

## Doing the right thing, for profit and the community

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The Edge (Malaysia)

The awards dinner held in conjunction with the Third Annual Asian Forum on Corporate Social Responsibility attracted attendees from a wide spectrum of industries and organisations, and saw diplomats and executives rubbing shoulders with decision and policymakers from across the region. But everyone there had similar aspirations — to understand what more can be done in terms of corporate social responsibility (CSR).

Many agree that Malaysians have yet to fully grasp the need for and impact of CSR initiatives. Emphasis is still placed on a company's bottom line, as opposed to what it has done to improve the society in which it operates. This is slowly changing, however, as companies and organisations are seeing the benefits of CSR programmes that have become embedded in the business strategy of the more savvy corporations.

"The state of corporate social responsibility varies from company to company in Malaysia but the most prominent ones are the multinationals operating here. They are the ones with the experience and resources, and they know it benefits the communities they work with as well as the company. Malaysian companies need to learn from them," says chairman of the Business Ethics Institute of Malaysia, Dr Zainal Abidin Abdul Majid.

The Business Ethics Institute of Malaysia was the only Malaysian organisation to receive an award during the recent Asian CSR Awards 2004 in Kuala Lumpur. Two other Malaysian companies — Nestlé (Malaysia) Bhd and EON Bhd — were cited as runner-ups in a field dominated by companies from the Philippines and India. The awards ceremony was the highlight of the annual forum, which seeks to bring companies, governments and NGOs in the region together to exchange notes on how to effectively practise CSR.

"CSR should become an integral part of a company's operations wherever they may be and Malaysian companies should accelerate their efforts. Take the lead from the new government administration to create a society with integrity," Zainal adds.

In April, Prime Minister Datuk Seri Abdullah Ahmad Badawi launched the National Integrity Plan (NIP), which is seen as the first public master plan to enhance integrity to be undertaken by a developing country.

Following that, the Malaysian Institute of Integrity was established to coordinate efforts to implement the recommendations in the NIP, which has the overall objective of developing a Malaysian society that is imbued with moral and ethical principles, possesses strong religious and moral values and is supported by good behaviour. It aims include the enhancement of corporate governance and business ethics, strengthening the family institution and community, and

improving the quality of life and overall social welfare.

"In the long term, it pays for companies to fully invest in meeting social obligations towards the community or society where they operate. CSR is therefore consistent with corporate bodies whose philosophy is to be a long-term player and not a short-term profit taker. In this context, CSR should be viewed seriously and not taken as mere lip service," says the president of the Malaysian Institute of Integrity, Datuk Sulaiman Mahbob.

Malaysian companies, Sulaiman explains, have to understand the social and ethnic make-up of the society where they belong. A multiracial society such as Malaysia, he says, demands that corporate entities be aware of the various components of our society.

Aside from government-led initiatives, there is a clear trend towards companies adopting CSR and reaping the benefits in getting a premium in the stock market. Studies already show that consumers think it is a good idea for companies to support charities and that they would be prepared to change their normal brand or service if a similar brand or service supported a worthy cause. Most also believe it should be standard business practice for companies to financially support charitable causes

**"Companies in Malaysia have got a tremendous opportunity to practise CSR and if they do it well, they will stand out. If they do nothing, people will begin to ask why," said Jude Mannion, CEO of the Robin Hood Foundation, which acts as a marriage broker between business and non-profit partners in New Zealand.**

**"When a company chooses to reinforce its brand values through non-profit partnerships, it achieves a unique connection or resonance in consumers' minds. The halo effect of these non-profit values helps reinforce the values of the brand at a deeper level," says Mannion, who was among the speakers at this year's forum.**

For The Coca-Cola Co, this has meant operating in ways that reflect its core values in all its relationships and actions while creating a more sustainable future for the business and the communities it operates in.

"Our business is built on relationships — on respect for each other, for our partners, for the communities where we do business and for the environment," says Mohamed Kadri Mohamed Taib, public affairs and communications director for Coca-Cola Malaysia.