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CORPORATE SOCIAL RESPONSIBILITY AND GREEN IT: THE LINKAGE AND CASE ANALYSIS

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Abstract

Corporate social responsibility (CSR) and Green information technology (Green IT) are two important disciplines that could be cooperatively work toward a common goal of achieving environmental sustainability and ultimately, reaching to ultimate sustainability in society. This study discussed a method of value model analysis that combines the operational procedures of CSR and Green IT. A case study is adopted to illustrate the four stages' value creation process.

Keywords: Corporate social responsibility (CSR), Green IT, Sustainability, Value model.

1 INTRODUCTION

Corporate social responsibility (CSR) is a discipline that touches and applies to business, society, and environment. CSR has been traditionally involved in philanthropic practices, in which companies donate money or form foundation for the purpose of funding projects to solve societal concerns or difficulties. By all means, the whole implication of CSR has been focused on societal expectations of corporate behavior – that is, citizens expect the corporations to provide positive influence and contribution to society. The main purpose of CSR, overall speaking, focuses on the capacity building of a sustainable living environment.

Sustainability concerned about the present and future livelihoods, it challenges us to maintain a harmony mode in the economy, the community, and the environment. The three components of sustainability are economic growth, social equity, and environmental protection (UN General Assembly, 2005; Chou and Chou, 2012). In order to maintain sustainability, the three components must be fully recognized and accomplished. To facilitate the economic growth in the society, it needs to perform stimulating financial services and economic development within the society. Social equity is related to “human rights, corporate power, and environmental justice which commits to promote fairness and equity in the forming of public policy” (Chou and Chou, 2012, p. 447). The last component of sustainability is the environmental protection, which “pursues healthy ecosystems that can continuously provide critical goods and services to human beings in the world and other organizations on earth” (Chou and Chou, 2012, p. 447). Chou and Chou (2012) indicated that Green Information Technology (Green IT) movement meets the expedition of sustainability.

Green IT is an important mission while pursuing environmental sustainability. A fully implemented Green IT policy may lead to the goal of environmental sustainability, which may finally lead to overall sustainability. Although Green IT should be recognized and achieved by the whole society, individual organizations or IT manufacturers must adopt green policy internally. This leads to the achievement of corporate social responsibility and Green IT. While companies intend to adapt to CSR, they can also implement environmental strategy such as Green IT. The combination of CSR and Green IT strengthens the wave of achieving sustainability in society.

Value model approach is a stage-wise process to achieve the goal of action or movement. Green IT value model was proposed by Chou and Chou (2012) to illustrate the stages of reaching the value of implementing green IT. Cloud computing value model was created by Chou (2015) to illustrate the stages of achieving cloud computing value. This value model method is adopted to analyze the stages of reaching to the CSR and green IT value in this study.

The purpose of this study is to discover how Green IT is linked to CSR practice and the way of achieving sustainability in society. Theoretical discussion and an organizational case study will be used to verify the proposed model. The next section discusses the evolution of CSR and Green IT. The creation of the CSR and Green IT value model and their linkage are then discussed. A corporate case analysis is illustrated in the next section. Finally, conclusions are provided.

2 EVOLUTION OF CSR AND GREEN IT

2.1 Corporate Social Responsibility

CSR has been recognized much more in the philanthropic action. Companies share certain amount of their profit into social activities or charitable donation. Some studies showed that philanthropic expenditures may become corporate valuable investment, the adoption of strategic philanthropy provides opportunities for innovation, opens up new market, and creates valuable social relations for the company (Lee, 2008; Kanter, 1999; Porter and Kramer, 2002).

Corporate social performance model dominated the CSR research in 1980s. Carroll (1979) published a well-recognized three-dimensional conceptual model of Corporate Social Performance, in which concepts of corporate social responsibility, social issues, and corporate social responsiveness were identified. The next decade, 1990s, CSR shifted to stakeholder model research. The stakeholder model “solved the problem of measurement and testing by more narrowly identifying the actors and defining their positions and functions in relation to one another.” (Lee, 2008, p. 61). The CSR research was getting more diverse and mature than before after the presence of the stakeholder model. More CSR research touched the areas of diversity, affirmative action, environmental responsibility, etc.

Baker (2004) indicated that European model paid more attention to operating the core business in socially responsible way and thus sustainable. As indicated by European Commission (2001), an increasing number of European companies were promoting their corporate social responsibility strategies. These companies implemented CSR as a response to a variety of social, environmental and economic burdens. The European Commission (2016) has defined CSR as “the responsibility of enterprises for their impact on society”. The European Commission announces that CSR is important for the sustainability, competitiveness, and innovation of EU enterprises and the EU economy. The newer development in CSR entailed the environmental aspect. We then discuss the evolution in green IT next.

2.2 Green IT

Sustainability is one of the goals of implementing corporate social responsibility. There are three fundamental components in sustainability, including economic growth, social equity, and environmental protection (United Nations General Assembly, 2005). Green IT is a movement in the IT industry for fulfilling the goal of environmental sustainability. The realization of green IT can benefit the society by diminishing the concern in environmental protection. IT manufacturing companies, if following green IT guidelines, could contribute to their social responsibility and then achieving the goal of environmental sustainability.

The usage of information technology encounters a major portion of environmental impact. For the environmental concern, green IT became a major research issue. Green IT, based on Chou and Chou’s argument (2012), plays an important role in seeking environmental sustainability.

The IT industry recognized the need of achieving green IT. IBM is a computer based company, who developed a green business framework that includes seven components: strategy, people, information, product, information technology, property, and business operations (Chou, 2013). This green business framework “integrates green IT concept into business processes to achieving environmental sustainability.” (Chou, 2013, p. 233).

Based on the above review to the fields of CSR and green IT, it is clearly understood that the outcome of adopting CSR and green IT could reach to sustainability in the end, including three components of economic growth, social equity, and environmental protection. The adoption of green IT is a part of CSR practice, which is especially meaningful to the IT industry. Computer manufacturers are the heavy users of energy in society, their participation to green IT movement will enhance the magnitude of environmental sustainability, which in turn will benefit the sustainability in society.

3 CSR AND GREEN IT INTEGRATED VALUE MODEL

Every movement in society possesses its own purpose and goal and ultimately will gain its value. Green IT and CSR, theoretically or practically, have their own goals and values. We will discuss the path of value creation from Green IT movement and CSR campaign in society. Ideally, both movements can be integrated and reach to sustainability.

The value model approach has been applied into green IT area by Chou and Chou (2012). The green IT value model consists of four steps, they are Awareness, Translation, Comprehension, and Green IT Value; the final goal of this model is Environmental Sustainability.

The CSR practice pursues the goal of sustainability, as discussed in early sections. Green IT movement also seeks the goal of environmental sustainability, which is a subset of sustainability in society. These two approaches can be integrated into a common framework and then to be illustrated by a value model framework. Similar to Green IT value model, the CSR and Green IT integrated value model can be framed into four components: awareness of CSR and green IT, translation of CSR and green IT, comprehension of CSR and green IT, and CSR and green IT value.

Accumulated CSR and green IT values generated through this value model provide significant impact to society. Individual companies follow this value model to make contribution to the community, society, and world. These successful stories will encourage more companies to join the journey of CSR and green IT. This expedition moves the society into the final goal of sustainability.

4 CASE ANALYSIS

Lite-On Technology Corporation in Taiwan produces imaging products, enclosures, power supplies and LEDs. Lite-On Technology Co. gains its reputation in the LED industry for over thirty years in Taiwan (Chen, 2013). The company is also the largest notebook adapter manufacturer in the world, embracing 60 percent global market share. The company has received substantial attention from foreign institutional investors recently. (Lite-On Technology Co., 2016).

Lite-On Technology Co. found the need of committing corporate social responsibility and environmental sustainability, they established the Corporate Social and Environmental Responsibility (CSER) program in 2007. CSER is designed to “enhance corporate governance, environmental protection, community programs, and the health and safety of employees.” (Lite-On Technology, 2016).

Lite-On Technology Co. is a company that has successfully implemented CSR and Green IT movement. We use their business case to illustrate the four stages implementation of CSR and Green IT model.

The value created by adopting CSR and green IT in Lite-On Technology Co. can be measured through a variety of successful indicators. This company was recognized as the runner-up for Common Wealth Magazine’s Benchmark Enterprise Award for the 5th consecutive year. Common Wealth Magazine also awarded the “Corporate Citizenship” awards from 2007-2015; also the magazine selected this company in the list of “Excellence in Corporate Social Responsibility” for seven years. The company was also selected as a member of Dow Jones Sustainability Indexes (DJSI) in 2011-2014. Moreover, it was listed in the constituent of MSCI Global Sustainability Indexes. Other numerous awards and recognitions have been generated since company’s involvement in CSR and green IT practice (Lite-ON Technology Co., 2016).

5 CONCLUSIONS

Corporate social responsibility has been widely accepted in world business as a healthy indicator in business community and society. Many sizable companies and organization follow the suite to make themselves a better ones in the market. Green IT is a movement to save energy and reduce pollution during IT production and usage. The adoption of green IT allow the companies to reach to the goal of environmental sustainability. This effort is especially significant inside the IT industry.

The value model demonstrated the stages of value creation to the action or movement. The CSR and Green IT integrated value model can be used to show the efforts created by companies that implementing both CSR and green IT practices. Many noteworthy advantages and benefits to be generated through companies’ ethical and social responsibility behaviors and programs. For example, brand name recognition and stakeholders’ support could generate financial advantages to the CSR and green IT practitioners.

This paper provides a case study that discussed Lite-On Technology Corporation's journey on CSR and Green IT. The final results of Lite-On Technology's decision are brilliant and fruitful. It set an example of excellent corporate social responsibility. The future study could focus on the theory building toward an optimal decision model of implementing CSR and Green IT.

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