

**CORPORATE SOCIAL RESPONSIBILITY
OF
THE PUBLIC SECTOR ENTITIES IN BHUTAN**

**By
Tenzin Lhaden**

THESIS

Submitted to
KDI School of Public Policy and Management
in partial fulfillment of the requirements
for the degree of

MASTER OF BUSINESS ADMINISTRATION

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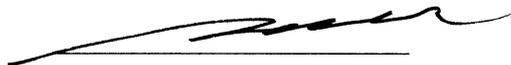
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Committee in charge:

Professor Tae Hee CHOI, Supervisor



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ABSTRACT

The business sector in Bhutan is fairly in its infantile stage in the world business arena, leaving a lot of space and ideas for improvement at both the National and International levels. In this ever-changing world, it is important to keep abreast of the dynamic International business flow and with every paradigm shift in the economic and policy environment in a country and at the international level, it is critical for a country to step up its competency and prepare for future challenges; Bhutan being no exception to this fact.

Therefore, this research looks at the current practice of Corporate Social Responsibility of the public sectors in Bhutan and aims to find ways to redefine this concept in line with the philosophy of Gross National Happiness, which is the guiding principle underpinning the developmental activities of the country. The research has been carried out with an optimistic view that the findings could also be further referred to by policy makers and other Financial Institutions while framing important policies and decisions in the future.

The basis of this research is inductive in the sense that it uses both primary and secondary data from various corporate entities. The primary data has been obtained from a structured set of questionnaires duly filled by various officials of corporate bodies.

The paper identifies the level of CSR currently prevailing in the Bhutanese Corporate World and its limitations. The major finding of this study is the lack of proper rules and regulations to govern the practice of CSR by the Corporate Sector.

Finally, this paper recommends that CSR should not just be a moral responsibility of the corporate sector but should also have the weight of law behind it.

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CONTENTS

LIST OF ABBREVIATIONS USED.....	v
CHAPTER 1.....	1
INTRODUCTION.....	1
1.1 Gross National Happiness in the corporate sense	2
1.2 Corporate Social Responsibility (CSR) in the Bhutanese context.....	4
1.3 Research problem in context.....	4
1.4 Research question/ statement.....	5
1.5 Research problem.....	5
1.6 Research Objectives.....	6
1.7 Scope and significance of the study.....	6
1.8 Problems and Limitations	7
CHAPTER 2.....	9
LITERATURE REVIEW	9
1.1 Bhutan- the country.....	9
1.2 Corporate Social responsibility.....	10
1.3 UN’s Ten Principles of Global Compact:.....	10
1.4 Corporate Social Responsibility and Financial performance.....	11
1.5 Corporate Social Responsibility and Gross National Happiness- Searching a common ground	19
1.6 Comparative Studies	151
CHAPTER 3.....	19
DESIGN AND METHODOLOGY	19
3.1 DESIGN	19

3.1.1 Assumption of the study	19
3.1.2 Limitations	19
3.1.3 Research Design.....	20
3.2 METHODOLOGY	20
3.2.1 Primary data source.....	20
3.2.2 Secondary source	20
3.2.3 Approach.....	20
CHAPTER 4.....	23
4.1 RESULTS	23
<i>4.1.1 Respondent Information and Company profile.....</i>	<i>23</i>
<i>4.1.2 Business ethics</i>	<i>24</i>
<i>4.1.3 Employee Benefits.....</i>	<i>30</i>
<i>4.1.4 Local community benefits</i>	<i>32</i>
<i>4.1.5 Environmental concerns</i>	<i>32</i>
<i>4.1.6 Preservation and promotion of culture.....</i>	<i>33</i>
CHAPTER 5.....	36
5.1 DISCUSSIONS.....	36
CHAPTER 6.....	41
CONCLUSION & RECOMMENDATION	41
6.1 Conclusion	41
6.2 Recommendations.....	41
CHAPTER 7.....	43
7.1 TAKEAWAYS	43
CHAPTER 8.....	45
References.....	45
Annexure 1 (Research questionnaire)	

LIST OF ABBREVIATIONS USED

GNH:	Gross National Happiness
CSR:	Corporate Social Responsibility
BNBL:	Bhutan National Bank Ltd
BOBL:	Bank of Bhutan Ltd
RICBL:	Royal Insurance Corporation of Bhutan Ltd
BDFCL:	Bhutan Development Finance Corporation Ltd
NPPF:	National Pension & Provident Fund
RSEBL:	Royal Securities Exchange Board Ltd
RMA:	Royal Monetary Authority of Bhutan
BTL:	Bhutan Telecom Ltd
BPC:	Bhutan Power Corporation
BBSCCL:	Bhutan Broadcasting Service Corporation Ltd
RGOB:	Royal Government of Bhutan
WBCSD:	World Business Council for Sustainable Development

CHAPTER 1

INTRODUCTION

Should profit be the only objective of all private and corporate sectors or is there a thing called Corporate Social Responsibility that can be incorporated into their activities to achieve Gross National Happiness?

His majesty Jigme Khesar Namgyal Wangchuck, King of Bhutan in the coronation speech said “My deepest concern is that as the world changes, we may lose the fundamental values on which rest our character as a nation and people. It is critical that we are able to recognize Bhutanese character irrespective of how far we look back into the past or into the future” (Wangchuck, 2008).

The Bhutanese business communities require good role models to follow and the government corporations due to their size, importance and historical antecedence must fulfill this function to help develop a vibrant sustainable economy that is steered towards doing things in the right way and in line with Gross National Happiness, which is the guiding principle of all development goals in Bhutan.

This paper will particularly redefine CSR in line with GNH and address the fact that Corporate Social Responsibility should not only be a moral responsibility but should also have a legal obligation whereby the interests of the people at large are protected from possible abuse.

1.1 Gross National Happiness in the corporate sense

The noble concept of Gross National Happiness was founded by the philosopher 4th king of Bhutan, King Jigme Singye Wangchuck on the belief that the ultimate desired goal of all development is happiness. The realization of happiness lies in the careful balance between pursuing material and spiritual needs of both the body and mind. Therefore, it emphasizes that the authenticity of a government depends on how well its policies and actions are able to contribute towards the achievement of this goal.

In Bhutan, the Royal Government of Bhutan (RGOB) has adopted four strategies, popularly known as the four pillars to fulfill its GNH responsibilities (Thinley, 2005);

1. Sustainable and Equitable Socio Economic development

This includes all the conventional functions and responsibilities of the state such as health, education, agriculture and economic activities and stresses the importance of delivering these service and opportunities by the conditions of sustainability and equity.

2. Cultural Preservation and promotion

The purpose of this pillar is to strengthen the time honored traditions and practices that promote and sustain basic human values.

3. Environment Conservation

This pillar represents the dynamic space in which people live. Bhutanese believe that it is within the natural environment that both the mind and body receives nourishment to grow. Therefore, the health of the environment is an important everyday concern in Bhutan.

4. Good governance

The role of this pillar is pivotal. This pillar ensures justice, equity and prevalence of the rule of law in a very peaceful and secure environment.

In the GNH context, the public sectors entities must not only focus on making profits but also aims on impacting the society both locally and nationally in a constructive and positive manner.

His Excellency Jigme Yoezer Thinley, Prime Minister of Bhutan stressed in a keynote speech to the business community that the private sector should gradually bear the “responsibilities of the government in achieving economic development” and facilitate in making sufficient income for the development of the country. The Prime Minister highlighted that Bhutan currently relied on “foreign aid for development and with global recession hitting western countries and similar crises expected to recur in future”, the concern now is that the current support might be withdrawn altogether in the future (Thinley, 2009).

The business sectors, of which the corporate entities are an important and integral part, therefore is counted upon to bear the responsibility of taking up the task of contributing significantly towards the development of the country, enabling the country to generate its own developmental funds in the long run. This is further underlined by the fact that the Constitution of Bhutan requires that the cost of recurrent expenditures is met from the internal resources of the country. In this regard, the very fact that the Bhutanese population currently stands at a diminutive 634,982 (PHCB 2005), could act as a boon for the government and the business communities to interact closely, discuss problems in an open manner and therein seek appropriate solutions. The active and independent roles of Royal Civil Service Commission, Royal Audit Authority, Anti-Corruption Commission, Attorney General Offices, Internal Audit Offices, the establishment of service delivery standards in all government and public offices are some indicators of existence of good governance system.

The pursuit of anti-corruption drive at all levels of governance contributes immensely towards good governance. The '0' tolerance motto of Royal Audit Authority are public and criminal prosecutions are evidence of seriousness of intent of the Government.

1.2 Corporate Social Responsibility (CSR) in the Bhutanese context

The most inherent problem of dealing with CSR at present is how one defines it and what parameters one would choose to make it one's own description. Broadly speaking, CSR generally covers a wide range of topics including issues such as employee benefits, local community benefits, and care for the environment besides business ethics. However, when setting the parameters for this study, due consideration has been given to include the four pillars of GNH since one of the objectives of this paper is to have CSR bring us closer to GNH goals. Out of all the pillars of GNH, the environment, sustainable development and good governance are covered in almost all general descriptions of CSR but however, in line with GNH and in terms of the Bhutanese context, preservation and promotion of cultural values a unique addition that has been included in this research.

1.3 Research problem in context

At present the concept of CSR is a voluntary concept, with few existing indirect legal obligations. For instance if there is a company interested in establishing a chemical industry in the country, then this company must first fulfill the requirements set by the Ministry of Economic Affairs, after which it must be passed by the National Environment Commission in compliance with the Environments Assessment Act (National Environment Commission, 2001), then there are various other rules and regulations set by these two organizations that have to be compiled and constantly monitored, the breach of which would result in the closure of the company depending upon the gravity of the case.

As evidenced by the country's Constitution requiring minimum 60 percent of its area under forest cover and conducting environmental assessment before licensing a new project (Wangchuk, 2003) there is strong evidence of the country's desire for a responsible corporate structure although the right legislations and implementation are still missing at present.

1.4 Research question/ statement

Should profit be the only motive of all private and corporate sectors or is there a thing called Corporate Social Responsibility that can be incorporated into their activities to achieve Gross National Happiness?

1.5 Research problem

At present, the most important concern regarding CSR is the need for legislation in line with the domestic and international standards suitable for Bhutan. Although there is some prevalence of legislation to ensure that the companies are abiding with the norms and standards, this by no means is substantive enough to address the issues of great potential that may arise with the development of the corporate sector in Bhutan. In other words, this paper will particularly redefine CSR in line with GNH and address the fact that Corporate Social Responsibility should not only be a moral responsibility but should also have a legal obligation whereby the interests of the people at large are protected from the abusers of the corporate might.

Currently, there have been a couple of reported cases of companies failing to act ethically and the act of law against it. A case in point is the operations of SD Eastern Coal Company in Samdrupjongkhar district was suspended on April 30, 2009 by the order of the Anti Corruption Commission on the basis of the company's failure to comply with the country's mining and environmental laws (Choden, 2009).

However, there also exist a number of reported CSR cases being voluntarily practiced by companies like Bhutan Carbide and Chemicals Ltd. and Bhutan Ferro Alloy Ltd. who have built a community school in Pasakha, Bhutan in year 2008 to support the education of the employee's children. In the process, even children in surrounding communities benefited from this initiative. Similarly, Penden Cement Authority Ltd. also initiated the establishment of a new hospital, which now caters to both employees, people in nearby areas and Indians from across the border. Also, influenced largely by the spiritual legacy of the country, many companies have built small temples (locally referred to as "Zangdopelri") and places of worship for their employees and the community around them keeping in mind that spiritual wellbeing goes a long way in contributing towards a more productive person (Wangchuk, 2003).

1.6 Research Objectives

- To define CSR in line with GNH
- To analyze the importance of CSR
- To identify the extent and nature of CSR in the corporate sector entities
- To analyze the limitations
- To recommend how CSR should be incorporated into the activities of the corporate sector

1.7 Scope and significance of the study

The government has been stressing on the importance and need for the private sectors to concentrate beyond profit making and to innovate new ideas for the overall development of the nation as a whole. However, there seems to be a lacuna while trying to incorporate the ideals of CSR in a single and direct legislation. If such legislations are adopted then it would

enable a very smooth functioning of the business sectors and avoid future complications that might be against the common people at large. Bhutan is at an advantage as of now since the private sector is still in its infancy stage; corrupt practices that many big companies are silently adopting can be prevented but at the same time one must also be aware of the vulnerability of the system.

The importance of this study is further strengthened with fact that Bhutan, previously ranked the 8th happiest country in the world in a survey conducted in year 2006 has recently been ranked 19th in a similar survey in 2009. Therefore, the findings from this study would enable to understand the existing problems and the recommendations proposed could help streamline and implement CSR values in corporate sectors in line with the philosophy of Gross National Happiness for the overall development of the country.

However, no in depth comparative study has yet been carried out till date thereby, making this study one of the first in depth studies to be conducted in Bhutan.

According to Fitch, many social critics have noted the failure of corporations to behave in socially responsible ways but only a few have specified a problem solving approach to achieve the level of corporate responsibility desired by the society in which these corporations thrive (Fitch, 1976). Therefore, this research aims to address the problems and tries to act as a stepping stone for all the corporations to attain the desired level of corporate responsibility in the present day Bhutanese society.

1.8 Problems and Limitations

The authenticity of this study largely depends on the primary data i.e. information obtained from the questionnaire survey. In order to enable a smooth communication, the questionnaire

was framed to be as precise as possible, including very brief and relevant information for the participants to answer.

In addition, the non- availability of any clear cut rules and regulations governing the CSR at present was the greatest challenge for this research.

Lastly, owing to the limited time duration, this study focused mainly on the main and prominent corporate entities of the country and the private sectors and small business units could not be covered. However, considering the structure of the business system and the relevance of the study, the findings could be applicable to all the public sector entities, at large.

CHAPTER 2

LITERATURE REVIEW

1.1 Bhutan- the country

Nestled in the Himalayas exists almost a mythical country called "Druk yul" which literally means "The Land of Thunder Dragon" in native dialect. Bhutan is located in the Eastern Himalayas, bordered by India in the south, east and west and China in the north. It has a total area of 38,394 square kilometers and 72.5% of the country is still covered by forest consisting one of the most rugged mountain terrains facilitating its fast running rivers for mega hydro power generation (Gross National Happiness Commission, 2009). Bhutan has been identified as one of the 10 hot spots of the world in terms of biodiversity and has a total population of 634,982 (PHCB 2005).

Bhutan has only recently opened its doors to the outside world and modernization. The country was determined to progress slowly in order to maintain the unique Buddhist culture in the face of 21st century rapid globalization. Therefore, the unique culture and social system, without much influence from the outside world has been evolved and preserved as of now. This very unique age old culture makes Bhutan a very unique destination in the world.

A unique practice that the government encourages and promotes in all states sponsored institutions and organizations is the so called "Driglam Nam zha", which loosely translates as conscious practice of harmonious living. Extended family network are still treasured as the most sustainable form of social safety net to provide for emotional, economic and social needs that even the richest countries are unable to provide through welfare systems (Thinley, 2005).

Bhutan has after progressing through 100 years of absolute monarchy recently transformed into constitutional monarchy. In 2007 - exactly 100 years after the first King accepted the request of the people, the Crown gave back the powers to the people after setting up good political environment in the country. So at present Bhutan has already succeeded in setting up its first democratic government in a very transparent and peaceful way that was appreciated by the rest of the world. Therefore, the Last Shangri-La now has a very vibrant democratic form of Government befitting the need of time.

1.2 Corporate Social responsibility

Corporate Social responsibility has been defined as the continuing commitment of the businesses to contribute to economic development while improving the quality of life of the workforce and their families as well as of the community and society at large (WBCSD ,1998)

Corporate Social Responsibility (CSR) should be a self regulatory mechanism for any business organization. It should be a concept offering the utmost benefits to any business but should be firmly grounded on sound values and ethics. Generally, sustainable development rests on three fundamental pillars: economic growth, ecological balance and social progress. As an engine of social progress, CSR helps companies live up to their responsibilities as global citizens and local neighbors in a fast changing world. Acting in a socially responsible manner has now become more than just an ethical duty for a company, but it is something that has been assessed to possess bottom line pay-off (WBCSD).

1.3 UN's Ten Principles of Global Compact:

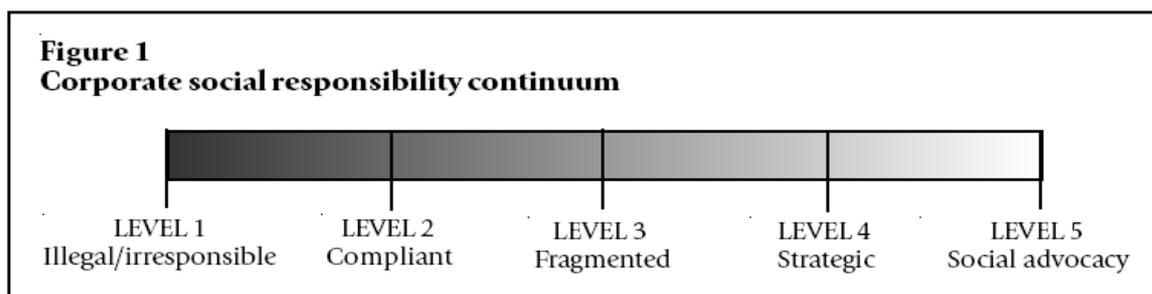
To cite an example of other descriptions of CSR, the UN has what is known as the Ten Principles of Global Compact (GC) which is an effort to bring together CSR concerns on a

global scale. The ten principles cover the four areas of human rights, labor standards, environment and anti-corruption.

Cochran & Wood has also concluded in their research that "Being socially involved does not appear to be dysfunctional to the investor" and perhaps this latter finding has greater significance for decision making purposes (Cochran and Wood, 1984). Social responsibility can be achieved by corporations and according to Fitch; they may also be able to prevent future social problems by careful goal setting in the areas of their broader responsibility to society, and by the careful analysis of the consequences of their social responsibility goals (Fitch, 1976).

1.4 Corporate Social Responsibility and Financial performance

Homer H. Johnson, professor of Organization Development, Loyola University in Chicago, has portrayed CSR as a continuum consisting of companies engaging in illegal activities to those striving for social change.



The model is a five level continuum ranging from level 1 which represents illegal or irresponsible companies which do not adhere to any degree of the normal or legal conventions and standards that are generally accepted by the American society. Level 2 are Complaint companies that are in minimal compliance with all the local, state and federal laws involved either in product safety, minimum wage, equal opportunity, employee health,

handling of waste material, or the many other regulations pertaining to business and are also involved in few or no social activities. Moving on the continuum are level 3 Fragmented companies that goes beyond mere compliance with local, state and federal laws and engages in limited number of additional activities broadly defined in the realm of CSR. The social commitment of such companies are usually minimal, piecemeal and of mixed motives. Level 4 represents Strategic companies that are systematically targeting for various areas for superior performance particularly those that they believe will enhance the financial performance. Therefore, companies at this level often have very strong ethics policies and strongly involves in a number of social activities like adoption of ISO 14000, recycling programs, use of scrap, development of “green” products, working with local communities, assisting schools and health care. The last level in the continuum is level 5 of the Social advocacy, representing companies whose moral initiatives are based on the belief that it should be good regardless of the financial consequences. The companies at this level views profit as just as a necessary condition rather than the sole purpose of its existence and believes that money allows them to achieve the ultimate purpose.

The model here treats CSR as a continuum and decides whether engaging in such activities proves to be financially advantageous simply by judging the company’s stand in the continuum.

The findings suggest that companies behaving in an illegal or irresponsible manner are hurt financially and those being socially responsible by merely complying with the legal mandates, or engaged in fragmented social responsibility activities or using the firm as an agent for social change offers no fiscal advantage.

The model reflects the underlying reason why companies nowadays do not adhere to act socially responsible or prefers to fall under level 1 or 2 of the continuum and reap the maximum profit, possible. However, one must not forget the long term implications;

Level 1: Owing to their illegal acts, the companies will probably end up spending a lot of money and will be ultimately be forced into compliance or to shut down.

Level 2: Minimal social responsibility practiced at this level will not be enough to provide any competitive advantage to the companies operating at this level.

Level 3: Companies might be able to resolve some difficulties such as reducing turnover but will not have a very significant financial pay off.

Level 4: This level reflects the strongest link between CSR and the financial success. The companies under this level would have targeted several specific stakeholder areas that would eventually lead to superior financial performance.

Therefore, in line with the CSR continuum, corporate entities should wisely decide to chose and act under Level 4, which would cost a little initially but would ultimately lead to gain in the long run.

1.5 Corporate Social Responsibility and Gross National Happiness- Searching a common ground

A previous study was attempted to find a common ground between CSR (3 Ps) and GNH and it was found that the two shared the following common principles and issues at a very broad conceptual level (Wangdi, 2004);

Sl.no	Parameters	CSR	GNH
1	Balancing Act	Balance between People, Planet and Profit	Balance of material, spiritual and emotional needs
2	Sustainability	Sustained value creation/ sustained profit and growth	Sustainability of environment and socio-economic development
3	People at center of development	People- the most important among the three P's	Placement of individual at the center of all development efforts
4	Enlightened leadership	Corporate leaders- meeting people's changing expectations	King- enlightened vision and leadership for the country
5	Measurement problems	Non-quantifiable	

Therefore, the study proposed that except for the 2nd pillar, there existed vast common grounds between the various P's and the pillars of GNH and it has been categorically established that pillar 1 has binding commonalities with profit, pillar 3 with planet and pillar 4 with people (Wangdi , 2004). However, this research has also carefully included the 2nd pillar representing the preservation and promotion of cultural values in line with GNH and in terms of the Bhutanese context.

Finally, the study recommended the following (Wangdi, 2004):

1. A separate division to be established within the Department of Industry of the Ministry of Economic Affairs to look after the CSR.
2. Bhutan should develop practical CSR guidelines within the broad parameters of GNH. This would enable Bhutan to govern its private and corporate entities with its GNH vision.

This paper however disagrees on the former recommendation to have CSR to be established as a separate CSR division in the government simply on the ground that it diverts from the

core purpose of the study; to incorporate CSR as an integral part of the corporate policy at the very heart of each corporation. Having CSR institutionalized as an appendage in the Government Ministry would only land up in just lip service to the idea with no real integration in the corporation's day to day business. Therefore, it is argued that the latter should not be implemented and the CSR should not be blended in the Government and a separate department but rather should be taken up as a policy which should be fully supported by the government and have a weight of law behind it.

However, no in depth comparative study has not yet been carried out as of yet thereby, making this study one of the first in depth studies to be conducted in Bhutan.

1.6 Comparative Studies

Numerous researches and studies have been conducted with regard to business ethics in various countries: In August 2002, Environics conducted a study in 50 countries and presented that 92 % of the CEO's agreed that the benefits of the implementation of CSR always outweighed the costs and 80 % of the same believed that CSR was now being motivated by opportunity for profit and innovation rather than an obligation or simply to avoid crisis. Another survey of the 20 developed countries found that CSR related factors collectively accounted for 49 percent of the company's image against 35 % brand image and 10 % for financial management (Wangdi, 2004).

In a survey of the global CSR leaders by the Business for Social Responsibility and the Dutch Ministry of Economic Affairs, six thematic areas namely; competitive advantage, role of government, CSR integration, transparency and accountability, market impacts and future of field were explored (Taking the temperature of CSR leaders, 2005);

- 67% of executives (compared to 46% CSR managers and 48% CSR staff) agreed that CSR add to their organization's competitiveness contributions and that it was well integrated into their organizations at more than double the rate of managers (50% Vs. 24%). Therefore, it is clear that executives rated more highly their organization's competitive advantage as a result of CSR implementation than do the CSR managers and staff
- 50% executives and 71% managers disagreed that their home governments have made "important contributions to the promotion of CSR"
- 73% of executives and 77% CSR staff agreed that the next five years would bring change in the perceived levels of CSR transparency and accountability. Therefore, executives and CSR staff expected to see more accountability requirements cast in law
- Only 13 % of the CSR managers agreed that pressures from the mainstream community had impact on the adoption of the CSR by the companies, while 29% of the executives agreed that some degree of pressures from the mainstream financial community promoted such adoption. Moreover, 22% executives and only 5% managers found the market themselves to provide incentives for companies to embrace CSR
- Expectations ran high on the future role for CSR in business practices, although majority agreed that there is less confidence that CSR on its current path will make crucial contributions, necessary for the betterment of the people and the environment

(Choi and Lhaden, 2009)

Lee and Yoshihara (1997) investigated 288 Korean and 323 Japanese business executives in their study to examine the business ethics prevailing in Japan and Korea and were of the opinion that there were in practice, very little differences in the ethical perspectives of these two countries.

Furthermore, Nakano (1997) in a study to examine the business ethics perception of corporate manager's of Japan and US, concluded that both shared the similar views except for two differences with Japanese managers being more situational oriented and the other being the use of "company policy" by the Japanese managers rather than "personal code of behavior" like the American managers.

Following such findings, a number of studies have been carried to prove the effects of cultural differences on the manager's overall perception of business ethics. The empirical evidences provided by Jackson et al. (2000) supports the claims that Japanese and Korean managers always focused on the consequences of various actions while making any ethical judgments.

Cultural differences have a lot of significant effects on the perceptions of the managers with regard to business ethics (Choi and Nakano, 2008). In this context, the most inherent problem of dealing with CSR at present in Bhutan is how one defines it and what parameters one would choose to make it one's own description. When setting the parameters for this study, due consideration has been given to include the four pillars of GNH. Out of all the pillars of GNH, the environment, sustainable development and good governance are covered in almost all general descriptions of CSR. However, in line with GNH and in terms of the Bhutanese context, preservation and promotion of cultural values is a unique addition that has been included in this research.

Bhutan currently needs CSR particularly because the concept of CSR is getting immensely popular around the world. Even judging by the various definitions of CSR, we can conclude that it basically means making profit in an ethical manner considering the whole of the Community and the Environment. In this context, this paper supports the latter recommendation proposed by Mr. Wangdi (2004) that practical CSR guidelines within the broad parameters of GNH should be developed to govern the private and corporate entities in line with GNH vision. The CSR guidelines should overall have a very simple approach towards introducing CSR in a company paying particular attention to its management considering both its commercial and social benefits. The guidelines would generate awareness to all the companies operating in the country, including those in process of commencement. It should therefore be made mandatory for all companies to have in place a CSR policy. In fact, the Royal Government and related public sector agencies such as the National Environment Commission and the GNH Commission should promote such guidelines by way of both carrot and stick- carrot being the economic and financial gains that could accrue to the company by compliance and stick being the revocation of trade and environmental license.

CHAPTER 3

DESIGN AND METHODOLOGY

3.1 DESIGN

This chapter presents the structure of design of the study including the following assumptions made as well as the limitation of the study.

3.1.1 Assumption of the study

1. As the study is largely dependable on the primary data obtained i.e. through the questionnaires, the primary assumption of the study is that all the data collected are being honestly filled in by the respondents without any prejudice.
2. The response collected is being taken as being representative of the view of all the employees of the corporate sectors in the country.

3.1.2 Limitations

1. Due to the time constraint, this study is largely focused on the prominent Corporate Sector entities. Therefore, the private entities and small Business units have not been included.
2. The non prevalence of any clear cut rules and regulations regarding CSR made it even more difficult for the researcher to start the paper from scratch.
3. Owing to confidentiality issues, the identities of the respondents have not been disclosed.

3.1.3 Research Design

The research has been designed to be very descriptive as well as investigative as it is particularly designed to redefine CSR in terms of the Bhutanese context and to identify measures to implement it in the daily routine of the corporate sectors.

3.2 METHODOLOGY

The paradigm of this research is inductive in the sense that it uses both primary and secondary data source from various corporate entities.

3.2.1 Primary data source

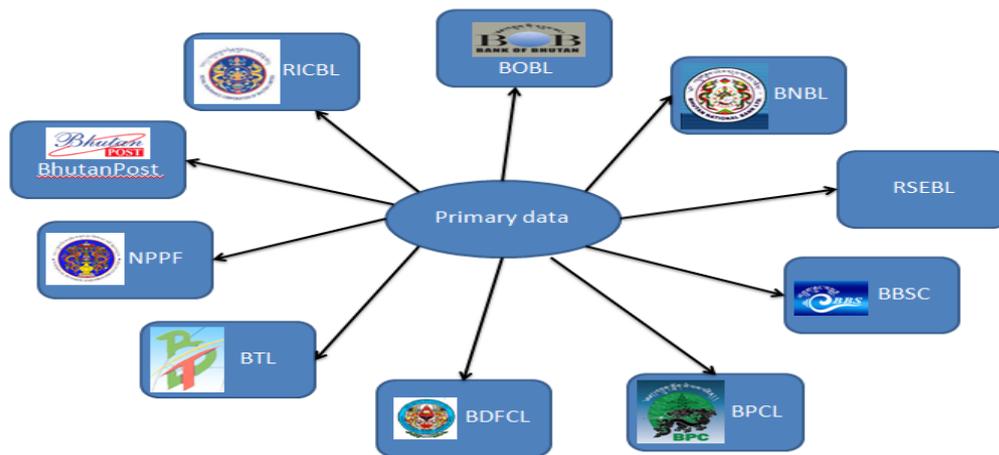
The primary data has been obtained from a structured set of questionnaires duly filled in by various officials of the corporate sectors. The questionnaire comprised of a set of well considered multiple choice questions and the respondents were made to choose from the most relevant options available.

3.2.2 Secondary source

This source includes all the other referred articles, books, journals, publications, websites, etc. made use during the course of the study.

3.2.3 Approach

Owing to the limited time constraint, only 90 respondents from 10 major Corporations of the country were considered and a maximum of 10 respondents each were identified from each entity. However, given the existing limited corporations in the country the coverage is fairly good for such a study. The sample Corporations include;



The survey questionnaire (Annexure 1) used in this research has been framed in a set of direct multiple choice questions to enable the respondents to fill up the answers with ease. The initial design of the questionnaire was implemented from the former questionnaire used by T.H Choi and C. Nakano (2008) in their study “The Evolution of Business Ethics in Japan and Korea over the last decade” with further modifications from the present researcher particularly considering the principle of GNH and also with the help of the sample questionnaire titled “Awareness raising questionnaire” of the European Commission Directorate General for Enterprise. After due consideration and necessary modifications, the questionnaire finally consists of a total of 7 different sections namely; Respondent Information, Company’s profile, Business Ethics, Employee Benefits, Local community benefits, Environmental concerns and lastly Preservation and Promotion of Culture. The captioned sections were included after having considered the following;

1. To include the business ethics, anti-corruption issues and good governance and to find out whether or not the corporation was making an effort to include the principle of GNH,

2. To discover whether the corporation paid due attention to employee benefits such as minimum salaries for each post and qualification, gender bias, sufficient time off, nepotism, fair play, etc,
3. To explore whether or not the business is bringing any kind of benefits to the local community in which it is currently operating,
4. To look into environmental concerns such as minimizing waste, conserving fuel and energy and sustainable use of resources, etc and
5. Being a small country, look into the importance being placed to maintain and promote its unique national identity.

It is gratifying to report that the respondents completed the questionnaire with a lot of enthusiasm and interest, which is also made evident by the data thereby collected. The identified respondents were all selected carefully after analyzing the importance of a wide representation of employees, ranging from top CEOs and General Managers including middle officers to support staff in the lower rungs of the identified organization. The main reason for such an approach was to take into consideration not only a single and possibly biased view point but views from various representatives of the work force. The field research assistant distributed the forms in the morning and the same were all collected at the end of the day, giving the respondents ample time at their disposal to carefully choose the appropriate options.

The variation in the number of respondents were particularly because of the strength of the work force, like for small corporations like the Royal Securities Exchange having a total 10 employees , only five samples were collected and for Corporations like National Pension & Provident Fund, a total of 11 samples were collected.

CHAPTER 4

4.1 RESULTS

4.1.1 Respondent Information and Company profile

A total of 90 questionnaires were circulated and collected from the 10 major Corporations in the Kingdom and the overview summary of the descriptive statistics are as follows;

Table 1
Summary of respondent's descriptive statistics

Sl.no	Parameters	Result
1	<i>Gender</i>	
	Male	62%
	Female	38%
	<i>Total (90)</i>	<i>100%</i>
2	<i>Company size</i>	
	1 to 49	10%
	100 to 249	40%
	250 to 499	10%
	500 to 999	30%
	1000 to 9,999	10%
3	<i>Type of Industry</i>	
	Banking, Investment, Insurance	60%
	Advertising, media, publishing	10%
	Consumer services	30%
4	<i>Education Level</i>	
	high school	17%
	some college	10%
	bachelors	63%
	Graduate	10%
	<i>Total</i>	<i>100%</i>
5	<i>Management position</i>	
	Top management	11%
	Upper middle management	50%
	Lower middle management	39%
	<i>Total</i>	<i>100%</i>

As is evident from the above Table showing the profile of respondents, the study involved a variety of respondents from different sectors and diversified background, which strengthens the viability for general conclusions to be drawn from the information gathered by the study.

4.1.2 Business ethics

In order to conduct a study, it was felt important to understand whether there actually existed any kind of unethical business practices in the corporations. The respondents were all asked to express their opinion as to whether they felt any kind of unethical business practices actually existed at their respective work places. The results are illustrated as under;

Table 2
Prevalence of any unethical practices in the respective corporations

Sl.no	Parameters	Result
1	None	17%
2	Few	58%
3	Many	6%
4	Unaware	20%

A total of 64% of the respondents expressed the view that practices which could be categorized as unethical already exists in the corporate entities, although the business concept is fairly immature in Bhutan. The respondents were also given choices to identify the most unethical acts commonly in practice, the results of which are presented in Table 3 below.

Table 3
Unethical business practices

Sl.no	Parameters	Results
1	Giving of gifts, gratuities and briberies	13%
2	Price discrimination and unfair pricing	4%
3	Price collusion by competitors	2%
4	Unfairness to employees	34%
5	Cheating customers	4%

6	Dishonesty in making or keeping a contract	4%
7	Overselling	1%
8	Misc. unfair competitive practices	7%
9	Unfair credit practices	7%
10	Dishonesty	10%
11	Unfair recruitment practices	15%

The most common unethical practice is unfairness to employees followed by unfair recruitment practices and giving of gifts, gratuities and briberies. These are unethical practices that need to be eliminated.

The respondents were also questioned on the company’s effort towards building strong ethical values in the company. The findings are as presented below in Table 4.

Table 4
Company's effort towards building ethical values

Sl.no	Parameters	Result
1	Yes, very eagerly	27%
2	Yes, to some extent	40%
3	Yes, but very little	26%
4	Not at all	8%

40% of the respondents feel that there is need for efforts to be put in to build ethical values in the organization but the existence of such effort is only to some limited extent while 8% were of the view that no efforts at all were being made by the company.

Among the methods and practices existing in the organizations to foster an ethical business and work environment, highest were the CEO’s frequent statement of ethics and Code of Ethics, which can be clearly seen from the figures presented below;

Table 5
Methods and practices used by Company to build business ethics

Sl.no	Parameters	Result
1	CEO's frequent statements on ethics	20%
2	Punishment for unethical conduct	16%
3	Corporate philosophy including ethics	7%
4	Code of ethics	24%
5	Anonymous Reporting Hotline for unethical conduct	2%
6	Employee training in ethics/CSR	6%
7	Suggestion system on ethics	6%
8	Contribution to social/ cultural activity	8%
9	Ombudsman	0%
10	Ethics Committee	3%
11	Parent company's philosophy	5%
12	Social auditing	3%

Accordingly, the respondents were also questioned on how successful they felt the company was in their efforts and 60 % of the employees were found to be satisfied with the current effort towards instilling ethical values in the organizations. However, 31% of the respondents were unsatisfied with the current efforts being made.



The survey also question on whether or not the respondents ever experienced conflict of interest with their personal interest at their work place. The results are as presented below in Table 7.

Table 7
Conflict of interests

Sl.no	Parameters	Result
1	Yes	47%
2	No	53%

47% of the respondents confessed that they had in their professional career experienced conflict of their personal interest with that of the company, owing mainly because to the prevalence of fairness and discrimination, honesty in internal communication and unfair recruitment practices.

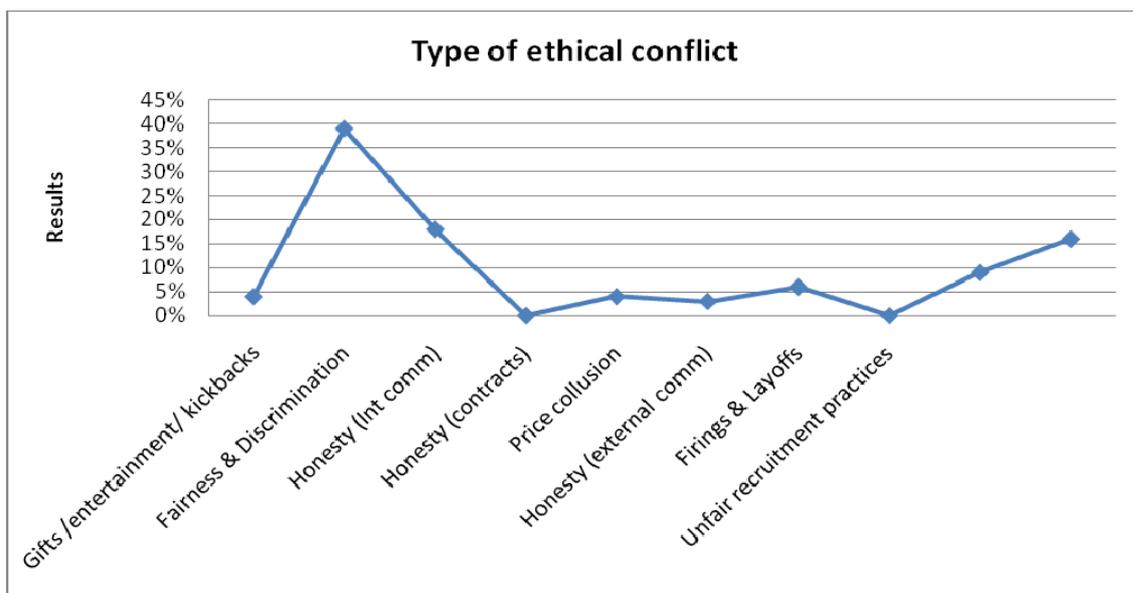


Table 8
Type of ethical conflict

Sl.no	Parameters	Result
1	Gifts, entertainment and kickbacks	4%
2	Fairness and discrimination	39%
3	Honesty in internal communication (includes reports and memos)	18% 0%
4	Honesty in executing contracts and agreements	4%
5	Price collusion and pricing practices	3%
6	Honesty in external communication (including disclosure, advertising)	6% 0%
7	Firings and layoffs	9%
8	Unfair recruitment practices	16%

The respondents were also questioned as to whether the unethical act that they experienced was ever reported either to the immediate supervisor or the responsible department and it was found out that more than 91 % of unethical practices in an organization went unreported. 26 % of the respondents believed the reason for such lapses was due to the fact there currently existed no specific laws governing such a practice and moreover, 24% of them felt that if reported, the practice would still be very difficult to be corrected.

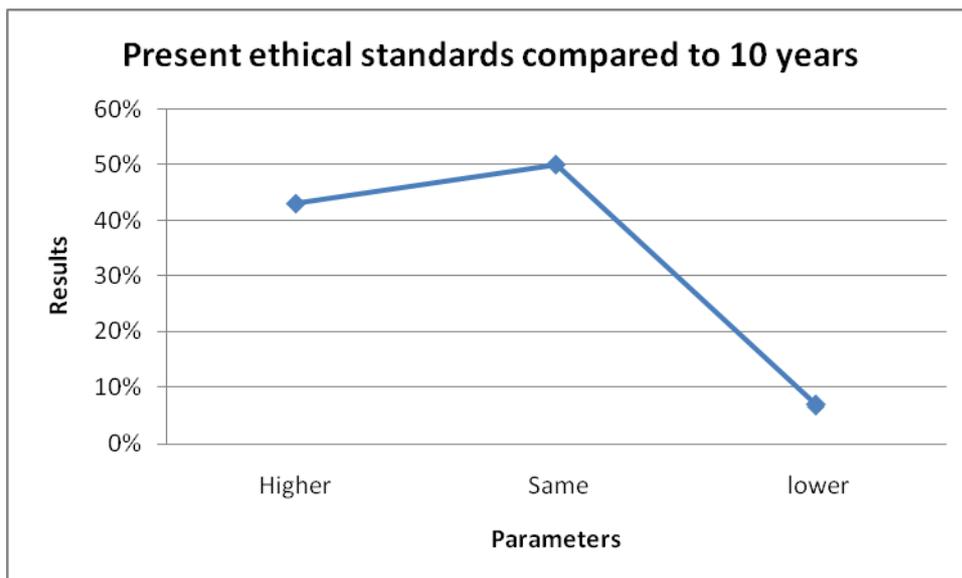
Table 9
Reporting of the unethical act

Sl.no	Parameters	Result
1	Yes	9%
2	No	91%

Table 10
Reasons for not reporting the practice

Sl.no	Parameters	Result
1	There is currently no laws governing any such a practice	26%
2	It was difficult to decide whether the practices were ethical or not	22%
3	Even if reported, it would be difficult to correct the unethical practice	24%
4	It was questionable whether my identity as the person who reported the unethical practice would be kept secret	13%
5	I would receive negative judgment from my superior or colleagues	14%

The respondents were then asked to judge the ethical standards of the company with that of ten years ago and 50 % were of the opinion that business standard now were about the same and 43% believed that the standards have actually improved.



Upon being asked the reasons for the above responses, it was observed that the factors that led to a higher business ethics standard now was mainly because of increase in the public awareness and scrutiny as well as public disclosure, publicity and media coverage. While the reasons for lower business ethics standard was because of human greed and desire for gain.

Table 12
Factors for Higher business ethics standards

Sl.no	Parameters	Result
1	Top management's emphasis on ethical action	15%
2	Increased public awareness and scrutiny	18%
3	New social expectations for business's role in society	9%
4	Public disclosure, publicity and media coverage	16%
5	Increased commitment of corporations to cultural and environment protection activities	8%
6	Government regulation, legislation and intervention	13%
7	Increase in manager professionalism and education	14%
8	Business's greater sense of responsibility	8%

Table 13
Factors for lower business ethics standards

Sl.no	Parameters	Result
1	Political corruption and loss of confidence in the government	21%
2	Greed and the desire for gain	23%
3	Competition and the current economic conditions	11%
4	Society's standards are low	6%
5	Pressure for survival are low	5%
6	Lack of personal integrity	20%
7	Media coverage and communication create atmosphere for unethical acts	9%
8	Pressure for profit from superiors within the company	5%

4.1.3 Employee Benefits

The fourth section of the questionnaire included questions to address the standards of employee benefits and to look into measures of improving them.

Table 14
Need for a process to address discrimination at work place

Sl.no	Parameters	Result
1	Yes	79%
2	No	11%
3	Undecided	10%

More than 79% of the respondents felt the need to have in place a process to address discrimination of all sort at the work place. The survey also included questions to look into the facilities being currently offered by the company to its employees and it is found that 39% did not have provision of minimum salary structure to provide sufficient income security to its employees, more than 38% of the respondents expressed that the company did not offered suitable arrangements for health, safety and welfare at the work place to provide sufficient protection of the employees and 66% of the respondents shared that the company at present did not extend a very good work life balance.

Table 15
Current Scenario

Sl.no	Parameters	Result
1	Provision of minimum salary structure	
	Yes	42%
	No	39%
	Undecided	19%
2	Suitable arrangements for health, safety and welfare	
	Yes	43%
	No	38%
	Undecided	19%
3	Offer a good work- life balance	
	Yes	14%
	No	66%
	Undecided	20%

4.1.4 Local community benefits

Questions were also included to explore the ways the corporations were currently functioning for the welfare of the local community in which they were currently operating.

Table 16
Local Community benefits

Sl.no	Parameters	Result
1	Extend any kind of financial support to people from local community	
	Yes	36%
	No	46%
	Undecided	19%
2	Initiate any kind of open dialogue on adverse, controversial and sensitive issues	
	Yes	41%
	No	43%
	Undecided	16%
3	Employees encouraged to participate in local community activities	
	Yes	28%
	No	44%
	Undecided	28%

It can be observed that 46% of the respondents expressed that at present no financial support were currently being provided by the corporation to the people of the local community and 44 % of the respondents felt that the employees at present were not encouraged in any way to participate in the local community activities.

4.1.5 Environmental concerns

In view of the GNH context, the survey included a section related to environmental concerns. The current scenario is as presented here-under;

Table 17
Environmental concerns

Sl.no	Parameters	Result
1	Initiative to reduce Company's environmental impact	
	Yes	30%
	No	41%
	Undecided	29%
2	Supply clear and accurate environmental information	
	Yes	44%
	No	32%
	Undecided	23%
3	Consider potential environmental impacts during new product development	
	Yes	38%
	No	31%
	Undecided	31%

More than 41 % of the respondents felt that the companies were too inconsiderate to initiate any reduction of the company environmental impact in terms of energy conservation, waste minimization and recycling. However, 44% believed that the companies had been diligent enough to supply clear and accurate environmental information of its activities, products and services to its customers, suppliers and the local community. 38% even expressed that the companies gave due consideration to the environmental impacts while developing new products. The existence of environment impact assessment system for new industries may have prompted this positive response.

4.1.6 Preservation and promotion of culture

Respondents were even questioned on their views on the preservation and promotion of culture. 74% of the respondents expressed that the companies currently did not provide any kind of training on “driglam namzha” (traditional etiquette and code of conduct) although 76% still agreed on the importance being placed by the companies to use national dress while in and around the office premises. 57 % of the respondents confessed that companies at

present did not participate nor offered any kind of support to conduct any local religious ceremonies or to the monasteries.

Table 18
Preservation and promotion of culture

Sl.no	Parameters	Result
1	Initiate trainings on "Driglam Namzha"	
	Yes	14%
	No	74%
	Undecided	11%
2	Stress on the importance and promotion of use of national dress in and around office premises	
	Yes	76%
	No	18%
	Undecided	7%
3	Participate and support any kind of local tshechus/ monasteries	
	Yes	29%
	No	57%
	Undecided	14%

Having considered all of the above, question as to whether corporate social responsibility should be considered as a issue to be backed by proper legal obligation were also included in the questionnaire to which more than 74 % fully agreed and a little less than 9% disagreed and the rest were still undecided.

Table 19
Should CSR be backed by any legal obligation

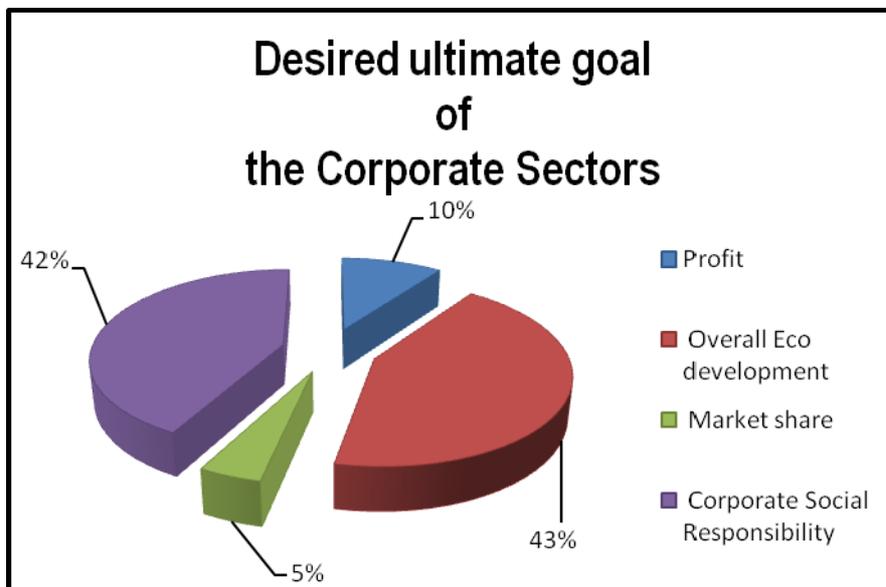
Sl.no	Parameters	Result
1	Yes	74%
2	No	9%
3	Undecided	17%

Lastly, towards the end of the survey, respondents were questioned on their views as to what they think should be the ultimate goal of the corporations;

Table 20
Desired ultimate goal of the corporations in line with GNH

Sl.no	Parameters	Result
1	Profit / money	10%
2	Overall Economy development	43%
3	Market share	4%
4	Corporate Social Responsibility	42%

43% of the respondents were of the view that the ultimate goal of the corporate sectors should be overall economic development of the country and 42 % felt that the corporate social responsibility should be the ultimate goal.



CHAPTER 5

5.1 DISCUSSIONS

As already mentioned, considering the importance of the principle of GNH in the public policy, the questionnaire was broadly divided into 7 different sections namely; Respondent Information, Company's profile, Business Ethics, Employee Benefits, Local community benefits, Environmental concerns and lastly Preservation and Promotion of Culture.

The foremost concern of the study was to look into the need for the survey to be conducted in the first place as to whether there was prevalence of any unethical business practices in the current corporate world. It was made evident from the survey that more than half of the respondents felt that although the business arena was fairly new in Bhutan, there already exist unethical business practices, particularly with regard to unfairness to employees and unfair recruitment practices.

On the question of whether the corporations were making any efforts towards ethical values, it was agreed that the companies were to some extent trying to implement efforts to build ethical practices mostly by way of the Code of Ethics. The survey also tried to find out the level of satisfaction with regard to the current efforts being made by the Corporations in implementing such business ethics, to which the respondents largely expressed the view that they were just satisfied with the current system, which indicated that there is definitely room for development on part of the policy makers.

The next purpose of the survey was to explore whether or not the employees faced any kind of conflict of interest in their day- to- day professional career and it was surprising to note that a total of 47% of the respondents confessed that they actually experienced such conflicts. When asked the possible reasons for such a conflict, it was found that most of these conflicts

mainly owed to unfairness and discrimination existing at the work place. In one sense, it bears out the fact that the respondents were being honest in filling in the questionnaire and reported on their own failings and practice of unethical conduct!

Having realized the existence of unethical business practices, the respondents were then questioned if the unethical practices were ever reported to either their immediate supervisor or the respective departments to which 91 % responded that such acts almost always went unreported. The main reasons for such lapses were mainly because of the fact that there were at present no rules governing the business practices and the fear that it would be difficult to correct. Although this was not brought up by the respondents, it is also possible that the small size of the society also discourages reporting for fear of reprisal or social pressures.

The respondents were also asked to express their views on the standard of the business practices at present in comparison to the situation 10 years ago. Half of the respondents were of the opinion that the ethical standards were the same while a total of 43 % of the respondents felt that the ethical practices had increased comparatively mainly because of increase in the public awareness and scrutiny and public disclosure, publicity and media coverage. The survey also tried to explore the reasons for lower business ethics standard and it was found that such would be the case mainly due to greed and desire of the corporate sectors to maximize gains.

Since one of the main purposes of the study was to bring CSR close to GNH, the survey also included questions to include employee benefits, local community benefits, environmental concerns and preservation and promotion of culture.

Although a company is responsible and accountable to its stock holders, one should never forget to consider the interest of all its other stake holders, employees being one of the most

important. The company should therefore aim to achieve a very clear, effective and fair set of policies and procedures in the organization. According to The Good Corporation Standard of the Institute of Business Ethics, one of the policies of a good Corporation practices should be for an organization to strive for quality and diversity, for all present and potential employees. It should not discriminate on the grounds of disability, color, ethnic origin, sexual orientation, age, religion, political or other opinions. It is clearly evident from the survey that 79% of the respondents feels that there is a need to implement a process to address discrimination of any sort at work place for better performance and thereby resulting in the overall development of the company.

Questions were also raised about the facilities being currently offered by the corporations to the employees and it is felt that there is a very strong need for the corporations to have in place a minimum salary structure in order to provide employees with sufficient income security in an organization. 39% currently did not have provision of minimum salary structure to provide sufficient income security to its employees and more than 38% of the respondents expressed that the company did not offered suitable arrangements for health, safety and welfare at the work place to provide sufficient protection of the employees while 66% of the respondents shared that the company at present did not extend a very good work life balance. All these are factors that need to be seriously considered by the Organization and management if they wish to increase the efficiency of the employees and ultimately the overall organization performance.

It is said that there is a very clear connection between a healthy and profitable business and the well-being of the community around it (Institute of the European Commission Directorate- General for Enterprise, 2004). The survey also aimed to analyze how an organization was contributing to the communities in which it was operating towards making

it a better place to live and to do business and to assess whether or not the organization was sensitive to the local community's cultural , social and economic needs. It can be observed that 46% of the respondents expressed that at present no financial support were currently being provided by the corporation to the people of the local community and 44 % of the respondents agreed that the employees at present were not encouraged in any way to participate in the local community activities

The health of the environment has always been an important everyday concern in Bhutan. Therefore, the survey also looked into assessing on how well an organization was protecting the environment in terms of its use of resources and minimization of waste and pollution. More than 41 % of the respondents felt that the companies were inconsiderate to initiate any reduction of the company environmental impact in terms of energy conservation, waste minimization and recycling. Although, 44% believed that the companies had been diligent enough to supply clear and accurate environmental information of its activities, products and services to its customers, suppliers and the local community. 38% even expressed that the companies gave due consideration to the environmental impacts while developing new products. This could be due to the fact that there is a mandatory practiced environmental impact assessment study before final approved of projects.

Bhutan, in the face of the momentous changes of the 21st century has always been determined to progress at a pace and in such a direction where it would be able to maintain its unique culture and national identity. Therefore, the culture and social system, without much interference from the outside world has been evolved and preserved as of now. This unique age-old culture makes the country a very unique destination in the world. The survey therefore questioned respondents on their views to preserve and promote this unique culture. 74% of the respondents expressed that the companies currently did not provide any kind of

training on “driglam namzha” (traditional etiquettes) although 76% still agreed on the importance being placed by the companies to use national dress while in and around the office premises. 57 % of the respondents confessed that companies at present did not participate nor offered any kind of support to conduct any local tshechus (Religious ceremonies) or to the monasteries.

One of the most important finding of the survey is the question regarding the need to consider CSR as an issue to be backed by proper legal obligation to which more than 74 % fully agreed and a little less than 9% disagreed while the rest were still undecided. This clearly indicates that a significant percentage believed CSR should be in the heart of all corporations and for its succesful implementation should be properly backed with a set of clear legal obligations.

CHAPTER 6

CONCLUSION & RECOMMENDATION

6.1 Conclusion

In the Bhutanese context, the role of CSR could be particularly important in areas stressing corporate self regulation and involving initiatives like the code of conduct, improvements in occupational health and safety, environmental management systems, social and environment reporting, support for community projects and philanthropy (Wangchuk, 2003). The Royal Government of Bhutan should pass an Act or a set of rules taking into consideration all these issues and should ensure implementation of the act or the set of rules.

If a company successfully incorporates the CSR practices in its day to day activities, it would not only gain public and international recognition but it will also be serve as an exemplary model for the rest to follow and would ultimately succeed in benefiting the entire public at large .

Therefore, Corporate Social Responsibility is an achievable and desirable dream and should be incorporated in the corporate sectors to achieve the ultimate visionary goal of Gross National Happiness.

6.2 Recommendations

The government already has laws in place that cover some of these concerns such as corruption, minimum wages, and environmental clearances for businesses, labor laws etc. However, from the findings of this study and to further promote CSR, the following are being proposed;

1. The Royal Government of Bhutan should look into the possibilities of framing additional regulations/legislation/laws that prescribe minimum standards for sections such as salary structure, environmental concerns, health and safety.
2. However, in prescribing regulations or laws one must be careful not to over prescribe it thereby making it difficult or costly for the businesses to adhere to them. The danger then is that the regulations or laws become too impractical for businesses to follow and non compliance could become a rampant problem.
3. A more basic level of regulation may be practical since it would allow a wider acceptance for the many different fields of business. Otherwise the danger is that what can be practically applicable in some areas of business may not be suitable for other types of business due to vast inherent differences – manufacturing, services, finance, transport, hospitality, mining, tourism, hydro, etc.
4. Carrot and stick approach of the CSR guidelines.

CHAPTER 7

7.1 TAKEAWAYS

~CSR standing amidst the woes of the global crisis

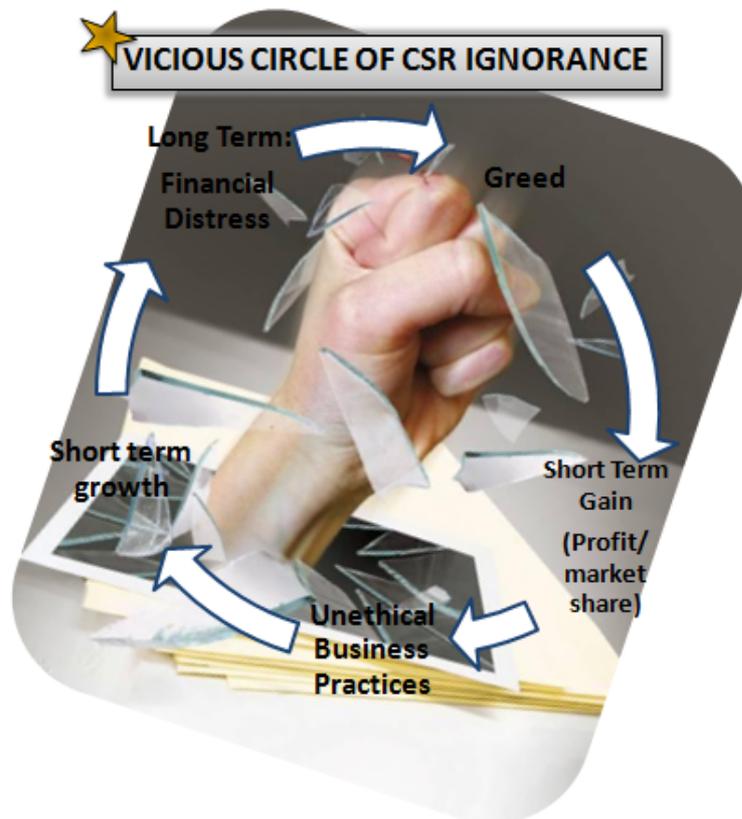
According to the President of the General Assembly, Miguel d'Escoto, the Global Financial crisis has spread “like a plague” to all countries of the world and that the true dimension of the crisis is still not yet known, although it can now be viewed as an “unbridled greed” where states had lost sight of the responsibility to take care of their citizens. Furthermore, the President also stressed that all nations must now be guided by financial discipline, including the rich and powerful, and “to be guided by a passion for justice, fairness and inclusiveness to restore the sense of trust in each other, our governments and our institutions” (November 3, 2008).

The financial crises currently being experienced can be viewed as a clear by product of the companies' for not having practiced corporate social responsibility, whose underlying core principle is “conducting business in an economically, socially and environmentally responsible manner” (Heyzer, November 2008). The by product is a result of companies concentrating in availing short term gains at the expense of long term consideration and thereby not acting in the best interest of the whole society. The UN Under secretary General, Noeleen Heyzer quoted in his keynote speech “Amidst the pain and suffering ensuing from the crisis, let us seize the opportunity to make corporate social responsibility a cornerstone of the business environment in Asia and the Pacific. For in our globalized world, the long term value and success of businesses are inextricably linked to the integration of economic, social, environmental and governance issues into corporate management and operations. The sooner

that this is realized, then the better our chances will be for achieving common prosperity, social progress and stability in our region” (Heyzer, November, 2008).

The concern now lies whether these sectors will learn from their mistakes and set to do things the right way or will CSR still continue to be overlooked once again with the greed to regain faster financial stability

.....Will something be done or are we doomed to be trapped in this vicious circle of intentional corporate ignorance???



CHAPTER 8

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ANNEXURE 1

(Research questionnaire)

FOR STATISTICAL PURPOSE ONLY			
<p>(Dear Participant, thank you for agreeing to participate in this study. No names are required, so please try to be as honest as possible. This is just a simple research work for my studies and all responses will be highly confidential. You are kindly required to mark (✓) against each appropriate box)</p>			
RESPONDENT INFORMATION			
<p>1. Sex male/ female</p> <p>3. Your present title/ position</p> <p>5. Your present management position ?</p> <p>Top management <input type="checkbox"/></p> <p>Upper middle management <input type="checkbox"/></p> <p>6. Your formal education ended at :</p> <p>High school <input type="checkbox"/></p> <p>Some college <input type="checkbox"/></p> <p>7. Did you ever take a formal course in ethics/ Corporate Social Responsibility :</p> <p>Yes <input type="checkbox"/></p> <p>8. Which of the following best describes your current job responsibilities ?</p> <p>Accounting <input type="checkbox"/></p> <p>Engineering <input type="checkbox"/></p> <p>Finance <input type="checkbox"/></p> <p>Marketing <input type="checkbox"/></p>	<p>2. Age nearest birthday</p> <p>4. Your present department</p> <p>Lower middle management <input type="checkbox"/></p> <p>Other (specify)</p> <p>Bachelor's Degree <input type="checkbox"/></p> <p>Graduate School <input type="checkbox"/></p> <p>No <input type="checkbox"/></p> <p>Personnel or labor Relations <input type="checkbox"/></p> <p>Production <input type="checkbox"/></p> <p>Public Relations <input type="checkbox"/></p> <p>Other (Specify)</p>		
COMPANY'S PROFILE:			
<p>1. Which type of business are you in? (Please check the most important only)</p> <p>Manufacturing consumer goods <input type="checkbox"/></p> <p>Manufacturing industrial goods <input type="checkbox"/></p> <p>Engineering, Research and Development <input type="checkbox"/></p> <p>Managerial consulting & Business services <input type="checkbox"/></p> <p>Banking, Investment, Insurance <input type="checkbox"/></p> <p>Construction <input type="checkbox"/></p> <p>Mining, Extraction, Oil <input type="checkbox"/></p> <p>Retail or wholesale trade <input type="checkbox"/></p> <p>Transportation or Public utilities <input type="checkbox"/></p> <p>Advertising, media, publishing <input type="checkbox"/></p> <p>Consumer services <input type="checkbox"/></p> <p>Other (Specify) <input type="checkbox"/></p> <p>2. What is the name of your company? (Optional answer)</p> <p>3. What is the total number of employees in your organization ?</p> <p>1 to 49 <input type="checkbox"/></p> <p>50 to 99 <input type="checkbox"/></p> <p>100 to 249 <input type="checkbox"/></p> <p>250 to 499 <input type="checkbox"/></p> <p>500 to 999 <input type="checkbox"/></p> <p>1000 to 9,999 <input type="checkbox"/></p> <p>10,000 to 19,999 <input type="checkbox"/></p> <p>20,000 or more <input type="checkbox"/></p>			
THE FOLLOWING SECTION CONTAINS QUESTIONS RELATED TO BUSINESS ETHICS			
<p>1. In every Organization there are some generally accepted business practices. In your Organization, are there prevalence of any such practices, which you regard as unethical?</p> <p>None <input type="checkbox"/> (go to number 3)</p> <p>Yes, a few <input type="checkbox"/></p> <p>Yes, many <input type="checkbox"/></p> <p>Don't know <input type="checkbox"/> (go to number 3)</p> <p>2. Among the unethical business practices listed below, which ones would you like to see eliminated (choose as many as applicable)</p> <p>Giving of gifts, gratuities and briberies <input type="checkbox"/></p> <p>Price discrimination and unfair pricing <input type="checkbox"/></p> <p>Price collusion by competitors <input type="checkbox"/></p> <p>Unfairness to employees <input type="checkbox"/></p> <p>Cheating customers <input type="checkbox"/></p> <p>Dishonesty in making or keeping a contract <input type="checkbox"/></p> <p>Overselling <input type="checkbox"/></p> <p>Misc. unfair competitive practices <input type="checkbox"/></p> <p>Unfair credit practices <input type="checkbox"/></p> <p>Dishonesty <input type="checkbox"/></p> <p>Unfair recruitment practices <input type="checkbox"/></p> <p>Other (please specify)</p> <p>3. Is your company putting any special effort towards building ethical values into your Organization?</p> <p>Yes, very eagerly <input type="checkbox"/></p> <p>Yes, to some extent <input type="checkbox"/></p> <p>Yes, but very little <input type="checkbox"/></p> <p>Not at all <input type="checkbox"/> (go to number 6)</p> <p>4. What methods and practices is your company using to build ethical values into your Organization? (choose as many as applicable)</p> <p>CEO's frequent statements on ethics <input type="checkbox"/></p> <p>Punishment for unethical conduct <input type="checkbox"/></p> <p>Corporate philosophy including ethics <input type="checkbox"/></p> <p>Code of ethics <input type="checkbox"/></p> <p>Anonymous Reporting Hotline for unethical conduct <input type="checkbox"/></p> <p>Employee training in ethics/CSR <input type="checkbox"/></p> <p>Suggestion system on ethics <input type="checkbox"/></p> <p>Contribution to social/ cultural activity <input type="checkbox"/></p> <p>Ombudsman <input type="checkbox"/></p> <p>Ethics Committee <input type="checkbox"/></p> <p>Parent company's philosophy <input type="checkbox"/></p> <p>Social auditing <input type="checkbox"/></p> <p>Other (please specify)</p>			

5. To what extent do you think your Organization has been successful in its efforts towards instilling ethical values?

Very satisfactory	<input type="checkbox"/>	Bad	<input type="checkbox"/>
Satisfactory	<input type="checkbox"/>	Undecided	<input type="checkbox"/>
Unsatisfactory	<input type="checkbox"/>		

6. A lot of emphasis is recently put on Corporate Social Responsibility (CSR). In your opinion, to whom is a company most responsible? Order the following social groups in the order of importance, 1 being the most important and 8 the least.

Responsibility to: **Rank (1 to 8)**

Customers	.....	
Employees	.....	Government	.....
Stockholders	.....	Society in general	.....
Suppliers	.....	Dealer	.....
Local Community	.....	

7. Have you ever experienced a conflict between the interests of your Organization and your own personal ethics during your professional career?

Yes	<input type="checkbox"/>	
No	<input type="checkbox"/>	(go to number 11)

8. What kind(s) of ethical conflicts between the interests of your Organization and your personal ethics have you experienced during your professional career ? (choose as many as applicable)

With regard to :

Gifts, entertainment and kickbacks	<input type="checkbox"/>	Honesty in external communication	<input type="checkbox"/>
Fairness and discrimination	<input type="checkbox"/>	(including disclosure, advertising)	
Honesty in internal communication	<input type="checkbox"/>	Firings and layoffs	<input type="checkbox"/>
(includes reports and memos)		Unfair recruitment practices	<input type="checkbox"/>
Honesty in executing contracts and agreements	<input type="checkbox"/>	Other (please specify)	
Price collusion and pricing practices	<input type="checkbox"/>		

9. Have you ever reported an unethical practices you have experienced to your superior or the responsible department ?

Yes	<input type="checkbox"/>	(go to 11)
No	<input type="checkbox"/>	

10. If you did not report the unethical practices, what was the reason? (choose as many as applicable)

There is currently no laws governing any such a practice	<input type="checkbox"/>
It was difficult to decide whether the practices were ethical or not	<input type="checkbox"/>
Even if reported, it would be difficult to correct the unethical practice	<input type="checkbox"/>
It was questionable whether my identity as the person who reported the unethical practice would be kept secret	<input type="checkbox"/>
I would receive negative judgement from my superior or colleagues	<input type="checkbox"/>
Other (please specify)	<input type="checkbox"/>

11. Many factors can influence a businessman's decisions. From your experience, how would you rank each of the factors listed below according to the influence it exerts on an executive to make decisions which are ethical ? (Indicate the most influential by placing a 1 and 5 for the least influential)

Rank (1 to 5)

Formal company policy	.....
A man's personal code of behavior	.....
The behavior of a man's equals in the company	.....
Ethical climate of the industry	.....
The behavior of a man's superiors in the company	.....

12. How do you think ethical standards today have changed in comparison to 10 years ago?

Higher standards today	<input type="checkbox"/>
About the same	<input type="checkbox"/>
Lower standards today	<input type="checkbox"/>

(go to number 14)

13. In your opinion, what are the factors that have resulted in higher business ethics standards today (choose as many as applicable)

Top management's emphasis on ethical action	<input type="checkbox"/>
Increased public awareness and scrutiny	<input type="checkbox"/>
New social expectations for business's role in society	<input type="checkbox"/>
Public disclosure, publicity and media coverage	<input type="checkbox"/>
Increased commitment of corporations to cultural and environment protection activities	<input type="checkbox"/>
Government regulation, legislation and intervention	<input type="checkbox"/>
Increase in manager professionalism and education	<input type="checkbox"/>
Business's greater sense of responsibility	<input type="checkbox"/>
Other (specify)	<input type="checkbox"/>

14. In your opinion, what are the factors that resulted in lower business ethics standards today? (choose as many as applicable)

Political corruption and loss of confidence in the government	<input type="checkbox"/>
Greed and the desire for gain	<input type="checkbox"/>
Competition and the current economic conditions	<input type="checkbox"/>
Society's standards are low	<input type="checkbox"/>
Pressure for survival are low	<input type="checkbox"/>
Lack of personal integrity	<input type="checkbox"/>
Media coverage and communication create atmosphere for unethical acts	<input type="checkbox"/>
Pressure for profit from superiors within the company	<input type="checkbox"/>
Other (specify)	<input type="checkbox"/>

THE FOLLOWING SECTION CONTAINS QUESTIONS RELATED TO EMPLOYEE BENEFITS

1. Do you think it is necessary to have in place a process to ensure that adequate steps are taken against all forms of discrimination, both in the workplace and at the time of recruitment (e.g promotion, against women, disabled people, etc)

Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Undecided	<input type="checkbox"/>
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2. Does your company have the provision of minimum salary structure to provide sufficient income security to the employees ?

Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Undecided	<input type="checkbox"/>
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3. Does your company have suitable arrangements for health, safety and welfare that provide sufficient protection for the employees ?

Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Undecided	<input type="checkbox"/>
-----	--------------------------	----	--------------------------	-----------	--------------------------

4. Does your company actively offer a good work-life balance for the employees, for example by considering flexible working hours or allowing employees to work from home ?

Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Undecided	<input type="checkbox"/>
-----	--------------------------	----	--------------------------	-----------	--------------------------

THE FOLLOWING SECTION CONTAINS QUESTIONS RELATED TO LOCAL COMMUNITY BENEFITS

1. Does your Company offer any kind of opportunity or extend any kind of financial support to people from the local community ?
 Yes No Undecided

2. Does your company initiate open dialogue with the local community on adverse, controversial or sensitive issues that involve your company ?
 Yes No Undecided

3. Are the employees of your Organization encouraged to participate in local community activities?
 Yes No Undecided

THE FOLLOWING SECTION CONTAINS QUESTIONS RELATED TO ENVIRONMENTAL CONCERNS

1. Has your company made any initiative to reduce the enterprise's environmental impact in terms of energy conservation, waste minimisation and recycling?
 Yes No Undecided

2. Does your company supply clear and accurate environmental information on its products, services and activities to customers, suppliers, local community, etc ?
 Yes No Undecided

3. Does your company consider the potential environmental impacts when developing new products and services (e.g: assessing energy usgae, recyclability or pollution generation) ?
 Yes No Undecided

THE FOLLOWING SECTION CONTAINS QUESTIONS RELATED TO THE PRESERVATION & PROMOTION OF CULTURE

1. Does your company initiate any kind of training for the staffs regarding "Driglam Namzha" ?
 Yes No Undecided

2. Does your company stress on the importance and promotion of the use of the national dress in and around office premises ?
 Yes No Undecided

3. Does your company participate and support any kind of local tsechus or monasteries, etc ?
 Yes No Undecided

4. Do you think that CSR should be an issue which should be backed by proper legislation to ensure that companies act responsibly for what needs to be done?
 Yes No Undecided

5. Considering the importance of Gross National Happiness as the guiding principle for all our development goals, what do you think should be the desired ultimate goal of the public sectors :

Profit / money

Overall Economy development

Market share

Corporate Social Responsibility

Other (specify)

THANK YOU VERY MUCH FOR YOUR TIME !

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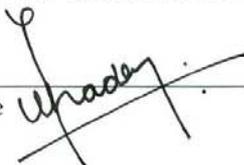
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