Value Creation Through Corporate Social Responsibility in Developing Countries: A Case Study of Proctor & Gamble Pakistan

Hyder Kamran
Department of Administrative and Financial Sciences
Oman College of Management & Technology
P.O. Box 680, P.C. 320, Barka, Sultanate of Oman
hyderkamran@yahoo.com

Irfan Khurshid
Department of Billing and Services
Npower, Victoria Road, Staffordshire, ST4 2LW, United Kingdom
irfan084@yahoo.com

Dr. Fawaz Ali
Department of Administrative and Financial Sciences
Oman College of Management & Technology
P.O. Box 680, P.C. 320, Barka, Sultanate of Oman
fawaz.ali@omancollege.edu.om

Nitin Raj Srivastava
British Telecom, London, United Kingdom
nitin.r.srivastava@bt.com

Abstract

Consumer support for Corporate Social Responsibility (CSR) has been in practice for some years now and firms are demanded to seriously take CSR initiatives. This project has been compiled out of a wealth of literature that addresses the need and importance of CSR and business ethics in the society in great depth. A case study of CSR at Proctor and Gamble Pakistan was carried out by employing both the qualitative and quantitative data collection techniques to gather information so as to bring the attributes of triangulation in this research. The research findings outlined various views and beliefs of the respondents with regards to CSR initiatives by Proctor and Gamble Pakistan. The CSR awareness and societal veracities are the factors that encourage consumers to think ethically and make decisions in terms of who to develop associations with. The research shows a reflection of deductive approach and the researcher understood the inbuilt pros and cons of dependence upon secondary sources of information. It was attempted to adopt a hybrid strategy in this project but it mainly took a positivist look because of the nature of the questionnaire survey based upon close-ended questions aiming for quantitative data. The trend for CSR initiatives in developing countries is now growing at a decent pace and the recent advancements in technology and media have resulted in grown awareness among consumer groups to exert pressures on multinational companies to be apparent in their statements as well as practices.

Keywords: Corporate Social Responsibility, Value Creation, CSR Conceptualisation, Business Ethics, Strategic Planning
1. INTRODUCTION
A lot of debates have taken place in the past with a focus on responsibilities of a business in society and the need to be a good corporate citizen. However, this has all been limited to theory, and in practical field, no answer has yet been found with respect to how CSR should be implemented and integrated properly at an organisation’s strategic level.

According to The Work Foundation (2002) and McKinsey and Company (2006), “Indeed, recent reports reveal that almost six out of ten organizations have no strategy for CSR while many companies are unclear as to how to adequately anticipate which social issues will affect their overall strategy” (Cited in: Galbreath, 2009, p.109).

This is why, on one side, the business decision makers understand the importance of competitive advantage that can be obtained from being a sustainable player in the market, but on the other hand, there appears to be lack of knowledge in terms of how to make it possible.

External pressure that has been pushing businesses to change their view and focus on ethical advancements could mainly be seen from consumers and other associated stakeholder groups. Over past few years, an upward trend has been seen in a way that now consumers being more educated consider ethical implications much seriously and are even ready to penalize businesses for not keeping their promises in promoting a sustainable environment. This is why most of the corporations now consider it valuable to promote ethics in the society and try to associate themselves with certain sustainable development projects.

1.1 Problem Discussion
Being a developing country, Pakistan does not have strict laws and regulations in place regarding CSR considerations and also there is a lack of support from the Government. Due to lack of interest and control over CSR initiatives by Pakistan government, companies somehow try to escape these practices. In this research, the author aims to investigate the impact of Corporate Social Responsibility (CSR) in developing countries in general and Pakistan in particular. The centre of attention of this research is to analyse how much emphasis is given to CSR by internationally established MNCs. Mainly, this research examines the financial, ethical, legal and philanthropic perceptions of company’s stakeholders, and the desired outcome in the form of value creation for Proctor & Gamble Pakistan.

1.2 Need and Justification
Although there has been a growing influence of MNCs around the world because of the exposure created by the media, however, there has also been an increased apprehension for CSR in business world. It is favourable for companies to gain satisfaction of their associated stakeholders with their products or services and the way they operate, particularly, understanding the importance of business-consumer relationship is vital. Therefore, it is fundamental for a business not only to advance and improve its core production areas but also pay attention on social aspects that replicate company’s position in the market and its considerations for the stakeholders.

Stakeholders are considered to be the centre point around which value creation for a company revolves. In the opinion of Porter and Kramer (2006), one of the major resultants of value creation is the competitive advantage which can be achieved by integrating CSR initiatives and practices within the organisation’s operational policies (Cited in: Cheney, May & Munshi, 2010).

This research is aimed on how value creation becomes possible and what practices it may include to achieve and sustain such value. This may involve establishing brand image amongst consumers by offering quality products or by efficiently managing firm’s resources by making efficient use of production amenities, raw materials and power etc. In addition to being a sustainable business, CSR practices include retaining probable workforce to secure future efficiency by providing healthy working atmosphere, maintaining positive relations with the
suppliers and trying to improve the organisation’s image by actively taking part in social and public welfare projects.

1.3 Research Paper Aim and Objectives

This research aims to investigate the conception of Corporate Social Responsibility (CSR) and value creation through CSR with particular focus on developing countries with an evaluation of CSR initiatives approached by Proctor & Gamble in Pakistan.

1.3.1 Objectives

The main objectives of this research are:

1. To investigate the application of CSR platforms that engage multinational companies to act ethically in Pakistan
2. To examine the relationship between level of engagement of Proctor & Gamble Pakistan and the stakeholder group(s) with respect to CSR
3. To critically evaluate value creation through CSR in developing countries by Proctor & Gamble Pakistan

2. LITERATURE REVIEW

2.1 An introduction to CSR

“CSR, corporate responsibility, corporate citizenship, and sustainability all matter because they influence all aspects of business. And businesses matter because they create much of the wealth and well-being in society. As such, CSR is increasingly crucial to both business and societal success.” (Werther and Chandler, 2010, p22).

Ullmann (1985) indicates that CSR is not a new topic and has been in practice by many businesses for a long time (Cited in: Gowthorpe and Blake, 2008). Highlighting the history of CSR from 1950s, Carroll (1999) argues that CSR started with individual business people and gradually it spread from being a simple trend in corporations into a totally changed viewpoint of business ethics and corporate citizenship (Cited in: Idowu and Filho, 2009).

CSR is mainly approached as establishing principles for business ethics, designing strategies and be part of projects or campaigns that would give the organisation an image of “good corporate citizen”. Contrary to Friedman’s (1970) publication, different management analysts started to build up academic literature around CSR concept and presented their views about responsibilities held by a firm. Crane (2008) and May et al (2007) identify the trade-off between present and future in terms of investing now and getting reward in the future.

In contrast to this, Friedman (1970) claims, “a firm need not have any additional justification for existing and that, in fact, social value is maximised when a firm focuses solely on pursuing its self-interest in attempting to maximise profit” (Cited in: Werther and Chandler, 2010, p55). CSR is a way of ruining an organisation’s financial health and an organisation’s sole responsibility is to maximise profits for the shareholders and ensuring maximum returns to the investors (Cited in: Werther and Chandler, 2010).

Crane (2008) and May et al (2007) further emphasise that, for a business favouring long-term growth in a sustainable manner it is essential to consider CSR as an important outlay that would generate same return if invested somewhere else.
2.2 CSR conceptualisation in developing countries

The debate on CSR conceptualisation in developing countries varies from buoyant views about the responsibility of a business in society to extremely crucial perspectives (Visser, et al, 2010). As far as CSR benchmarks such as codes and standards of practice and management systems in developing countries are concerned, the CSR in such countries shows less formalism and tends to be less institutionalised. However, the formal CSR can usually be seen in practice by high profile and multinational enterprises either those having an established global reputation or those aiming to build a brand image (Visser, et al, 2010 and Bethoux, Didry and Mias, 2007).

The literature indicates that the ethical demands in terms of social and environmental wellbeing has shown a dramatic increase which led to CSR to achieve thrust and momentum. Paetzold (2010) identifies the reason for such a thrust to be an escalating influence of multi-national enterprises (MNEs) over the global economy; hence the stakeholders i.e. consumers, employees, the community at large, government, and the natural environment should be taken into serious consideration. Visser et al (2010) maintain that CSR in developing countries is most generally linked with benevolence and donations; through corporate social investment in education, physical health, sports advancements and other such welfare practices.

In developed countries, the legislation requires companies to report on their practices and performance for environmental and social aspects. In developing countries, the changing trend is also pushing firms to report on their social responsibility and their role as a good corporate citizen.

Businesses in countries with low income levels such as Pakistan, India, Thailand, Philippines etc are heavily criticised for showing lack of social responsibility and are blamed for undermining various opportunities in terms of societal well being along with harnessing their own financial benefits. According to the Department of Economic and Social Affairs (DESA, 2007), practically, developed countries have mainly been seen as a focus of CSR in developing countries. Misani (2010) indicates that, in the past, the developing countries had hardly any CSR agendas in place at national level that could be visible globally; but over the past few years; governments, the MNCs and some non-government organisations in these countries have shown a positive concern and engagement in adapting CSR agendas.

DESA (2007) maintains that governments in some developing countries have taken initiatives to reduce the undesirable CSR effects on local communities, surrounding environments and associated markets because of the growing concerns from global supply chains and foreign direct investment. This is why many MNCs around the globe are trying to establish good repute and understand the benefits of good relations with suppliers and producers from developing countries (Bethoux, Didry, and Mias, 2007).

2.3 CSR and Stakeholders; the common perspective

Barnett (2007) argue that stakeholders having a good understanding of CSR would observe how seriously a firm takes CSR initiatives and then by making evaluations would prefer those which have CSR principles in place (Cited in: Schreck, 2009). Identifying the importance of CSR, Crane (2008); May et al (2007) and Castka et al (2004) indicate that CSR should be approached in the same manner as that of a financial investment for good return.

Werther and Chandler (2006, p285) quote that, “CSR is not about a company pursuing the favourite charitable interests of the CEO but it is about ensuring the company strives to meet the needs and address the concerns of key stakeholders”.

Stakeholder theory is based on the instructions that companies have responsibilities to different stakeholders, both internal and external, that must be obeyed (Freeman, 2010; and Heath and Norman, 2004).
Freeman (2010) recommends that organisations must gauge those expectations emplaced by stakeholders and then strategic adjustments should be considered in a firm’s CSR plan. Consumers are one of the important stakeholders that could add or remove value for a business. Firms that are successful in understanding the trends in customer behaviour and keep up quality and variety in their product line enable themselves to create value for the business and differentiate themselves from their competitors.

The recent advancements in technology and the availability of information is pushing firms to be transparent and get involved into activities that would present them as ‘good corporate’ in the society. Werther and Chandler (2010) and Roberts and Phelps (2001) argue that if consumers stop buying a certain product on the basis of their disapproval to the way it was produced, then that firm will quickly adapt or fail, therefore, stakeholders are as responsible for the corporations that survive and thrive in our society as the organisations themselves.

Urip (2010) believes that companies need to recognise the need to anticipate and take measures to avoid negative public perceptions in order to protect their goodwill and reputation by doing right and ethical CSR activities.

2.4 Value creation through CSR

Green and Peloza (2011) state that, it may not be possible to exactly measure the consumer value received by CSR but it may vary and consumers’ behaviour depends upon the level of value received during the process. According their viewpoint, “Consumers do not view CSR as one, overall impression of a firm. Rather, they view each initiative presented to them in relation to how it can add to the overall value proposition for a purchase”.

Meehan, Meehan and Richards (2006) believe that the presence of three Cs (consistency, connections and commitments of 3C-SR model) are the foundation for implementing effective competitive strategies around available social resources which are happily embraced by socially conscious consumers. Therefore, a firm considering implementing a strategy to gain competitive advantage and create value by endowing available resources will not be successful until there is a proper commitment and support to broadly attributed public focused practices.

Green and Peloza (2011, p.50) outline three value drivers as,

**Emotional value**: received when a consumer makes a purchase with a social or environmental attribute

**Social value**: can accrue from purchases from firms active in CSR since people make judgments about others based on the purchases they make

**Functional value**: relate to the actual benefit the consumer receives from the product or service

Galbreath (2009) proposes that an aligned CSR strategy with that of business strategy is vital for firms to create value. Therefore, Green and Peloza (2011) agree that once CSR is integrated successfully throughout the firm, the CSR programmes will automatically align themselves with that of organisational strategy and the business will enable itself to leverage benefits both financial and social. Figure 4.2.1 gives an indication of different forms of CSR that offer various opportunities to firms in a way to distinguish themselves from competitors and gain competitive advantage. CSR approach, if managed effectively, can surely create value for both business and society concurrently (Ali et al, 2010).
One of the consumer surveys conducted in America by Cone LLC (2007) examined the growing impact of CSR and its practical influence. It was found that 80% of the consumers surveyed indicated that firms must have a social responsibility and 90% agreed a company will have a positive image if involved in a cause supporting activity i.e. CSR (Nolan, 2007).

In other recent surveys conducted by Cone LLC, it was observed that 34% of consumers would happily buy environment friendly products (Cone LLC, 2009) and 80% are willing to switch brands of same price and quality to one with CSR initiatives (Cone LLC, 2010). The recent trend with respect to CSR that can be seen in practice is that companies associate themselves by providing financial support to certain not-for-profit organisations. The choice of organisation with which a firm decides to associate itself and the nature of relationship that strengthen this bond are vital to measure that firm’s perceived value in the society (Meehan, Meehan and Richards, 2006).

The understanding obtained from the discussion is that organisations considering the development in their competences in terms of social resources are suggested to adopt a holistic approach of their present values and careful consideration of their strategic management policies (Meehan, Meehan and Richards, 2006). It is apparent that ethical responsibility is crucial for any business and those who fail to adopt CSR practices will become targets of failure in the industry. Therefore, Svensson and Wood (2011) and Meehan, Meehan and Richards (2006) illustrate that a firm that recognises the importance of being socially ethical and is committed to propagate such policies at strategic level can surely enhance its competitive resources and also enjoy the benefits of value generated in the process. In fact, CSR course would then act as a momentous basis for marketplace differentiation.

2.5 An overview of CSR initiatives by Proctor and Gamble Pakistan

Proctor and Gamble (P&G) started its business in Pakistan in 1991 with an aim to be Pakistan’s best consumer goods company operating locally. The company’s headquarter is in Karachi. To achieve their goal of excellence, the company serves consumers in Pakistan with premium quality products under various brands such as Head & Shoulders, Pantene, Ariel, Safeguard, Pampers,
Always and others with a purpose of making people’s everyday lives better (Proctor and Gamble, 2011).

P&G pays great emphasis on engaging its employees and stakeholders to deliver the company’s environmental and social programs. Their objective is to endow all employees to establish sustainability philosophy and practices into their daily work pattern. The company aims to work closely with stakeholders to facilitate continued freedom to innovate in a responsible manner (Proctor and Gamble, 2011).

“Through our partnerships with stakeholders, we aim to improve the communities where we operate. At P&G Pakistan we strive to deploy initiatives that create positive impact for the society at large by addressing key needs. Our longstanding association with NGOs in fields of education, empowerment and rehabilitation are a testimony to P&G’s dedication to improving lives” (P&G Pakistan Newsletter, 2009).

In 2007, P&G Pakistan started a programme “Me & My Mentor” to provide an opportunity to the employees to develop their career skills by obtaining guidance from trusted and skilled mentors from a pool of experienced managers; and in 2009 the company launched “Speed Mentoring” to further strengthen this mentoring programme (P&G Pakistan Newsletter, 2009).

Goergen et al (2010) agree that there is a link between corporate financial performance and corporate accountability to stakeholders and therefore a perfect balance needs to be maintained between profit generation and meeting stakeholder expectations. Firms that are successful in understanding the trends in customer behaviour and keep up quality and variety in their product line enable themselves to create value for the business and differentiate themselves from their competitors.

According to P&G, “For more than 170 years, P&G brands and people have touched and improved consumers’ lives. This commitment extends to our social investments. Our people and our brands are our greatest assets, and together, they are a tremendous force that can make an impact that matters” (Proctor and Gamble, 2011).

For P&G sustainability provides prospects to construct their business by bringing firm’s expertise and innovation to deal with the values, concerns and frustrations that consumers may come across in daily life (P&G Annual Report, 2009).

Strugatch (2011), Galbreath (2009) and Heath and Norman (2004) agree that firms need to direct their marketing activities towards CSR perspectives and once the benefits are obtained, companies will sense obligation to be part of societal well being and try meeting the stakeholders’ perceptions for a better reward in return. Research indicates that people are now becoming more aware of issues related to the environment and sustainability; therefore, companies like P&G have understood their obligation towards society at large and the need to play their part as a corporate citizen. “Sustainability is about ensuring a better quality of life, now and for generations to come” (P&G Annual Report, 2009).

Svensson and Wood (2011) highlight ethical structures, processes and performance measures are the variables that a firm depends upon to practise corporate and business ethics at strategic level. Organisations always have an objective to be achieved at corporate level whenever involved in a social responsibility campaign. For example ‘Live, Learn and Thrive’ is P&G’s corporate cause, focusing on helping children in need around the world. The programme enables children to get off to a healthy start, receive access to education and build skills for life (Proctor and Gamble, 2011).
P&G Pakistan vitally understands the importance of women rights in employment and the company encourages having an ethnic, educational and gender diversity within the organisation. With the help of a formal program of mentoring, training, networking and role-modeling, the company launched a diversity network in Pakistan to support skilled women (P&G Pakistan Newsletter, 2009).

“Diversity is a matter of ethics. Every individual in our company – and every partner with whom we do business – deserves an equal opportunity to grow, excel and succeed with Procter & Gamble” (P&G Newsletter, 2011).

Sheikh and Beise-Zee (2011) and Meehan and Richards (2006) agree that depicting a social issue in the society and then focussing firm’s efforts for its improvement is considered as a desirable practice for effective communication to improve public’s understanding about a firm’s ethical efforts. P&G Pakistan has been in strong support of educating people about heath, hygiene and the importance of washing hands with soap. A study titled “Effects of School-Based Hand washing Promotion on Students and Communities in the Developing World” was supported by P&G’s soap product ‘Safeguard’ to create health and hygiene awareness among people in Pakistan. In order to convey the message of what does the company think about societal welfare, a financial or non-financial support to a cause acts as a tool for that company. Therefore, by doing this a firm can surely establish an association with CSR and enable itself to gain respect and repute in the marketplace that adds value to the company on top of good citizenship (Sheikh and Beise-Zee, 2011).

3. RESEARCH METHODOLOGY

3.1 Research Design and Strategy
The author attempted data testing, in this case a questionnaire survey has been used, and the respondents’ views were tested against what has already been published about CSR, either to accept it or reject it.

Although, the focus of this study was diverted more towards deduction from theory and literature, however, inductive approach also came into play in findings and discussions part to outline suitable recommendations for wider CSR perspectives. This project, hence, adopts a ‘multi-approach’ strategy to bond the two variant approaches. The critical analysis of available literature was argued against the subject matter and it was embraced that MNCs are taking serious considerations in developing countries to adopt CSR practices. The viewpoint of stakeholders with respect to CSR was also investigated that a business-consumer relationship is vital and CSR acts as a platform to create value out of it.

The qualitative research technique enabled the author for obtaining clear understanding about how P&G Pakistan’s stakeholders perceive about the company with respect to CSR and how does it operate to bridge the relationship between P&G Pakistan and its stakeholders. Therefore, the author used this method to seek information from the participants on different aspects of the interaction between consumers as stakeholders and P&G Pakistan.

Agreeing to the viewpoint of Tashakori and Teddle’s (2003) to create better ways of collecting necessary answers to the research, triangulation was brought to practice (Cited in: Saunders et al, 2009). A combination of qualitative methodology with a quantitative one has been attempted in this study to maximise the quality of data generation process. This is because the different data generated by both methods would have produced similar results and helped pointing the author in the same general direction. This research mainly relies on in-depth interviews for qualitative data and questionnaire for the collection of quantitative data.
4. RESEARCH FINDINGS AND DISCUSSION

This research was based on the aim of evaluating to what extent multinational companies (MNCs) initiate CSR in developing countries and it was investigated in the light of case study of ‘Proctor and Gamble Pakistan’.

4.1 Investigating the application of CSR platforms that engage multinational companies to act ethically in Pakistan

It is evident that CSR is rooted in consumer realisation and commonality engagements in societies of developed nations that observed the elements of social ethics in the practices and behaviour of multinational corporations. This research attempted to explore the CSR conceptualisation in Pakistan mainly from two perspectives i.e. business and consumer. Although, developing nations compared to developed ones, behave differently and present a variant agenda for CSR initiatives to be employed by the MNCs like P&G. In this research, it has been analysed that the trend for CSR initiatives in developing countries is growing at a decent pace and essentially the push is mainly from the stakeholders of a firm. In today’s business world, communication is thought to play a vital role in terms of bridging the relationship between business and consumers. Although some of the participants’ (3.41%) viewpoint indicates the lack of availability of CSR information, however, a stronger percentage of 46.15% believes that ‘a lot’ of information regarding CSR is made accessible by P&G for general public.

It is becoming noticeable that now consumers in developing countries demand organisations to inform people about the extent to which a company takes interest in social responsibility. The research findings and reviewed literature gave us an indication that P&G Pakistan pays emphasis upon the importance of ethics reporting. The company has been active since 1999 in producing an internet based global sustainability report on annual basis to comment on their practices with regards to environmental, economic and social performance. When asked from people in Pakistan, 91.45% of the respondents supported internet, 62.39% agreed with TV and radio and 49.57% argued newspapers and magazines to be the most accessible source to become aware of the CSR practices initiated by P&G Pakistan. Critically arguing, only a smaller percentage of educated people would have an easy access to internet and be able to read newspapers and magazines. Although, it is good to see the company’s initiative on CSR reporting but keeping the information limited to online sources of information could be the drawback that P&G needs to consider seriously.

Supporting a CSR cause financially, is increasingly becoming popular and a need being felt by P&G Pakistan to highlight its ethical thoughts and to present its image of a good corporate citizen. From research findings it is concurred 33.33% of participants are those who strongly believed that P&G Pakistan is quite efficient in responding to the changing trends in consumer behaviour. Another 26.49% thought it occasionally happens that the company would react to take steps in line with the understanding of trends in consumer behaviour.

It has been observed from the reviewed literature that the governments’ involvement in CSR in Pakistan is not very efficient. Therefore, additional support is required from the government to play its role to promote CSR by persuading MNCs so as to bring benefits for competitiveness as a whole. Overall, the CSR platforms seem to be establishing well and the businesses themselves are involved taking initiatives at organisational level. P&G Pakistan is active in educating people and creating awareness in the society by informing consumers regarding what the company perceives about the importance of business ethics.
4.2 Examining the relationship between level of engagement of Proctor & Gamble Pakistan and the stakeholder groups with respect to CSR

The knowledge gained from the literature and the analysis of primary data indicate that consumers in developing countries are now taking keen interest in CSR and encourage businesses to act in line with CSR policies and procedures. As this research was based upon a case study of Proctor and Gamble (P&G) Pakistan, it is concluded that consumers in Pakistan to a certain extent consider the importance of CSR and demand P&G to be ethical in its practices. The element of discussion to be outlined is the ‘belief’ that people have built in their minds for P&G to offer quality products. The research findings illustrate a response rate of 50.49%, which indicates ‘international origin’ of P&G to be an attribute for consumers’ product purchase process.

From previous discussions it can be observed that, more knowledgeable the stakeholders (consumers) are more pressure they exert on a firm to take CSR initiatives. This further relates to combining the product quality attribute with CSR concept. This research stressed the importance of P&G’s products’ quality and consumer satisfaction in line with CSR to manage and retain loyal customers. 16.42% of the respondents supported the attribute of ‘quality’ believed by them in P&G products.

However, it may not be favourably possible to mould together the CSR actions and consumer behaviour in P&G unless the consumer satisfaction with firm’s products is apparently measurable. From this research, it can be concurred that better CSR understanding the consumers will have, the better decisions they intend to make on the basis of their attitudes and beliefs with regards to CSR. The analysis of level of customer awareness regarding company’s CSR actions measured through questionnaire survey provided a clear outlook of the effects of P&G’s CSR practices on product purchase process and later on consumer retention behaviour. In the opinion of 18.20% of participants, the key attribute they look for when purchasing P&G products is what the company says about its products, and therefore, they trust the company to be true and ethical in its statements. After the level of consumer satisfaction was determined the effects were seen in the form of positive responses in a way that consumers were happy to pay a higher price for products by P&G through fair trade procedures.

The willingness to switch brands on the basis of ethics and pay higher price for ethical products highlighted the fact how closely a consumer relates itself with P&G which acts as a force to strengthen the business-stakeholder relationship between both parties. Therefore, it is concluded that increased ethics awareness among those consumers does have a positive influence on consumer purchase intentions which ultimately impacts on the financial health of P&G Pakistan.

This research concludes that CSR activities of P&G positively affect the consumer purchase process that leads to favourable purchase decisions. Moreover, this behaviour plays an important role in shaping and implementing firm’s strategic decisions for the future. The impression of customer loyalty is examined as a merger of customers’ favourable approach to a product and the repeat purchase psychology. Further analysing the primary data, a higher percentage of the sample indicates that they would switch to a different brand if P&G fails to promote ethics. When people were asked how they would react to unethical products, then 42.73% respondents showed positive ethics concern and indicated that they will stop buying P&G products if it is explored that the company is a bad corporate citizen. It is apparent that quality of the product was not the only factor to analyse consumer satisfaction for P&G Pakistan, and therefore, attentions have also been drawn to include other related aspects of analysing business-stakeholder relationship such as P&G’s involvement in societal welfare and support for various causes in Pakistan all relating to the same idea of value creation through CSR. Only 13.67% (16 out of 117 people) indicated that P&G fails short to interact with general public i.e. consumers to make them feel part of the organisation. In the interviews with P&G Pakistan’s managers, the participants confirmed that P&G does take initiative to involve people from the society to help and outline strategies that could help the company to design a better society. However, some of them also highlighted the fact that it was limited and needed to be promoted at wider level so as to involve...
more and more people to come forward and address their concerns and be part of us (P&G Pakistan) as individuals and as an organisation.

4.3 Critically evaluating value creation through CSR in developing countries by Proctor & Gamble Pakistan

This research was primarily built on the perception of value creation through CSR given the type of value such as social, emotional and/or functional, perceived by consumers and provided by CSR initiating player. During product purchase process, it is the functional value that is argued to be more important and seems to have an influence on other two related value types of CSR i.e. social and emotional. The CSR awareness and societal realities are the factors that encourage consumers to think ethically and make decisions in terms of who to develop relationships with. It is the consumer behaviour towards P&G Pakistan that differentiates the types of CSR and the value created through them. It was observed that 35.04% of the respondents were those who strongly agreed with the fact that P&G Pakistan is a business that truly manages relationships with its customers. However, a higher percentage response of 46.15% was from those who think to some extent the company is a true player in terms of understanding the importance of business-consumer relationship.

The recent trend that can be seen in practice is that the foreign multinational investors take with them the CSR knowledge and expertise from developed countries to gain enhanced benefits by initiating same practices in developing countries. P&G Pakistan followed its same principles of individual branding strategy when operating in Pakistan. Knowing the company can generate value by managing its brands individually as it has been done in western world has been an attribute of the firm’s strategic planning and brand recognition. It is therefore understood in the light of given data that P&G Pakistan is fairly successful in following polices that enable the company to strengthen the relationship with its stakeholders. It can be argued in the light of analysis of primary and secondary information that the consumers outline three possible forms of value as mentioned above and consider CSR to be the source of these values. The value generated through these sources, however, varies and depends upon factors such as the business ethics, product offerings and so on. From research findings it was understood that some consumers associated CSR with product quality and highlighted it to be a functional value offered by P&G Pakistan. Some consumers, on the other hand, favoured social or emotional value and associated CSR with financial investments in the society. 39.31% of the sample agreed to do repeat purchases for ethical products, where as another 35.04% were in the opinion of ‘may be’. Repeat purchases indicate that a customer is happy with the products offered by P&G and would like to stick with the brand in the future. This indicates that the products that are promoted through utilitarianism and are viewed as such by the consumers, encourage customers to position themselves closer to those products and also to the brand. In other case, where the value is emotional or social, the output is still the same as consumers favour a company with CSR initiatives but type of value perceived is different. 52.13% of the survey respondents were of the opinion that the CSR initiatives taken by P&G in Pakistan are true and present an image of the company as a good CSR citizen. This percentage highlights their awareness of CSR causes supported by P&G Pakistan and indicate how the company is perceived in the society. However, a little response of 14.52% was seen from those who were extremely satisfied with the steps taken by P&G Pakistan to bring betterment in the society by socially fulfilling its responsibilities.

When consumers favour functional value and intend to buy a product in connection with CSR, the prospects and expectations associated with the product can set a different impact on whole society. For example, if P&G Pakistan considers a CSR initiative and offers a product such as ‘safeguard’ soap to promote a healthy lifestyle, then the value created out of this is ‘functional value’. However, if the product is promoted through CSR message that the company is sincere in societal wellbeing and safeguard soap is company’s one way of doing it then it attaches social and emotional factor with the product. The consumers will then automatically associate emotional bonding with the product and the value generated out of this will be ‘emotional’ and/or ‘social’. 
5. RECOMMENDATIONS
Promoting Pakistan into the modern arena of social ethics requires establishing responsible competitiveness. The combined efforts need to come to practice in a need to support a culture of observance and an atmosphere that promotes responsible policies and practices. However, this may only be achievable by emphasizing on corporate social responsibility and prioritising it at national procedural level, followed by the establishment and execution of a national CSR approach supported by all associated key stakeholders. From this initial move the ethical exercises then need to progress through a foundation for CSR discourse that acts in responses to varying market demands in Pakistan.

Considering the recommendations for future research aspects, one of the important implications to be outlined is the extended need to investigate consumers’ responses in greater depth with regards to CSR and the perceived value generated through this process. Although the researcher attempted to discover the consumers’ views, attitudes and insights towards CSR and value creation, but there is a lack of consistency on ‘types of value’. For future research, it could be recommended to investigate what level of knowledge is held by consumers regarding type of value through CSR and their perception about each type. Then dividing the respondents into smaller groups on the basis of type of value perceived and finally constructing a comparison and contrast analysis is thought to bring more rigour to the discussion.

Globalisation has played a major role in enabling businesses to extend their boundaries and reach across various territories all around the globe, where CSR practices and principles tend to differ on the basis of different variables, and culture is one of them. This research lacks considerations about culture of Pakistan and that how it reacts with CSR. Proctor and Gamble with its origins in America with a different culture operates in Pakistan where differences do occur on cultural roots. Therefore, it is suggested to add analysis of cultural divergence to future research as it would help to investigate the matter from another perspective. Also, rather than focusing on one country, a comparison between CSR practices in a developing country with that of a developed country would help the author to establish a better understanding by looking at variant aspects of the argument.

Last but not least, it is recommended to widen the pool of respondents by selecting a bigger sample. Considering the time and grading factor of this research it was hardly possible to gather primary data from a sample bigger than this. The questionnaire survey sample selected for this research involved teachers, students and people in white collar jobs having a better understanding of CSR concept. However, to bring further authenticity, validity and accuracy in future research, it is proposed to increase the number of participants to include respondents from a bigger supply chain. This is so that it would help the researcher to gather information from a sample that may act as true likeness of the whole population.

6. REFERENCES


