Chapter 3

East vs. West Approaches to Reporting Corporate Sustainability Strategies to the World:
Corporate Sustainability Reporting: East vs. West

Jensena Kaplan
Loyola Marymount University, USA

Ivan Montiel
Baruch College - City University of New York, USA

ABSTRACT

This chapter applies Hofstede's cultural dimensions to compare how companies located in Western and Eastern regions present their corporate sustainability strategies to their stakeholders. We compare ten pairs of West-East companies and find that differences in the corporate sustainability strategies they report can be related to geo-political and socio-cultural differences as described by Hofstede. Our findings can serve as a tool for companies in both regions to gain a better understanding about which sustainability initiatives are of more concern, depending on the region they operate.

INTRODUCTION

Corporate sustainability (CS) is rapidly becoming a strategic issue for companies in all sectors all over the world. Today, the mainstreaming of sustainability thinking is present in boardrooms and at the top management levels of the most visionary companies. However, it is still not clear what being "sustainable" exactly means, since neither an accepted definition nor a CS systematic measurement system is well established (Montiel & Delgado-Ceballos, 2014). Generally, CS has been defined as a tridimen-

sional construct that integrates economic, social, and environmental performance (Bansal, 2005), and there seems to be consensus on these three main dimensions. However, we still do not know precisely what each of these three dimensions entails. For the purpose of this chapter we use as definition of CS those management practices that organizations put in place to deliver simultaneous economic, social, and environmental benefits (Hart & Milstein, 2003).

One of the CS activities that companies devote time to study is CS or corporate social responsibility (CSR) reporting,[1] which has become institutionalized among businesses worldwide (Etzion & Ferraro, 2010). Companies today publish annual CS reports to inform all interested stakeholders (e.g., customers, investors, employees, researchers) on the policies and practices they have adopted toward being a more sustainable organization.

In this chapter we compare the information that companies in both Western (North America) and Eastern (East Asia) regions present to their stakeholders in their CS reports and publications as well as on their corporate websites. It is important to examine the similarities and differences between Western and Eastern companies because, as the world becomes increasingly interconnected, it becomes relevant to understand CS strategies through the lens of differing cultures and environments. This examination enables both shareholders and all interested stakeholders to understand more fully the motivating factors behind certain CS strategies pursued by companies. In addition, this analysis may help companies learn from CS practices undertaken by their other-side-of-the-world counterparts.

The companies studied operate in different industries: technology, automotive, apparel manufacturing, and telecommunications. The primary mechanisms for comparison are the corporate sustainability reports generated by the examined companies, other third party rating agencies, and additional public information disclosed by the companies. These reports are analyzed for any similarities or differences between companies located in Eastern Asia— specifically China, Japan, and Korea—as compared to North American companies in the United States and Canada.

This chapter is organized as follows: first, we conduct a brief literature review on CS and Western versus Eastern approaches to CSR and sustainability. Second, we describe the method used in our comparative study. Third, we elaborate on the differences found between companies in the two regions by organizing them in a set of CSR themes that we classify following to Hofstede's cultural dimensions. Last, we present some general conclusions from our study and propose directions for future research.

EAST VS. WEST APPROACHES TO BUSINESS

Previous research has addressed East-West differences in the way business is conducted. Chung et al. (2008) pointed out differences in ethical perceptions between East and West students, but went further to also identify differences in these perceptions within the three "Confucian" cultures analyzed (i.e., Japan, South Korea, and China) (Chung et al., 2008). Differences regarding moral values and the relationships with nature have also been explored. Miller (2012) stated that fundamental approaches to ethics and morality in both East and West countries are heavily influenced by the concepts of religion, ultimate truth, and the perception of the natural environment.

On the practitioner side, we also find discussions on the main East-West differences in business conduct. Beckman (2013) identified seven cultural traits that Easterners value more than Westerners when conducting business: (i) relationships are emphasized more than the "letter of the law"; (ii) aspiration

18 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage: www.igi-global.com/chapter/east-vs-west-approaches-to-reporting-corporate-sustainability-strategies-to-the-world/162805

Related Content

Enabling Democratic Local Governance through Rural E-Municipalities in Kyrgyzstan
Zamira Dzhusupova (2015). *Human Rights and Ethics: Concepts, Methodologies, Tools, and Applications (pp. 1009-1033).*
www.irma-international.org/chapter/enabling-democratic-local-governance-through-rural-e-municipalities-in-kyrgyzstan/117074

Social Entrepreneur's Networks and Institutional Environment: Ties That Bind?
Susana Bernardino, José Freitas Santosand José Cadima Ribeiro (2019). *International Journal of Sustainable Entrepreneurship and Corporate Social Responsibility (pp. 1-22).*
www.irma-international.org/article/social-entrepreneurs-networks-and-institutional-environment/233632

Importance of 3D Printing Technology in Medical Fields
Ranjit Barua, Sudipto Datta, Amit Roychowdhuryand Pallab Datta (2021). *Research Anthology on Emerging Technologies and Ethical Implications in Human Enhancement (pp. 704-717).*
www.irma-international.org/chapter/importance-of-3d-printing-technology-in-medical-fields/273106

Confidentiality of Arbitrations: A Review
 (2023). *Policies, Practices, and Protocols for International Commercial Arbitration (pp. 184-200).*
www.irma-international.org/chapter/confidentiality-of-arbitrations/333191

Strategic Management and Organizational Policies Against Corruption
Nilüfer Rüzgar (2023). *Management Strategies and Tools for Addressing Corruption in Public and Private Organizations (pp. 136-154).*
www.irma-international.org/chapter/strategic-management-and-organizational-policies-against-corruption/325049