REFLECTIONS ON CORPORATE SOCIAL RESPONSIBILITY IN THE CULTURAL CONTEXTS OF WESTERN AND ASIAN SOCIETIES

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Abstract
Currently, the business world demands that companies control social and environmental problems resulting from their business and no longer expects to be fixated solely on economic interests. Consequently, Corporate Social Responsibility (CSR) is one of a company's commitments to reduce these problems and is conducted by preserving the natural resources and environment in a sustainable manner. Meanwhile, a country's culture is considered to contribute to the differences encountered in company behavior during the implementation of this commitment. Hence, this study is a literature review of research on CSR with cultural contexts aimed at obtaining a reflection by providing an overview of the implementation developing in Western society and Asian countries. Based on the literature review, the results indicate that the implementation of CSR in a cultural context is interpreted as a company's situational activity that is closely related to the perceptions, values, or morals in Western society and Asian countries. Furthermore, the implementation in these societies has different orientations, which promotes different perceptions, characters, strategies, and guidelines.
Keyword: Asian, Corporate Social Responsibility, Culture, Western

Introduction

Research in accounting needs to provide more consideration to the importance of the wider cultural and interpretive context, as it is related to accounting practices in everyday life and involves cultural rules and social activities (Hopwood, 1994). According to Subiyantoro & Triyuwono (2004), accounting is a socially constructed reality, and its practice is inseparable from its cultural context. Therefore, the daily activities in society influence the preparation of related concepts as a business instrument.

The complexity of accounting science, alongside the understanding of finance, has increased with the times. Consequently, the need for accountants to have additional insights, for example, in social, cultural, religious, or legal, and political sciences, has led to the emergence of the term 'social and environmental accounting.' This is an extension of organizational or corporate responsibility beyond the boundaries of traditional financial accounting, which only provides financial reports to the capital owners or shareholders. The emergence of social and environmental accounting is aligned with the company's awareness of

other interests outside profit. Hence, it is a useful tool for companies in disclosing their social activities in reports. The reason is that existing and potential investors no longer pay attention to solely the financial aspects in making business or investment decisions but also consider the company's responsibility towards society and the environment.

Corporate Social Responsibility (CSR) as a form of social accounting is one of the aspects that benefit the company, especially long-term, through maintaining relationships. According to Justice (2002), it is the company's actions, relationships, and responsibilities towards stakeholders, including customers, employees, society, owners, government, suppliers, and competitors, to maintain corporate value or shareholders sustainably through economic, environmental, and social balance. Also, CSR is a commitment to improving community welfare as a consideration in business practices and the contribution of company resources (Kotler & Lee, 2005). Hence, the understanding does not merely refer to the company's main objective in running its business but extends to the commitment and attention to society and the selected environment, where its practices are implemented.

Meanwhile, the concept of CSR in modern history began to be known through a book entitled "Social Responsibilities of the Businessman" by Bowen (1953). The basic idea put forward in this book emphasizes a company's obligation to always correspond with the values and goals living in the society where it operates. Bowen (1953) is viewed as initiating a broader perspective that includes responsibility, stewardship, social auditing, and corporate citizenship (Windsor, 2001). This concept began to be viewed in the 1960s by business companies as the disclosure of responsibility to shareholders (Carroll, 1991). Then, during the 1970s, the idea of focusing on protecting all the interests of stakeholders and not just shareholders became an important part (Friedman, 1970). Furthermore, the 1990s became the era of development for a conceptual framework of Corporate Social Responsibility, known as the Triple Bottom Lines expressed by Elkington (1998). Through this concept, a company was no longer faced with a responsibility resting on a single bottom line, which is a corporate value reflected in its financial condition or profit. However, it was more directed to stand on a balance between finance or profit, social (society), and the environment or planet. Hence, financial conditions alone are insufficient for the sustainable growth and development of corporate value (sustainability development). Instead, they are guaranteed by attending to the social and environmental aspects. Numerous evidence shows that some companies that are unable to maintain a balance in the Triple Bottom Lines' concept will become an obstacle to their business continuity (Prastowo & Huda, 2011).

The Triple Bottom Lines concept is widely adopted by Western companies in executing their Corporate Social Responsibility. By focusing on the projection into the implementation, a company is driven to create socio-environmental value and promote business growth and corporate value through this initiative (Bhattacharya, 2016). Hence, CSR with the triple bottom lines concept is a company effort to put profit, society, and the world in balance in the entire business process.

CSR is situational and adjusts to the country's conditions, both from an economic, social, cultural, and institutional perspective (Garriga & Mele, 2004; Berniak-Woźny, 2010).

Therefore, most of this concept implemented in the West is descriptive and based on the context developed (Quazi & O'Brien, 2000). Since Asian countries have a stronger cultural orientation when compared to the West, the concept used by both regions is different. Particularly in the Asia Pacific region, the character of CSR is more influenced by the long tradition of respecting family, social networks, religions, and various local cultures. This differentiates it from the existing concepts in Europe or North America (Asocio, 2004). Hence, this study aims to obtain a more complete and holistic reflection of CSR by comparing its implementation through cultural conditions in Western and Asian societies. It is expected to provide more specific information on this to enable its use as a consideration in understanding the implementation of this concept.

Methods

This study was conducted via a literature review of research on Corporate Social Responsibility (CSR) obtained from the National Library of Indonesia database (http://e-resources.perpusnas.go.id/), alongside Google Scholar. To identify relevant research, only results that refer explicitly contained the words "Corporate Social Responsibility" and "culture" in the title or abstract were used, and efforts were made to obtain the full copies of the studies. The analysis was performed by comparing the implementation in the Western and Asian countries, then the results were "compared" and "contrasted." In the final section, a summary was provided, and the focus of this concept's implementation in Western and Asian culture was underlined.

Results And Discussion

The issues raised in implementing Corporate Social Responsibility (CSR) in the cultural contexts of Western and Asian countries are very similar. They are related to the involvement of the surrounding society, local environment, and employee relations (Chambers, Chapple, Moon, & Sullivan, 2003). A similar finding was also conveyed by Moon (2002) that apart from the contrast between Western and Asian countries, the pattern of the CSR implementation lies in three main areas. These are society involvement, referring to objects outside the company, such as partnerships, sponsors, and strategic alliances with government and societal organizations. The second area involves socially responsible production processes, which reflect the way a company conducts its business. This is to ensure that the supply chain and company operations are executed in a socially responsible manner, especially concerning their environment, working conditions, and human rights. Lastly, socially responsible employee relations, referring to the workforce status as stakeholders involved in the company's general decision-making and in developing CSR policies and practices.

Welford (2005) stated that most of the CSR implementation is generally related to economic development, and its policies are based on a country's local issues and cultural traditions. Although the basic contexts of environmental management, social responsibility, and sustainable development between Western and Asian countries have similarities, their priorities are influenced by differences in norms, values, and economic development (Rock, 2002; Ruud,

2002). However, there are quite clear differences in the CSR policies and guidelines. Western countries with stronger, clearer, and more advanced forms of government have created a policy framework or legal regulation as an authoritative guide to promote greater practices. They strive to integrate the CSR guidelines or principles into policy or regulatory frameworks as the authoritative guidance required for companies to perform their business practices. This can be seen in the UK, where the idea that businesses should take part in social responsibility activities was adopted in the early 1800s (Bichta, 2003). It is further driven by the UK government's initiatives to improve their CSR reporting and transparency (Maignan & Ralston, 2002). Hence, this country has become the strongest CSR actor in Europe and is officially recognized as the top internationally. Meanwhile, in Asian counties have relatively low policies and understanding in reporting its CSR activities. Without fully understanding and realizing what needs to be improved or changed, there are no real guidelines for the companies to implement the appropriate programs (Williams & Aguilera, 2009). Therefore, concerns have been expressed over the quality and lack of materiality of CSR in companies operating in this country (Soh, Kim, & Whang, 2014).

Generally, companies in Western environments outperform Asian countries regarding CSR, due to their higher awareness, especially in the employee, community, and environmental aspects (Hill, Ainscough, Shank, & Manullang, 2007; Ho, Wang, & Vitell, 2012).Western countries have adopted the idea of CSR as an important and fundamental part of the development and choose to believe that social issues should be considered and further developed in corporate life. Consequently, their attitudes and perceptions choose to believe that these issues have been considered to advance development in their countries (Soh et al., 2014). For example, companies in the United States often choose to address important social and economic problems through their CSR policies (Williams & Aguilera, 2009). Hence, they often feel compelled to demonstrate that their ability to conform to the desired behavior by meeting society's expectations, alongside their commitment to addressing important issues associated with the country's development (Maignan & Ralston, 2002).

There are two basic views in implementing CSR in the West, namely classical and modern. The classical view emphasizes that businesses only need to supply goods and services to society and receive profits, meaning that the company's main concern lies in finance. Businesses are economic institutions and should focus only on these economic interests rather than fixing social problems that have no potential profit (Carroll, 1999). The modern view considers businesses are part of a larger society and affirms their responsibility to reach beyond the narrow perspective of profit maximization (Quazi & O'Brien, 2000). It also shows that enterprises have brought about many negative environmental and social impacts and need to "make up" for the damage they have caused (Kolk, 2003). The pyramid of CSR by (Carroll, 1999) shows two strategies that help a company transition from a classical to a modern view. Subsequently, the company begins with an economic foundation, then builds a socio-economic strategy or simultaneously performs a dual function by maximizing profits while serving social demands. It can also use a philanthropic strategy, which is more as a help to improve society's welfare, in achieving modern methods of performing various CSR activities. Both of these

strategies have been used by Western countries in implementing stronger Responsibility policies and ultimately creating a better society (Soh et al., 2014).

The character of CSR in the cultural context of Western countries tends to contribute to the quality of human life and values the involvement of the surrounding society more. Economic advancement in the West provides a stable basis for obtaining a higher level of social development, resulting in a stronger civil society. These developing civil societies promote, expect, and demand more than just financial benefits from business firms in their communities. Thereby, stronger CSR activities in business enterprises as a whole are facilitated (Chambers et al., 2003). A more established and stronger capacity for CSR has become a useful method for large companies to gain their customers' trust. For example, most companies in the United States use environmentally friendly product advertisements or advertise their CSR implementation to the public to attain a good brand image and exhibit the company's reputation (Maignan & Ralston, 2002: Soh et al., 2014). Meanwhile, CSR activities and programs in the UK assume that "companies earn profits by getting benefits from the public," hence its implementation is always related to providing health services, human rights, and environmental protection (Bichta, 2003; Hartman, Rubin, & Dhanda, 2007). This requires every British company to compensate during public violations related to human and environmental rights within and outside the UK (Soh et al., 2014). Furthermore, civil societies developing in Western countries expect more than just financial benefits from the business enterprises in their communities and are more demanding for accountability and the implementation of this Responsibility (Chambers et al., 2003).

Conversely, the character of CSR in the Asian region is more influenced by long traditions of social networks, religious backgrounds, and cultural wealth (Asocio, 2004; Ramakrishnan, 2016). Cultures in Asian countries are a combination of religious and local values, hence they exhibit differences when identified and used effectively as substantive forms of implementation (Jamali, Zanhour, & Keshishian, 2009; Jamali & Neville, 2011). The important argument here is that CSR is inherently more context-specific in the Asian region, where it is more closely related to the culture growing in the environment where the company is located. Culture can also viewed as a nation's value system determines how individuals perceive and respond to a company's CSR (Ho et al., 2012). In Asian countries, such as India, with societies that have a long tradition of cultural richness and religious background, will certainly include these aspects in their CSR activities (Nambiar & Chitty, 2013). Wang & Juslin (2009) stated that a link exists between the implementation of CSR and society culture (Chinese culture), which will help companies use their initiative and provide "new ways" to improve their Responsibility performance and consider with the culture and market realities existing in Asia. The existing culture in a social environment and the aspects considered ethical and unethical should be identified and determined to understanding and explaining the company's CSR activities, as similarly done by the companies in South Korea with the strength of their traditional social values (Yungwook & Soo Yeon, 2010). A culture-based CSR is considered capable of providing a distinctive character to company behavior to be more "humane" in forging ideal relationships with society and the surrounding community (Kartikawangi, 2017)

and gaining community support for the company's existence (Kusuma, Wardana, Yasa, & Sukatmadja, 2017). Therefore, the implementation of CSR in Asian countries is closely related to the cultural context can be seen as social capital to build mutual trust between companies and the community, such as helping establish cooperation, support local empowerment, and solve social problems existing. In addition, companies implementing CSR in an Asian country can have the culture knowledge to meet the expectations of the society or the surrounding environment to ensure they can support the company's existence.

Conclusion

Currently, the meaning and practice of Corporate Social Responsibility (CSR) have changed (Secchi, 2007; Lee, 2008). The integration into a cultural context explains that the implementation has been fundamentally driven by values, no longer purely financial, and always involves more widespread and systemic changes in business performance (Hancock, 2004). CSR in the cultural context is conceptualized as a collection of meanings that provide a distinctive character to company behavior to be more ethical, fair, or transparent concerning the society and environment. An understanding of the cultural context, as well as the regional and environmental characteristics, e.g., the level of economic development, the standard of living, laws, and regulations, and knowledge of local communities, are necessary. This understanding enables companies to create and implement CSR based on social values existing in environments where the company operates.

For business practices, especially in Indonesia as a country in Asia, the approach to this program should not depend solely on the criteria for the company's activities with the dominance of the Western perspective that mostly prevails in the existing literature. Contrarily, companies need to be sensitive to regional characteristics and culture of the Indonesian society in formulating their strategies. In this case, the cultural context is considered a company's "personal" belief in its commitment to social justice and ecological sustainability (Duarte, 2011). To make a meaningful contribution and an effective approach, companies should understand that CSR is closely related to the cultural environment where the company is located. Therefore, CSR is a practical instrument to help companies understand the culture around them, translate it into every business process, and implement the underlying values or beliefs (Hennigfeld, Pohl, & Tolhurst, 2006). Consequently, companies need to consider cultural values as an important instrument in the development and implementation to maintain their business sustainability.

Hence, this study provides information on how the cultural context in CSR provides a "different style" of implementation. It is the first step to explain that cultural differences in Western and Asian societies provide disparities in understanding and implementing CSR (as stated by Garriga & Mele, 2004; Berniak-Woźny, 2010). Consequently, this study's results illustrate that differences in cultural contexts in an environment cause differences in perceptions or ideas, character, strategies, and guidelines used by companies in translating CSR activities. Therefore, it is expected to be used as a material consideration in understanding the implementation of CSR based on the societal culture in a country. Since culture "will never

exist as a closed system," the cultural context needs to be studied further to consider its role in the characteristics of the implementation. The limitations of this study, which only used a literature review, can be an opportunity to perform further studies through survey or field research to comprehend the effect of cultural context on the implementation of CSR more deeply. Furthermore, the culture developing in a country is expected to be viewed as a "unique condition" that inspires academics, students, and other CSR observers. This will encourage them to explore the CSR concept or implementation that is contextual and closely related to the socio-environmental values involved in a company's business.

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