Implementation of 7 Core Principles of ISO 26000 (CSR) in Bangladesh: A Case Study on Grameenphone

Debnath, Gouranga Chandra
Daffodil International University

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Implementation of 7 Core Principles of ISO 26000 (CSR) in Bangladesh: A Case Study on Grameenphone

Gouranga Chandra Debnath1
Md. Kamruzzaman2

Abstract: Corporate social responsibility (CSR) of businesses is getting augmented concentration in recent years and the business leaders have emphasized that the organizations should operate in a socially responsible manner to ensure long term sustainability and economic viability. Internationally, CSR has been evolving from ‘one-off feel good projects’ and cash donations into something that is vital to the uniqueness and the core activities of the company. Consequently, the CSR of businesses has become asignificant part of today’s business agenda. ISO 26000 provides guidance on how businesses can operate in a socially responsible way. The paper aims to investigate the CSR practices at Grameenphone inconsistent with the 7 core principles of ISO 26000 in Bangladesh and also identify different CSR activities of GP. There are some major benefits of following the international standard on CSR; GP has been enjoying that privilege as its CSR activities are mostly consistent with ISO 26000. This study has been conducted based on the Secondary data. It can be concluded Grameenphone has believed since its inception that sustainable business success and stakeholder’s value cannot be achieved solely through maximizing short term profits, but through socially responsible activities of the business.

Keywords: Corporate Social Responsibility (CSR), ISO 26000.

1. Introduction

Businesses do not run only for the purpose of profit making but are profoundly intertwined with the social milieu and indeed, businesses are inseparable part of our society. Besides economic role in society, businesses also have a number of other roles and responsibilities towards society. In the future businesses will be evaluated for success if they have effectively adopted an approach that combines most favorable returns for shareholders along with a pronounced emphasis on social and environmental performance. Corporate Social Responsibility (CSR) is the very viable and burning issue in the modern business world. The Grameenphone is isolated from the modern business world. The main objective of this paper is to analyze the CSR practices by Grameenphone in line with 7 core principles of ISO 26000, a voluntary guidance on social responsibility, evaluate the Grameenphone’s CSR policies and figure out the

1. Lecturer, Assistant Professor, Department of Business Administration, Daffodil International University.
2. Department of Business Administration, Daffodil International University.
Implementation of 7 Core Principles of ISO 26000 (CSR) in Bangladesh: A Case Study on...

impact of policies on business practices and on key stakeholders. CSR involves the internal and external factors of the business. In brief the corporate social responsibility is the company’s sense of responsibility towards the community and environment (both ecological and social) in which it operates. In modern business context the CSR can be define with different meanings in different organization. But there is a considerable common ground among them.

Bangladesh is a sovereign country in South Asia with a population exceeding 150 million where 31.5 percent of the total population lives below the poverty line – including 17.6 percent who are said to be ‘extremely poor’ (BBS, 2010). Although World Bank has projected that poverty rate in Bangladesh would drop by a level between 23.34 to 26.51 percent (The Financial Express, 2013). But it is much higher than that of many developing countries in the world. Socially responsible businesses should come forward with more CSR activities to reduce poverty level and increase the living standard of mass people. However, CSR is mainly understood as corporate philanthropy but it’s no longer like that rather it only small part of social responsibility by businesses. Lately, CSR activities in Bangladesh have risen significantly. It is believed that the concentration in CSR initiatives in Bangladesh has been fuelled by CSR activities of MNCs’ (operating in Bangladesh) where local corporate houses also step forwarded in these initiatives. Grameenphone, the market leader in the telecommunication business in Bangladesh, has already showed the best responsibility for its stakeholders. It has already taken so many initiatives for the betterment of society which are really functioning well in accordance to their CSR vision. This study encourages not only Grameenphone but also other businesses for CSR promotion encompassing education, health, poverty eradication, empowerment, infrastructure, ICT, environment issue, child labor, initiatives for disabled people & etc. It may be helpful for the policy makers at political and corporate level to consider CSR as an investment not an expense because of CSR become the means of increasing goodwill and image. It will help economy as a whole to increase in the growth rate and strategic CSR at political and corporate level can make the country a better investment destination.

2. Objectives of the Study

The main objective of the present study is to evaluate implementation of 7 core principles of ISO 26000 (CSR) in Bangladesh especially in Grameenphone. To accomplish this objective, following specific objectives have been covered:

1. To evaluate ISO 26000 (CSR) and its core principles.

2. To analyze the CSR activities of Grameenphone.

3. To evaluate how the GP has fulfilled its responsibility towards all stakeholders; what specific activities, programs and strategies it has set and implemented for the same.
4. To make out GP’s CSR activities in accordance with the guidelines of 7 core principles of ISO 26000.

5. To recommend some courses of actions to improvise its CSR activities.

3. Literature Review

Though CSR activities of businesses become a significant part of today’s business agenda. The roots of CSR certainly extend before World War II, but we will not go back that far. In the 1950s, there was some limited discourse about CSR but it became prevalent in early 1970s. CSR became a matter of utmost importance for different groups demanding change in the business. During the 1980’s to 2000, businesses had recognized CSR and started accepting a responsibility to society. A number of definitions have been given by authors, researchers and observers on Social responsibility in different context. Some of those will be discussed in the following section of the study. Bergmann (1975) stated that, literally social responsibility is the responsiveness of business to the expectation of the society. CSR is an organization’s obligations to protect and enhance the society in which it functions(Wolf, 2001). Robbins and DeCenzo (1995) were stated that, it is an obligation by the law, society & economics for a company to have a long term clear goals that are good for society.

Corporate Social Responsibility (CSR) requires the company to acknowledge the interests and demands of various stakeholders including owner, managers, employees, suppliers, customers, the government and environment and to behave ethically and responsibly (Kotler and Lee, 2005). The whole society seems the company as the individual member of the community and it has the core responsibility to fulfill their civil duties all time for the betterment of the community.

Though there is a real debate on the present business’s role in society, it is very essential to give more priority to the social and environmental objectives than the economic objectives by the businesses. ISO has set a standard on social responsibility where some core principles and seven core subjects are incorporated. ISO 26000 is a voluntary guidance standard on social responsibility designed for use by any company. Business leaders have already taken steps to make plan and implement these to improve their sustainability – economically, socially, and environmentally (ECOLOGIA, 2011).

A number of studies have been done on CSR activities, but a case study has not yet been conducted in Bangladesh about implementation of core principles of ISO 26000, especially in telecommunications. Hence the present study is made on Implementation of 7 core principles of ISO 26000 (CSR) in Bangladesh: A case study on Grameenphone.

4. Methodology

The study has been mainly done through considering secondary sources. In this paper, basically, secondary data sources like books, the corporate social responsibility reports, annual report, websites and various types of journals have been used. The company’s
Implementation of 7 Core Principles of ISO 26000 (CSR) in Bangladesh: A Case Study on...

corporate responsibility report provides the most of the information. Time period of the study was from 1st October, 2014 to 31st December, 2014

5. ISO 26000 and its Benefits

The International Organization for Standardization (ISO) has introduced an International Standard that provide guidelines for social responsibility (SR) named ISO 26000 or simply ISO SR. ISO 26000 provides guidance on how a business organization can run its business socially responsible or accepted way for sustainable development i.e. operating business ethically and transparently and that contributes to the welfare of society.

ISO 26000 basically provides guidance not requirements to the companies and subsequently cannot be certified organizations for their CSR activities like some other well-known ISO standards. ISO 26000 provides social responsibility guidance for all types of organizations including corporations, MNCs, governmental and non-governmental organizations, SMEs etc. As business world is so dynamic, now it’s moving towards radical transparency, organizations and stakeholders become increasingly aware of the need for socially and environmentally responsible behavior. ISO 26000 is thus a timely and relevant guide to help organizations understand what social responsibility is and what they need to do to operate in a socially responsible way.

By following the international standard on social responsibility, any organization can optimize its process, management systems and activities related to social responsibility and contribute to the society for sustainable development.

It provides organizations many positive outcomes such as:

- Get competitive advantage over companies that have not been followed the standard and then unable to prove the extent of their socially responsible behaviors.
- Enhance its reputation over others.
- Improve relationships with stakeholders who will be viewed the company optimistically as a result of its dedication to behave in a socially responsible way.
- Increase employees morale and the ability to draw attention and keep qualified professionals
- Financial communities’ perceptions have changed towards the organization due to CSR activities.

If an organization demonstrate its commitment to the society or behave in a socially responsible way will surely get support from the stakeholders. So, it’s articulated, extensive benefits would get by company if and only if they behave socially responsible manner.
6. A Brief Profile of Grameenphone

Grameenphone is the leading telecommunications service provider in Bangladesh with more than 50 million subscribers & widest network coverage. Before its inception (March 26, 1997), the phone was for a selected people because cell phone was a luxury product. The technological know-how and managerial expertise of Telenor has facilitated to start an international standard cell phone operation in Bangladesh. Telenor is the pioneers in developing GSM technology in Europe, it also helped to transfer this knowledge to the local employees over the years. GP started its Journey in Bangladesh on March 26, 1997, the Independence Day of Bangladesh. It was the first company to introduce GSM technology in Bangladesh. Grameenphone was also the first company to cover almost 99% people under one network. So far GP has already invested BDT 26,830 crore for better network and its pioneer in developing infrastructure in Bangladesh. GP is one of the largest Tax Payers having contribution BDT 43,890 in direct and indirect tax. There are now more than 1600 GP Service Desks and 94 GP centers in all the divisional cities. There are more than 4500 full and temporary employees are working for GP. In addition, almost .50 million people such as dealers, retailers, flexi load outlets owners, suppliers, vendors and others are directly dependent on Grameenphone for their livelihood.

7. Corporate Social Responsibility (CSR) at

The data reveal a variety of CSR practices by GP, as well as systematic variation in global management of CSR practices. In devising business policy and profitability Grameenphone stated their CSR as:

“Development is a journey, not a destination. Our work is not just about ensuring connectivity; it is about connecting with people and building relationships, based on trust, with our valued stakeholders. We have always believed that good development is good business. While we maintain our business focus, taking the nation forward remains our top priority.” (Grameenphone’s CSR Policy)

Grameenphone addresses CSR is a 'complementary' combination of ethical and responsible corporate behavior, as well as pledge towards creating good for the society by considering the development needs of the country. Besides providing Telco services to over 40 million people, direct income-earning opportunities a large number of people and being one of the topcorporate taxpayers in the country, GP takes it CSR activities seriously. This paper organizes discussion arounddifferent dimensions of CSR activities of Grameenphone. GP consolidated its social investment initiatives in five core areas-

1. Healthcare
2. Education
3. Environment
4. Poverty alleviation
5. Empowerment
Healthcare by Grameenphone (Every life counts):

“He, who has health, has hope. And he, who has hope, has everything.” – An Arabian proverb.

Health is, indeed, our greatest capital. Helping and caring for the community is an essential component of Grameenphone's CSR therefore GP’s endeavors to make a positive contribution to the underprivileged community of Bangladesh.

a. NID Awareness Campaign (Every drop counts) GP partnering with Bangladesh Government and WHO has been conducting polio vaccination awareness raising campaign since 2007 in order to eradicate the re-emergence of polio from Bangladesh.

b. Safe Motherhood and Infant Care Project: It is thus designed to confirm safe and worthy motherhood and infant care services to underprivileged mothers and their infants throughout the country. 1.7-million maternal and child care services provided to economically underprivileged people. Patiya and Bhola clinics at the coastal belt were upgraded to emergency obstetric care centers. Skilled Birth Attendants (SBA) provided 10 motorized vans to smooth better patients’ referral and home delivery (HD) services. Four clinics-on-wheels are used to increase the accessibility of services in the hard-to-reach areas.

c. Free Eye Camps (Every sight counts): Bangladesh has the highest number of blind people compared to its population. There are approx.750000 adults and 40,000 children who are blind due to cataract or other ocular diseases.WHO and IAPB have jointly launched a project in 1999 to eradicate blindness from the world by 2020.Grameenphone has also associated with the country’s mission to combat blindness vision 2020. Yet this program provided, free eye care support for around 28,780 people and 3,458 eye sights restored.

d. Grameenphone pilot TeleDermatology Grameenphone is collaborating with the Telemedicine Working Group of Bangladesh to bring quality dermatology care to rural peoples. Approximately 30 percent of the population in Bangladesh will suffer from a skin disease at one point during their lifetimebut, there are fewer than 300 dermatologists in Bangladesh.

e. Fight against HIV/AIDS (Every voice counts): Grameenphone has been jointly working with UNAIDS, an initiative of the United Nations (which carries together the efforts and resources of ten UN agencies i.e. UNHCR, UNICEF, WFP, UNFPA, UNODC, ILO, UNESCO, WHO, and the World Bank), helpsto avert new HIV infections, take care of those who have already suffering.

f. Others: 789 Health line, Blood donation camps for underprivileged Thalassaemia patients; Establishment of Blood Bank at Bogra for underprivileged patients and ensuring safety drinking water.
Education in GP (Funding the Future):

Education is a fundamental right of human being. The Universal Declaration on Human Rights (1948) in Article 26 recognizes education along with other basic needs including shelter, food, and water as a fundamental human right. Education is one of the centers of concentration areas of GP’s CSR initiative. Those are -

a. **Scholarship Program (Every dream counts):** This initiative inspires neglected students and provides them the opportunity to study and grow as real future leaders of Bangladesh by taking such privilege. It was commenced on December 2003. GP, in association with Grameen Shikkha, gives financial support to 100 bright but rundown students through a scholarship at different academic levels per annum. The achievement of this project to till date is 11 students participated in HSC examination last year and all of them have passed with flying colors.

b. **Online School:** GP has commenced this initiative on 4 October, 2011 with Jaago Foundation (JF), CR activities for education ‘Online School’. This initiative offers quality education for rural and sub-urban area including 3 schools for the children who are living at the slums.

c. **Alokdeep: Non-Formal Primary School cum Cyclone Shelter (Every help counts):** Alokdeep aims to provide shelter when people are in natural disaster. It otherwise will act as a place to provide non-formal primary education to the poor population of the community. Alokdeep project has been successfully operating since October 2009. According to the sketch, constructions of all four Alokdeeps have been completed in Bagerhat and Barguna districts and are open for use whenever it is necessary.

d. ** Earlier projects of GP:** True Liberation War Stories, Partnership with Bishsho Shahitto Kendro (Every mind counts).

Environment

a. **Click Green:** The purpose of such initiative is to create awareness among the employees of GP about climate and environment issue & persuade them to become active agents of sustainable and equitable development.

b. **GP Climate Change Program:** GP's has initiated this project since early 2008 with a vision for reducing carbon, being environment friendly and creating a momentum with the community and people.

The goal of Grameenphone's Climate Change Program is to:

- Become the leading company in Bangladesh inclimate initiatives within 2015.
Implementation of 7 Core Principles of ISO 26000 (CSR) in Bangladesh: A Case Study on...

- Reduce 15% carbon by 2012 & 40% by 2015.
- Be a 'Green Company' as their corporate transmission.

c. **Community Power Project- A Social Business Approach:** This project plans to develop a powerful and cost effective decentralized mini-grid infrastructure based on renewable energy for rural development in Bangladesh. GP in collaboration with University of Oslo will initiate a ‘community power project” where a solar power plant will be established and provide power to the Grameenphone base station as well as households and local businesses. The project, achievement to till date, is successfully Delivering power supply on regular basis to 140 households from 5pm to 12 am and to 1 Grameenphone community information center in day time.

**Poverty Alleviation (Social Initiatives)**

Three major initiatives were taken to seek hand against poverty. Those are - Village Phone (Every freedom counts), Community Information Center (Every opportunity counts), CellBazar (Every enterprise counts). The **village phone (VP)**, an inspiring example, helps to bring both social and economic empowerment to the rural women as they take center stage in earning a living. Connectivity and information is important in this global arena considering this aspects GP setting up **Community Information Centers (CICs)**. It drives people to invest in technology thus helping and connecting individuals and communities for mutual development. Connectivity also helps for making informed business decisions as well as reducing the dependency on middlemen. **CellBazar** – an electronic marketplace – facilitates traders with necessary market information and thus contributes towards business growth.

**Empowerment**

In CSR journey, GP has proudly involved in several initiatives to empower people of Bangladesh in different phrases. **Those are** - Partnership with Special Olympics Bangladesh (Every win counts), Information Boat Project (Every information counts), Skill Development Center (Every hand counts), and Rehabilitation of Acid Victims (Every confidence counts) project Milestone: → 6 acid victims are now working in Grameenphone and earning their own living.
10. Compare with Peer companies CSR activities (at a glimpse):

<table>
<thead>
<tr>
<th>Grameenphone</th>
<th>Peer Companies</th>
</tr>
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<tbody>
<tr>
<td><strong>Health:</strong> NID Awareness Campaign, Safe Motherhood and Infant Care Project, Free Eye Camps, Grameenphone pilot TeleDermatology, Fight against HIV/AIDS, 789 Health line, Blood donation camps for underprivileged Thalassaemia patients, Establishment of Blood Bank at Bogra and ensuring safety drinking water.</td>
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<td><strong>Health:</strong> Pure drinking Water, blood donation camps, primary health check-up sessions, safe drive campaign for the employees</td>
</tr>
<tr>
<td><strong>Environment:</strong> Click Green, GP Climate Change Program, Community Power Project- A Social Business Approach</td>
<td><strong>ICT:</strong> Basic Computer Training by Robi employee</td>
</tr>
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<td><strong>Environment:</strong> RobirAlo</td>
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9. Consistency or Inconsistency of GP's CSR practices with 7 principles of ISO 26000

ISO 26000 defines seven principles of social responsibility; here we are going to figure out Consistency or inconsistency of Grameenphone’s CSR activities with these principles.
(i) **Accountability:**

“An organization should account for the results of its decisions and activities on society.”

High Commission of Canada & Reed Consulting BD Ltd. (2013)

Grameenphone is a truly socially responsible company that operates at the highest levels of integrity and accountability on a global standard. Different dimensions of CSR activities of Grameenphone on social investment initiatives including Healthcare, Education, Environment, Poverty alleviation, Empowerment have a good impact on society as a whole directly or indirectly. GP has so far invested more than BDT 26,830 crore to build the infrastructure. 500,000 people are directly dependent on GP for their livelihood. It has been proudly doing business since its inception with a highly accountable corporate house on society.

(ii) **Transparency:**

“The principle is: an organization should be transparent in its decisions and activities that impact on society and the environment.” High Commission of Canada & Reed Consulting BD Ltd, (2013)

Operating transparently does not mean releasing commercially sensitive information. It means communicating openly with the stakeholders about both corporate and CSR vision, goal and objectives. GP is doing its business with a CR vision - To be recognized as the most socially responsible mobile operator in Bangladesh and in the corporate sector. GP has been operating in according to its vision, goal and objectives for sustainable development of society. GP convinced enough their stakeholders by trustworthy story in contributing to sustainable development. Lately, GP has more than 50-million subscribers which is the best reflection of customer loyalty about them. GP maintains adequate transparency and encouraging sound business conduct both in its in-house practices and in its external relationship with the community as well as suppliers, customers and business partners.
(iii) Ethical Behavior:

“The principle is: an organization should behave ethically at all times. An organization’s behavior should be based on the ethics of honesty, equity and integrity. These ethics imply a concern for people, the environment and a commitment to address stakeholders’ interests” High Commission of Canada & Reed Consulting BD ltd, (2013)

GP has adopted Code of Conduct (“Code”) which replicates in GP’s values, integrity, respect, trust and openness. It presents clear direction on how to interact business activities with the stakeholders. As we know that CSR does not wrap up only the corporate philanthropy rather it’s a part of CSR. GP’s norms, values, culture, code of conduct, and etc have a direct and indirect influence on its CSR activities.

(iv) Respect for Stakeholder Interest:

“The principle is: an organization should respect, consider and respond to the interests of its stakeholders.” High Commission of Canada & Reed Consulting BD ltd, (2013)

Grameenphone (GP) throughout its entire business operations puts persistent efforts to ensure stakeholders’ trust and confidence as governance and stakeholders’ value are consistent. With this end in view, GP has been providing and maintaining innovative, user-friendly and best-value telecommunications services to create sustainable stakeholders' value.

(v) Respect for rule of Law:

“The principle is: an organization should accept that respect for the rule of law is mandatory.” High Commission of Canada & Reed Consulting BD ltd, (2013)

GP has all respect to the rules and regulations of law such as environmental laws, Bangladesh labor Act and other related laws. Recently, GP experienced consequences for the whimsical manpower cut and BTRC had asked for explanation from GP on slashing staff. Finally the riot has been solved by proper initiatives of GP as the company has reputation in the context of employment management and compliance of other regulations.

(vi) Respect for International norms of Behavior:

“The principle is: an organization should respect international norms of behavior, while adhering to the principle of respect for the rule of law.” High Commission of Canada & Reed Consulting BD ltd, (2013)

GP, a truly socially responsible company, has operated at the highest levels of integrity on a global standard. As a MNC, GP always try out to maintain international standard in every sense of business operation.
(vii) Human Rights:

“The principle is: an organization should respect human rights and recognize both their importance and their universality.” High Commission of Canada & Reed Consulting BD ltd, (2013)

“Human rights” refers to respectful treatment of all individuals, regardless of any of their personal characteristics, just because they are human beings”. GP is undoubtedly branch marking organization in Bangladesh for their respect and foster to the human rights. GP’s all social investment initiatives, including –Healthcare, Education, Poverty alleviation, Empowerment, have justified its venture for respecting human rights.

10. Recommendations

- As a leading corporate house in telecommunication sectors in Bangladesh Grameenphone should give continuous efforts to ensure coherence of CSR activities to build a “CSR brand”

- GP has a project named “Community Power Project- A Social Business Approach” which is a pilot initiative but GP should engage with more social business with the aim of boost up employment opportunity and sustainable social development.

- Lately, GP has consolidated its social investment initiatives in four core areas- Healthcare, Education and Environment and social initiatives. It should diversify the CSR portfolio by involving ICT, initiatives for Disabled group,

- GP should increase its CSR activities by increasing it CSR fund 3 % to 5% of net profit.

- Prioritize product-related CSR activities & Make adequate use of marketing to enhance the customer value proposition of CSR Cause-related marketing that makes a compelling case for the adoption of new social norms can help enhance the customer value proposition of a certain CSR activity.

- Innovation should essentially be a matter of concern; be it searching the untouched areas and scope of CSR or the formulation of CSR strategy or the implementation thereof.

11. Conclusion

The idea of CSR has turn into progressively more common in business practices and stakeholders today almost expect companies to be socially responsible. According to it, every business house owes some responsibility towards the society, nation and world in general. Considering the long run sustainable development following the norms of CSR, developing new policies and effective implementation are inevitable to bring and sustain a balance between corporate world and society. Grameenphone has gone a long way in fulfilling its duty and responsibility towards the society but still many more to do for society. Being a branch marking organization, GP is putting continuous efforts to uphold the sustainable development of society by CSR activities.
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