



JEREMY SUTTON-HIBBERT



NISSAN MOTOR CO., LTD.

特集 Features

カバーストーリー 金融に賭ける

潤沢なキャッシュを持つイスラムの投資家・政府系ファンドの世界的な受け皿をめざし、イスラム法に馴染みやすい金融商品を拡充する日本の勝算は。
アンソニー・H・ローリー

Cover Story Faith in Finance

With Shariah-friendly financial products, Tokyo battles a wealth of nations in quest to become a world center for cash-rich Islamic investors and sovereign funds.
By Anthony H. Rowley

ロジスティクス座談会

ロジスティクス業界やサプライチェーン・マネジメント業界が抱える課題は、効率、競争、コストだけではない。
モデレーター/ジェフ・ボットینگ

Logistics Roundtable

Efficiency, competition and costs are just some of the problems facing the logistics and supply chain management industry.
Moderated by Geoff Botting

中小企業の事例に学ぶ

巨大メーカーが居並ぶ中、ハンドメイドの自動車
で注目を集める家族経営の小企業が対米輸出の
準備に乗り出した。
ジェローン・ブーイジ

SME Case Study

From this nation of manufacturing behemoths, a small family-run firm is turning heads with its handmade motors as it prepares for a U.S. export drive.
By Jeroen Booij

正しいCSRパートナー選び

CSR(企業の社会的責任)を効果的に実現するには、
自社に最適な非営利のNGOやNPOのパートナーを確
保することが第一歩だ。
アラナ・R・ボンジ

Find the Right CSR Partner

Here's how to make the most of Corporate Social Responsibility by securing the most suitable NGO/NPO partner.
By Alana R. Bonzi

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Giovanni Bisignani, Director General and CEO of the International Air Transport Association (IATA).

国際航空運送協会 (IATA) 事務総長兼CEO・ジョバンニ・ビジニャーニ氏

Classic Journeys

Conveniently located near Narita International Airport, Choshi is luring foreign visitors with seafood, sights and *sembei*. By Tony McNicol

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Bioluminescence is becoming a powerful tool for diagnosing and treating disease. By Robert Cameron

FDI Portfolio

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Writer, activist and businessman Alex Kerr welcomes 60 to 90 guests each week at his eight painstakingly restored *machiya*. By Tony McNicol

Museum Musings

The John Lennon Museum marks the 150th anniversary of the Anglo-Japanese Treaty of Amity and Commerce, the 800th birthday of Liverpool and UK-Japan 2008. By David Umeda

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Escape from Work: Freelancing Youth and the Challenge to Corporate Japan by Reiko Kosugi. Reviewed by Tom Baker

In the Final Analysis

By Samuel H. Kidder, ACCJ Executive Director



Find the **Right** CSR Partner

Which NPO/NGO suits you best?

Today's business value is generated by the knowledge and expertise of individual employees. Consequently, activities to encourage peer-to-peer, as well as vertical, exchange of ideas should be structured.

"Corporate volunteering is one way to foster this kind of communication, often leading to a higher potential to differentiate and to innovate," says Steven Lin, president and CEO of Capmark Asia. He believes in giving employees space to grow professionally and personally.

"Volunteering gives employees the opportunity to know each other outside the work context," he says, "as well as to discover true sustainable leadership, irrespective of the roles and titles ascribed to them on the organizational chart."

Lin is not alone. Recently, Shinsei Bank, Limited created

a Corporate Values Division to realign their corporate philanthropic activities.

"One of the key focus areas is community philanthropy," says Grace Kataoka, deputy general manager in the Office of Corporate Sustainability and Corporate Philanthropy. The plan is to encourage employees to find fulfillment, both inside the company and within their communities.

The experiential learning, a sense of ownership of project results and the deep interpersonal growth that happen when interacting with the beneficiaries of the volunteer programs will carry over to business activities. However, getting more involved with the local community, by necessity, requires more communication, both inside and outside the company. This can be challenging, particularly for foreign

managers and personnel. Further exacerbating the situation are the differing cultural perspectives and individual expectations on giving back to society—and the variance in perceived organizational and personal benefits derived from such interactions. All of this conspires to make across-the-board buy-in problematic. To successfully engage with Japanese society and simultaneously enhance the company's core values, you need to create an environment that focuses on the bottom line while developing a corporate culture that invests in, and rewards, people. The latter is based on personal metrics for giving back to the local community, or *hitozukuri* as it is known at Toyota Motor Corporation.

In this regard, focused collaborative efforts, outside of day-to-day operations, can increase linkages and the potential for

With the widening socio-economic gap and the growing reputation of the nonprofit sector, the social consciousness level in Japan has been changing.

◀ **SNAPSHOT** ▶

In a 2006 *McKinsey Quarterly* survey, global executives overwhelmingly recognized the impact of socio-political risk on their business environment. They understood the urgency for identifying and attending to issues that first emerge locally, before they are championed and brought to the world's stage by influential (Western) NGOs. The problem was, and still is, how to incorporate social and political dimensions into all aspects of their companies' core planning processes, instead of relegating them to legal affairs and public affairs departments. If correctly planned, partnering with NGOs can preempt such events while also providing solutions. Some companies are moving steadily ahead. Shinsei Bank, according to Grace Kataoka (see main article), clearly understands the need for stakeholder dialogue and multi-stakeholder partnerships when addressing and finding solutions to complex socio-political problems. Consequently, the goal is to eventually align all its philanthropic initiatives with social and business benefits. Shinsei Bank has been working closely with Hands On Tokyo (see next Snapshot) to develop some of these initiatives.

value creation. As corporations seek to be integrated into local business and government, and consumer and market networks, volunteer opportunities can facilitate social acceptance by the local community. For example, corporate volunteerism can be structured more strategically to help mitigate internal company resistance to compliance with certain Japanese labor laws and regulations.

"As employees are more exposed to different kinds of populations through volunteer experiences," says Stephen

Golden of Global Diversity and Leadership, Goldman Sachs (Japan) Ltd., "their initial discomfort with mentally and physically challenged coworkers eases."

A company's capability to meet the new requirements for disclosure of ESG (environmental, social and governance) measurements is enhanced by the social and economic impact of its corporate volunteer projects.

Ninety percent of multinational corporations surveyed in 2006 by the Committee Encouraging Corporate Philanthropy (CECP) support domestic corporate volunteering efforts, while approximately 40% also have corporate volunteer programs around the world. CECP is the only international forum of business CEOs and chairpersons pursuing a mission focused exclusively on corporate philanthropy. Though many volunteering activities in Japan focus on fundraising for global causes, more local social needs are still not wholly included within the general public's field of vision. The misconception is that the government is able to fulfill any local responsibility.

With the widening socio-economic gap and the growing reputation of the nonprofit sector, the social consciousness level in Japan has been changing.

"Employees are open to more grassroots opportunities," says Lin. During a recent company-wide Day of Service, one of the most successful ways to engage corporate volunteers, Capmark Asia's employees renovated a

◀ **SNAPSHOT** ▶

Hands On Tokyo, a bicultural and bilingual grassroots intermediary agency in Tokyo, can help define commonalities while developing the framework needed for social investment. Ultimately, the initial impetus for such a framework must be internally motivated, supported by the top management, embedded in the core values, as well as aligned with the principles of conducting business daily, and with other social activities, investment and CSR initiatives. www.handsontokyo.org

community playground. The insight and awareness instilled during the Day of Service still persist, as employees realize they can meet a need they hadn't known existed in their neighborhood.

Top management plays a crucial role in the success of corporate volunteering initiatives in Japan. They serve as role models, for example, which are especially needed to inspire staff. Their message must be credible, though, as they set the tone with their personal drive and experience so that the philosophy of volunteerism imbues the entire organization.

However, even before entertaining the idea of NGO collaboration, a business ideally needs to articulate the purpose for such interaction. Management must ensure that the involvement is aligned with the company's core values and mission.

Once the goals of the engagement are set and top management has endorsed the idea, the next step is to look within the

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◀ SNAPSHOT ▶

Plan NGO collaboration:

- Get senior management endorsement
- Set the goals, objectives and needs for NGO partnering
- Define unique strengths that can be utilized and enhanced in the collaboration (use of corporate resources, assets, expertise and/or philanthropic resources)
- Assess compatibility with current portfolio of CSR and philanthropic initiatives
- Seek complementary NGO partners

corporation to leverage the skills and expertise of employees. A cross-functional team consisting of representatives from across the organization, as well as from key stakeholder groups, should assess the opportunities this kind of interaction could provide. In the final preliminary step, what needs to be conducted is an analysis of compatibility and possible combination with other ongoing CSR or philanthropic initiatives within the organization and by the industry. Once the analysis is completed, the search for complementary NGO partners can commence.

This search presents the greatest challenge to everyone: foreign managers and personnel—and even at the world's No. 2 (as of 2007) car manufacturer. Hideo Segawa—a 17-year veteran in corporate giving at Toyota, where he is now a project manager within the Global Administration and Corporate Citizenship Division—offers some pearls of wisdom.

“Be patient and build trust, one project at a time,” he advises.

“And for higher social impact, ensure that volunteer projects encourage employees to use their skills while acquiring new expertise and helping NGOs to succeed.”

Having received thousands of requests from NGOs during his long career, Segawa suggests to (1) make your short list based on the alignment of each NGO's purpose and core business values; (2) ask questions to find out about its objectives; (3) determine if its purpose is sustainable; (4) ask about the NGO's experience and past success, and determine whether the organization is sound; (5) see if the NGO is willing to listen to different approaches, is flexible and can communicate clearly; and, (6) be prepared for misunderstandings in regard to meaning, especially where different perspectives and mindsets come into play.

“There must be a clear point when the collaboration should end,” says Segawa. Ideally, that should occur once the social and economic benefits are achieved—more precisely, when the needs and expectations of individual employees, donor companies and beneficiary agencies (NGOs) are met.

In reality, however, many companies do not usually have a waiting list of Japanese NGOs or NPOs from which to choose, nor do they have the expertise and resources to create such a list. What companies possess are employees with diverse interests who are interested in volunteering, and who would

◀ SNAPSHOT ▶

- Base your shortlist on the alignment of the NGO's purpose and core business values
- Understand NGO's objectives and determine if purpose is sustainable
- Ask about NGO's experience and successes, and determine if it is sound
- See if the NGO is flexible, willing to listen to different approaches, and can clearly communicate
- Be prepared for misunderstandings in meaning, especially with different perspectives and mindsets
- Define a clear point when the collaboration should end—which should occur once the social and economic benefits are achieved
- Look for opportunities for higher impact where employees can use their skills to help the NGO succeed
- Ensure that the needs and expectations of individual employees, donor companies and beneficiary agencies (NGOs) are met

also like to embrace a wide variety of experiences. In this case, the best approach is to turn to intermediary nonprofit agencies possessing expertise in placement logistics and project development, such as Hands On Tokyo.

Wanting to give something back to the local community, many people (Japanese and foreign nationals alike) find their efforts stymied in Japan.

“After discovering how difficult it was to give back in this community, both for locals and expats, we decided that a Hands On organization would be of great benefit to the Tokyo community,” says Deva Hirsch, founder and Board president. She spoke with a few like-minded friends about this idea, and Hands On Tokyo was born in December 2006. The enterprise is also part of the

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world's largest volunteer network, the Points of Light Foundation & Hands On Network.

Acting as a bridge between foreign and local communities, Hands On Tokyo creates volunteer opportunities that match the needs of beneficiary agencies, donor organizations and individual volunteers. The services offered are badly needed to nurture a trusting relationship with beneficiary organizations, according to Hiroshi Amemiya, Board member of Hands On Tokyo and president of Corporate Citizenship Japan Limited. The effort also overcomes the initial suspicion that volunteer endeavors are often met with in Japan.

What distinguishes Hands On Tokyo is not only its structure—a mix of Japanese and foreigners on a Board that includes professionals, teenagers, stay-at-home moms and veteran volunteers—but also its thoroughness. The organization

provides a comprehensive and practical orientation that includes support for first-time volunteers. There is also reassurance in the form of a project coordinator, who accompanies the cohort of volunteers to the beneficiary agency, remaining with them throughout the experience. All projects are prescreened. The incentive for any undertaking is to provide people the chance to succeed and to find meaning.

Hirsch's long-time experience with the nonprofit sector in the U.S. has certainly provided needed impetus for the group. She was also one of the founding members of Hands On Atlanta. Through the Global Giving program of Hands On, corporate donations can qualify for tax exemptions in the U.S.

Although a relative newcomer, Hands On Tokyo is definitely filling a need—the 200 registered volunteers have performed over 1,000

◀ **SNAPSHOT** ▶

Why so few advocacy NGOs here?

- Buddhists less activist and evangelical than Christians
- Relatively homogeneous and group-oriented culture puts members before outsiders
- Confucian tradition respects central powers

service hours for the local community. In addition, an increasing number of brand-name companies are signing up to be donors and to benefit from meaningful volunteer programs for their employees, like Capmark Asia's Day of Service.

Japan has unique opportunities for companies looking to build social capital. In a 2006 Edelman survey, Japanese stakeholders perceived foreign companies to be more active in the local community and in stakeholder engagement than their domestic counterparts. NGOs have emerged as the most trusted institution among Japanese opinion leaders in the 2007 Edelman Trust Survey.

Bob Pickard, president and executive director of Edelman Japan KK, urges companies to "get more involved while the perception of sincerity is still high." This particular meeting of circumstances may be signaling it's the right time for companies to engage in their local communities through structured strategic corporate volunteer projects and with civil society partners.



"I'm donating a portion of your tip to charity."



Alana R. Bonzi is an adjunct lecturer at Keio University and a consultant.