13
	Occupational Health and Safety (0.18)	4	0.031	14
Human Rights (0.16)	Non-discrimination (0.36)	1	0.060	6
	Child Labour (0.28)	2	0.046	7
	Forced and Compulsory Labour (0.23)	3	0.038	11
	Freedom of Association (0.14)	4	0.023	21
Society (0.16)	Community (0.54)	1	0.091	3
	Corruption (0.20)	2	0.033	12
	Public Policy (0.18)	3	0.031	15
	Compliance (0.08)	4	0.013	23
Product Responsibility (0.16)	Customer Health and Safety (0.59)	1	0.099	1
	Product and Service Labeling (0.17)	2	0.029	17
	Compliance (0.14)	3	0.023	20
	Marketing Communications (0.10)	4	0.016	22

Once the global weights and ranks are calculated, the whole hierarchy analysis

process is complete. The CSR aspects were rearranged in table 4.26 according to their

global ranks to get a better perspective of their priority.

Table 4-26 Global Ranks of CSR Aspects

CSR Dimension	CSR Aspect	Global Weight	Global Rank
Product	Customer Health and Safety	0.0986	1
Econ	Economic Performance	0.0980	2
Society	Community	0.0906	3
Econ	Market Presence	0.0686	4
Labour	Employment	0.0604	5
HR	Non-discrimination	0.0601	6
HR	Child Labour	0.0462	7
Environ	Emission, Effluents, and Waste	0.0442	8
Labour	Labour Management Relations	0.0437	9
Environ	Energy	0.0417	10
HR	Forced and Compulsory Labour	0.0376	11
Society	Corruption	0.0325	12
Labour	Training and Education	0.0318	13
Labour	Occupational Health and Safety	0.0308	14
Society	Public Policy	0.0306	15
Environ	Products and Services	0.0297	16
Product	Product and Service Labeling	0.0291	17
Environ	Materials	0.0260	18
Environ	Compliance	0.0251	19
Product	Compliance	0.0230	20
HR	Freedom of Association and Collective Bargaining	0.0228	21
Product	Marketing Communication	0.0160	22
Society	Compliance	0.0129	23
		1.0000	

Abbreviations: Economic (Econ), Environmental (Environ), Labour Practices and Decent Work (Labour), Human Rights (HR), Product Responsibility (Product)

4.4 Compiling the CSR Implementation Reference Models

In this section, the results of the previous sections are merged to form the CSR implementation reference models: 1) the full CSR implementation reference model and 2) the alternative CSR implementation reference model.

4.4.1 CSR Implementation Reference Model

The management systems and approaches were derived from the in-depth expert interviews and the implementation priorities/sequences of the aspects were determined by the same board of experts in the subsequent procedure in research design. By combining both set of research results together, the full CSR implementation reference model is complete as shown in the following table.

Table 4-27 CSR Implementation Reference Model

Economic		
Priority/Aspect	Management Systems	Management Approaches
1 Economic Performance	• ISO 9001:2000 • BS 25999-2	• Revenue and Cost Analysis • Risk Management
2 Market Presence	• Policy and Procedures for Hiring Local Employee and Contractor	• Pay Management • Local Supplier Management • Local Employment Procedures
3 Indirect Economic Impacts	• AA1000	• Stakeholder Engagement • In-Kind Donations and Charity
Environmental		
1 Compliance	• SHE Management System	• Related Licenses and Permits
2 Materials	• IECQ QC 080000 • Green procurement	• Product/Process Analysis • Hazardous Material Management • Recycling and Reuse
3 Products and Services	• ISO 9001:2000 • ISO 17025 • PAS 2050 • Green Products/Services	• Environmental Impact Analysis • Supply Chain Management • Product and Packaging Recycling
4 Emissions, Effluents, and Waste	• ISO 14001 • ISO 14064-1	• Emission, Effluence, and Waste Reduction/Management • Accidental Spillage Management
5 Energy	• ISO 50001	• Energy Management
6 Water	• Water Footprint	• Water Balance/Management • Wastewater Recycling
7 Transport	• ISO 14064-1 • Green Logistics	• Contractor Safety • Transport Management
8 Overall	• Green Accounting	• Safety, Health, Environmental Asset and Expense Management
9 Biodiversity	• Ecology Conservation	• Community Greening • Ecology Conservation
Labour Practices and Decent Work		
1 Employment	• Labour Standards Act • Human Resources Management	• Performance Management • Staff Turnover Management • Employee Welfare Committee

2	Labour/Management Relations	• EICC Standards • Employee Handbook	• Employee Suggestion Scheme • Complaint Review Board • Union Organization
3	Occupational Health and Safety	• OHSAS 18001 • TOSHMS	• Labour Health and Insurance • Labour Safety Committee
4	Training and Education	• TTQS	• Environment, Safety, and Health Training
5	Diversity and Equal Opportunity	• Principle of Honour	• Basic Salary Ratio Analysis for both Sex and Age

Human Rights

1	Child Labour	• Child Labour Law • SA8000	• Strict Child Labour Prevention and Prohibition
2	Forced and Compulsory Labour	• Labour Standards Law • SA8000	• Attendance Management • Employee Handbook
3	Freedom of Association and Collective Bargaining	• Labour Standards Law • Unions Counselling	• Union Organization • Freedom of Association
4	Non-discrimination	• Labour Standards Law • Domestic Law	• Board of Discrimination • Complaints and Mediation
5	Investment and Procurement Practices	• Contractor and Supplier Management	• Supply Chain Management (Quality, Health & Safety, and Human Rights)
6	Security Practices	• Staff Education and Training	• Specialized Security Training
7	Indigenous Rights	• Aboriginal Rights • Employee Services Act	• Incident and Violation Management

Society

1	Community	• AA1000	• Stakeholder Engagement • Localized Procurement • Community Greening
2	Corruption	• Anti-Bribery Declaration	• Principle of Honour • Anti-corruption Training
3	Public Policy	• Public Policy Statement	• Pronouncement of Objective and Neutral Public Policy
4	Compliance	• Local Regulations	• Related Licenses and Permits
5	Anti-competitive Behaviour	• Policy Statement	• Policy Declaration

Product and Responsibility

1	Compliance	• Consumers' Foundation • Applicable Laws and Regulations	• Related Licenses and Permits
2	Product and Service Labeling	• PAS 2050 • Green Product Labeling • Water Footprint	• Product Specs and Labeling • Quality Information Management • Customer Satisfaction
3	Marketing Communications	• Marketing Regulations • Marketing Ethics	• Business Management Approach
4	Customer Health and Safety	• ISO 9001:2000	• Product Quality Control • Customer Complaint Management
5	Customer Privacy	• Confidential Information Management • Employee Training	• Employee Confidentiality Affidavit

4.4.2 Alternative CSR Implementation Reference Model

In last step of the research design, the analytic hierarchy process was used to develop an alternative CSR implementation reference model. As described in details in the previous sections, this alternative model is preferred when engaging in aspects of all six CSR dimension wasn't a viable option. Hence, only the reduced list of aspects with higher relative importance were considered and prioritized globally across the dimensions in the alternative model, as opposed to the within-dimension sequence of the CSR aspects in the full reference model. The alternative CSR implementation reference model is as shown in the following table.

Table 4-28 Alternative CSR Implementation Reference Model

Global Priority			
Dimension/Aspect		Management Systems	Management Approaches
1 Product	Customer Health and Safety	• ISO 9001:2000	• Product Quality Control • Customer Complaint Management
2 Econ	Economic Performance	• ISO 9001:2000 • BS 25999-2	• Revenue and Cost Analysis • Risk Management
3 Society	Community	• AA1000	• Stakeholder Engagement • Localized Procurement • Community Greening
4 Econ	Market Presence	• Policy and Procedures for Hiring Local Employee and Contractor	• Pay Management • Local Supplier Management • Local Employment Procedures
5 Labour	Employment	• Labour Standards Act • Human Resources Management	• Performance Management • Staff Turnover Management • Employee Welfare Committee
6 HR	Non-discrimination	• Labour Standards Law • Domestic Law	• Board of Discrimination • Complaints and Mediation
7 HR	Child Labour	• Child Labour Law • SA8000	• Strict Child Labour Prevention and Prohibition
8 Environ	Emissions, Effluents, and Waste	• ISO 14001 • ISO 14064-1	• Emission, Effluence, and Waste Reduction/Management • Accidental Spillage Management
9 Labour	Labour/Management	• EICC Standards	• Employee Suggestion Scheme

	Relations	• Employee Handbook	• Complaint Review Board • Union Organization
10 Environ	Energy	• ISO 50001	• Energy Management
11 HR	Forced and Compulsory Labour	• Labour Standards Law • SA8000	• Attendance Management • Employee Handbook
12 Society	Corruption	• Anti-Bribery Declaration	• Principle of Honour • Anti-corruption Training
13 Labour	Training and Education	• TTQS	• Environment, Safety, and Health Training
14 Labour	Occupational Health and Safety	• OHSAS 18001 • TOSHMS	• Labour Health and Insurance • Labour Safety Committee
15 Society	Public Policy	• Public Policy Statement	• Pronouncement of Objective and Neutral Public Policy
16 Environ	Products and Services	• ISO 9001:2000 • ISO 17025 • PAS 2050 • Green Products/Services	• Environmental Impact Analysis • Supply Chain Management • Product and Packaging Recycling
17 Product	Product and Service Labeling	• PAS 2050 • Green Product Labeling • Water Footprint	• Product Specs and Labeling • Quality Information Management • Customer Satisfaction
18 Environ	Materials	• IECQ QC 080000 • Green procurement	• Product/Process Analysis • Hazardous Material Management • Recycling and Reuse
19 Environ	Compliance	• SHE Management System	• Related Licenses and Permits
20 Product	Compliance	• Consumers' Foundation • Applicable Laws and Regulations	• Related Licenses and Permits
21 HR	Freedom of Association and Collective Bargaining	• Labour Standards Law • Unions Counselling	• Union Organization • Freedom of Association
22 Product	Marketing Communications	• Marketing Regulations • Marketing Ethics	• Business Management Approach
23 Society	Compliance	• Local Regulations	• Related Licenses and Permits

Abbreviations: Economic (Econ), Environmental (Environ), Labour Practices and Decent Work (Labour), Human Rights (HR), Product Responsibility (Product)

CHAPTER FIVE

CONCLUSION

This chapter forms the conclusion of this thesis, drawing out some key points of and reiterating on some of the important remarks during the research. The subsequent sections are dedicated to the discussions on research findings, significance, justification, and contribution of this study. Finally, the limitations of this research and recommendations for future research will be noted towards the end of this thesis.

5.1 Discussion

The proposed management systems and approaches might seem somewhat redundant at first, but one needs to understand the fact that many of the CSR notions are reflecting on issues that are both complicated and interdisciplinary in nature, which in turn resulted in the tendency for some of the management systems and approaches to straddle multiple disciplines. However, most of these management systems and approaches are specialized in specific areas and they had been adopted by the CSR best practice companies for thought-out reasons.

In addition, it should be reminded here that these four participating companies were all Taiwanese-based high-tech industry, which had been verified as the highest

level A^+ in conformity with the GRI G3 Sustainability Reporting Guidelines by third-party inspection and certification companies. Therefore, it is evident that omission of certain management systems had not had a noticeable influence on their ability to acquire such status. In the event of an omission, there had almost always been a reasonable cause or alternative remedies, but in all effort to develop a complete CSR implementation reference model it is the best interest of this study to include all of them.

One phenomenon worth noting is that compliances with laws and regulations that pertain to environment, product responsibility, and society received fairly different rankings in the full and the alternative model, which might appear to be absurd at first. However, this occurrence is not unreasonable. In fact, it is actually a good reflection of the concepts behind corporate social responsibility, which focus primarily on social and moral obligations that extend beyond the basic requirement of complying with the laws and regulations. Since the full reference model derived using the fuzzy Delphi method was a joint version of the four participating companies' actual CSR implementation sequence, complying with governmental laws and applicable regulations would naturally become top priority. The emphasis was on the subsequent progressive improvements on each of the CSR performances, which will eventually surpass the expectations of all stakeholders.

In contrary to the local rankings in the full reference model, the aim of this analytic hierarchy process was to reveal the global priority of the relatively important aspects with regards to implementing CSR in the event when engaging in all CSR dimensions was not a viable option. Therefore, the attention would be promptly switched to aspects that were in strong relation with the concept of corporate social responsibility. As a result, it is only logical for customer-oriented aspects with deeper CSR connotations to receive higher rankings as depicted in this research result. This explained why the community ranking as high as the third most important aspect in the alternative model, because this was also consistent with the key notion of corporate social responsibility where business should contribute back to the society. The fact that Customer Health and Safety in Product Responsibility ranked first overall was readily comprehensible since customers are by far the most influential stakeholders whose well-being and opinions are directly related to the success and failure of a business.

However, business performance indicators: Economic Performances and Market Presence, nonetheless, still attained significant weights in both models. Economic competence and financial resources are indeed factors that will directly affect the magnitude and the comprehensibility of a CSR implementation. After all, the ability to practice CSR and to engage in the CSR activities such as giving back to the local
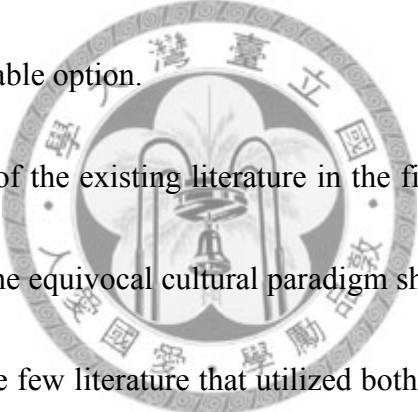
community still boiled down to the financial capability of the business, as stated by many of the participating experts.

Finally, the discussion will conclude with a few remarks made by the board of experts during the in-depth interviews. All four participating companies in this study were Taiwanese CSR forerunners from the competitive high-tech industry and they indicated that their determination and commitment to CSR was fueled by a combination of stimulations from buyers abroad and the pursuit of self-transcendence. The biggest challenge these companies had faced appeared to inculcate the concept of CSR to their employees and incorporate it into their daily routine. It had been difficult in the beginning phase because it was considered extra workload before they understood CSR was a different approach to decision making, which created a sustainable environment at work and in their community. In the end, the experts had unanimously agreed that in a market such as Taiwan, a CSR implementation must be facilitated and driven by the top management in the early stages, and gradual CSR improvements would follow after a sensible allocation of resources and authority.

5.2 Significance

This thesis was intended to be a primer on acknowledging the importance and

the pressing needs of implementing corporate social responsibility. As such, the primary

purpose of this study was to develop a detailed CSR implementation reference model

that illustrates 1) how each and every aspect in all three CSR dimensions can be

dissected, prioritized, embarked on, and accomplished chronologically; 2) how to obtain

an A^+ plus Application Level in conformity with the GRI G3 Sustainability Reporting

Guidelines. In addition, the full CSR implementation reference model was

supplemented by an alternative model when engaging in all CSR dimensions

concurrently might not a viable option.

In contrast to most of the existing literature in the field of CSR implementation

that had been focusing on the equivocal cultural paradigm shift within organizations,this

researchwould be one of the few literature that utilized both qualitative and quantitative

methodologies to developed a pragmatic CSR implementation reference model in light

of actual international management systems, standards, and approaches adopted by

well-established Taiwanese manufacturers in the high-tech industry. As a result, the

significance of this study was the evolution from CSR theoretical considerations to CSR

practical applications in the view of best CSR practices in Taiwanese high-tech industry.

5.3 Justification

The primary purpose of this research was to develop a CSR implementation reference model mainly for Taiwanese manufacturers in high-tech industry due to the fact that there had been very limited frameworks or guidelines that discussed and shed light on the actual CSR management systems, standards, and approaches that needed to be implemented in order to possess CSR-related qualities or characteristics. The research was worthwhile for two reasons: 1) a pragmatic CSR implementation reference model built from the actual experiences of achievers had been much needed especially by Taiwanese firms as they were trailing on the global stage in this regard; 2) besides gaining international competency, incorporating CSR concepts into businesses had been an effective approach to enrich people, planet, and profit through improved operating efficiency, risk management, etc.

With respects to the methodologies used in this research, the in-depth expert interview was employed to obtain detailed information on how the four participating manufacturers addressed the 34 GRI G3 CSR aspects. Even though questionnaires could be used in place of interviews,due to the complex and the overlapping nature of the international standards and systems and the domestic laws and regulations, the face-to-face interviews with experts was favoured over questionnaires to acquire and elicit

relatively constructive and complete feedback and responses.

The fuzzy Delphi method was used to obtain the local rankings of those 34 GRI G3 CSR aspects for its ability to handle and prioritize a large number of CSR aspects at a time by a board of experts. Once the consensus on theconsensus on the level of importance had been reached by the fuzzy Delphi method, the shorter list of relatively more important CSR aspects were then analyzed by the analytic hierarchy process to determine their global rankings. The AHP has been known for its ability to organize and integrate complex management decisions which involve fewer criteria; hence, it had been a suitable technique to obtain global rankings of the 23 relatively important CSR aspects with no more than 6 criteria under each CSR dimension.

The final remark in this section will be made on the contrast between the existing CSR designs and the CSR implementation reference model developed in this research. The latter had made much stronger emphasis on the two essential elements to a CSR implementation model: 1) actual management approaches and standards, and 2) proposed implementation prioritization. As illustrated by the table 5-1, some ofthe pre-existing CSR models had referred to international standards as auxiliary examples to demonstrate how certain CSR aspects can be managed, but none of them had pointed out the importance of prioritizing the CSR implementation activities. Hence, these two

essential elements became the core of the CSR implementation reference model

proposed by this study.

Table 5-29 Summary of Existing CSR Designs and Implementation Models

		Increase CSR Awareness	Economic	Environmental	Social	Stakeholders	Actual Management Approaches and Standards	Proposed Implementation Prioritization
Khoo and Tan (2002)	"the integration of processes, decision making and the environmental concerns of an active industrial system that seeks to achieve economic growth, without destroying precious resources or the environment" (Khoo and Tan, 2002, p. 197)	√	√	√	√			
Panapanaan et al. (2003)	"CSR encompasses three dimensions economic, environmental and social and is about doing business sustainably and ethically as well as threating or addressing stakeholders' concerns responsibly" (Panapanaan et al., 2003, p. 135)	√	√	√	√	√		
Werre (2003)	"the strategic choice to take responsibility for the impact of business with respect to economic, environmental and social dimensions" (Were, 2003, p. 260)	√	√	√	√		√	
Cramer (2005)	"the commitment of business to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve their quality of life" (Cramer, 2005, p. 583)	√	√	√	√	√	√	
Maignan et al. (2005)	"at minimum, adopt values and norms along with organizational processes to minimize their negative impacts and maximize their positive impacts on important stakeholders issues" (Maignan et al., 2005, p. 958)	√	√	√	√	√		
Government of Canada (2006)	"CSR is understood to be the way firms integrate social, environmental and economic concerns into their values, culture, decision making, strategy and operations in a transparent and accountable manner and thereby establish better practices within the firm, create wealth and improve society" (Government of Canada, 2006, p. 5)	√	√	√	√	√	√	
Maon et al. (2009)	"organizations develop and update programs and policies in an attempt to measure their social and environmental performance, while also engaging in consultations with stakeholders and, during this process, communicating their values to employees, environmental groups, local communities, and governments" (Maon et al., 2009, p 71)	√	√	√	√	√		
Chou (2011)	"The CSR implementing reference model of this research had been complied by investigating and	√	√	√	√	√	√	√

| | understanding the actual management systems and approaches adopted by Taiwanese companies in high-tech industry that have been consistently demonstrating their excellent CSR performances. And by studying and scrutinizing the best practice of CSR, companies of equivalent economic scale and capacity with intentions to embark on CSR activities might be able to replicate their success in pursuit of their first GRI level A$^+$ accreditation." | | | | | |

(Cramer, 2005; Government of Canada, 2006; Khoo & Tan, 2002; Isabelle Maignan, et al., 2005; Maon, et al., 2009; Panapanaan, et al., 2003; Werre, 2003)

5.4 Contribution

The CSR implementing reference model of this research had been complied by investigating and understanding the actual management systems and approaches adopted by Taiwanese companies in high-tech industry that have been consistently demonstrating their excellent CSR performances. And by studying and scrutinizing the best practice of CSR, companies of equivalent economic scale and capacity with intentions to embark on CSR activities might be able to replicate their success in pursuit of their first GRI level A$^+$ accreditation.

Nevertheless, a CSR implementation is not an overnight endeavour such that instant results can be expected; instead it is an aggregation of continuous improvements and short-term objectives towards a long-term goal. In order to actualize a sound implementation, it necessitates top-to-bottom effort and strategic planning that includes an effective business model, execution procedures, company policies, and employee

training systems. Therefore, it is hoped that the CSR implementation reference model developed in this study could provide the underlying groundwork for future development in the realm of corporate social responsibility.

5.5 Limitations

The CSR implementing reference model proposed in this research was generated from results that were derived mainly from a small set of industries in Taiwan, namely the information technology (IT) industries, and it was specifically designed to achieve the A^+ Application Level in conformity with the GRI G3 Sustainability Reporting Guidelines. Hence, this model might be suitable only for companies or corporations in similar industries aiming to achieve the same objective, as companies in other industries such as financial, agriculture, and service tend to encounter different challenges and regulations in implementing CSR. Furthermore, companies in other parts of the world with distinctive economic, social, and political conditions that might also have an influence on how corporate social responsibility is defined and practiced. Thus, cautions must be used when referring to this CSR implementation reference model as guidance in order to avoid overgeneralization.

According to the definition by the Ministry of Economic Affairs, R.O.C., all four

companies participated in this study qualify as large enterprises. Amongst them, the four

companies in the IT industries have an average number of employees exceeding 28,000

with average sales revenue in 2009 topping the 200 billion NTD mark. As a result,

another limitation of this study might arise when the size or the economic scale of the

companies is taken into consideration, because large enterprises often possess relatively

more financial and human resources which naturally place them in a better position to

be engaging in CSR initiatives than small and medium enterprises (SMEs). Additionally,

the environment of smaller businesses is inclined to be more personal and top

management oriented, in which smaller business in general cannot be assumed to be

making decisions nor taking actions in the same manner as large enterprises when

considering corporate social responsibility. Every company has its own unique way of

embracing the concept of CSR, and the size or the economic scale of a company can

very well be one of the main factors that affect how CSR is implemented and the way it

contributes to the society. Therefore, by the same token the CSR implementing

reference model of this thesis would certainly appear more appropriate for companies of

similar economic scale and capacity wishing to achieve the equivalent GRI application

level.

Another issue that needs to be addressed is the amount of time between the time

an action is taken and when an effect is realized. The management approaches recommended in this CSR implementing reference model are focusing on the leading indicators that aim to improve CSR performances with regards to each aspect. However, all 79 of the subsidiary performance indicators associated with the 34 CSR aspects in the GRI G3 Sustainability Reporting Guidelines are lagging indicators, which measure and reflect the outcome of the CSR performances. In other words, the year-round effort and the progress made can only be fully and fairly reviewed by management at the end of the financial year when the CSR performance are evaluated and reported during an annual audit. Hence, the inability to see quick results or transformations might pose a major discouragement during a CSR implementation.
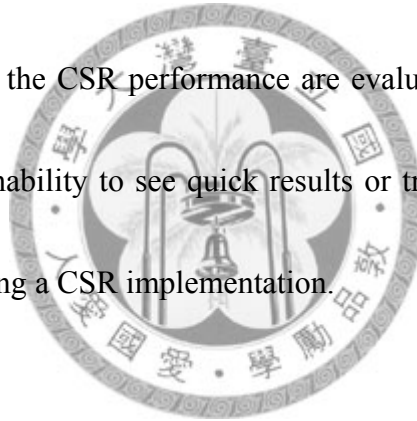
5.6 Recommendations for Future Research

Future research on establishing a CSR implementing reference model could head in two different directions: 1) to scale down; minify the scope and replicate this study to develop a similar model suitable for small and medium enterprises in Taiwan; 2) to scale up; design an analogous CSR implementing reference model for Taiwanese companies based on another global sustainability benchmark: the Dow Jones Sustainability Indexes.

Small and medium enterprises (SMEs) have been the predominant form of business that helped shape up the economic environment of Taiwan. In fact, SMEs account for 97% of the total number of enterprises in Taiwan and their staff and labours make up 77% of the Taiwanese total employment. If Taiwan and its enterprises wish to reap full benefits of practicing corporate social responsibility, it is rather vital to reach out to these SMEs and amass their support and influence over Taiwanese society as a whole. Nonetheless, this could pose as a particular challenge because the concept of CSR has been misunderstood widely by general public as a euphemism for philanthropic business created mainly by and for large enterprises. Comparing to large enterprises, SMEs are typically under far less social pressure to act responsibly, but they might have yet to acknowledge the fact that they are naturally practicing CSR already by putting effort into building close relations with employees, business partners, and the local community.

Insofar the conventional CSR practices and initiatives are based on the presupposition of economic and financial capacity of the companies, and as a consequence the CSR management approaches have been predominately developed in and for large enterprises. Hence, in order to enhance the competitiveness and the overall CSR performance of SMEs in Taiwan, the first suggestion for future research is to

explore the unique motivational pressure that may engage SMEs in attempt to produce a similar CSR implementing reference model with a more suitable set of management approaches that can be more applicable and appropriate for enterprises of smaller economic scales.

Another possibility for future research could be creating an analogous CSR implementing reference model for Taiwanese enterprises in the context of Dow Jones Sustainability Indexes (DJSI), a set of indices that measure the financial performance of enterprises that are deemed sustainability leaders. The indices are designed to evaluate and measure top sustainability-driven corporations across the globe on a range of environmental, social, management, and strategic criteria. This is done via a demanding sector-based methodology that identifies the best-practices pertaining to their sustainability portfolios. In short, it is a best-in-sector mechanism comparing the most sustainable corporations in all major sectors.

The Dow Jones Sustainability Indexes are complemented by specific and detailed industry criteria for which the individual weighting can be calculated. The merit of such evaluation is that any company's performance on sustainability can be judged and compared to one another. However, the DSJI is a selection of elite sustainability leaders from each sector competing with more than 2500 largest

corporations around the world. In other words, a company must first be ranked as one of the top leading sustainability companies within their industry group by SAM, an investment group that focuses exclusively on Sustainability Investing, as a premise before it can be eligible for review by DJSI and enlisted in the Dow Jones Global Total Stock Market Index. Hence, this could pose as a very difficult prerequisite for Taiwanese enterprises due to the fact that 1) in Taiwan the concept of sustainability has not yet become a mainstream of the market and insofar enterprises adopting and practicing such concept still remain minority; 2) only large enterprises in Taiwan have the slightest opportunity to compete with the finest counterparts around the globe, which could imply that the rest 97% of the enterprises in Taiwan will stand very limited chance.

Except for the forementioned shortcomings, Dow Jones Sustainability Indexes have been the longest-running worldwide sustainability benchmarks, and similar to GRI it has become one of the key references in sustainability investing for companies and investors alike. Therefore, it is worth exploring the possibility of developing a CSR implementing reference model for Taiwanese enterprises in the context of DJSI, which will in turn allow the Taiwanese market to be familiarized with the international financial and capital markets.

APPENDIX A

IN-DEPTH EXPERT INTERVIEW QUESTIONS

台灣製造業實施企業社會責任通過 GRI G3 A⁺認證

各項管理制度內容與建置時序調查

專家深度訪談問卷

敬啟者：

　　台灣企業執行企業社會責任計畫已行之有年，本論文旨在調查實施企業社會責任通過 GRI G3 A⁺以上認證的台灣優良製造業，各項「管理制度內容與建置時序調查」現況，彙整為「台灣企業計畫推展企業社會責任制度－管理地圖」報告。

　　本次深度訪談分為兩大部分，第一部份為「公司基本資料表」。第二部分為「企業實施社會責任現況制度調查」，旨在瞭解個別企業實施企業社會責任之現況管理制度、建置的時序，及所遭遇之困難。藉由本次深度訪談調查，瞭解我國成功推動企業社會責任的企業專家經驗與意見分享。

　　本次深度訪談係實態調查，為能真實反應貴公司(單位)意見，敬請指定負責企業社會責任之主管人員擔任本次訪談人。訪談內容僅供相關分析與研究報告撰寫之用，絕不個別指名或對外公開。初步分析結果預計於本(100)年05月彙總完成，並於報告撰述完成後，寄贈一份供貴公司參考。

　　貴公司(單位)對於本調查深度訪談之協助與支持，謹此致十二萬分之謝意。

國立台灣大學

工業工程學研究所

碩士論文研究生

周興源敬上

中華民國 100 年 03 月 28 日

公司基本資料表

(請企業確認)

一、基本資料

公司名稱：
公司地址：
公司類型： □股票上市 □股票上櫃 □其他＿＿＿＿＿＿＿＿＿
登記資本額（新台幣）：元
2008 年度營業額（新台幣）： □ 10 億以下 □10~100 億 □100~500 億 □500~1000 億 □1000~2000 億 □ 2000 億以上
產業別（請依貴公司之上市/上櫃公司之產業類別填寫）：
員工數 □200 人以下 □201~500 人 □ 501~1000 人 □ 1001~5000 人 □ 5001 人以上
問卷訪談人姓名：職稱：
聯絡人姓名：職稱： 　　　電話：傳真： 　　　E-mail：

1. 貴公司首次通過 CSR GRI G3 認證是哪一年? _____ ；□C$^+$、□B$^+$、□A$^+$，
   驗證單位：□BSI、□DNV、□SGS、□LR、□BVQI，其他：_____，

2. 2010 年 CSR GRI G3 認證為 □C$^+$、□B$^+$、□A$^+$。

3. 貴公司目前是否設立<u>專責</u>執行企業社會責任之部門?
   (1)　　　是；目前部門員工人數約 _____ 人，或未來部門員工人數約 _____ 人
   (2)　　　否；但以下列方式進行：由公司內部相關部門兼辦。該部門主要負責

   _____ 事務，成立臨時組織因應。

以下為有關企業社會責任的問題；主要由「經濟」、「環境」、「勞工」、「人權」、「社會」，及「產品責任」六個構面所組成。

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第一類指標：經濟

1. 貴公司如何建置與推廣企業社會責任的企業承諾？

2. 貴公司如何展現出對利害相關方之意見的重視？

3. 貴公司是如何導入並管理經濟層面的各項方針？是否參考國際標準？
   1) 經濟效益
   2) 市場佔有率
   3) 間接經濟影響

第二類指標：環境

1. 貴公司是否已將環保觀念納入企業政策？
   □制訂公司環保行為準則手冊
   □制訂公司環保目標(如：水污染、空氣污染、廢棄物、有害物質等目標)
   □落實綠色採購政策＿＿＿＿＿＿
   □與利害關係人議合溝通＿＿＿＿＿
   □參考國際標準制度：＿＿＿＿＿＿＿＿　執行驗證單位：＿＿＿＿

2. 貴公司是否有自願性且超越政府規定的環保作法？

3. 貴公司是否已將碳足跡導入供應鏈管理？

4. 貴公司是如何導入並管理**環境**層面的各項方針？是否參考國際標準？
   1) 原物料
   2) 能源
   3) 水資源
   4) 生物多樣性
   5) 排放物、汙水及廢棄物
   6) 產品及服務
   7) 遵守法規
   8) 交通運輸
   9) 整體情況

第三類指標：勞工

1. 貴公司如何鼓勵員工投入社會參與活動？
   □給公假　□提供獎金或補助　□提供員工專業服務訓練課程
   □公開表揚　□納入年度績效考核　□協助員工成立相關服務性社團

2. 貴公司是如何導入並管理**勞工**層面的各項方針？是否參考國際標準？
   1) 員工聘僱關係
   2) 勞資關係
   3) 職業安全衛生
   4) 訓練與教育
   5) 多元化與平等機會

第四類指標：人權

1. 貴公司是如何導入並管理**人權**層面的各項方針？是否參考國際標準？
   1) 投資及採購措施
   2) 不歧視
   3) 結社自由與集體協商權
   4) 童工
   5) 防止強制勞動
   6) 保安措施
   7) 本地員工權益

第五類指標：社會

1. 貴公司負責人是否親身投入社會參與的相關活動?
   □以個人名義捐款 □親身參與活動，發揮帶動員工的示範作用
   □成立基金會 □擔任公益組織的重要職位

2. 貴公司每年是否以固定部份收入投入社會參與的相關活動？

3. 貴公司是如何導入並管理**社會**層面的各項方針？是否參考國際標準？如何針對社會參與進行績效評估與追蹤?
   1) 社區
   2) 賄賂
   3) 公共政策
   4) 反壟斷行為
   5) 遵守法規

第六類指標：產品責任

1. 貴公司如何展現出對顧客反應與意見的重視?

2. 貴公司是如何導入並管理**產品責任**層面的各項方針？是否參考國際標準？
   1) 消費者的健康與安全
   2) 產品與服務標章
   3) 行銷傳播
   4) 客戶隱私權
   5) 遵守法規

綜合開放題：

1. 有關前述各項 CSR 指標數據，貴公司是否以系統性的管理、長期監控，同時不斷改善？

2. 整體而言，承擔企業社會責任，貴公司面對的挑戰與壓力是甚麼？

3. 貴公司推動企業社會責任，就整體而言，最困難之處為何？

4. 貴公司推動企業社會責任，就整體而言，最主要的成功因素為何？

訪談專家人：

職稱：

聯絡電話：

電子信箱：

地址：

貴公司於問卷中所提供的資料僅供調查使用，絕不轉作其他用途。
非常感謝您的協助！

APPENDIX B

FUZZY DELPHI QUESTIONNAIRE

各位先進與專家們　鈞鑒：

本論文研究為「企業社會責任導入參考模式之實證研究—以台灣高科技產業為實例」。敬請依照您的專業判斷與認知，在評估時列出各項準則的重要性。
　　　感謝您在百忙中能撥冗填寫本問卷，您寶貴的意見對此項研究有舉足輕重的影響，請儘速將填好的問卷回傳，我們也會儘速處理問卷，並邀請您分享研究成果。此外，有兩點必須先向諸位先進說明的：
一、研究僅供學術之用，絕不單獨對外發表，而影響您寶貴的權益。
二、此問卷所列之問題，其答案無對錯之分，敬請安心作答。
最後，誠摯地感謝您填寫本問卷。謝謝您的幫助！

指導教授：王銘宗 博士
研 究 生：周興源 敬上

衡量指標定義		參考數值
	第一優先執行	10
		9
	非常重要亦非常迫切	8
		7
		6
	重要亦迫切	5
		4
		3
	不重要亦不迫切	2
		(0, 1)
	不執行	

（左側縱排文字：⇦低(執行優先順序)高⇨）

CSR 管理層面		管理方針	最保守認知值	中間共識認知值	最樂觀認知值
經濟 (3)		經濟效益 市場佔有率 間接經濟影響			
環境 (9)		原物料 能源 水資源 生物多樣性 排放物、汙水及廢棄物 產品及服務 遵守法規 交通運輸 整體情況			
社會	勞工(5)	員工聘僱關係 勞資關係 職業安全衛生 訓練與教育 多元化與平等機會			
	人權(7)	投資及採購措施 不歧視 結社自由與集體協商權 童工 防止強制勞動 保安措施 本地員工權益			
	社會(5)	社區 賄賂 公共政策 反壟斷行為 遵守法規			
	產品責任(5)	消費者的健康與安全 產品與服務標章 行銷傳播 客戶隱私權 遵守法規			

APPENDIX C
AHPQUESTIONNAIRE

各位先進與專家們　鈞鑒：

本論文研究為「企業社會責任導入參考模式之實證研究－以台灣高科技產業為實例」。敬請依照您的專業判斷與認知，在評估時列出各項準則的重要性。
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最後，誠摯地感謝您填寫本問卷。謝謝您的幫助！

指導教授：王銘宗 博士
研 究 生：周興源 敬上

倘若在人力、資金、資源與時間的有限情況下，身為經營管理者的您會如何評估下列各企業社會責任面相的重要性與導入優先順序？敬請依照您的專業判斷與認知，在評估時列出各項準則的導入時序。

問卷填寫舉例說明：以左邊第一項「大勢所趨」為例，它與右邊的其它各因素比較起來，若是同等重要，請勾選「1：1」的欄位；若比右邊的因素是絕對重要，請勾選「9：1」的欄位。比值越偏左邊，如：「9：1」、「8：1」、「7：1」…表示左邊的因素與右邊的因素相比越重要；比值越偏右邊，如：「1：7」「1：8」「1：9」…表示左邊的因素與右邊的因素相比越不重要。

＊請考慮每個構面下之指標，並至少勾選一項，以兼顧評估平衡性！
＊若有無法立即趨分重要性差異之指標，請先以數字表示，以確保評估邏輯！

經濟

配對比較值 項目	絕對重要	極重要	頗重要	稍重要	同等	稍不重要	頗不重要	極不重要	絕對不重要	配對比較值 項目
	9:1	8:1	7:1	6:1	5:1	4:1	3:1	2:1	1:1	1:2	1:3	1:4	1:5	1:6	1:7	1:8	1:9	
經濟效益																		市場佔有率

環境

☐原物料　　　　　☐產品及服務
☐能源　　　　　　☐遵守法規
☐排放物、汙水及廢棄物

配對比較值 項目	絕對重要	極重要	頗重要	稍重要	同等	稍不重要	頗不重要	極不重要	絕對不重要	配對比較值 項目
	9:1	8:1	7:1	6:1	5:1	4:1	3:1	2:1	1:1	1:2	1:3	1:4	1:5	1:6	1:7	1:8	1:9	
原物料																		能源
原物料																		排放物、汙水及廢棄物
原物料																		產品及服務
原物料																		遵守法規
能源																		排放物、汙水及廢棄物
能源																		產品及服務
能源																		遵守法規
排放物、汙水及廢棄物																		產品及服務
排放物、汙水及廢棄物																		遵守法規
產品及服務																		遵守法規

勞工措施和合理工作

☐員工聘僱關係　　　　☐職業安全衛生
☐勞資關係　　　　　　☐訓練與教育

配對比較值 項目	絕對重要		極重要		頗重要		稍重要		同等	稍不重要		頗不重要		極不重要		絕對不重要		配對比較值 項目
	9:1	8:1	7:1	6:1	5:1	4:1	3:1	2:1	1:1	1:2	1:3	1:4	1:5	1:6	1:7	1:8	1:9	
員工聘僱關係																		勞資關係
員工聘僱關係																		職業安全衛生
員工聘僱關係																		訓練與教育

勞資關係																		職業安全衛生
勞資關係																		訓練與教育

職業安全衛生																		訓練與教育

人權

☐不歧視　　　　　　　☐童工
☐結社自由與集體協商權　　☐防止強制勞動

配對比較值 項目	絕對重要		極重要		頗重要		稍重要		同等	稍不重要		頗不重要		極不重要		絕對不重要		配對比較值 項目
	9:1	8:1	7:1	6:1	5:1	4:1	3:1	2:1	1:1	1:2	1:3	1:4	1:5	1:6	1:7	1:8	1:9	
不歧視																		結社自由與集體協商權
不歧視																		童工
不歧視																		防止強制勞動

結社自由與集體協商權																		童工
結社自由與集體協商權																		防止強制勞動

童工																		防止強制勞動

社會

☐社區　　　　　　☐公共政策
☐賄賂　　　　　　☐遵守法規

配對比較值 項目	絕對重要	極重要	頗重要	稍重要	同等	稍不重要	頗不重要	極不重要	絕對不重要	配對比較值 項目
	9:1	8:1	7:1	6:1	5:1	4:1	3:1	2:1	1:1	1:2	1:3	1:4	1:5	1:6	1:7	1:8	1:9	
社區																		賄賂
社區																		公共政策
社區																		遵守法規

賄賂																		公共政策
賄賂																		遵守法規

公共政策																		遵守法規

產品責任

☐消費者的健康與安全　　☐行銷傳播
☐產品與服務標章　　　　☐遵守法規

配對比較值 項目	絕對重要	極重要	頗重要	稍重要	同等	稍不重要	頗不重要	極不重要	絕對不重要	配對比較值 項目
	9:1	8:1	7:1	6:1	5:1	4:1	3:1	2:1	1:1	1:2	1:3	1:4	1:5	1:6	1:7	1:8	1:9	
消費者的健康與安全																		產品與服務標章
消費者的健康與安全																		行銷傳播
消費者的健康與安全																		遵守法規

產品與服務標章																		行銷傳播
產品與服務標章																		遵守法規

行銷傳播																		遵守法規

※基本資料

問卷填寫人　　部門：＿＿＿＿＿＿＿＿＿＿＿＿＿＿＿＿＿＿
　　　　　　　　　職稱：＿＿＿＿＿＿＿＿＿＿＿＿＿＿＿＿＿＿
　　　　　　　　　工作年資：＿＿＿＿＿＿＿＿＿＿＿＿＿＿＿＿

謝謝您寶貴的意見!!
問卷至此結束，再一次感謝您的填答！

敬祝　均安

企業社會責任二十問
Corporate Social Responsibility 20 FAQ's

1. 何謂企業社會責任？
2. 何謂企業的「利害關係人」？
3. 本以營利為主的企業，為何還需履行企業社會責任？
4. 企業社會責任有哪些層面？
5. 保護環境為什麼是企業社會責任中最重要的一環？
6. 企業社會責任是否能降低營運風險與營運成本？
7. 企業社會責任能夠為企業的財務狀況帶來正面的影響嗎？
8. 遵守、符合國家法令法規與誠實納稅是否就算盡了企業社會責任？
9. 慈善事業與捐助弱勢團體＝盡了企業社會責任？
10. 不同的產業所需盡的企業社會責任是否也不盡相同？
11. 從企業社會責任的角度，為何企業有必要加強「供應鏈管理」？
12. 中小企業在企業社會責任中扮演什麼樣的角色？
13. 企業社會責任真的能夠提升企業的形象嗎？
14. 為什麼近年來企業社會責任廣受重視？
15. 台灣的企業社會責任現況為何？
16. 台灣政府是如何推動企業社會責任？
17. 為什麼對外進行資訊揭露很重要？
18. 什麼是「企業社會責任報告書」？
19. 目前有哪些企業社會責任相關認證？
20. 未來有關企業社會責任的 ISO 26000 非認證制度能夠帶來什麼衝擊？

1. 何謂「企業社會責任」？

企業所承擔的社會責任包含議題之廣，其項目亦隨著時代變遷，從十九世紀企業的發展至今，對於「企業社會責任」(Corporate Social Responsibility, 簡稱 CSR)尚未有一個全球統一的定義。廣義而言，企業社會責任指的是企業在遵守法律、倫理與道德的前提之下，重視企業營運上所牽涉到的所有利害關係人的權益，之中包括但不限於顧客、員工、社區、股東、投資者、供應商、經銷商或通路商、政府等。近年來，企業社會責任等相關議題受到相當的矚目，眾多的學家與業者都有各自的獨見，不過以整體而言，各個看法皆有一個相同意涵，也就是企業有義務將取之於社會的資源與利益，以社會大眾所能接受的方式具體地回饋給社會，並且極力呼籲企業的營運與資源的使用不影響未來子孫的權益。

2. 何謂企業的「利害關係人」？

企業的「利害關係人」(Stakeholders) 是一群影響該企業亦被影響的所有個體或群體的結合總稱，從企業社會責任的角度來看，企業的利害關係人可被劃分為兩大類：主要利害關係人與次要利害關係人。主要利害關係人包括顧客、員工、社區、股東、投資者、供應商、經銷商或通路商、政府等，他們擁有與企業最緊密也最直接的關係，與企業榮辱、營收或虧損息息相關。第二大類為次要利害關係人，例如：媒體、非政府營運機構、以及眾多的特殊利益集團等，此類的利害關係人與該企業並無直接關係，但他們的行為或發言具有影響大眾的能力。現代企業的營運與環境、所有的利害關係人環環相扣，無法抽離社會群體關係之外，因此與主要利害關係人維繫好良好的互動關係能夠建立彼此的信任與支持，確保企業營運順利並降低突發危機的衝擊與壓力。

3. 本以營利為主的企業，為何還需履行企業社會責任？

企業對社會最大的貢獻即是其商業活動能夠提供勞工市場就業機會、為社會創造經濟價值，而企業的存在本來就是以獲利為主，經營成功並且有利潤的企業才能負擔的起公司營運的所有開銷、給付員工薪水與回饋股東。其實這些營運主旨與企業社會責任並不相違背，CSR 所強調的是「取之於社會，用之於社會」的觀念，將企業的資源或力量回饋於社會與社區環境。企業的利益追求與社會倫理道德並非背道而行，事實上兩者的長期目標應該是一致的。很多誤以為做善事才是企業對社會的唯一貢獻，但其實企業若懂得更加善用社會資源、保護消費者權益與減少環境的負面衝擊，這樣所產生的社會效益與貢獻將遠超越單純的慈善捐獻。很多成功的跨國企業已經在這方面下了多年的努力並成為其他企業的典範，而隨著企業社會責任的問世，單方面的獲利已不再是一家成功企業的唯一指標。

4. 企業社會責任有哪些層面？

根據全球永續性報告 GRI (Global Reporting Initiative) 在民國九十五年十月所推出的綱領中表示，企業社會責任分為三大層面：經濟、環境、社會，而社會層面又分為四小構面：勞動行為及尊嚴勞動、人權、社會、產品責任。

5. 保護環境為什麼是企業社會責任中最重要的一環？

在過去的二十年，環境退化的速度與程度已經成為全球關注的焦點，也是企業不得不納入考量的一種風險與現實問題。越來越多的證據顯示人口遽增、資源浪費、商業行為都是環境惡化的元凶之一。企業生存與生產的主要要素：土地、石油、水等的自然資源都取自於地球環境，但這些資源即將被消耗殆盡，因此企業社會責任所強調的是永續經營，也就是企業若能在經濟成長與環境維持中取得平衡，

便能永續發展。CSR 所提倡的是靠著持續不斷地改善過程來提升營運效率，減少製程中所需要的自然資源，並降低廢氣排放量與汙染的產生，將對環境的負面衝擊降到最低。節能減碳並不只有利於環境保護，也有利於企業獲利能力的提升。企業都應將自己視為社會公民的一分子，履行環境保護的責任、做好預防風險以避免對環境造成不可修復的傷害。另外，消費者與社會大眾也逐漸期待更多的環保產品與服務，而投資者們也更重視他們所投資的企業是否善盡環境保護的職責，所以倘若企業皆能已投資的心態來履行企業社會責任，最終獲利者將會是這個社會與企業本身。

6. 企業社會責任是否能降低營運風險與營運成本？

企業社會責任涵蓋了公司治理與企業策略，而其中的「企業持續經營管理」正是在突發狀況或是災難發生時，能夠維持持續營運的能力來有效的降低災害恢復之開銷，以保持企業的信譽與所有投資人的信心。此外，公司治理的改善能夠提高營運效率、降低天然資能源的使用、減少廢料廢氣的產生，將回收資源轉賣給回收處理廠商也能變相降低營運成本。當企業決心履行企業社會責任的同時，所建立的企業文化、改善員工工作環境、關心利害關係人等努力，也相對的提升了企業的產出，成為一個良性成長循環。

7. 企業社會責任能夠為企業的財務狀況帶來正面的影響嗎？

根據 Hellenic Network for CSR 的消息指出，近年來各界的研究結果顯示百分之六十八的個案中，企業社會責任績效與財務績效呈正相關，因此研究者公認以整體而言，兩指標為正相關或微弱的負相關。倫敦商學院也以研究證實了此說法，八十個研究個案中，有四十二例顯示企業社會責任能夠為企業的財務狀況帶來正面的影響、十九例呈現無相關、十五例呈現正負參半，而僅有四例呈現負面影響。

此外，亦提出類似研究結論的哈佛大學表示，以公司規模發展的速度為指標，履行企業社會責任的公司則又比單以營利為主的公司要快上四倍之多。雖然企業社會責任在台灣還尚未成熟，並無類似研究得以證明此種正面效應，不過將企業社會責任納入治理公司理念已經成為全球主流勢在必行，所以在台灣不論是跨國企業、還是中小企業，為了落實 CSR 以提升競爭能力，都無法置身於此國際潮流之外。

8. 遵守、符合國家法令法規與誠實納稅是否就算盡了企業社會責任？

企業營運遵守國家法令法規與誠實納稅是一種基礎，也是一家企業本來就應該履行的法律責任，而 CSR 中所謂的社會責任則是建立在這個基礎之上，自願性的去履行比法令要求更高的道德義務。如果一家企業只是一昧的做慈善公益，但其工廠所排放的廢氣卻沒有符合我國環境法規，這樣的做法是本末倒置，既不算是履行企業社會責任，亦無法抵銷該企業的法律責任。當企業完全遵守國家法令法規，又願意遵守更高的道德標準時，這表示該企業願意承擔社會責任，一來能夠被社會認可、符合社會大眾的期望，二來能有效提升企業形象與開創新的商機。

9. 慈善事業與捐助弱勢團體＝盡了企業社會責任？

台灣在推行企業社會責任之想法與概念已行之有年，但可惜尚未形成風氣，社會大眾對此議題的了解仍有待加強，而之中最大的誤解就是將慈善事業、捐助弱勢團體與履行企業社會責任劃上等號。至今仍有許多企業將企業社會責任單純的依賴成立慈善基金會、贊助社區活動、幫助弱勢團體等方式進行。雖然「取之於社會，用之於社會」之觀點可藉由此方式具體實行，但是此類的公益活動卻只是企業社會責任中的一個環節，並非全部。要真正的將 CSR 導入企業必須由內部與外部多個層面來進行，而最有效的方式是由企業的「內部」做起，也就是把企業社

會責任確實地融會於企業文化與核心價值中，透過輔導與管理的手法加強公司治理，並將生產營運最佳化來減少企業對社會或環境的負面衝擊。企業在落 CSR 之際，追求商業利潤與履行社會責任的考量將會並駕齊驅，方能提升企業聲望、商場競爭力與永續經營之能力。而如題所說的慈善事業與捐助弱勢團體對企業來說，應該是一種又內而發的、與企業核心業務無直接關係的「外部」營運政策，也是履行企業社會責任的一小部分之一。

10. 不同的產業所需盡的企業社會責任是否也不盡相同？

一個社會的經濟體系是由眾多企業個體所組成，其規模具大、潛在問題亦複雜難解，雖說牽一髮而動全身，但即便財力、影響力再大的企業，也無法改善所有社會所面臨的問題。因為每個企業的「關係利害人」、產業別、文化與企業規模不同，能夠為社會或社區所做的貢獻也不盡相同。對企業營運影響最大的莫過於各企業的主要利害關係人，因此企業常以風險高低來評估每個議題的重要性與可行性。比如與製造產業相關性最高的企業社會責任議題莫過於勞資方糾紛、職場安全與環境保護等，針對這些關鍵議題，首當其衝的主要利害關係人則為員工與社區，所以對製造業者，提升廠房與工作環境的安全性與降低對環境的污染可能是首先面對的挑戰。而以服務業而言，直接面對顧客與消費者的產業特性，可能會使他們必須先處理客訴、顧客抱怨與不滿等客服議題，所以顧客與消費者在服務業的利害關係人之中應該排名第一順位。此簡單的對比說明了每個產業所關注或所投入的議題有所差異，就有如管理學者麥克·波特曾說過，企業應該全力投入最重要和與本身最相關的社會議題，其餘的則交付給其他更合適或更具有能力的產業或機構來處理。畢竟推動 CSR 的好處不僅限於改善社會，對企業本身也要有相當的益處與價值。

11. 從企業社會責任的角度，為何企業有必要加強「供應鏈管理」？

企業的經營受到供應商直接或間接的影響是無可避免的，所謂的「供應鏈」則是由很多不同性質的公司組成的網路或組群，也形容了他們之間環環相扣的相互關係。任何企業都無法單獨運作，必須與其他企業互相依存，也正是為什麼企業的名譽與名聲不再是侷限在企業個體，而是建立在整個供應鏈上；下游公司必須承擔上游公司不當的商業行為所帶來的後果，例如：汙染與雇用童工等。此時，下游公司為了履行企業社會責任，有義務也有權利約束上游公司，產生一個完善且健全的供應鏈。所以從企業社會責任的角度，供應鏈管理是從上下雙方延伸，上下游公司扛起對彼此與對社會的重大社會責任，才不會功虧一簣。

12. 中小企業在企業社會責任中扮演什麼樣的角色？

眾多中小企業家對企業社會責任的看法是：大企業具有足夠相應的能力與財力，能夠投入公益、建立基金會做善事，而相對的中小企業資本、資源、規模較小，對社會與大環境很難有任何實質的貢獻，所以企業社會責任應託付給大企業。其實不然，回到稍早的問題：慈善事業與捐助弱勢團體並不完全等於善盡企業社會責任，而承擔企業社會責任與企業規模並無直接關係，每個企業皆有屬於自己善盡企業社會責任的管道與方式。除了慈善事業與捐助以外，提供員工一個平等、舒適與安全的工作環境、生產符合安全標準與值得信賴的產品、降低對環境的負面衝擊等，這些都屬於企業社會責任的一部分，我國大多數的企業是具有足夠的規模、資本、能力去履行企業社會公民應盡的義務。根據民國 95 年經濟部的統計，台灣全體企業中百分之九十七左右屬於中小企業，所以以台灣的現況來考量，凝聚這些中小企業個體的力量是不可忽視的，而且台灣的中小企業必須要有履行企業社會責任、改善現今社會的認知。

13. 企業社會責任真的能夠提升企業的形象嗎？

在現今競爭激烈的商業市場中，企業越來越重視他們所建立的形象與名譽，而一個企業如何在眾多對手之中脫穎而出正取決於這種無形資產。目前最受到矚目的議題：企業社會責任對品牌建設與形象塑造的效益與日俱增，晉升成為提升企業整體形象的一個有效途徑。近年來，社會的進步與經濟迅速的發展逐漸地改變消費者與社會大眾的觀念與想法，盈餘與利潤的多寡不再是評估企業的成功與否的唯一指標；企業是否投入公益慈善、是否改善社會福祉、是否善待員工與合作夥伴等的努力也成為大眾所關心的焦點，所以在社區補助、環境改善計畫或是地區性災害的資源救助中也開始看到民營企業的身影。除此之外，加強公司治理與透過企業社會責任報告書等的企業資訊揭露等也是極重要的一環，因此從企業內部落實企業社會責任也是一種對外宣傳企業文化的最有利的窗口。

14. 為什麼近年來企業社會責任廣受重視？

西方先進國家實施企業社會責任以為時多年，身為工業生產重鎮的亞洲國家受到這股風潮的影響，為了與世界接軌也漸漸的重視企業社會責任的重要性以及迫切性。身為世界的製造界供應鏈中重要的一環，亞洲企業的公司治理議題、人權與環境保護等的供應商規範紛紛受到西方合作企業的要求與關注。為了提升聲譽與競爭力等企業成功指標，許多亞洲大型企業率先跟進這企業社會責任的潮流，其中就屬日本企業的覺醒速度最快，而印尼、馬來西亞、中國的政府的態度則屬積極，強制要求企業落實企業社會責任的進度與情況。

15. 台灣的企業社會責任現況為何？

以全球整體的企業社會責任發展現況而言，台灣確實是稍屬落後，雖然身全球第17 大貿易國與第 18 大經濟體系，因為兩岸政治關係因素無法成為聯合國等重要

國際組織的一員，因此對企業社會責任等的國際議題敏感度偏低，距離真正與國際接軌還有一段距離。近年來許多台灣企業受到全球化與國際競爭對手的壓力，發現倘若缺乏企業社會責任的實質內涵與相關認證，的確很難受到國外企業的青睞，因此不得不重視這個提升自我競爭能力以及與國際廠商合作的機會。相較於歐美、日本等國家，現今台灣企業對企業社會責任的瞭解與認知普遍不足，多數仍停留在公關和慈善捐助的萌芽階段。為了協助台灣企業落實企業社會責任，並促進經濟與社會的發展以及保護生態環境之平衡，在民國九十九年二月臺灣證券交易所股份有限公司與財團法人中華民國證券櫃檯買賣中心共同制定「上市上櫃公司企業社會責任實務守則」，供上市上櫃公司參照。

16. 台灣政府是如何推動企業社會責任？

放眼國際，歐盟、英國、美國、瑞典、日本、印尼、馬來西亞、中國等國家，政府在推動與鼓勵企業社會責任之中扮演著舉頭輕重的角色，也就是說在發展歷程中政府正面的介入是一種很普遍的現象。我國政府部門近年也積極成為企業社會責任的推手，有望能將企業社會責任之概念與信念方揚光大。民國九十一年經濟部投資業務處為了促進我國企業成長以及增加台灣企業的整體競爭力，積極提倡「OECD (Organization for Economic Cooperation and Development) 多國企業指導綱領」，同時訂定符合台灣文化的企業社會責任評等系統，將企業社會責任列入企業經營的一部分。為了廣宣，台灣第一個官方網站「台灣企業社會責任」在民國九十三年成立，提供了台灣企業一個掌握與交流最新資訊的平台。我國政府、民間機構與企業。我國政府為企業社會責任所做出的推動，可謂邁進最大一步的即是在民國九十九年二月，由證交所與櫃檯買賣中心所共同制定的「上市上櫃公司企業社會責任實務守則」。此外，為了響應全球暖化問題與減少溫室氣體的國際環保議題，我國經濟部工業局近年來全力推動「產業低碳科技整合應用輔導計

畫」，協助台灣企業盤查登錄與查證，以達成二氧化碳減量的目標。

17. 為什麼對外進行資訊揭露很重要？

揭露企業資訊的初衷本是為了維持證卷市場的公平交易，才能保護投資者，但隨著企業社會責任的觀念與影響與日俱增，除了財務訊息外，社會大眾漸漸的開始重視公司治理以及非財務績效等資訊，例如企業在保護環境、改善經濟與社群等的績效指標，這些重要資訊足以成為左右金融機構與投資者的決定之重要關鍵。為了能讓外界了解企業的現況與在企業社會責任各構面上的努力，揭露資訊是一種有力的途徑。一家願意對外揭露資訊的企業往往表示公司治理出眾，願意對社會負責，換句話說，透明度越高的企業越能夠凝聚員工的向心力與建立良好的企業形象，才能夠取得社會大眾與利害關係人的信賴。

18. 什麼是「企業社會責任報告書」？

企業社會責任報告書（又稱之為永續經發展報告書）是企業一年一度、獨立發行的報告書，其揭露內容主要涵蓋了企業社會責任之三大構面：經濟、社會與環境的三大績效。此報告書是作為永續經營的基礎，並被視為對外部進行資料揭露與讓社會大眾瞭解企業願景以及文化的主要橋樑之一，讓社會大種瞭解該企業對社會責任的重視與努力。由於企業社會責任報告書涵蓋內容廣泛，全球企業對現今報告書的內容標準化之需求逐年提升，因此在民國八十九年六月「全球永續報告協會」(Global Reporting Initiative, GRI) 正式推出第一版企業社會責任報告綱領，以輔助企業撰寫報告，並統一之內容與方向。經過初版的測試與調整過後，第二版綱領於民國九十一年八月推出，針對金融服務、旅遊、汽車、礦業等產業別做個別的指導綱要補充與加強。目前最新版本為民國九十五年十月所推出的 GRI G3，即是第三版的報告參照綱領，其強調了與各企業的相容性以及讓第三者認證

報告書內容的資訊可信度，現在，許多企業皆透過第三者之公正機構為報告背書，來提高企業社會責任報告書的公信度，

19. 目前有哪些企業社會責任相關認證？

現今最主要的企業社會責任相關認證大略為：SA8000 系列、AA 1000 與 ISO 14000 環境系列。社會擔當 SA8000 系列是由美國 CEPAA (Council on Economic Priorities Accreditation Agency) 由民國八十六年所訂定的一個全球普遍公認，且可由第三方認證來分析與評估企業的社會責任績效的國際標準。SA8000 系列包括九大方面，如禁用童工、禁止強迫性的勞動工作、安全與衛生條件、工會組織等的規定以保障勞工權益。SA8000 系列認證取得為時一年，有效期限則為三年，而每半年需複查一次。社會責任會計指標 AA 1000 是由社會與倫理擔當研究所 (Institute of Social and Ethical Accountability) 由民國八十八年所發布的一個標準，主旨在協助企業改善與利害關係人的溝通與互動、提升企業對社會的責任擔當。根據台灣企業社會責任所形容：由於 AA 1000 是種標準，因此特別需要達到某些主要原則(包容性、完整性、有形、規則性)，其餘的原則是品質保證、易接近、可比較、可靠、相關及可瞭解性。關於環境保護方面，國際組標準組織 (International Organization for Standardization, ISO) 藉由 ISO 9000 與 ISO 14000 系列來提升品質與改善環境。民國八十五年所建立的 14000 是針對環境管理所制定的一系列標準，透過持續改善的戴明循環，優化企業的環境績效，減少對環境與大自然的負面衝擊。另外，有鑒於溫室氣體對全球氣候帶來莫大的影響，英國標準協會 (BSI) 於民國九十七年編制了一個針對溫室氣體排放的一致性的評估方法：PAS 2050。根據行政院環境保護署公佈：PAS 2050 規範支持評估產品與服務生命週期溫室氣體排放後之成果能向利害關係人，包括消費者，溝通與報告。如果某組織採行 PAS 2050 規範並且揭露溫室氣體評估之結果，該組織須針對

PAS 2050 所詳述之揭露方式提供資訊。

20. 未來有關企業社會責任的 ISO 26000 非認證制度能夠帶來什麼衝擊？

民國九十九年五月十四日在丹麥哥本哈根所展開的第八屆 ISO 社會責任大會中，為了打造一個共同社會責任表準，國際標準組織與全球共 450 名代表共同訂定了 ISO 26000 (社會責任標準)。此標準之主旨為增進全球人類福祉與相互尊重，以及延續未來顧客、供應商、投資人與利害關係人之間永續的良好關係。ISO 26000 是公司與組織的國際統一社會責任標準，適用於所有履行企業社會責任的私人公司及公營機構。與既有的 SA8000 相較，ISO 26000 涵蓋的範圍更為寬廣更為完善，鼓勵企業與組織履行治理、人權、勞動實務、環境、公平營運、消費者議題、社區參與以及發展等的七大方面之企業社會責任。雖然與歷年國際標準有別， ISO 26000 將以非認證方式協助企業與政府組織落實企業社會責任，各界深信此標準能夠引起全球各地對企業社會責任此議題之瞭解與共鳴，以提高自我聲譽、保護自然與社區環境、獲得競爭優勢、改善員工與利害關係人之關係。

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