

## Review

# Exploring the issues and new insights of global branding and strategic corporate social responsibility (CSR): A case of Pakistani organizations

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The purpose of this paper is to demonstrate the concept of global branding, what it stands for being socially responsible, and what its link with leverage is. It also highlights the range of social responsibility issues with reference to Pakistani brands and explores the relevant issues and deep insights from strategic corporate social responsibility (CSR) literature and global branding literature in the context of Pakistani organizations. It also suggests future implications for theorists, practitioners and academicians with reference to effective strategic CSR and global branding. This paper embarks on the intellectual journey with the concept of CSR and global branding in local context of Pakistan, while reviewing the relevant literature and addressing the issue of complexity in Pakistani context. This study gives insights about the issue of complexity at the time of strategically integrating CSR into global brand and sorts out three strands of complexity namely, 1) issue complexity, 2) organizational complexity, and 3) communication complexity in the context of Pakistan. The limitation of this paper is due to the limited academic literature, giving insights about how global organizations in corporate CSR initiatives for the development of brands, and insights dealing with the issues needed to be taken into account at the time of integrating into branding strategies. This paper gives fresh enquiry to the issue complexity, organizational complexity and communication complexity with reference to global brands and CSR activities in the context of Pakistan which has been applied so far.

**Key words:** Global Branding, Strategic CSR, Pakistani Brands, Pakistani Organizations.

## INTRODUCTION

The idea of brand, branding with reference to corporate social responsibility (CSR) in the context of Pakistan is a hot debate in Pakistani corporate world. Nowadays, companies are showering money wisely to establish brands as well as brand personalities. Attractive packaging, beautiful styling, design, and quality, have become the hallmark of business success; consequently, the idea of incorporating CSR with brand image has become an integral part of brands in the modern time (Werther and Chandler, 2005). In fact, CSR is an all

inclusive idea and concept that covers a broad spectrum of ethical, social, and environmental obligations for the health of an organization, community, as well as the natural world. This concept has been defined according to the different perception level of understanding of various researchers.

According to Carroll (1999: 286), "the conduct of a business is so that it is economically profitable, law-abiding, ethical and socially supportive." According to this model, Carroll's CSR focuses on economic, legal, ethical as well as philanthropic dimension. Accordingly, there is a diverse range of stake holders with their different social interests.

In the modern world of organizational complexity, firms

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are coping with different responsibilities at different levels of organizations (intra-organizational level, organizational level and inter-organizational level). This makes the whole scheme more complex when it covers multitude of organizational activities within the operations of multitude business environments (Valor, 2007).

In the age of organizational knowledge economy, human capital and intellectual core competencies, it becomes imperative to center upon stakeholders' interest for achieving organizational as well as societal benefits (McAlister and Ferrell, 2002: 690). In the language of Morsing (2006), CSR will only become a strategic branding weapon only when it will be conveyed/communicated gracefully to the stakeholders. Undoubtedly, understanding of organizational complexity is not so simple, but is really a complex phenomena and it needs to be explored when firms are considering CSR related branding strategies.

## LITERATURE REVIEW

Werther and Chandler (2005) spoke of their understanding by saying that organizations' influence on community is highly significant and that there is an urgent need for management in such a manner that reduces and mitigate their negative consequences. According to the eastern sufi's wisdom "*Charday Suraj Dhalday Wekhay, Bujay Deevay Balday Wekhay*" (Faqir, 2005) means success of today is not the guarantee of tomorrow. Even the big giant of 500 Fortune companies can also be wiped out from the face of this earth if they fail to ensure the conformity with CSR obligations and vice versa. Therefore, it has become a necessity of time to establish global reputation of the brands (Lewis, 2003; Kitchin, 2003).

There are some organizations that think in terms of CSR as an obligation rather than something special which may be capitalized (McAlister and Ferrell, 2002). There is a hot debate about the firm performance and brands of bearing stamps of social responsibility, for example, work of Knox and Maklan (2004), highest level of monetary outcomes (Johnson, 2003; Miles and Covin, 2000) and positive contribution to the goodwill in the business world (Luo and Bhattacharya, 2006), than the concept of healthy influence on community as a whole (Ite, 2004; Michael, 2003). Ranging from the views of Porter and Kramer (2002) for establishing a connection with consumer, and thoughts of Sirgy (2002) about employee commitment, and controlled turnover rate and views of Bhattacharya et al. (2004: 6) for improving society as a whole, are the exemplary examples in CSR literature and give deep insights of CSR. In fact, CSR should be a nucleolus of all the business activities instead of considering it as a philanthropic attitude.

Although it is a painful fact that some companies misuse CSR in order to get benefits in a superficial

manner and ultimately become target of criticism and labeled as opportunistic and not a meaningful act of CSR, Carroll with his like minded companions suggests that for being socially responsible, organization should focus on economic, legal ethical as well as philanthropic activities. It is not the matter of just meeting the minimum legal requirements but it is a matter of going beyond that limit.

There is a general consensus that all global organizations should act and behave in a meaningful manner in order to be socially responsible but there is no consensus on the way of how to develop their programs of CSR activities, how they are communicated and to what extent they should be leveraged. Development of CSR identity is not a simple phenomenon because there are different organization stakeholders with different mindsets, and views a specific behavior differently. In view of Aruthaud-Day (2005), CSR positioning becomes more complicated because the organizations need to incorporate the ideological perspective while dealing with CSR policy and the international orientation also taken to account.

Some scholars' thoughts (Roberts, 2003; Levis, 2006; Sherer and Palazzo, 2008) are more comprehensive and they take CSR activities as a complicated challenge and suggest that organization must take into account, not only one, but all stakeholders that effect and get affected by the global organization activities, which is not an easy task.

Organizations on one hand have to cope with the societal issues within the local environment bracket and on the other hand, they have to be responsible on international level, which is quite tough for policy makers and strategic thinkers, because there is a paradox of global convergence and international diversity at the international level. The mantra of Coca-Cola CEO (think local act local) will not work in this context. In coping with both sides, local as well as international CSR program when focused on particular national markets social issues will definitely miss a global CSR approach. This is the hard fact that CSR becomes a complex issue for global organizations they are enmeshed between two anti-poles of local and global. So, the need of writing this paper becomes urgent to solve this issue. After extensively studying CSR literature and deep observation of industry, this research found out that there are three major typologies of complexity that organizations must take into account when they want to exercise genuine actions of CSR and labeled as socially responsible organizations which are given thus:

1. Issue complexity, which means an in depth understanding of CSR scope of organization to be addressed in an appropriate way and all the relevant information which is being communicated about them has to be quite meaningful.
2. Organizational complexity, in the word of Scott, there are three levels of organization, Intra-organizational level, Inter-organizational level and organizational level; more

over, the structure of organization is very critical at the time of defining social issues that are relevant to the global organization and it will become tougher at the time of implementation of practices of CSR. For the matter of illustration, in decentralized global organization, there is always a tendency to develop a global CSR strategy that is most of the time inconsistent. And where there will be a centralized approach there is always a risk of overlooking local issues.

3. Communication complexity, effective meaningful communication means meaningful information relevant to the stakeholders concerned. It will consider issue and organizational factors and acknowledge the scope of activities global as well as local.

For the logical and concrete way of understanding, it is better to present the complex nature of this whole complex phenomenon of organization life graphically, as shown in Table 1 adopted from Polonsky and Jovens (2009).

### **Issue complexity**

According to Carroll (1999), CSR is an allusive and broad concept. In the view of Dawkins and Lewis (2003), the responsibility looks differently to different stakeholders, for example, the definition of responsibility are different in the eyes of organization than the definition of responsibility with reference to governments, consumers and employees' perspective. Some writers view business practices, employee treatment, and environmental concerns as the CSR issues while others think human rights, labour and environmental as CSR issues; still, others include protection of local culture or economic development as CSR. So far, there is no consensus on the definition of CSR. Every CSR issue is according to the context and environment, which means that every CSR issue will be described according to the organizational context and its environment. Therefore, there is also a disagreement about the assessment of CSR performance. There are no single criteria for the judgment of CSR outcomes. Research infers that issue definition is complicated for all global organizations, and four dimensions of issue are needed to be addressed:

- i. Identification of issue
- ii. Heterogeneous nature of issue
- iii. Measurement of issue
- iv. Description/ Interpretation of issue

### **Identification of issue**

Issue identification is not easy and straightforward because it will cover the whole scheme of things relevant to global social issues that needs to be incorporated in all the programs of organization in order to label the brand as a socially responsible brand. For example, Nestle in

Pakistan addresses the complexity of CSR issues covering a broad range of issues, that is, environment, community, clean water, UN global compact, sustainability Nestle donations, infant formula, as well as coffee prices and gene technology. Here is a paradox that Nestle may consider all her programs core strength but her employees may criticize and view them differently. Some stakeholders may boycott the Nestle, criticizing its poor performance which is again a subjective approach of judging CSR activities, and issues are judged and interpreted in a different manner by different mindsets of stakeholders.

### **Heterogeneous nature of issue**

According to Bhate (2003), there is a lot of sub-areas within a single CSR activity and again, there is a variance of importance from local to global level. For example, in Hamza Foundation, CSR action is quite appropriate for serving the special children but it is controversial in the eyes of stakeholders who view it as a tax evasion strategy. Some stakeholders view daily wages in most of the developing countries as substandard while the local worker of the developing countries views the wages as very generous and fair. Another example might include the quota fairness to some while for others, it is cruelty and corruption. Seeing from the eyes of an industrialist, child labour can improve economic condition as well as social wellbeing but from the point of view of child development, it becomes injustice in the long run.

### **Measurement of issue**

There is no consensus about the CSR performance measurement tool. For example, there are different methods of measuring living wages across the countries. Moreover, the way of measuring poverty level is also different from to country. Some countries claim of richness in spite of being below the poverty line which is not the matter of claiming right and wrong but also the matter of different way of measurement. At Geological Survey of Pakistan (GSP), there are varieties of measures of environmental performance which scientists of GSP use differently as well as view differently. Similarly, Geo News, Pakistan uses various tools in different fashion to reach or reflect on some issues while viewers and other competitors of them perceive or use the same tools in different ways.

### **Description/ interpretation of issue**

Interpretation of CSR performance is entirely subjective; it is heavily contingent upon the context of various stakeholders. Some consumers' criteria of satisfaction start from very low while for others, it is not even at the

**Table 1.** Types of complexity (Adopted from Polonsky and Jovens, 2009).

Type of issues	Definition	Examples
Social Issues	Social issues Determination of the scope of issues to be considered in global organization CSR activities is diverse	Poverty, environment, health, animal rights, child welfare, etc.
Heterogeneity	Determination of the specific definition of issues within a social area to be considered is varied	Environmental issues contain a cross-section of issues biodiversity, salinity, global warming, endangered species, etc.
Measurement	Agreement on the appropriateness of metrics to be used to assess performance can be difficult	There are a variety of measures of environmental performance, which are viewed differently
Interpretation	Determination of what level of performance is "acceptable" is dependent on stakeholders' interpretation	Specification of a living wage in developing countries may be viewed as acceptable by some and unacceptable by others
Organization corporate brand	Determining the degree to which CSR is a core platform of the organizational identity	Manufactures that have CSR as foundation of brand, as compared to those that adopt CSR as "additional" value for positioning
Multiple products and brands	Different brands may be positioned differently causing confusion in some consumers mind	Car firms producing hybrid automobiles while continuing to produce four-wheel drives
Site and functional activities	International activities spanning national boundaries face different sets of regulatory environments that must be dealt with	Firms complying with environmental standards in developed countries, where the requirements may be lower
Supply chain management	Expectations on global firms that they are "responsible" for CSR activities of suppliers	Clothing manufactures who contract out activities to offshore organizations who do not comply with manufactures codes of conduct
Communication intensity of positioning	The degree to which CSR is leverage in global communication activities will vary	Some global firms clearly embed CSR as a branding activity, where as others include as an "afterthought"
Communicating actions	The type of information provided will vary across activities	Global organizations may try and segment customers on CSR, confusing brand identity
Types of programs to use	The type of tactical activities undertaken may communicate different information	Using sponsorship, cause related marketing of corporate foundations to support activities provides different information
Implementation issues	The degree to which integrated marketing communication is consistently delivering the same message	Stakeholder expectations are raised with CSR activity, which needs to be consistently supported across activities and communications

zenithal point of prosperity, luck and height of career. NGO's in Pakistan may be very charitable or active at time of earthquake or some other catastrophes, but the public may interpret their activities in terms of American agenda. Interpretation will be different from different perspectives which may make CSR activities dubious and suspicious.

### Organizational complexity

Organization complexity, in the words of Scott, are of three levels; intra-organizational level, inter-organizational level and organizational level; moreover, the structure of organization is very critical at the time of defining social issues that are relevant to the global

organization and it will become tougher at the time of implementation of practices of CSR. For the matter of illustration, in decentralized global organization, there is always a tendency towards development of global CSR strategy which is really consistent. And where there will be a centralized approach, there is always a risk of overlooking local issues. Research suggests four types of organizational complexity in positioning a brand with reference to be socially responsible:

- i. Corporate brand
- ii. Multiple products and brands
- iii. Functional activities
- iv. Supply chain management

### **Corporate brand**

Regarding corporate brands, it is of utmost essence for global organization that chooses to become socially responsible to differentiate its identity as global organization and must also ensure to incorporate values into its all global activities. These value not only the beauty of paper but must be something that shines in all the brands being offered by that particular organization. For example, Pakistan Tobacco Company being socially responsible must try to present the inbuilt danger that lies in consuming its products. There are some of such organizations that integrate CSR programs from their very beginning. We may label them as born social global organizations. Classic examples of such organizations include The Body Shop, Walls Ice-cream, Edhi Trust, and Akhuwat.

### **Multiple products and brands**

In the presence of multiple global products and brands, the issue of this multiplicity becomes highly complicated. For example, for promoting, an organization must be socially responsible but for promotion and competing global brands, organization will produce such products that are less responsible in order to meet different variety of consumer segments. For example, researchers in Pakistani universities may send low quality papers in low profile journals but can not wait for ages in order to get published in high impact factor journals. Another example may be quoted of fast food companies who are minting money with their portfolio and also promoting obesity in Pakistan. In Pakistani film industry, producers are producing low quality films with low budget and earning a lot from uneducated segments of the society and promoting vulgarity and yellow journalism among the mobs without caring for any criticism of being socially irresponsible.

### **Functional activities**

Functional activities have direct and indirect influence on

issues, pertinent to CSR. As a way of illustration, in Federal Board of Revenue (FBR), unfair practices of corruption may be due to some higher officials of the department but may not be the culture of FBR. Such unfair practices at functional level may injure the organizational identity brand and may also ruin the reputation of department across the country at national and across the globe internationally. As has been said in political scenario, the taxation system of Pakistan is collapsed down due to feudalism and corrupt bureaucracy.

### **Supply chain issues**

In the context of Pakistan, some brands are taking control of suppliers' programs related to CSR in order to behave more responsibly. One such classic example is Geological Survey of Pakistan (GSP). In consultancy to deal with environmental issues, GSP made collaboration with Japan and accredited organizations to ensure conformity with environmental standards and this activity made the organization more responsible for compliance with their supply chain. On the other side, such collaborations have always been criticized as being harmful for the developing countries.

### **Communication complexity**

Communication has two parts; one is foundation while other is house. This analogy of foundation and house means that business with all its programs is just like foundation which is non-visible until it is not connected with house which is communication or advertisement of the foundations (business activities). Communication is visible in its very nature and highlights all the programs of the business which are not visible without support of communication. Literature suggests not only importance and complexity of communication but also proposes the following issues that are required to be taken into account when discussing how to cope with communication of programs related to CSR:

- i. Intensity of positioning
- ii. Communicating action
- iii. Types of programs utilized
- iv. Integration issues

### **Intensity of positioning**

The first thing to do in the development of global branding strategy is that brand must contain values "worth promoting" as it has been said about Charles Dicken's style by George Orwell in his essays that Dicken's coffin is "worth stealing". In the making of Pakistan in 1947, the ideology of two nation's theory packed with the values of

independence and dignified nation, not only developed locally but was also communicated globally to the sovereign power of that time. Consequently, this branding strategy of values turned into the existence of Pakistan. This is not confined with the business brands, but the brands of the civilizations and their values; for example, west has its brand value of freedom, Chinese brand value of morality, Indians having the brand value of aesthetics and Muslims have the brand value of justice.

### ***Communicating action***

This is the psyche of stakeholders that they are eager to get knowledge of organizations' CSR activities. So, keeping in mind the psyche of stakeholders, it is of utmost significance to spend significant amount to inform all the stakeholders in order to make them satisfied. The great philosopher, Dr. Allama Muhammad Iqbal's message was so beautiful and pervasive in the context of communicating action that all types of minds (the stakeholders) got enlightened and carried away with the zeitgeist of communicative appeal. No one will ever get bored and will always be inspired by the gravity of the masterpieces given by Allama such as *Armaghan e Hijaz*, *Bal e Jibreel*, *Zarb e Kaleem*, *Piam e Mashriq*, and *Javed Nama*.

### ***Types of programs utilized***

It is wisely said that an arrow will not hit the target if it is not grounded in a qualitative bow even if the arrow is made up of the gold. Seeing from this angle, there should be compatibility between the CSR activities and its programs being utilized for communication. Again, the analogy of foundation and house is applicable with reference to the types of programs utilized. Pakistani government and general public severely criticized Geo News Pakistan because in their opinion, the channel is very active in promoting sensationalism for making money and popularity. Especially, the Pakistani government criticized the channel coverage of 2005 earthquakes in Kashmir and covering of tragedy including disturbing scenes of earthquake victims and disaster zones of the effected areas. At the cost of even the resentment of government, Geo was able to communicate the message of reality across the globe only because of its best type of programs.

### ***Integration issues***

For CSR promotion, it needed to be grounded, but also integrated throughout the global organization in a meaningful way. At this point, it is easier said than done because of the different needs of various stakeholders

with different mindsets *vis a viz* different levels of the organizations that is intra-organizational level, inter-organizational level and organizational level. This integration is a backbone of the communication programs and it has the potential of making or breaking the entire business enterprise. An example include Edhi Foundation, Pakistan who exercised this integration of CSR activities, organization wide, in order to completely communicate its brand and what they are doing; that is why all of its stakeholders are quite satisfied with the slogan of Edhi Foundation as a brand. Another example includes Proctor and Gamble, Pakistan especially Safeguard School Education Program that educates children aging between 5 to 9 years about basic hygiene habits and promoting the importance of washing hands in five thousand schools with focus on integration of 20 cities of Pakistan, reaching close to 2 million children. Another example is Ariel (Washing Detergent) through its "Help the Needy Program" with its height of integration and has provided medical equipments to 30 institutions for disabled children.

### **CONCLUSION**

This study reviewed the important factors of complexity and tried to assemble insights gained from strategic CSR literature and global branding literature. This paper tried to summarize different typologies of complexity and pertinent sub-issues, elaborating how the issue might affect an organization. This paper gives deep insights about Pakistani organizations, their brands, and suggests future implications for theorists, practitioners and academician. The effective strategic CSR, leveraged, requires extensive and careful investment utilizing not only rational approach but also requires deep wisdom and rich experience on the part of organization. Organizations can not be detached from the local context and local mentality therefore, this is imperative for the organizations to undertake their business activities in a socially responsible manner but there is also a need of understanding about how different stakeholders view/ understand their activities. For a strategist, issues discussed in this paper will provide a clear gateway for the scholarly research in near future, because at the present time there is a golden opportunity for theorists to investigate in this direction particularly in the indigenous context of developing countries like Pakistan because of the changes across the globe are creating ripple effect in the making of organizational identity as socially responsible global organizations.

Social issues have always been part and parcel of organizational life but at present, these social issues in the context of organizations have achieved greater importance due to international diversity, global convergence, wide spread migration, diffusion of cultures, and advanced technological interventions. In such

dynamic and fluid environment, CSR activities must not focus only on customers, employees, and shareholders but other groups are required to be taken into account such as governments, communities, and society in general.

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