CSR Creates “Triple-win” for the society, enterprises, and their employees.

The concept of corporate social responsibility (CSR) has been evolved several times in the past 50 years. Today it's about Creating Shared Value (CSV), advocated by management guru Michael Porter. Nowadays, CSR is not just charity and donation. It's more than passive concepts, such as reviewing business activities and moral values to prevent risk. On the other hand, CSV aims to combine CSR and business competitive edges to create new values, and IBM is a leader in this new concept.

Harvard Business Review in Chinese interviews IBM Growth Markets Corporate Citizenship & Corporate Affairs Executive Louise Davis. She uses Smarter Cities Challenge project collaborated between New Taipei City and IBM as a case in point, to elaborate how to combine brand, relationship building and influence, and how enterprise, employees and society all win under CSR.

Harvard Business Review (Question): In recent years, IBM has a lot of innovations in CSR. For example, Smarter Cities Challenge project with New Taipei City is an interesting example. From our observations, monetary donation doesn't seem to be the key in this project, but knowledge sharing. This corresponds to CSV advocated by Porter. Would you tell us more about what IBM thinks on CSR strategy?

Louise Davis (Answer): IBM is different from many companies in defining citizenship. Our founder Dr. Watson and successive CEOs all believe that enterprises should play the role of a good citizen. CSR is rooted in our business culture and DNA. When we enter a market, APAC or Africa alike, CSR activities often initiate before business ones.

CSR Commission is established in IBM headquarter. Leaders in human resources, finance, supply chains and all other departments have to follow common CSR principles, ensuring business functions and CSR are interconnected.

As to resource allocation, regions are highly empowered. We focus more on local needs than written rules. For example, highlights in Africa include educational reform and reinvestment. Our employees are likely to discuss how to organize local expert teams and offer services voluntarily. Different markets have different demands. We may also adjust resource allocation due to business objectives.

In practice, we tend to build deep relationships with local communities, not just
monetary donation. Granting doesn’t deeply establish human relationship. However, relationship building is upmost critical to CSR activities.

Compared with money, we are more committed to time and efforts. We truly hope to understand issues encountered by local institutions and possible assistances from us. IBM commenced Corporate Service Corps in 2008, recruiting our colleagues to volunteer works globally. Participating employees come from different countries and departments in teams of 8 to 12 people. They are sent to growth markets to participate in projects related to local social and economic development, with individual expertise. Besides, since 2010, IBM promotes Smarter Cities around the world, offering our technology knowledge in 100 cities. Australia, for example, hopes to have information backup solutions. New Taipei City aims to enhance urban security with technology. We send a team of professional employees to every selected city. They prepare three months in advance, devote themselves into the project for one month, and provide consulting services and knowledge in structured approaches. This kind of CSR is way more complicated and challenging than monetary donation, and it requires engagement from enterprise and employees. It really integrates with local communities and creates changes. In the process, we build deep relationships with colleges, governmental officials and local communities. This influence will bring turnover to businesses in the end.

Q: What’s the major challenge when building deep relationship in CSR implementation?

A: Find right partners. We hope our partners are reputed, reliable and committed. We review their past performances, board members and social networks, and avoid controversial entities (and brand damages). In some countries, however, it is quite difficult to find right partners.

Q: Do you have a blacklist?

A: Yes. Once we build partnership, however, it lasts for a long time, even for decades. All partner profiles, experiences and records are put into the global database with a stringent management process.

Q: How does IBM evaluate CSR strategy performances?

A: Besides our strategic objectives and key indicators detailed in CSR annual reports,
reputation, influence and deep relationship management are keys to CSR management. We hope employees, society and enterprise all win under CSR.

Take the cooperation between New Taipei City and IBM in Smarter Cities Challenge project as an example again. From employee perspectives, six participating IBMers come from different parts of the world. Before this project, they are not often involved in cross-cultural environments. For multinationals like IBM, it is crucial for employees to know their international customers. In that regard, the project is also an educational training. In fact, over the last three years, we plan to provide free consulting services in 100 smarter cities worldwide. Many participating colleagues offer positive feedbacks after finishing their projects. When sharing their experiences on teambuilding and community engagement, many of them say on the blog that "This is the best social service experience ever." Undoubtedly, these public services should be beneficial to talent retention and employee satisfaction.

For participating cities, they receive free consulting services, and utilize technology to solve their issues. Last but not the least, for IBM, this project not only builds deep relationships with communities, but also connects to brand differentiation.

Q: This is a very systematic CSR implementation approach with a strategic level. It is not easy to execute. How can SMEs be inspired from this practice?

A: Citizenship offers justification to business. For all companies, having a good reputation is completely in sync with business logic.

Louise Davis, Executive, Corporate Citizenship & Corporate Affairs, IBM Growth Markets, is responsible for IBM CSR in 15 countries.

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New Taipei City as the Smarter Defense City: An Example of CSR Innovation

What relationships can be built between a world-class multinational and a local government requires everything up to code in a CSR project?

With close to four million in population, New Taipei City only has 7,000 police officers. The service ratio is astonishing 566 people per officer, the lowest in Taiwan. In response to human resource limitation, New Taipei City proposes the idea “Smarter
Defense City” to enhance urban security via technology. For example, 23,609 surveillance cameras are installed at street corners. Although videos effectively help in solving criminal cases, it takes substantial time and efforts from officers to manually go through thousands of hours of records. It's inefficient and unscientific, so the city government has been looking for smarter technology solutions.

Coincidentally, since 2010, IBM Smarter Cities Challenge project welcomes cities worldwide to apply for volunteers and funding. New Taipei City’s application was passed last year, so six IBM high-level managers flew to Taiwan from around the world this March and visited police entities in person. They are responsible for improving police capabilities with technology.

They spent three weeks visiting criminal investigation department, forensic science center and service center. With the same diligence and professionalism to paid customers, they also observed traffic law enforcement on site. With previous experiences on advanced urban security systems, this ad hoc IBM team proposes promptly the big data analytics solution suitable for the city.

The biggest impact to the city government is not about how advanced the technology IBM offers, but how international managers approach issues. "For example, we only think about data integration until the last step in our daily practices," says Information Director Chingwei Su of New Taipei City Police Department. "However, IBM team highlights information governance at the very beginning. It is necessary to have coordination between entities for a common standard, supported by managers with decision-making power. It's not just about technology. It also changes our culture in communication."

He’s also impressed by how fast IBM managers can easily pinpoint information security weakness among presentations and statistics. "It helps all of us understand where issues are."

After the project, participating IBMers mention on the blog about how this experience reshapes their thoughts on customer needs and approaches to cross cultural boundaries.

CSR for many local companies are still about charity, donation, or a section of marketing and branding. However, the case in New Taipei City shows enterprises can be more innovative in resource contribution.