CSR Initiatives for Green Buildings: Perspectives of Hong Kong Financial Institutions

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Abstract

High carbon emissions from buildings is causing Hong Kong's air quality to diminish (Business Environmental Council 2005, 2008). With massive amounts of energy being used by buildings (Reed and Wilkinson 2005, Chan, Qian and Lam 2009) and Financial Institutions (FI) being amongst the largest inhabitants, it is within their power to reduce this.

This research will focus on the demand side where pressure is beginning to form (Nelson 2008, Fischer, Loh, Lawson and Chau 2008). Eight FI are interviewed to find out their perspectives on initiatives for green buildings. The findings show that FI are very serious about CSR and it has become a normal part of doing business in the banking sector.

Keywords: Corporate Social Responsibility, Green Buildings

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1. Introduction

Buildings consume over 40% of the world's electricity (Beyerle 2008) and in Hong Kong the consumption is far greater with estimates ranging from 70% (BEC 2008) to 89% (Chan, Qian and Lam 2009). This results in increased CO2 emissions and hence a large carbon footprint and bad air quality (Fischer, Loh, Lawson and Chau 2008).

Financial Institutions are a major contributor to the Hong Kong economy as they are a major employer and the city is seen as being a major Finance hub, as a consequence of this they are major occupiers of building space in Hong Kong and hence what ever they can do to reduce their carbon footprint will have a beneficial effect on energy usage and CO2 emissions (Fischer et al 2008).

Financial Institutions have embraced Corporate Social Responsibility (CSR) and since 2005 have been benchmarking themselves and trying to gage best practice (Weber 2005, Schmid-Schonbein and Oletteri 2005). This adoption of CSR as a key way a Bank does business was endorsed by Davies (2006) as being critical going forward. All stakeholders need to be taken account of (Tipgos and Keefe 2004) however CSR has its critics (Norman and MacDonald 2003, Strandberg, 2005) but CSR is being adopted as a method of conducting everyday business (Persram, Lucuik and Larsson 2007) and forms part of Triple Bottom Line (TBL) reporting (de Francesco and Levy 2008).

In Hong Kong, FI are an important part of the economy (Cogan 2008) and there are numerous FI based there (Hong Kong Monetary Authority 2008). Their actions are important to reduce the cities CO2 emissions and carbon footprint. Ranged against these are the cities landlords and owners, many of whom are Chinese Family Companies and who do business in a Chinese-based way (Hofstede 1983, Lai, Chan, Ho and Lorne

2006), that is to say in a harmonious way. This business model is supported by a government who will not legislate or provide leadership in this area (Fischer. Loh, Lawson and Chau 2008, Chan, Qian and Lam 2009). International practices show government taking the lead and being a key driver of change (Iwami 2005, Nelson 2008, Beyerle 2008).

Against this backdrop it has become increasingly important for tenants (the demand side) to be forceful in their dealing with landlords to demand green buildings (Nelson 2008). Most of the research has been focused on the supply side i.e. those who build or own buildings and have to be encouraged to build green. Jones Lang LaSalle and Core Net (2007) identified that the owners were not moving fast enough to meet demand and a Circle of Blame had become established where everyone blames each other as to why more buildings are not being built to green standards. Several breakers to this model were proposed by Lorenz (2009) to enable green buildings to happen but this was supply side focused only. This dissertation will focus on the breakers from a demand side and how tenants are going to change the face of sustainable green buildings in Hong Kong.

2. The Literature

Most of the CO2 produced in Hong Kong comes from buildings (principally office buildings) that are in densely populated areas and were designed in times of low cost energy and low awareness of what is now called Climate Change. Studies show that developed countries produce up to 40% of CO2 from the operation of their buildings and in Hong Kong it is 70%, (BEAM – Green Building Labeling. Business Environmental Council, 2008, pg.1) and 89% (Chan, Qian and Lam 2009) so there is a clear need to focus on reducing this CO_2 level. The Financial Services sector and their principal advisers such as lawyers and accountants, tenant many of these buildings. Given their global nature these businesses tend to work around the clock given the global nature of their business hence they are a major source of CO_2 principally from their high use of energy. FI therefore can have a major effect in reducing Hong Kong's CO_2 emissions by reducing their energy use.

Financial Institutions represents one of Hong Kong's major employers (Cogan 2008). It is for this reason that this sector of the market was selected for research. Given that the major FI occupy many of the major buildings in the city and that energy usage is one of the major causes of pollution, then FI can contribute much to its reduction by adopting policies to reduce energy use within their occupied space. FI were amongst the first corporations to measure their carbon footprint and to produce plans and targets to reduce it especially in the areas of energy, water and waste management. This approach also supports their stance on CSR, sustainability and the focus on the Triple Bottom Line (TBL) and how this affects their method of operating.

According to the Hong Kong Monetary Authority's statistics (2009) there were 145 Licensed Banks, 27 Restricted Licensed Banks, 28 Deposit Taking Companies and 85 Representative Offices of Foreign Banks active in Hong Kong at the end of December 2008. The sector employed over 80,000 people and is indicative of the importance of Hong Kong as a financial and banking centre in Asia. Generally "banks are the backbone of the global economy, providing capital for innovation, infrastructure, job creation and overall prosperity" (Cogan 2008). This is certainly the case in Hong Kong hence the significance of this study.

CSR itself only really came to the forefront of corporate and academic thinking in the early 1960's partly as a result of the views of Nobel Prize laureate, Milton Friedman who took the view that business's only goal was to earn maximum profit for its owners. This was seized upon as being a singular notion of how business works and that business had many more stakeholders and as a consequence of that, more responsibilities than just profit. This was given further credence in 1984 by the poison gas disaster in Bhopal when the local subsidiary of Union Carbide, a huge US chemical corporation, employed lax safety procedures thereby causing a leak at its plant that proved deadly to the local inhabitants. This gap between company profit and the greater good was further highlighted by the problems at Enron, WorldCom and Tyco International where the balance of power had shifted to top management and this detachment from shareholders led to misuse of their positions for their own, rather than the owner's gain. To combat this there was a swell of opinion that

> "business has a social responsibility to its stakeholders and to society at large, advocating that top management should use the vast economic power of business to promote social goals such as cleaning the environment, urban renewal and equal opportunity" (Tipgos and Keefe 2004).

The Sarbanes-Oxley Act passed by the US congress in 2002 aimed to prevent this happening again but as recent events have shown with the subprime crisis, even if regulation is in place it does not mean that the regulators themselves will be vigilant.

This detachment of management from shareholders caused much debate with some academics supporting shareholder's increased voice in the running of their company (Thompson and Davis 1997, Trachuk 2007), while others saw it as futile given the voting rights of the management group (Kelleher 2006) and others wondered if it would be counterproductive given the short term views of shareholders, especially institutional ones (Deakin and Konzelmann 2003, Fisman, Khurana and Rhodes-Kropf 2005). The latter group obviously did not factor in quarterly earnings reporting as being a major cause of short-term views.

Arguments were also advanced that share prices rose as a result of good CSR practices being in place (Lopez, Garcia and Rodriguez 2007, van Dijiken 2007), however others found there to be little relationship between CSR and performance (Kennedy, Whiteoak and Ye 2008). Given the bull market of the past few years it is hard to say if there is a significant correlation between the two but given the cost of setting up a good CSR system it will be interesting to see what happens in a bear market and this will provide a useful area of further research.

Much of the work on CSR has focused on how financial returns can be safely managed in a way that meets all stakeholders' needs. However there are other areas to take into account such as sustainability and care of the environment. This area is quite recent and many of the definitions of the key terms are difficult to define such as carbon footprint, sustainability and CSR and also the issues of measuring concepts and benchmarking them are in their early days (Cogan 2008). The TBL approach is examined with the key literature originating from Europe, USA, Australia as well as a growing volume from Asia. This will give a global picture of how the issue of reducing CO2 is being tackled, then compared with the methods being used in Hong Kong. The limitations of this research is that it just covers a few FI in Hong Kong and is limited to one industry sector and one subsector of CSR.

From the literature review, the following research question is being explored:

i) How important is CSR to your Institution and how is that reflected in obtaining and maintaining buildings to the highest green standards?

3. Method of Enquiry

As the research issue under consideration interacts heavily with people and how they understand the issues facing their companies and the effect they can have in working from a tenant's point of view with a landlord, it is clear that 'rich data' (Bryman 1984) is required so a qualitative method is justified. Also the subject matter is relatively new and as such a qualitative approach is to be taken to gather meaningful information that will enable a significant depth of understanding (Carson, Gilmore, Perry and Gronhaug, 2001).

The use of a qualitative approach tends to rely on verbal analysis rather than statistical analysis (Grace 1999), as such a semi-structured interview on a face-to-face basis with 8 FI in Hong Kong who are major occupiers of office space in the city will be carried out. The use of in-depth interviews in light of time and cost restrictions will enable the collection of large amounts of information in terms of people's perceptions quickly (King, 2004) from a relatively few people (Cavana et al, 2001). Interviews, particularly in the banking sector are more successful in gaining information than other methods such as surveys (Arden, 2002).

In order to gain as wide a range as possible of participants, the membership list of the Banking Association of Hong Kong was used as a basis for selection. Financial Institutions were selected by purposive sampling in order to give a global view of sustainable green buildings and to avoid a more insular sample that as just selecting Hong Kong banks would have provided.

The Institutions selected owned or leased a lot of office space in Hong Kong (5,289,500 sq ft) so were well placed to give informative answers on their landlords and the issues they were facing trying to ensure their Institution's green goals were achieved.

Nine interviews were carried out. Two were carried out by phone due to business travel. One company had 2 responsible people to interview in order to obtain all the data required from the 8 Institutions. Interview was selected as the means of data gathering rather than mail questionnaires which give an unsure response rate and less opportunity for participants to fully explain their positions as well as add other issues not included in the interview plan. Two areas of interest that were added as a result of this approach were carbon offset payments and the ability of the real estate professionals to advise on green buildings.

Apart from background information, there were six (6) questions asked in relation to the companies approach to CSR, the role of senior management, CSR targets, results measurement and the role of the real estate department. It is hoped that the information will help answer RQ 1: *How important is CSR to your Institution and how is that reflected in obtaining and maintaining buildings to the highest green standard?*

Question 1 asks what is the FI overall approach to CSR. This will be used to triangulate their answers with their web sites and other activities and to judge their commitment to CSR. Questions 2 seeks to gauge what level of support there is within the FI for CSR and to see how involved senior management are. Question 3 asks who sets the CSR targets while question 4 asks how are they measured. Both these questions seek to find out how central CSR is to an organisation in terms of the importance they attach to CSR and if they form part of the KPI of individuals or groups.

Question 5 is trying to find out how important the CRE department is in a FI being able to achieve its CSR goals. As this group control the buildings and thus a large part of a FI carbon footprint their actions are vital to achieve CSR goals in this area. Question 6 looks at how CSR goal achievement is rewarded across the company. This seeks to see if there is a relationship between bonuses/awards and the goals that are achieved. This will provide some indication as to the importance of CSR goal achievement within a FI.

4. Data Analysis

4.1 Interview Group

Nine interviews were carried out in total with employees of 8 different FI. One Institution had two senior managers who looked after this area so both were interviewed for completeness.

4.2 Background Data

In order to give an overview of the participants and their companies some descriptive data was collected about themselves, their company and their department.

The educational background of the participants ranged from leaving school and attending night school through to Masters Degrees in Business Administration and Environmental Management. Only one person had attained a recognised qualification in green buildings and sustainability, this was the LEED accreditation, which is perhaps a fair indication of how new this area is.

Table 4.1 Level of Education

Education	Total	Percentage
High School Certificate	3	33.3%
Higher School Certificate	1	11.1%
Diploma/ Tafe Certificate	1	11.1%
Bachelor Degree	2	22.2%
Masters	1	11.1%
Post Graduate Studies	1	11.2%
Total	9	100%

All of the participants held senior positions within their organisations either being Head of Department or holding a Senior Vice President or Regional roles.

Table 4.2 Participants Position within the Company

Position	Total	Percentage
Team Leader	3	33.3%
Middle manger	2	22.3%
Senior Manger	4	44.4%
Total	9	100%

Their span of employment in their current company varied from as little as eight months to sixteen years. However the person with the shortest tenure had previously worked ten years in Asia in a similar capacity for another FI. Most of the group had been with their employer for three years with most of that time spent in their current role. One area of interest observed was that out of the nine people interviewed, eight were Caucasian (four Australian and four British), and only one was local Hong Kong. All were male.

Table 4.3 Length of Employment

Institution	Years of Employment
FI 1	3
FI 2	3.5
FI 3	1
FI 4	3
FI 5i FI 5ii	6 5
FI 6	3
FI 7	0.75
FI 8	16
Average	4.5

4.3 Summary of Information

The FI came from different countries and included Institutions from USA, China, Australia, Europe, Japan and Hong Kong. This sample was chosen in a purposive manner so as to get as wide a view as possible of how FI approach sustainability and green buildings in Hong Kong. The size of the FI differed greatly with the smallest having under 2,000 employees while several of the others had over 300,000 globally. Paradoxically the smaller Institutions tended to have more employees situated in Hong Kong than the larger ones and this could be ascribed to the level of focus the smaller Institutions had on the China market as opposed to Asia Pacific as a whole. Turnover likewise varied greatly with figures ranging from USD 20 billion profit to losses of a similar scale brought about by the subprime exposures of some of the Institutions in the sample.

When asked about the amount of space their Institution occupied in Hong Kong and the proportion leased and owned the answers gave an insight to the different real estate strategies being utilised. Outside of the Hong Kong Institution, all of the foreign

Institutions save for one leased all of their space in Hong Kong and this was the case whether it was a fully let Headquarter building or just a few floors. The non-Hong Kong International Institution owned 75% of its space but has historical reasons for doing this. The amount of space occupied ranged from 100,000 sq ft to over 2 million sq ft. The local Hong Kong Institution also leased 50% of its space requirement but this was mainly attributed to its larger branch network, as its Head Office building was owned.

Table 4.4 Summary of Information

Country of Origin	F/T Employees	Operating Revenue 2008	Space in Hong Kong–Leased	Space in Hong Kong–Owned
British / HK	315,000	US$6.5B	400,000	1.6M
Chinese	1,400	HK$164M	80,000	20,000
USA	320,000	US$20B	844,449	Nil
German	80,000	(€3.85B)	270,000	Nil
Australian	35,000	A$3.3B	45,000	Nil
English	75,000	HK$13.9B	1,000,000	Nil
Japanese	24,000	(¥708B)	250,000	Nil
HK	8,000	HK$6.5B	390,000	390,000

4.4 Corporate Social Responsibility (Research Question 1)

This research question was how important is CSR to your institution and how is that reflected in maintaining buildings to the highest green stand? This question was broken down into six parts and was designed to see how CSR was driven, measured and rewarded in the institutions and what part the CRE department played.

4.4.1 Companies Approach to CSR

When asked about their company's approach to CSR, all answers were in the affirmative and they were all supportive of the concept. Some of the larger groups were investing a lot of time, effort and money in this area and it is often directed globally from head office. One executive said, "we live sustainability, it is not just a marketing tool" (FI 1) another pointed out “CSR is a component of responsible business practice, it is part of running a good business” (FI 5i) One of the smaller institutions stated “the bank seeks to adopt the highest standards of CSR in terms of ethics, corporate governance and its interaction and contribution to the community” (FI 2).

Many of the groups pointed to the fact that they publicly post their goals and results on their websites and include them in their CSR reports as evidence of their commitment to CSR. One group though had only fairly recently (two years) begun to take CSR seriously but were now investing in the area. As one aspect of this they had put into place a global sustainability policy, although this was narrow in its focus zeroing in on energy and not taking a broader environmental approach. This though was becoming wider as their experience of this area grew.

To sum up the approach to CSR one executive put it this way, ”if you are in the business of banking and finance, then to deliver these you must include CSR as part of the offering (FI 5i).

4.4.2 Role of Senior Management

The role of Senior Managers in the CSR process was unanimously seen as being supportive. In most cases it was indeed driven from the ‘C’ office, that is CEO, CFO and COO. Each institution interviewed had a strong supporter in Hong Kong who drove the CSR strategy through either committees or special teams. In one large institution targets form part of senior management’s annual performance criteria and this was seen as being cascaded down through the organisation in time. In another, the CEO “has a personal interest in sustainability and green initiatives so the culture and philosophy is driven from the very top” (FI 2). However one executive mentioned that senior management did not drive the CSR process, it was “difficult to know who did in such a large organisation” (FI 3) although in this group both Marketing and Corporate Communications were active to ensure newsworthy stories were published on a regional level and the Regional Head would not do anything without considering the impact of CSR.

4.4.3 Target Setting

The setting of targets for CSR performance in the company was mainly set at Board Level then cascaded down to be implemented at Regional and Local level (top down approach). This contrasted with one large institution that set the targets locally then sent them to the Head Office to be consolidated into a global plan (bottom up). What was interesting here is that a global consulting firm was involved in making sure the targets were reasonable and were responsible for the annual audit and inclusion in the Sustainability Report. Another institution went even further and had outside experts set the targets as “the experts provided the background proposal that was then debated and approved” (FI 5i). Only one institution at this stage had not set specific targets due to its late adaptation of the CSR approach. This group came from a country that is very well advanced regarding sustainability, but it had taken time to appreciate the importance of CSR to its business. This area of target setting for sustainability and CSR targets is worthy of further research to see which approach is most effective: top down, bottom up or external.

4.4.4 Measurement of CSR

When asked how are CSR results are measured, there was a diverse set of answers. At one end of the spectrum institutions were audited by external groups “and the results form part of the Triple Bottom Line accounting of the bank” (FI 1) and results are posted on their websites. Two Institutions took another path by developing databases that covered CO_2 emissions across the global organisation focusing on energy, water and waste. These were consolidated into environmental databases that in one case were benchmarked against the World Resource Institute Ratings. Another group took measurement to a deeper level to “also include the supply chain and sustainable sourcing in our sphere” (FI 7). At the other end of the spectrum there was no measurement in place or in the case of a smaller Institution they were treated as “soft targets”. As one executive remarked, “ CSR results are not really measureable unlike regulatory issues that are black or white, they are included in personal objectives under the section for core values” (FI 2).

In some ways the institutions at the non measurement end of the spectrum could be accused of ‘green washing” their product, that is using sustainable/CSR claims that are not backed up by measureable action but in fairness the size of the institutions at the measurable end are huge and have the resources to devote to this area whereas the smaller ones do not.

4.4.5 Role of the Corporate Real Estate Department

The CRE group in every Institution interviewed was very passionate and positive in their contribution to helping their Institution achieve their CSR goals. As one executive said “property is one of the key areas that contributes to our targets and results” and “has the controls and influence to significantly reduce the bank’s impact across the organisation globally” (FI 1). Another was of the opinion that the CRE team focuses on the direct environmental impacts that are electricity, water consumption, waste and CO_2 emissions.

Many of the Institutions pointed out that the CRE group are responsible for the areas that produce most of the CO2 emissions and several of the Institutions had goals either to significantly reduce their emissions or go carbon neutral within a given time. They therefore had the task to ensure they controlled their area of responsibility well.

Energy was the area of most focus. One executive said "that anything relating to the firm's Carbon Footprint involves CRE department as it relates to energy, purchase of materials and products and any fit outs or new buildings" (FI 5ii). This has focused some Institutions into putting criteria into place when new buildings are being sought because "CRE needs to know what is the environmental rating (if they have one) and the landlord's view towards waste" (FI 7). This unanimous forceful viewpoint gives support to the fact that the CRE group is intent on ensuring that they are located in the best buildings possible to meet their CSR sustainability goals.

4.4.6 Rewards for CSR Achievement

The rewards for achieving CSR goals differed markedly across the Institutions and only two tied their achievements against Key Performance Indicators (KPI's), which in turn were translated into cash bonuses. The cash bonus as one executive explained "is paid on the overall performance then rolls into the business unit then into the organisation as a whole" (FI 5i). Other institutions took a middle path where success was rewarded in terms of recognition for the efforts and awarded with prizes. "Nothing in this case went into the bonus packet and it is seen as being inappropriate as it is everyone's efforts" (FI 6). Another in the same position said "that the reward for achieving CSR targets is mainly aspiration and is used as a marketing tool for employee recruitment and retention" (FI 4).

Half of the institutions did not reward CSR achievement at all. This question gave the most diverse answers of the section and split the Institutions into 3 camps: bonus, recognition and nothing. The latter Institutions were all Asian based and perhaps demonstrates that they are lagging behind their Western focused peers in this area and this would make sense as "there is clear variance across the globe in the pace at which sustainability is becoming a critical CRE issue" (Jones Lang LaSalle/Core Net Global 2008). Asia lags behind Europe and USA significantly at this stage and their reward and recognition systems seem to show this to be the case.

Table 4.5 Corporate Social Responsibility

Institution	Who Set Targets for CSR?	How is Achievement Rewarded?
FI 1	By Country – consolidated in London	Bonus for senior management – not for teams yet
FI 2	CEO	N/A
FI 3	CEO's office	Bonus
FI 4	Board level	Aspirational / Employee retention + attraction
FI 5	Outside experts	Terms KPI
FI 6	Board	Prizes
FI 7	No formal target	N/A
F18	GM Executive Office	It is not

4.4.7 Website Triangulation

As part of the corroboration of the interview answers the 8 Institutions gave, the web sites of each of them was reviewed to see what their web sites said about CSR and sustainability. This forms part of the triangulation process to give the research findings more validity and because an external source is used it is more reliable although it could be described as within method (as the web site is controlled by the Institutions) and this is viewed as not being as good as between methods, i.e. third party support (Jick 1979, Johnson 1997). However as most of the groups are using the independent accredited green building rating systems this gives another level of corroboration that is truly third party.

All eight websites were reviewed and all eight fully supported what the Institutions had said, even to the stage where two of the eight had already pre-warned the researcher that they did not have a sustainability reports or CSR reports, on their websites. Some of the Institutions had links to separate sites that covered off their CSR and sustainability efforts. These websites included their sustainability and CSR reports as well as listing their targets and progress against them. They also showed all the efforts that they were making in the communities they served. One of the two Institutions with no CSR/sustainability reports had highlighted that their CSR work was mainly on tree planting and giving volunteer time to the communities and their website had a page depicting this.

The only Institution not to have anything on their website at all pertaining to CSR or sustainability was the Hong Kong Institution. During the interview the executive had made it clear that this Institution was very low key as it was a Chinese Family run business and although they had very impressive environmental credentials and were committed to sustainability, their website reflected none of this. This is to a large extent typical of a Chinese family business in Hong Kong but in a very competitive market represents a lost marketing and brand building opportunity that the others seem to have seized.

It is clear that all of the FI interviewed are trying to deliver on their CSR goals as regards sustainability. It appears that the Asian institutions are lagging their Western counterparts when it comes to publicising their work but this is not surprising given that CSR and sustainability is a Western driven agenda. However the Asian groups have realised the importance of this area and are working from the basic level (tree planting etc, lights being turned off etc) but everyone started from here once

5. Comment on the Findings

5.1 CSR Adaption.

It was clear from the research findings that all of the Institutions were really committed to CSR, that is, to being seen to be good corporate citizens and achieving results under their Triple Bottom Line (TBL) of People, Planet and Profit. The findings here disagree with the skeptical view that saw TBL as being a fad and a marketing tool paying lip service to areas that were difficult to quantify (Norman and MacDonald 2003, Strandberg 2005). In fact the findings wholeheartedly support Davies (2006) who saw CSR as "becoming critical to the success of global business". In the words of one executive from the findings "if you are in the business of banking and finance, then to deliver these you must include CSR as part of the offering"(FI 5i). The findings also supported the view that to ignore green buildings would result in public relations problems (Persram, Lucuik and Larrson 2007).

It seems that CSR has moved on considerably since Norman and MacDonald (2003) as now several of the Institutions had the goal of becoming carbon neutral in the coming years and one had already achieved this. This carbon neutrality can not be purchased off the shelf, it takes a huge amount of investment and change to be able to do this and the findings point to increased momentum in this area. The realisation that CO_2 is a major cause of Climate Change (Fischer, Loh, Lawson and Chau 2008) has being taken on board by the Institutions as evidenced in these findings.

5.2 Setting of CSR Goals.

The CSR goals were set and fully supported by senior management (normally from the 'C' level of CEO, COO, CFO) and this was mainly from the Head Office. This is important as it ensures then that the standards of the country where the Head Office is situated becomes the global standard. This supports Zyglidopoulos (2001) who advocated that CSR standards be adapted to global best practice in each country and not just implemented to local standards. This top down approach was the norm.

However one of the Institutions took a different approach to setting goals for CSR, they adopted a bottom up approach, that is the targets were set locally, consolidated globally and then these targets were independently verified by an outside consultancy group. Another Institution had an outside group set the targets for them. This shows how serious this area is being taken and how a wider holistic approach is being taken (de Francesco and Levy 2008). This appears to be a new approach in Hong Kong.

5.3 CSR Benchmarking

One of Norman and MacDonald's (2003) arguments was based around the fact that the TBL is difficult to measure and Morimoto, Ash and Hope (2005) had difficulties of this nature when trying to develop a tool to enable stakeholders to effectively audit a corporation from their CSR activities. Weber (2005) used benchmarking as a model but this only took account of external issues to do with lending etc. Schmid-Schonbein and Oetterli (2005) in their benchmarking work included internal factors such as energy, water and waste. They were set up so FI could compare each other's performance.

The findings however, show that the Institutions measured their results in many ways including the use of benchmarks but not of their ‘brother’ institutions as Weber (2005) and Schmid-Schonbein and Oetterli (2005) advocated but independently, either by external auditors or by developing databases focusing on energy water and waste on a global basis. These were then benchmarked against the World Resource Institute Ratings. This demonstrates that measurement of the TBL is becoming a reality as Profit is measured by acceptable accountancy techniques, Planet, by a number of environmental techniques, (although not yet standard across all groups) and People by acceptable Human Resources ratios. The movement in measurement of CSR targets has been rapid and ongoing and disagrees with Norman and MacDonald (2003) and Strandberg’s (2005) viewpoint.

5.4 CRE Department’s Involvement in CSR.

The CRE Department is key when it comes to an Institution being able to achieve its CSR goals. As Schmid-Schonbein and Oetterli (2005) pointed out energy is one of the key areas that requires focus if an Institution is going to reduce its Carbon Footprint. This is because energy used within buildings accounts for between 40%-50% of global energy consumption (Giljohann-Farkas and Pfeiderer 2008, Nelson 2008, Reed and Wilkinson 2005). This is of particular concern in Hong Kong where brightly lit malls, skyline and over reliance on air conditioning means up to 89% of all electricity is used in its buildings (Chan, Qian and Lam 2009). Fellows (2006) identified that energy was a major contributor to carbon emissions in Hong Kong and criticised government for not taking a more hands on approach.

It is in this area that the CRE Department has particular focus. The findings show that the CRE groups are responsible for areas that produce most of the CO2 emissions. This is all the more so as many of the Institutions questioned had goals either to reduce their Carbon Footprint significantly or even to go completely carbon neutral and this is not possible without major changes in how energy is used. Every Institution mentioned the steps they were taking to reduce missions from changing light bulbs, reducing lux ratings, putting in more energy efficient chillers and lifts to taking an holistic view of any new building to be occupied by the use of external criteria. This criterion is provided by the rating techniques such as LEED, HK BEAM and Green Star. Landlords need to be aware this movement will not go away and they will need to take this into account in their new builds and retrofits in future. In fact one Institution said that at present energy was their only CSR goal.

5.5 Rewards for CSR Achievement.

Although there was no general literature found that directly looked at what rewards corporations gave to their staff for successful achievement of CSR targets, the questions was included for completeness as what gets measured gets done and what gets done is usually rewarded. In this case while only three of the Institutions gave cash bonuses, others were moving down this path. In the main the Institutions rewarded their staff by anything from prizes, to recognition in the staff news sheet. The rewarding culture appears to be Western dominated, as the Asian based Institutions did not offer any rewards at all to their staff. This is not surprising and is consistent with the findings of the Jones Lang LaSalle/Core Net Survey 2008 survey showing Asia lagging behind USA and Europe in all aspects of sustainability.

While staff were or were not rewarded the literature did cover the rewards that corporations could expect for adopting good sustainable CSR policies in terms of their share price. While research had shown that ‘value driven CSR outperforms non CSR peers’ (van Dijken 2007, Lopez, Garcia and Rodriguez 2007) in the Dow Jones Sustainability Index, the participants did not mention share price accretion as being part of the reason they were taking CSR and sustainability so seriously. Indeed quite the opposite as some of these Institutions saw CSR as becoming ‘business as normal’ and key to running a good business. Of course a well-run business should create added wealth for its stakeholders and this in return should lead to positive recognition and share price movement. The fact that several of these Institutions were striving to become carbon neutral/reduction perhaps shows that in Hong Kong they are trying to improve the bad air as their key ‘reward’.

6. Conclusion

Research Question : *How important is CSR to the Institution and how is that reflected in obtaining and maintaining buildings to the highest green standard?* The findings showed that all of the Institutions, whatever their level of sophistication and development with regards to CSR strategies, fully support occupying and maintaining green buildings. The majority of the institutions (six) had their CSR strategies posted on their websites and had clear targets to meet. Those that did not have them on their websites would only occupy buildings that were sustainable and non-polluting. Targets were set from the top in all Institutions except one. This one set targets locally but these, once consolidated at Head Office, where fully endorsed by the CEO.

Each Institution took CSR very seriously and it is clear that FI in Hong Kong do not see CSR as giving them a competitive advantage, rather it is a key proponent of being in the banking business and has become an integral part of how they operate.

The top officers of each Institution supported the CSR strategy or direction and the results were measured and in three cases were rewarded by cash bonuses to employees. The CRE Department was seen as a being critical to each Institution's efforts to achieve their CSR targets as buildings cause the greater part of their carbon footprint and mush of this is within the CRE's control. This is the reason that the Institutions tend to occupy only those buildings in Hong Kong that are owned by responsive and green minded landlords as this way they can achieve their CSR goals. Overall, CSR is seen by FI in Hong Kong as being integral to doing business.

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