

## **THE YIN AND YANG OF CSR ETHICAL BRANDING**

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### **ABSTRACT**

*Within the current discourse and the often overly-commercialized hyperbole of branding and positioning, there is a particular area that has not been given due attention. Yet, with the rapid changes and the multiple crises of present-day realities, a frequently neglected area, emerges as vitally imperative. The troubles can be seen in both large as well as small businesses within Malaysia. This article, thus, aims to bring back ethics, one of the management blind-spots, into the center stage of branding and organizational transformation. The objectives of this article are two-fold: (1) to build a discussion on the value and importance of ethical branding through CSR initiatives and (2) to present a CSR ethical branding (CSR-EB) framework which delineates the content (yin) and context (yang), comprising seven pillars: pillar of ethical core, pillar of inner stakeholders, pillar of products and services, pillar of outer stakeholders, pillar of cultural context, pillar of spatial context, and pillar of temporal context.*

**Keywords:** branding, corporate social responsibility, ethical branding, virtue ethics

### **INTRODUCTION**

Brand management, brand extension, brand equity, and corporate image are some of the common exhortations connected to brand development for business organizations. Nevertheless, the purpose of this article is to provoke a transdisciplinary look into branding. The discussion situates branding beyond the ordinary norms of discussion on product branding. It proposes a transformational discourse on product branding from an ethical perspective; hence, delving into two main concepts: "ethical branding (EB)" and "corporate social responsibility (CSR)". What ensues below is a discussion which builds the case for businesses to develop an ethical stance surrounding product and corporate branding, and to adopt CSR-EB. In doing so, a seven-pillar CSR-EB framework is formulated to further clarify the scope and tenets of this type of branding.

## **ETHICAL BRANDING THROUGH CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

As the digital world facilitates brand promotion, global branding strategies that harmonize a brand image and its meaning around the world, become an important priority for business organizations operating in the world market-place (Hennesy, 2001). Brand image and its meaning, are linked to the notion of perception. Building a brand requires businesses to subject the merits of their product to consumers' perception about the product. Ries and Trout (1994: 20) assert in *The 22 immutable laws of marketing*:

What some marketing people see as the natural laws of marketing are based on a flawed premise that the product is the hero of the marketing programme and that you'll win or lose based on the merits of the product. Which is why the natural, logical way to market a product is invariably wrong.

Only by studying how perceptions are formed in the mind and focusing your marketing programmes on those perceptions can you overcome your basically incorrect marketing instincts.

In working with consumers' perception and ultimately, creating meaning and impact for a brand, business organizations need to connect the brand to its surrounding context. Hence, branding of a company/product does not exist in a vacuum. It materializes and interacts within a setting. Today, the surrounding context or setting is none other than the ethical practices of business organizations. In other words, consumers' and customers' perceptions of a brand are linked to the social responsibility commitment of business organizations. Organizations' communication about a brand needs to harmonize not only with key customers' needs, but also with various stakeholders seen as pressure groups (consumers, media, government and non governmental organizations (NGOs) and anti-capitalist movements). In *Globalization: The internal dynamic*, Khan discusses that a learning global organization cannot lose sight of the fact that it also needs to answer ethical questions and assume greater social responsibility for its social and environmental implications in host countries (Khan, 2001).

There is a number of global businesses which has successfully shown and linked social responsibility initiatives with its brand name. Such organizations include Shell, Nike, and Body Shop, which have shown their commitment and effort towards displaying ethical credentials by taking a stand on issues as diverse as environmental policies, rights of indigenous peoples, labor policing, to name a few. Rather than isolating ethics from brand management, these companies have

understood the meaning of "brand journalism"<sup>1</sup> by consistently adopting an integrated ethical stance through CSR initiatives, and treating CSR as a crucial part of brand management.

These companies also understand the negative impact surrounding the downfall of brands such as Worldcom, Enron, Martha Stewart, and Arthur Anderson, which once, was associated with excellence and superiority in communications, finance, marketing, and accounting respectively, all of which points to the negligence of ethical principles.

Ethical branding<sup>2</sup> signifies the importance of virtue ethics applied in business organizations. Accordingly, in-line with the moral philosophy prescribed in virtue ethics, business organizations which are driven by the desire to strengthen and promote a more ethical brand, do so, with a conscience towards nurturing habitual social responsible actions that continuously build upon an image which coincides with a particular positive state of character or a positive character trait. Nurturing socially responsible actions and redefining the purpose of organizations through ethical branding, rather than from a bottom line perspective, is a manifestation of a virtuous (business-related) character trait (Morris, 1997; Solomon, 1992). Ethical branding, viewed from the perspective of virtue ethics, directs corporations to an ethical rationality paradigm: "doing the right thing for the right reasons" as opposed to profit maximization rationality paradigm: "we do it because we want to generate profits", market-driven rationality paradigm: "we do it because we want to increase our market share or because our customers want it", or creator/technology-based rationality paradigm: "we do it because we can do it, or because we are curious" (Nasruddin & Bustami, 2006).

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<sup>1</sup> Brand journalism refers to heightened awareness of consumer press in what is believed to be good business behavior and what is not.

<sup>2</sup> In order to appreciate the concept of ethical branding, one needs to contextualize it to discussion underpinning the developments of the ethical wave in the world today. One such example is *The fourth wave* which was championed by Maynard and Mehtens (1996) as a paradigmatic shift which builds upon the information wave, propounded in *The third wave* by Alvin Toffler in the 1980s. The fourth wave is grounded, among others, in the idea of respiritualization of society, disenchantment with scientism, and decline in materialism. A more recent discussion surrounding this ethical wave can be read in *Megatrends 2010. The rise of conscious capitalism*, by Aburdene (2005). Other such examples can be found in the management field. For example, management philosopher Charles Handy wrote on the importance of creating a more meaningful future in work organizations, in *The empty raincoat* (in 1994) and *Beyond certainty* (in 1995). More recently, management gurus such as Tom Peters wrote about bringing out the soul in corporate organizations, in *Re-imagine* (in 2003), and Stephen Covey, on finding the voice within, in *The 8<sup>th</sup> habit* (in 2005).

## **VALUE UNDERLYING ETHICAL BRANDING THROUGH CSR INITIATIVES**

The underlying significance for businesses to adopt an ethical brand, and integrating CSR initiatives as part and parcel of this brand are five-fold.

First and foremost, having an ethical brand is the most sensible and pragmatic thing to do, for the ethical wave is not about to recede but will get bigger, stronger and more imposing in the near future. What this means is that there are three main possible choices of outcomes which organizations could opt for: (1) "do good", (2) "do bad", or (3) "do nothing". Of the three possible outcomes, businesses would do well in choosing the first choice of outcome and integrate it as part-and-parcel of building its own brand. Doing some good through CSR initiatives is every bit connected with strengthening brand positioning and corporate image, and spillover benefits (for instance, attracting better employees and increasing appeal to investors) are enormous (Kottler & Lee, 2005: 10–18).<sup>3</sup> Given this logic, of the three options, doing some good is probably the best option.

Second, the incorporation of CSR initiatives as part of ethical branding would lead to the development of consistent and meaningful initiatives rather than ad hoc and convenience-based initiatives, commonly treated as add-ons (Hurst, 2004). The essence of building an ethical brand through CSR initiatives is that it begins with business organizations looking and redefining its own soul, and questioning and prioritizing what they value most in these CSR efforts. Through this process, businesses would identify initiatives that are aligned to their values, products, and services. The CSR outcomes would thus be based on, as objectively as possible, clear goals and aspirations. Subsequently, a win-win outcome would transpire; on one end, business organizations may gain, either in the name of goodwill or customer confidence, and hence, would translate into enhanced profits in the long run, and on the other, alleviating hardcore poverty (for example). There are countless examples of successful and thriving companies which have consistently integrated and treated CSR as part of building a better brand: the ethical brand. Success stories of some brand names have consistently been associated with their efforts in making the world a better place to live in: Ben and Jerry and its campaign on global warming; Dell and its recycling initiatives; Intel and its computer literacy educational programs for the underprivileged societies around the world; and Shell and its environmental awareness programs.

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<sup>3</sup> However, the intentions of businesses in doing good could be linked to superficial and self-motivated interests. Whether self-motivated interests is right or wrong is beyond the scope of this article.

Third, CSR initiatives that are incorporated into building an ethical brand would provide a solution to the current pressing issues surrounding the need to impose regulatory standards on business organizations, to carry out CSR initiatives, especially those related to sustainable development (Prosus, 2005). It is no doubt that regulatory standards are needed to ensure good corporate governance, *vis-à-vis* environmental preservation, prevails, but businesses would be susceptible to voluntarily carry out these CSR initiatives when these initiatives are already linked to their own concept of an ethical brand.

This situation bodes well for corporate governance and corporate social disclosure in Malaysia, as previous CSR studies such as those by Teoh and Thong (1984), Foo and Tan (1988), and Nik Ahmad and Sulaiman (2002) point towards poor CSR scorecards and the dearth of CSR disclosure. A low CSR rating for businesses would impair corporate image, especially when international assessment ranking such as Dow Jones Sustainability Index (DJSI) are now observed as the scorecard representing good corporate governance.

Sustainable development, whether social, economic, or environmental, would be more far-reaching when businesses could see the link between CSR and "their own wins". Proper brand management requires time, energy and effort, and incorporating CSR initiatives such as preservation of the ecosystem, as part of building organizational brand name, would unlock opportunities to respond to issues of poor CSR business scorecards.

Fourth, the incorporation of CSR initiatives as part of ethical branding is related to lasting organizational transformation in the long run. Perhaps what is most interesting about it is that it allows organizations to transform into a stakeholder corporation. Such a stakeholder corporation takes into consideration not only the needs of owners/investors and customers, but also more and more, from a relational stakeholder perspective (Nasruddin & Bustami, 2006) and multistakeholder complexity perspective (Hunter, 2005) where the ability to maximize value (Jensen, 2002) from an interplay of competing needs of stakeholders, becomes crucial. It is indeed a worthy process of branding and organizational transformation. The process of incorporating CSR as an integral part of branding would require organizations to be flexible and respond positively to the possibility of tweaking with different organizational structures (where corporate governance is concerned), making it more responsive to the existence of a multitude of stakeholders. This challenge is even more paramount to work on in Malaysia as cultural and religious pluralism plays as big a role as economic factors, in business decision making.

Fifth, the notion of ethical branding through CSR initiatives is specifically valuable for Malaysian SMEs for two reasons. In one respect, since branding is

seen as an important aspect of SMEs growth and development in Malaysia (UNDP, 2007), CSR initiatives which are connected to the development of a brand could be a solution to SMEs' lack of understanding or interest towards adopting CSR initiatives.<sup>4</sup> In another respect, within SMEs, there may be ongoing activities carried out that have not been properly recorded or recognized as CSR-related activities.<sup>5</sup> Hence, the documenting and reporting any unrecognized CSR-related activities would go along way towards building professionalism and formal approach of management, and especially more so, an ethical brand.

### **THE CSR-EB: THE YIN AND YANG FRAMEWORK**

Our arguments for ethical branding above, converging towards the notion of CSR-EB, lead to one important question: "How could Malaysian businesses effectively build their CSR ethical branding?" The answer to this question is that in order to be effective in developing an ethical brand, business organizations need to explore and balance between "the content" and "the context". It is an inside-out as well as an outside-in process. The logic of inseparableness of *yin* and *yang* is germane for businesses. In other words, CSR ethical branding of the companies ought to be understood as a manifestation borne both from within (*yin*) and connected to their larger external realities (*yang*).

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<sup>4</sup> A study on CSR conducted by ACNielsen commissioned by HSBC has revealed some insights into SMEs *vis-à-vis* CSR. The study found that "SMEs didn't understand the issue; didn't know what to do; didn't find the time and resources, perceive the issue as a cost to business, believe they didn't have any environmental or social issues, saw it as an issue for big business" (Business Council for Sustainable Development in Malaysia, 2006). The SMEs studied included four sectors: trading, manufacturing, retail/wholesale as well as business service companies. Furthermore, an article in the same newsletter reported the feedback received from participants of a seminar focusing on CSR for SMEs, dated 15 September 2005, that "most SMEs were not aware of CSR and the global forces driving CSR uptake among companies and industry. There were also some participants (SMEs) who felt that they would not implement CSR without pressure from government." There are more than 100,000 SMEs in Malaysia, but relatively few have a clear understanding or a strategic policy, regarding their impact on the community, or the environment" (Business Council for Sustainable Development in Malaysia, 2006).

<sup>5</sup> According to a study report by The Canadian Business for Social Responsibility (CBSR), there are CSR activities that were not considered by SME interviewees to be "socially responsible", yet are indeed so. They include a host of activities including those involving employees, environment and community (CBSR, 2003). These CSR initiatives can be activities such as the occasional peer counseling, hosting students' visits, research or internships to the company, voluntary monthly recycling of used papers and plastic bottles and donating unused furniture and office equipment every year.

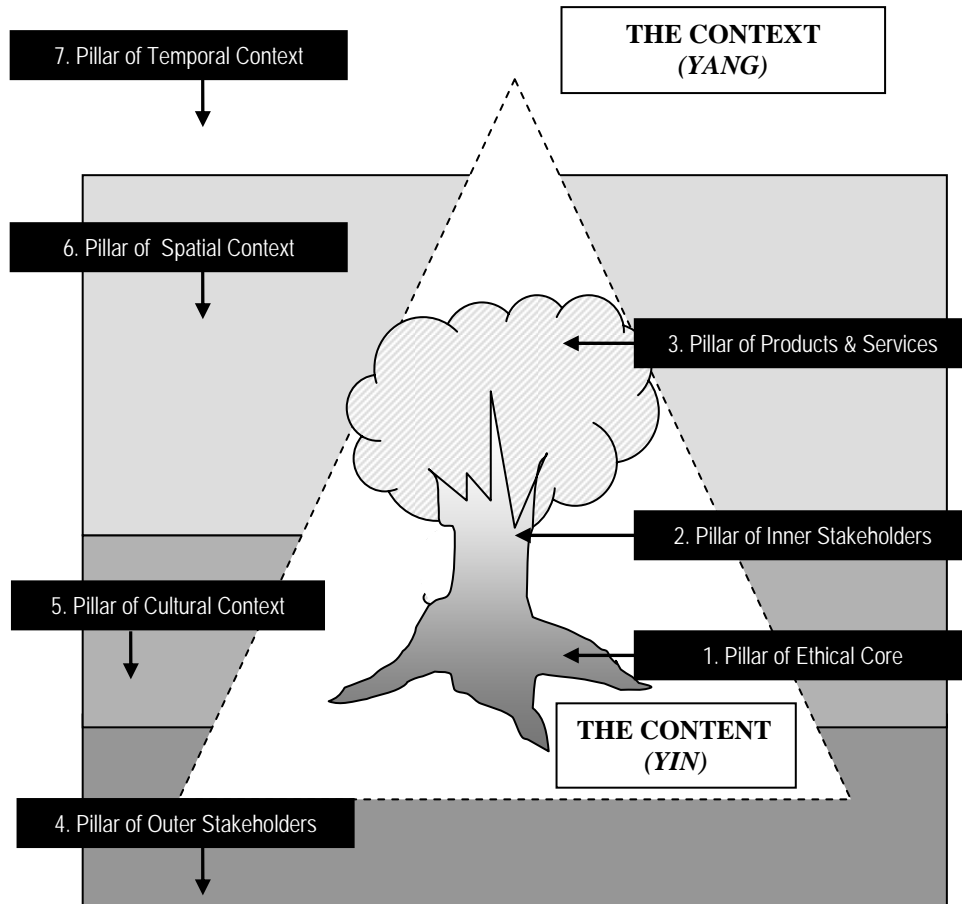


Figure 1. Seven pillars of CSR-EB framework

This article submits a working framework made up of the content and context, which combines altogether seven pillars for business organizations to grow through CSR-EB. These seven pillars are shown in Figure 1. As illustrated, there are three key ontological components which build the content in the framework: (1) pillar of ethical core, (2) pillar of inner stakeholders, and (3) pillar of products and services; and four key ontological components which make up the context for the framework: (4) pillar of outer stakeholders, (5) pillar of cultural context, (6) pillar of spatial context, and (7) pillar of temporal context.

The following discussions will explain the content as well as the context in detail. References will be made to successful companies which have developed initiatives related to the pillars.<sup>6</sup>

## **The Content (*Yin*)**

### **The first pillar**

At the center of the content of CSR-EB is its ethical core. To begin the process, businesses should review or strengthen their ethical core which incorporates and defines its organizational mission, vision and foundational values. The question of *raison d'être*, i.e. the reason for the company's existence, must be reexamined. If it truly desires to reinvigorate the heart of the company, businesses should not avoid this path of soul-searching. As shown in Figure 1, the pillar of ethical core is the root of it all. The organizational tree grows from the roots. It is also held and nurtured by the roots. This is the first and the most important pillar. In actuality, this ethical core acts more like a base or an operating system from which all other six pillars function. It spells out the prime directive which governs and guides the entire organization.

Tough yet highly meaningful questions need to be posed, deliberated and answered, such as: "What does this company believe in? What do we, the decision makers of the companies, truly want to achieve with this organization? What does the company fight for or stand for? Do the mission statement and organizational goals reflect the past, present and future direction and vision of the company?"

Amazon.com's success is its *raison d'être* of offering products/services on the internet in such a manner that it cannot be done elsewhere (Spector, 2000). Jeff Bezos, the founder of the company begins with one most important question: "If I were a customer, how would I like to be treated?" Its powerful value proposition integrates the value of pain and pleasure by compensating for the pain of the agonizing time (due to slow modem speeds, for example) it takes to get online with the pleasure of home-shopping convenience, as opposed to traveling out to bookstores. This *raison d'être* envelops the soul and heart of Amazon.com, such that the promise of its brand to its customers is "Earth's Biggest Bookstore".

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<sup>6</sup> These references referring to medium-to-large/large companies and are meant to show examples of how each pillar could manifest. Nevertheless, it does not necessarily portray that CSR-EB is not applicable to SMEs. In fact, large firms as well SMEs in Malaysia are encouraged to interpret and contextualize creatively, the possible and appropriate manifestations of the CSR-EB framework within their localized environment.



It is insufficient to have well-articulated mission and vision statements framed and hung on the hallways of the company. These core foundational ideas need to be understood and be made aware not only to the top management but also to the rest of the people in the organization, such that it can be the compass that guides and aligns all actions of the company. These ideas also form the ethical core that is the reference point to shape the organizational culture. In essence, this ethical core is the soul of the organization. It is to be reminded and internalized. Therefore, at the very least the outcome is clarity among all layers of organization of what the organization's direction and values are and what they mean in practical terms.

This type of branding originates from the heart of the organization; hence, the phrase "branding from the soul". It goes beyond mere market positioning. It is a manifestation of the quintessence of organization and is spot-on *vis-à-vis* what matters most for any brand today: its ability to compete for attention for heart share rather than market share, where the brand has a story to tell and touch the hearts of just about anyone who comes in contact with the company (Peters, 2003: 160–161).

Hence, the ethical core is the first and the most crucial pillar, for in later stages, when the company begins the process of identifying CSR initiatives, the ethical core will be the basis of decision making. What differentiates an ad hoc versus well-branded CSR initiative is the "cause" or the "stance" the company chooses based on its ethical core. The company will not be directionless by just engaging in all kinds of CSR activities. Conversely, with the ethical core as the compass, the CSR initiatives are an integral part of the company's branding.

### **The second pillar**

The second is the pillar of inner stakeholders. In Figure 1, it is signified by the tree trunk and the main branches indicating proximal significance to the ethical roots. This pillar draws the attention to the people closely connected to the company. The human resources within the organization are important stakeholders who should be involved in the CSR-EB effort. The essence of this pillar is thus, commitment of employees, management and owners.

The critical emphasis in this pillar is that the company must connect its CSR-EB efforts amongst the owners, management, as well as employees. Businesses should not only connect to the desires and vision of the management-owners but also seriously take into account the interests and aspirations of the employees of all levels.

For instance, if the company were to engage in CSR initiatives involving the disabled or more aptly known as "differently-able", perhaps the company could engage employees who have differently-able families or friends or who are interested in helping the differently-able and involve them in the CSR programs. In such a case, dialogue with these internal stakeholders, thus, is highly useful in designing and eventually, rolling-out a plan to ethically brand the organization as an advocate of differently-able. To broaden the example, the company may even decide to employ differently-able part-time or full-time workers as a way to empower them and further enhance the ethical brand of the company as a differently-able-friendly company. It is a win-win situation. Such a CSR initiative benefits the differently-able who need meaningful employment as well as strengthens the company's corporate citizenship. Involvement leads to commitment.

When the staffs are involved in "doing good", with and through the company, they will probably feel good about working with the company. An example of such practice took place in Wal-Mart:

Hurricane Katrina, after which Wal-Mart employees mobilized to deliver vital supplies to victims, deepened Scott's [Wal-Mart's CEO] resolve. We stepped back from that and asked one simple question: How can Wal-Mart be the company – the one we were during Katrina – all the time? The environmental campaign that Scott admits started out as a 'defensive strategy' was, in his view, turning out to be precisely the opposite. His people were feeling better about the company. They were saving customers' money. That was one of Wal-Mart's strengths (Gunter, 2006).

Connecting this to the first pillar of ethical core, what the internal stakeholders suggest for the branding of the company, ought to also align with the organizational mission, vision and values. As stated earlier, the ethical core is the compass. It gives direction to the rest of the organization.

### **The third pillar**

Whether businesses recognize it or not, there is usually an existing perception of brand attached to its products and services. Customers more often than not already develop and harbor certain views about the products and services they acquire. Judgment tends to happen within a split second, especially so with consumer products and services. As illustrated in Figure 1, this pillar resembles the canopy of leaves of a tree; it gives the first critical impression. Yet, it is still part of the content of the company's branding for it is frequently the first contact from which assessment of the company's brand is made.

What the third pillar focuses on is the consistency of ethical branding with the branding of products and services. This is the aim of the pillar of product and services. If a strong product brand which brings good reputation to the company already exists, then the ethical brand, when developed, should further strengthen the existing product brand. For instance, the Volvo car already occupies a top-notch position in terms of its safety and quality in car owners' mental hierarchy. In this case, the ethical branding could fortify this position by promoting CSR initiatives which revolve around saving lives of family members and loved ones. A good CSR example for this case is promoting road-safety campaigns, engaging students in projects to develop safer road structures or even collaborating with universities in research on better car emergency devices.

In the case where organizations do not have an established brand for its product and services, ethical branding is an excellent path to develop a towering positive image. Such a company could then design a strong ethical brand which defines its entire organization, including and especially *vis-à-vis* its products and services. The following are some hypothetical examples on positioning a company based on ethical branding: the most affordable recycling paper manufacturer, the highest quality organic food supplier, a community-friendly company with 30% differently-able workforce, a factory with a nursery, kindergarten and tuition centers for the staff children.

### **The Context (*Yang*)**

Equally important is the pillars that create the context which reinforces the ethical brand of business organizations. The four contextual pillars function as a dialectical centrifugal force. Rather than just acting externally on the company, they also give businesses the contextual strengths to achieve self-resilience and eventual prominence.

### **The fourth pillar**

Outer stakeholders, in this article, refer to four groups of stakeholders: the customers, community, competitors, and suppliers. The essence of this pillar is that the ethical branding should take into account the company's aspired role, position and relationship *vis-à-vis* these stakeholders. In other words, a company's CSR-EB should build on its present advantages and optimize towards the best possible state. This is the aim of the pillar of outer stakeholders.

This pillar also gives a relational context within which an organization exists. By synergizing with each of these four groups of stakeholders, a business organization can not only move towards its aspired position but also execute its plan based on present realities. For example, in its role and relationship with the

customers and community, its CSR-EB should internalize their interests. Consequently, if the customers are end-users, then perhaps the CSR-EB can bring further value to the company-consumer relationship. Suppose a large percentage of the customer base and community are young parents, then a CSR initiative oriented towards benefiting their children may draw the customers even closer to the company. Therefore, profiling the customers is part of the underlying strategy of this pillar.

Likewise, if the customer is a corporate client, for example, a foreign transnational corporation (TNC), the business organization can adopt a CSR-EB which connects to the client's interests. Oftentimes, the TNC itself will also have CSR initiatives. Perhaps, the business organization could collaborate and contribute to the cause of their client, thus, subsequently strengthening its bond with the client. The same logic applies with its relationship with the suppliers where, it could initiate a joint project focusing on a particular CSR-EB with its suppliers. This way, the resources galvanized are greater, and so is the reach and impact of the CSR activities.

CSR-EB, *vis-à-vis* corporate clientele, is increasingly becoming important in the globalizing world. Many large corporations are taking such matters more seriously than ever. The ethical rationality is now progressively being built into the economic rationality of these companies. As a result, business organizations, especially SME vendors that are part of a closely-neat supply-chain, but not aligned with the TNCs' ethical rationality or ethical reputation (e.g. being environmentally-friendly), may fall out of favor or be considered as non-compliant. This is especially the case when TNCs are reestablishing or rebuilding its ethical image. A case in point is the concept of "vendor code of conduct":

The clothing company Gap Inc. has been the high profile subject of campaigns to improve working condition of its sub-contractors' factories in Central America and South East Asia. It was one of the first companies to adopt a 'vendor code of conduct', covering issues such as child labor, pay rates, harassment, intimidation and corporal punishment. (Kearney, 2002)

There are also exemptions that further prove this rule. For instance, at times there are cases where a particular phenomenon, such as floods or landslides, hits a community and where the customers are part of the tragedy, the company may want to perform its social responsibility by offering assistance. This can further build the goodwill between the business organization and its social context, regardless of whatever the strategy of CSR-EB is. More importantly, by doing this, the company is aligning with its pillar of ethical core. It is simply good because it is the right thing to do. The business organization is, hence, more than just a body without a soul. It becomes a good citizen of the community. One can

argue that this is "fourth wave" marketing, or in the words of Stephen Covey investing in "emotional bank account".

Part of this fourth pillar is the awareness of competitors' branding. If the competitors have also developed a CSR-EB, a business organization should understand their orientation and specific activities. With this knowledge, it is able to then arrive at an informed decision, to choose among others, whether to adopt a different set of CSR activities, to compete or to collaborate with the competitors. Each of these decisions has different implications. In making a decision, the company ought to refer back to its ethical core to help guide its choices.

The guiding question for businesses is what and how it can "give back" to these stakeholders. Through this service of giving back comes the value of the CSR-EB. Indeed, the principal value of the fourth pillar is synergy. It emphasizes a synergistic or a win-win relationship which enhances the resources and buttresses the efforts of a business organization's CSR-EB to achieve results beyond the ordinary.

### **The fifth pillar**

Closely connected to the fourth pillar is the pillar of culture. Although rarely or insufficiently deliberated, this is a vital pillar. A country, such as Malaysia where the society is multiethnic, multireligious and multilingual, cultural awareness is of utmost importance. This fifth pillar stresses on the cultural norms and cultural parameters. These norms and boundaries form the cultural context within which businesses exist. Cultural sensitivities also comprise the issues within the economic, political, and social spheres. A good example of a CSR initiative from the cultural context which is aligned to an ethical core such as "promoting sustainable development" is a CSR initiative on preserving ethnic cultures. An example of such initiative could be funding research projects for school children to learn, document, and publish research findings on forgotten traditional cultures of each ethnic groups in Malaysia.

Indeed, the expansion of CSR beyond the economic realm into social cultural values is also acknowledged by United Nations Industrial Development Organization (UNIDO). In its 2002 report, the analysis of CSR has showed that the level of engagement by SMEs has shifted from mere "compliance with legal responsibilities" to "harm minimization", and to "social value creation" (UNIDO, 2002). If organizations such as SMEs could and are in actual fact involved in creating and shaping the value system of the society, one could expect large companies to be able to do more.

Failure to be sensitive to the cultural context may cause damage to not only the reputation but also to the sustainability of the business in the long run. Yet, operating from the central pillar of ethical core, at times, businesses may still choose to revive, preserve, nurture, adjust, stretch, or even challenge or replace cultural norms. Again, there may be different consequences for different choices. The CSR-EB, therefore, ought to be an ethical decision anchored within a culturally-viable framework.

### **The sixth pillar**

If the fifth pillar relates to cultural landscapes, the sixth pillar is about physical or natural sphere. The pillar of spatiality highlights both the concerns of locality and environment. Locality involves the location of business organizations within the city, the state and the region. Certain locations may have particular geographical advantages (and disadvantages) for particular CSR-EB. In terms of the supply chain, the distance between a business organization's location and the city center, the main transport hub, and the clients can be relevant spatial factors. This spatial pillar also overlaps with the pillar of outer stakeholders. Proximity with the community, customers and suppliers may be a plus point in carrying-out CSR activities. Businesses can harness this spatial strength in order to include or even to serve the various stakeholders within its locality of proximity.

The second part of the pillar of spatial context is environment. No matter what CSR-EB an organization adopts, the environment is one that cannot be overlooked. Environmental concerns are at the mainstream of the ways in which corporate citizenship and brand reputation are being evaluated. Therefore, it is imperative that businesses pay serious attention to its environment practices and check on its environmental footprints and their impact on the ecosystem. An organization's corporate scorecard should document its environmental initiatives, alongside other CSR activities. Neglecting this dimension, of the corporate branding and organizational monitoring, may seriously hurt the company if and when things unexpectedly go wrong. In short, businesses, even if small in size, should not let these unexpected or neglected incidences affect its good image and ethics. Beyond that, all business organizations should start adopting a framework of environmentally-friendly policies and practices and steadily manage the improvements to its business processes.

### **The seventh pillar**

The seventh pillar is the pillar of temporal context. It is the pillar which gives the context of past, present and future. It invites businesses to reflect on the perspective of time in formulating a CSR-EB. A business organization do not exist in a historical vacuum. Each organization grows within a temporal sphere

which gives it specific meaning of not only the historical evolution of the place and the people, but also the industry, the technology, and the company. This temporal sphere encourages an organization to develop a long-term view of the future, *vis-à-vis* all the CSR initiatives. Nevertheless, working on the future entails building an ability to analyze current events, identify the trends, and understand the future scenarios that would have implications upon any CSR-EB initiative. These future scenarios would need to factor trends in the foreseeable future: environmental change, technological change, global climate change, work culture change, demographic change, global political change, lifestyle change, amongst many other possible changes (Kelly, 2006; Smart, 1992; Sullivan & Hodson, 2002).

The value of future scenarios is in the causal-layered analysis of the future (Inayatullah, 2005: 55–57). This technique allows businesses to go deep and question their own myths, metaphor, values, and assumptions about the organizational culture within, customers, industry, competitors, the economy, the society, and the world at large. Perhaps, what is most enlightening about this exercise is that in the end, many questions would arise, for example: "What are the values and assumptions of the organization *vis-à-vis* the new future it wants to create for itself and the society? What change would the organization like to have today within and without, in order to have the future tomorrow? How is this awareness and knowledge aligned to the type of products and services it would provide today? What CSR initiatives are appropriate with the change it wants to create in the future?"

A case study example of company's ability to integrate future scenarios as part-and-parcel of building CSR-EB is Shell. Shell is known for its efforts in studying trends of the future, developing and documenting global scenarios. In the span of three decades, its own studies on global scenarios have aided Shell in contextualizing its own business objectives within the area of sustainable development. In the latest release, *Shell global scenarios to 2025* (Shell, 2005), the company has highlighted issues such as risks of detrimental climate change, threats to biodiversity and type of policy response that is needed. The marriage between a company which specializes in the energy industry with CSR-related initiatives (such as creating environmental awareness) that are contextualized within future trends (and issues) on energy, is a good case to learn from.

## **CONCLUSION**

The concept of virtue ethics, while abstract and at times philosophically perplexing, should be practical and sensible to businesses, when it is viewed from the perspective of CSR-EB. The main message of this article is pressingly simple.

At the most fundamental level, it aims to contextualize the significance of CSR from the perspective of a new form of branding (ethical branding) that has taken its own cycle of growth at an alarming speed. This article has also enunciated the scope and depth businesses could explore via the content and the context of CSR-EB through a CSR-EB working framework. It is a working framework for it is meant to be applied and operationalized according to an organization's, be it large or small, very own conditions and aspirations. Therefore, although anchored and rooted in the first pillar of ethical core, a business organization's CSR-EB can combine and synthesize all seven pillars into a strategy viable for execution. While the genesis of action comes from the ethical core, which is the soul of the company, each of the other six pillars can be the launching point of CSR initiative, either with employees' volunteerism, engaging customers' families, empowering the community or delivering more environmentally-friendly products and services.

The seven pillars of CSR-EB holistically offer what can also be viewed as the MetaKnowledge advantage (Aguayo, 2004) *vis-à-vis* ethical branding: that knowledge from one pillar gives new dimensions to other pillars; and that knowledge from one pillar is incomplete without the picture from other pillars. The pillar of ethical core acts like an added beam of light. Knowledge originated from this pillar provides a new kind of glow to the rest of the pillars. This is the MetaKnowledge advantage of such ethical branding. It is branding from the soul. Following from this rationale, CSR-EB framework opens up an opportunity for business organizations to build on the first pillar, with depth and substance, and simultaneously, combined with awareness and knowledge from other pillars, creating a synergistic effect. Hence, the outcome may be beyond the ordinary. In the end, what is most important is that businesses realize that profits and ethical business practices can go hand-in-hand and a long way towards creating and maintaining lasting sustainability in all realms that one can imagine: business growth, organizational well-being, societal well-being, cultural well-being, and future well-being.

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