

CONFUCIAN AND ISLAMIC PERSPECTIVE OF RELATIONAL CORPORATE SOCIAL RESPONSIBILITY: THE MODEL COVERING NON-MATERIAL DIMENSIONS

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ABSTRACT

Rites and rituals are the essence of Confucius and Islamic corporate practices where responsibilities of corporations (i.e. economic, ethical legal and social) towards society translated into virtue when it is narrated in cultural aspects. Both societies have two distinct approaches of their CSR that are based on material and non-material dimensions. In general CSR practices, business organizations overlook non-material approaches in which it may cover sensitive social and ethical issues of the society. In both closely knitted societies compliance for non-material dimensions can observe as relational CSR that has theological inspirations. These approaches can accelerate economic activity and safeguard the material interests of the corporations in the host Confucius and Islamic Societies. It is predicted that extrinsic cost of public relations (i.e. monitoring, surveillance and performance measures) can be minimize through non-material initiatives. Presented article argue on the cultural aspects of CSR that can incorporate with non-material dimension of CSR and presented in the form of model for both societies. These models develop an understanding of CSR in natural social setting of the Islamic and Confucius societies.

KEYWORDS: Rites and Rituals; Corporate Social Responsibility (CSR); Public Relations; Confucian Society; Islamic Society

INTRODUCTION

Chinese and Muslim societies have centuries been in international trade. They borrow their business norms from cultural/theological practices. Virtue as a prime norm dominates over the cultural/theological practices. Ethical philosophy of Confucius focuses on the concept of “*li*” and “*ren*”. It means rites and rituals, in broader sense society is a family and members of the family are subject to it. Du Bois (2010) argues that Confucianism in modern China considered as ‘ethical system’ and promoted as ‘state sponsored theology. Similarly in Islamic society, members of the society are subject to the “will of God/Allah” and bond to follow the Saying and practices of Prophet Muhammad (PBUH). As He said “everyone is responsible of his/her shepherd and should be answerable what he/she shepherded”. Theological concept of virtue in Islam is between the lines of material and non-material dimensions. With the spiritual spirit of enterprising, ‘harmonious stability’ can be attained in any society (Hamilton, 2016; Monzavi et al., 2016).

In the wakeup of the industrial era, religious institutions raised the question of social responsibility on functions of business. The prime question was either the business institutions responsible towards society, business organizations are only meant to maximization of profit. Business organizations consider that they are operating under the legal contract and

having minimum obligation of a business to pay tax to the government and government is responsible to the wellbeing of the society. Idemudia (2011) argue that criticism on business by religious and social institutions became the reason to initiate the CSR in Western countries; it was followed by the interests of business while 'local priorities' were ignored in such CSR. It is 'South-centered CSR'. Such CSR is having potential to give input to current CSR theory and practice and can establish roadmap for developing countries. The link of CSR of multibillion corporate sectors can develop with government, considering local priorities. This can only achieve through 'bottom-up' approach in CSR research. It is argued that CSR having potential of values relations and emerge from cultural public relations, having potential of relational CSR (Shah and Chen, 2010).

The implication of CSR as a social policy presented a complex picture in China and Muslim World. '*Neo-liberalization of market*' urged internally authoritarian organizations that are responsible to report their headquarters and they are not answerable to locals, they have to perform their functions as responsible as suggested by academia, activists and social watch dogs for the wellbeing of communities and marginal classes. Crouch (2010) argue that in the global economic race there are so many geographic options for transnational companies to develop pressure on governments for the regulating of their economies. Similar difficulties observed for 'regulatory regimes' and they increase their productions for economic growth. So far, economic productivity is beneficial for people but inequality and 'social policy provisions' are evident. CSR can serve both perspectives, welfare of people (in Muslim world from Africa to Southeast Asian Region) and Public Relations in China. It is argued that People's Republic of China is entered into an arena where she is in the position to institutionalize CSR program considering her cultural ecology and domestic priorities. Muslim world have to trace her footprints. China and Muslim world are having the same priorities e.g. the case of Google and Chinese government policy towards mental and social health (non-material dimensions), and its reporting of issues concerning to its security, can quote as its position for strong regulatory regime. Muslim world is also facing the challenge of their social harmony, ethical system, and cultural rituals.

Presented article argues on the CSR relational model covering non-material dimensions emerged from Confucius and Islamic cultural social ecology. This approach depicts natural social setting to perceive non-cultural dimensions of Public Relations and CSR in Chinese and Islamic world.

EMERGENCE OF CSR FROM VIRTUE

Theories of CSR emerged from the perspective of ethical management and it tends to social responsibility of business organizations. Confucius perspective of CSR in practice and implication is having the potential of ethical management. Although, some parts of East Asia, people like to worship Confucius. His teaching considered golden principle of life and theology. In Islamic society; religion never separated from social life, ethical conduct of society is shaped by '*Islamic socio-religious ethics*' whereas secular ethics is social in essence (Mowlana, 1989). Taking Confucius and Islamic perspective of CSR into account, social responsibility of business is emerged from virtue. Confucius concept of social responsibility of business is social and theological in nature.

There are several notions that generally associated or called as part of CSR e.g. '*corporate social performance (CSP)*', '*Tipple bottom line (People, planet, profit)*', '*corporate citizenship*' and others. Similarly, it also linked with several levels e.g. CSR1, CSR2, CSR3 and CSR4, based on different approaches towards different obligations. Dahlsrud (2008) develops extensive study on definitions of CSR and ranked in '*environmental*', '*social*', '*economic*', '*stakeholder*' and

'voluntariness'. Academicians and managers spent most of their time to define the concept and then its narration in the industry. So far, it is need to trace the roots of CSR in culture and find the way to meet the local priorities. Dahlsrud (2008) asserts that *World Business Council for Sustainable Development (WBCSD)* two different definition of CSR, one carry a view of CSR and other '*corporate environmental responsibility*'. Environment stands for physical and social environment. Confucius environment belongs to the ethics of social order where everybody is responsible for his actions and have to judge by regulatory body (government/party). In the Islamic environment, the ultimate goal of ethical actions of individuals or groups is to attain the blessing of Almighty Allah and prosperity (i.e. spiritual) of society. The prosperity is varied from social behavior to consumption and prayer to business conduct. Green (2011) argue that consumer support based on three values that are 'emotional', 'social' and 'functional' that influence from 'economic conditions' and product category, consumer directly linked these initiatives with company's CSR.

Confucius and Islamic view of virtue refers the common wellbeing of society by those who are responsible to '*li*' and '*Khair*' (greater wellbeing by those belongs to class of haves). It needs Institutional wellbeing that can develop conceptual framework for policy makers (Daruset al, 2016; Turker, 2016; Muhamad et al, 2016; Ahmad et al, 2015). The institutional definition present the government view, as UK Government (2001) submitted to the European Union on CSR framework defines CSR as:

"Corporate social responsibility recognizes voluntariness that the private sector's wider commercial Stakeholder interests require it to manage its impact on society and the environment in the widest Environmental sense. This requires it to establish an Economic appropriate dialogue or partnership with relevant stakeholders, be they employees, customers, investors, suppliers or communities. CSR goes beyond legal obligations, involving voluntary, private sector-led engagement, which reflects the priorities and characteristics of each business, as well as sectoral and local factors"

CONFUCIAN INTEGRATED MODEL OF RELATIONAL CSR

Confucius core values of "li" and "ren" are based on material and non-material dimensions. Kenan (2011) argues that "ren" is cognitive in nature and it comes from personal accountability, not from the out factors. Confucius considers the practitioner of "li" and "ren" a responsible individual and labels him as "gentleman". In the analects Confucius insists the qualities of "gentleman" and insists on the orderly behavior towards society. Business organizations in the contemporary world by law are having all the rights of individual and can act as person. A corporation according to Confucius can be "gentleman" and cannot be. It depends on the behavior of corporations towards social wellbeing of society. Kenan (2011) asserts that in the recent times Confucius spiritual ethics gives and distinct viewpoint in the exiting practices where material dimension considered important.

Chinese relational system is different from the relational models and strategies of Western type of PR and CSR models. Confucius model provides universal principles from public relations when they adopt corporate social responsible practices. Chinese system is based on localization which is represented as "li", as Fan (2002) says it metaphorically transcribes extensive behavioral patterns that are recognized as appropriate and authentic human life and code of conduct which is termed by westerns as rites and rituals, observance, conduct, etiquettes, social and political system. It is dissimilar to Carroll (1991) CSR model which follows legal, ethical, economic and philanthropy which encompasses systematic set of responsibilities. According to the Confucius, human beings follow rules in cooperation rather than simply behaving through their own humanistic instincts which gradually come on contract to construct society. Borrowed through Fan

(2010; p.207) Confucius theory of virtue is foundation body for understanding the human nature, which is based on “ren” means relational-centric behavior which comes to mutual understanding. Confucius relational paradigm is against ‘egalitarianism’ and is based on bioethics, for cross-community moral disagreements cannot be solved through understanding of mutual relations.

According to Fan (2010) Confucius labels it as a weak relation (thin relation) when common rituals are not considered as important whereas strong relations (thick relations) when rites and rituals are practiced when every organ of the relational paradigm is fully functional. Additionally, through “philanthropy” weak relation can be accommodate in the community whereas Confucius refers “market” as independent principle which is governed by market principles. It is asserted that long term relationship of Chinese society and organization can only achieve when firm will practice Confucius system of ‘rites’ and rituals’. Dialogue can be referring as two-way communication and a responsibility that present view of organization and get feedback from society. Contract is similar to CSR’s legal and ethical responsibilities. Moreover, it refers as social and environmental contract. The contract is an agreement of firm for her operations in Chinese society and it is a need, time, and location based. Philanthropy without cause cannot persuade Chinese society in relationship with significant values or norms. Philanthropy can functions with cause related marketing (CRM) and social welfare programs for society. Finally, market is an economic responsibility in CSR which considered by Carroll a prime responsibility of firms. In Confucius integrated model ‘market’ has its own norms that are based on the principles of market. However, on market norms only firm cannot achieve long term relationship with society. Confucius relational model is shown in Figure 1.

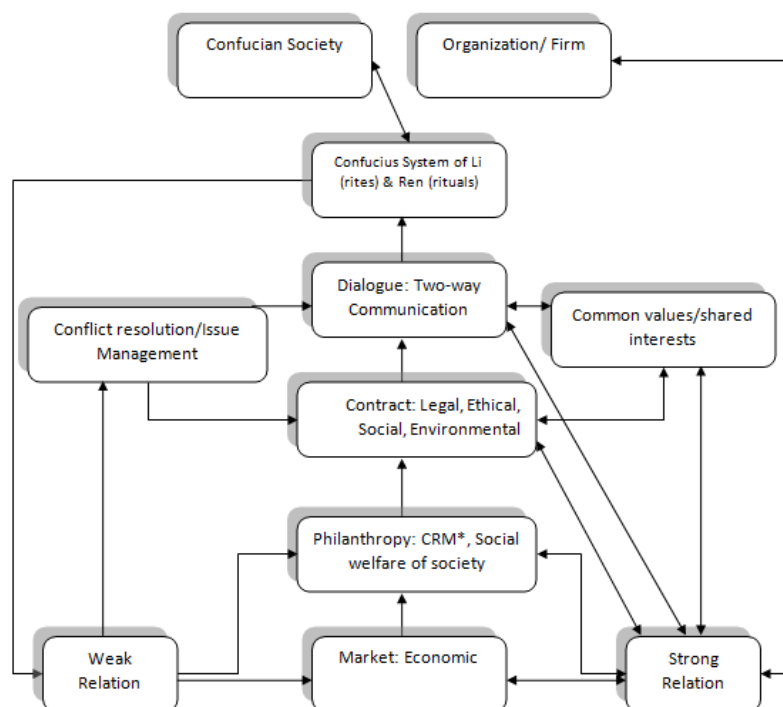


Figure 1: Confucius Integrated Relational Model of CSR

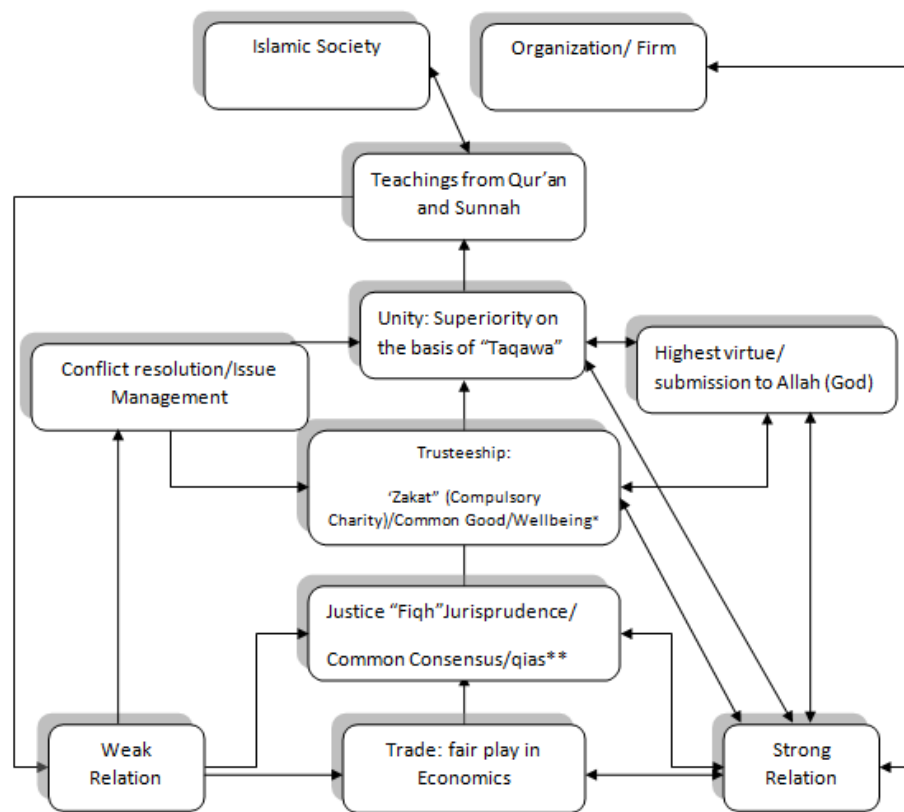
Confucius integrated model of public relations and CSR. Public relations as CSR can fully function in Confucius integrated model when the practice or rites and ritual will be according to the set traditions of the local community or guest culture. The model can function within community and culture, cross-community or “cross district”. Cross district refers to

the contract in rituals which causes conflict or issues in practicing of the model that refers to the weak relationship. On the other side, shared rituals cause strong relations when it comes to practice “Dialogue, Contract, Philanthropy, and market”.

ISLAMIC INTEGRATED MODEL OF RELATIONAL CSR

Islam is a monotheist in its essence that focuses on the strong believes on non-material (spiritual) virtue. Faith on Allah (God) is important component of the Islamic believe. The holy Qur’an is the written procedure for a Muslim, and life of Muhammad (s.a.w) is the guidance for the conduct. According to Islamic believes human on earth are the best creation of God. Human by his nature are having the characteristics of good deeds. The worldly life will be judged by the actions one’s performing in the form of good or bad deeds. In the Islamic teaching, responsible and ethical business practices are encouraged. Prophet Muhammad (S.A.W) himself did trade and presented best practices of responsible business. Social welfare and wellbeing of society taken a prime position in the Islamic responsible business practices. The goods that cause risk to the human health and cause problem for the social order are prohibited in the business. The Qur’an explains prohibited practices as: “they ask thee concerning wine and gambling. Say: in them is great sin, and some profit for men; but the sin is greater than the profit” (Qur’an, Part 2’, p. 219). In the Islamic responsible business practices filter of moral practices works in accordance to the teachings of Qur’an and Sunnah (life and sayings of Prophet Muhammad (s.a.w). It is four principle components that are ‘unity, trusteeship, justice and trade’, See Figure 2. Islam insists that all human are equal and there should not any discrimination concerning to race, color, creed and gender, superiority can be only honor to those who are in the righteous practices: “O mankind! We have created you from a male and female, and made you into nations and tribes that you may know one another. Verily, the most honorable of you with Allah is that who has Taqwa (righteousness)” (Qur’an, 49’, p.13).

The prime factor of responsible conduct of any corporation in Islamic society can be equality while it deals with several publics. However, unity and trusteeship are the important factors for conflict resolution in the model presented in the Figure 2. Trusteeship reflects the greater well being of society through material contribution of individual or corporations. Zakat (obligatory charity) is due in Islam for those who can afford their livelihood. This compulsory charity is not only restricted to the Muslim followers but it is for all the deprived people of society without any discrimination of religion, race and gender. In the broader perspective, societal and environmental security can cover in manifestation of Zakat. Islam discourages the accumulation of material resources and motivates the circulation of wealth. Accumulation of material resources bring social order in danger, Islamic jurisprudence keeps the cycle of harmony (social and ecological) in order. It insists the modernism that should based on knowledge and research. First revelation on Prophet Muhammad (s.a.w) insists on the importance of knowledge and research that “He (God) taught by the pen. He has taught that which he know not. Nay! Verily, man does transgress (in believes and evil deeds). Because he considers himself self-sufficient. “(Qur’an, 96, p.4-7)



*Well being through all means (Societal well being, environmental well being).

** Islamic jurisprudence in accordance to Qur'an and Sunnah (actions accordance to Muslim virtue) for human, animals and ecology concerning to social and environmental order.

Figure 2: Islamic Integrated Relational Model of CSR

In the case of unethical business practices that may cause harm to the human health, social order and environmental problem, Islam insists on the justice. In case of environmental and ecological issues the justice should be made with common census, futuristic dimension (qias) cannot ignore in all the process of justice. Fair play in trade is highly insisted in Islamic virtue. All the goods, practices and ideas that are harmful for society are prohibited. Islam strictly prohibited the wine, gambling, and all those things that cause problem for the society, environment and ecology. Islamic integrated model of CSR works in Muslim society when firm/corporation wants to maintain their relations with society. In the case when organization will practice material model of CSR, it will come to the weak relation of society with firm. Conflict resolution and issue management can address through the component of unity and trusteeship and it will consider the wellbeing of society. While through justice and fair play in trade, it leads to strong relation with society. In the model (Figure 2) bottom up approach elaborates the relational CSR of Islamic and corporation.

CONCLUSIONS

Public relations and corporate social responsibility have comprehensive similarities in implication at strategic level. Universal application of PR as CSR is not feasible because of changing scenarios of time, space, and culture. However, on societal level CSR base on certain calculated principles and most of them are not cultural and value oriented. They have implication from the management perspectives. The values that Chinese and Islamic society own significantly have a tradition of Confucius ideals (Confucius dynamism) and Qur'ann and Sunnah (Islamic Ideals) which dominantly

represent both societies in a way that how a corporation can function with the local priorities. Confucius and Islamic Integrated models of CSR not only general representation of society, on strategic level but its implication can model for the public relations in direction to CSR. Economic, ethical legal and social aspects of societal life will consider as virtue in Confucius and Islamic societies when it will narrate in cultural aspects and meet local priorities. Non-material approaches presented in the models cover sensitive social and ethical issues of Confucius and Islamic societies. These models presented relational CSR that have theological inspirations. It is infer that these approaches can accelerate economic activity of the corporations in the host Confucius and Islamic Societies and can safeguard the economic interests. Extrinsic cost of public relations usually spend on monitoring, surveillance and performance measures in PR and CSR activities, it can minimize through non-material initiatives.

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