A Comprehensive Review In Corporate Social Responsibility: A Case Study Of Honda

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Abstract: Honda becomes everyone dreams to move forwards. Honda company are designing machine which transform into production of automobiles and motorcycles, and successfully patented into humanoid robot and supporting human body system. The sacrifice of experts and personages towards Honda brings infinite value to the progressive of human society. As a result, technology becomes ultimate guide to reduce suffering and improve human life quality. The development of CSR is to contribute to people and society by continuously design unique products and services from global perspective. Sustainable CSR are expanded through customer services operations and customer satisfaction initiatives with the 3P’s.

Keywords: Machine, technology, productions, services, CSR.

1. Introduction

"Honda, The Power of Dreams", is a concept been use by a company call Honda, where the company had “an aim to turn dreams into reality" (Honda Official Portal, 2012). “We dream of flying, we dream of creating a robot to help us, we dream of making all cars as ‘green’ as the forest, we dream of how much more fun and exciting life could be” make the Honda company to invent, innovate, and manage to help and reduce the problem that may face by human. Honda company is mainly produce automobiles and motorcycles production. According to the analysis of engine manufacturer, Honda company had become the world’s largest motorcycle manufacturer in 1959 (Grant, 2003) and together with the production of internal combustion engines for every year (Miller, 2008) (figure 1). The second successful for the Honda company is become the eight largest automobile manufacturer in the world, where the company is behind the General Motors company, Volkswagen Group company, Toyota company, Hyundai Motor Group company, Ford company, Nissan company and PSA company in 2011 (Honda Official Portal, 2012). Since that, Honda company had become one of the favorable production especially in purchasing a car or motorbike. Honda company or Honda Motor Company, Ltd. is find by Mr. Soichiro Honda, a Japanese man who was born in Hamamatsu, Japan in the year of 1906 (Honda Official Portal, 2012). In his early days, he start working as a mechanic at the Art Shokai garage, where he start to have interest in the machine, especially the engine. The most successful to the company is they start to build a motorized bicycle with using the Tohatsu engine, and rename the bicycle as the Bata Bata (which is the first model made by Honda – the Honda Model A) (Alexander, 2008) (figure 2). However, in 1949, the Honda company come out a new and complete motorcycle with fully engine design made by Honda itself, and rename it as Dream (figure 3) (Falloon, 2005). With the name of Dream, the Honda Motor Company started to grow up very fast to become the world largest motorcycle manufacturing in 1964. The rapid develop of the company give an advantage to compete with the other company in performing the production. With excellent performance of the Honda company, they tried to produce the first automobile with the name of T360 mini pick-up truck, where the car are sell in August 1963 (figure 4). The T360 mini pick-up truck is a car that have only a small 356cc with straight-4 gasoline engine, and the cost is very cheaper (Niedermeyer, 2010). The Honda company are work hard to provide the better product for their customer. The situation help the Honda company to increase the desire to innovate their product, and they success to design a new and more favorable car that demand by the customer. The car was S500 sports car and was released in 1963, four month after the T360 mini pick-up truck are design. The sport car engine version was 531cc and produced 44hp at 8000rpm (Buckley, 2003). So, the Honda company will never stop innovate and design a new product for the customer demand in today and the future. Since Honda company is one of the largest motorcycle and automobile manufactuer, there are some important value need to maintain the company through vision, mission and also the Honda philosophy (Honda Official Portal, 2012). Mr. Soichiro Honda, the founder and the Chief Executive Officer of the company, come out with the company principle, which is their mission. The company principle is “maintaining a global viewpoint, we are dedicated to supplying products of the highest quality yet at a reasonable price for worldwide customer satisfaction”. For the Honda company vision, they are more concern in fundamental belief, where it can be divided into two, which is respect for the individual and the three joys. In the respect for the individual, they believe that initiative, equality and trust are very important value. Initiative means ‘not to be bound by preconceived ideas, but think creatively and act on your own initiative and judgment, while understanding that you must take responsibility for the results of those actions.’ Equality means ‘to recognize and respect individual differences in one another and treat each other fairly. Our company is committed to this principle and to creating equal opportunities for each individual. An individual’s race, sex, age, religion, national origin, educational background, social or economic status have no bearing on the individual’s opportunities.’ Trust is ‘the relationship among associates at Honda should be based on mutual trust. Trust is created by recognizing each other as individuals, helping out where others are deficient, accepting help where we are deficient, sharing our knowledge, and making a sincere effort to fulfill our responsibilities.’ Meanwhile, another three joys is more connected to their product in the company. They believe that the joy of buying, the joy of selling, and the joy of creating can help the company to maintain their quality in quantity of the production. The joy of buying is ‘achieved through providing products and service that exceed the needs and expectations of each customer.’ The joy of selling is ‘occurs when those who are engaged in selling
and servicing Honda products develop relationship with a customer based on mutual trust. Through this relationship, Honda associates, dealers and distributors experience pride and joy in satisfying the customer and in representing Honda to the customer. ‘The joy of creating is ‘when Honda associates and suppliers involved in the design, development, engineering, and manufacturing of Honda products recognize a sense of joy in our customers and dealers. The joy of creating occurs when quality products exceed expectations and we experience pride in a job well done.’ To sustain and maintain the mission and vision, the Honda company design a new concept, which is management policies that will help to keep the Honda company to develop. ‘Proceed always with ambition and youthfulness, respect sound theory, develop fresh ideas and make effective use of time, enjoy your work, and encourage open communications, strive constantly for a harmonious flow of work, and be ever mindful of the value of research and endeavor’, is the value in the management policies that can keep the company continue to grow. The both vision and mission making the Honda company to created their own philosophy with the name of Honda philosophy (figure 5). There are some example of Honda company production that have been build up. For example, Honda T360 is the starter for the automobile car in the company and innovate into Honda S500. The innovation is keep continue into new car, which is Honda L700, and Honda 1300 is the next innovate car from the Honda L700. The car are keep continue to innovate in the company to demand the market, which is Honda Fit (Honda Jazz), Honda Civic, Honda Accord, Honda Insight (hybrid electric vehicle), Honda CR-V and Honda CR-Z (Honda Official Portal, 2012). The car is design in the modern era, where it is more concern and towards their vision and mission of the company.

**Figure 1:** The internal combustion engine in the motorcycle from the Honda company

**Figure 2:** The Honda Model A build by Honda company using Tohatsu engine

Source: http://t2.gstatic.com/images?q=tbn:ANd9GcRxLBDFH8UwcvPqPXsgfo5WqAqh7YVIMwS1mpUMRNVJu6SqqO39TB9gk0

Source: http://1.bp.blogspot.com/-zRmO1kBzvQ/TqFSA2tbAI/AAAAAAAAABWi/hsCmZBXqwP0/s320/honda+bicycle+engine+1946.jpg

**Figure 3:** The Dream motorcycle that are fully build and create by using their own engine


**Figure 4:** Honda company produce the first automobile with the name of T360 mini pick-up truck

Source: http://images.thetruthaboutcars.com/2010/03/t360.jpg
1.1 History of Corporate Social Responsibility in the Company

Until today, the Honda company never stop in their innovation in motorcycle and automobile production. The Honda company competitive, Toyota company, Volkswagen company, Hyundai company, etc. will dominate the global market with their new product and also concerned on the customer favor. So, Honda company also do not want to miss out and will work hard to dominate the market. To dominate the market, the Honda company need to create a new term, new product, new idea, and almost everything is new to persuade the customer to love the product. Takanobu Ito, President, Chief Executive Officer and Representative Director, transforming the Honda company into a new environment, which is Corporate Social Responsibility or CSR activities to fulfill the goal of being a company that society to exist by stakeholders worldwide. Introducing to CSR making the Honda company to maintain the ranking as number one in the worldwide and serving the best to the customer. To Honda, CSR is a way of contributing to people and society by continuously creating unique products and services from a global perspective. One example can be show in the Honda NSX concept sport car. The sport car is divided into two, which is first generation (1990-2005) and second generation (2015) (figure 6). The Honda NSX concept car can be consider the most successful car because the innovate in shape, keeping the fun and environmental value, turning the dreams into reality, and also keeping the joy of mobility far into the future. The transformation of the Honda company into new modern era with the CSR concept, stated into the Honda Philosophy (figure 7). Since the Honda Philosophy is the goal of becoming a company that society wants to exist by sharing joy with the people of the world, and with CSR, Honda company try to pursued a range of corporate activities in order to create new value, expand value, and fulfill the commitment to the future while cultivating the freedom of associates to seek out a better way, a willingness to rise to the challenges of the future, and a spirit of collaborative creativity (Honda Official Portal, 2012). ‘Creating the Joys’ means continuing to dream and create new value ahead of the times with free-spirited thinking ahead to enhance the Three Joys. ‘Expanding the Joys’ means realizing dreams with more people and contributing to local society to expand the Thee Joys around the world. ‘Ensuring the Joys for the next generation’ means working towards the sustainable development of society and achieving the highest level of environmental and safety performance to ensure the Three Joys for the next generation. With CSR, the directions in company’s activities, fulfilling company’s social responsibility, and communicating with all Honda stakeholders (including customers, dealers, suppliers, associates, shareholders, investors, and local communities), is the Honda company intention to help bring about a sustainable society. The innovation in the product making the Honda company become brilliant and fabulous. The ideas of making the ultimate internal combustion engine (automobile), Earth Dreams Technology – a series of innovation technologies, and pursuing fuel economy, joy and utility. The idea is design for the formation of the future car generation, where only exist in Honda company. The ultimate internal combustion engine is a mechanical device use to controlled explosions (combustion) of petrol (gasoline) and air mixtures to rotate wheels (Honda Official Portal, 2012) (figure 8). The process in the petrol four stroke is divided into four step, which is 1st stroke intake, 2nd stroke compression, 3rd stroke power, and 4th stroke exhaust. The 1st stroke intake is the piston moves down to accept the air and also diesel fuel mixture were drawn in together. Once they are mix together in the cylinder, the 2nd stroke compression process will take place, where the piston will moves up, to cause the air and the fuel mixture to be compressed then ignited by sparking plug. After that, the piston pushed down by exploding air together with fuel mixture, which is referring to the 3rd stroke process of power. The final is 4th stroke exhaust process, where the piston moves up spent gases out through exhaust (Honda Official Portal, 2012). The process is continued to cause the car to move on the road (figure 9). Yoshiharu Yamamoto, President of Honda R&D Co, Ltd. explain on how the Honda using the ultimate internal combustion engine (Honda Official Portal, 2012). In his idea, he believed that the engine can be rise to 50 percent of purchasing in the worldwide. With this, it can be achieve 50 kilometers per liter with a simple gasoline engine by taking advantage of across-the-board technological progress in the form of the evolution of transmission and chassis technologies. The idea can help billion of peoples in the world by purchasing the car, where it can move further with expanding of low cost gasoline. The second idea, ‘Earth Dreams Technology, a series of innovative technologies’, is more concern on the engine itself, where the innovation take place. The technology is design to fulfill human need to protect the Earth’s environment and also bring together our dream of enjoying driving (Honda Official Portal, 2012). The engine is design to suit the next-generation, where it is fuel economy and environmental friendly. The innovation of engine can be described into three type, which is engines itself, transmission, and hybrid powertrain (figure 10). The six technologies for becoming No. 1 in fuel economy having six special features, which is gasoline engine that delivers world-class driving performance and fuel economy; small diesel engine that delivers the world’s lightest weight, as well as class-leading, acceleration and fuel economy; CVT that provide an advanced mix of driving pleasure and fuel economy; two-motor hybrid system that delivers the world’s
highest level of efficiency; electric SH-AWD high-efficiency, high-output hybrid system, which combines driving performance and fuel economy; and a compact, high-efficiency electric power train for EVs (Honda Official Portal, 2012). Another way to save the fuel is by reducing the weight of the car (Honda Official Portal, 2012). The idea come together with N BOX’s body and chassis reflect the aggressive pursuit of light and high efficiency. The way to reduce can be done by building the framework first by joining only the inner frame of the roof and side panels to the floor and then welding the outer panels on later. In this, strong skeleton and the cover with panels, allow the number of bolts and the amount of reinforcing material to be reduced. The N BOX, helping to achieve a 10 percent reduction in body weight, where it can help to reduce the cost of fuel. The third idea is connected to the pursuing fuel economy, joy and utility. This idea is more concern on the motorcycle. There are high demanded in worldwide towards the motorcycle. For example, engine with 125cc of scooter, are used by a large number of customers worldwide (Honda Official Portal, 2012). The Honda company are continue to innovate, where they come out with a low-cost compact motorcycle with comprehensive range of improvement including ease of use, fuel economy, driving performance, and durability for a country name Africa, where they believe there is a market can be expand in the future. So, Honda company is work hard to become No. 1 in providing the high-performance, inexpensive products for the demand of worldwide customer. The innovation in the Honda company not only making a lots of changing in the product, but also towards their corporate, activities, management, and also environmental. However, the CSR concept that widely use in the company providing a new way of chances to change their life in the future. The R&D group of in the Honda company suggesting “Technology if for people”. The invention of the robot research program is started in 1986, where it’s mainly to fulfill the organizational aspiration of playing a useful role in people’s lives and enriching human society (Honda Official Portal, 2012). The robotics technologies are keeping to innovate into more advances which given the nickname as the P2 (launch in the year of 1996) to considered it as the world’s first autonomous, humanoid, and bipedal robot (figure 11). The innovation is never stop. ASIMO (figure 12) is the perfect of humanoid robot that launch in 2000, having the ability to integrate into human lifestyle. ASIMO is created to help people in having difficulties (Kornblum, 2000), to be companion to people when lonely, and the existing of ASIMO can be encouraging to the young people to study science and mathematics (Volkmann, 2011). The more advance of ASIMO, name New ASIMO, is an ‘autonomous machine’ with having the ability to decision-making to determine its behavior in concert with its surroundings such as movements of people. The New ASIMO has special feature, which is high-level postural balancing capability which enable the robot to walk in a distance between their leg, external recognition capability which enable the robot to analysis the environment like human movement, and the capability to generate autonomous behavior which enable the robot to make a decision from the analysis surrounding and without being controlled by an operator (Honda Official Portal, 2012). There are some characteristic in New ASIMO, where they have intelligence capabilities, physical capabilities, and task-performing capabilities; where the characteristic is connected together with the special features. The successive of the ASIMO making the Honda company to present more product in the robotic technologies. One example can be shown in the task-performing robot arm (figure 13). Other application of ASIMO technologies that connected with robot arm like compact layout structural designing technique and multi-joint simultaneous orbit control technology, which is joining the arms and legs to enabled the robot arm to moves on itself and stable it when walking on the unstable surface. It’s also helping people to perform work at disaster sites and other hazardous areas that are too dangerous for people to enter (Honda Official Portal, 2012). Another two example using robotics production is walking assist device with stride management system and walking assist device with bodyweight support system (figure 14). So, it’s helping the user to walk faster, further, and more easily without any difficulties that the user may face; and supporting a portion of the person’s bodyweight to give the user easy in walking, going up and down stairs, and standing. Other than the production, the Honda company also having an extra activity, which is outdoor activity. The activity is “a flourishing natural environment to the future” (Honda Official Portal, 2012). The company believed that cultivating true forest around workplace is good where they are trying to fulfill the philosophy. The advantages to plant the forest go beyond their ability to soothe the human heart. Reducing the CO² is one of the way to save the planet and also towards human being. Towards the main point, the Honda company design automobile that can reduce the releasing of CO (carbon monoxide) and also plant a lots of tree to save the environment. By plant the trees, this will help to preserve the watershed around the forest, and help to keep the habitat for wildlife like deer, Japanese serow, monkeys, and Asiatic black bear to live at there (Honda Official Portal, 2012).

Figure 6: First generation (upper side) and second generation (down side) sport car that use the NSX concept
Figure 7: The CSR concept that fit into the Honda Philosophy


Figure 8: The ultimate internal combustion engine

Source: http://world.honda.com/CSR/concept/activities/

Figure 9: The process of 1st stroke intake, 2nd stroke compression, 3rd stroke power, and 4th stroke exhaust, that taking place in the engine


Figure 10: The innovation of engine in three categories, namely engines, transmission, and hybrid powertrain

Source: http://t0.gstatic.com/images?q=tbn:ANd9GcQnR5wEUz5XBACqcWzPYw20DeFoyqmsIvBeLsl0likiZ5bcapsQVbW-8g

Figure 11: The P2 (launch in the year of 1996) as the world’s first autonomous, humanoid, and bipedal robot

Source: http://www.plasticpals.com/?p=25340
2. Discussion

The Honda company is moving forward to new future generation. However, the customer perspective is very important, where they are actually building the company direction that moving forward to the new future generation. To describe further, Honda company having a group call as Customer Service Operation (figure 15) that deal, collect data and analysis customer demand, favor, and satisfaction on the company product. Planning, R&D, production, sales, and after-sales service is an operation that required customer to give their answer towards the product. Moreover, with involvement of CSR concept, Honda’s 2020 vision, “Provide good products to our customers with speed, affordability and low CO² emission”, is a process need the customer feedback, in-return to repair the weaknesses in the production. As a general opinion, “if the company want to dominate the worldwide marketing, they need to sell the product that fulfill the demand, favor, appropriate, and requirement to the customer. So, customer every answer is Honda company every life to maintain their business in the worldwide.” The sentenced show that customer is important. The Honda company having a survey on customer satisfaction, where they collect all the data about the products: motorcycles, automobiles, and power products (Honda Official Portal, 2012). To earn a No. 1 rank in customer satisfaction surveys around the world, Honda company provide a new principle, which is “3Ps” to solve the customer’s satisfaction. The “3Ps” is ‘Premises/Process’, ‘People’, and ‘Product’ (Honda Official Portal, 2012) (figure 16). People, is the solution where training programs to enhance human resources and skill levels and this will help to reduce the probability of misunderstanding and miscommunicate between staff and customer. Premises or Process, is a process of collecting data on customer satisfaction, dealing with the customer on the certain issues, and also reducing the wasteful of time that may need to deal with customer by increasing and improve the work efficiency. Product, is the connection of the quality of a product that been launched, promote, selling in the market, and to solve the unwanted damage in the product. With the 3Ps concept, the Honda company can continue to develop the joy inside the customer toward the product that they purchase, rather than spending more time by guessing to buy a new car. Moreover, “Customer is always right” to show that customer satisfaction is a must to take care to preserve the quality product of the Honda company. The second important to keep the Honda company develop is by keeping the excellence relationship between staff and customer. To have a good impact to the company, they develop a center with the name Customer Relations Center to dealing with the customer. “For the Customer” slogan show that the staff will handle the
customer with politely, clearly, and quickly, delivering the same high quality in Honda communications as its found in Honda products (Honda Official Portal, 2012). ‘One Excellent Staff provide One Perfect Product, and One Product will bring over Ten Customers’, is the survivor to the Honda company to be No. 1 manufacturer in the world. The Center also responds to any request from the customer, where they can help to provide a support to the Customer Survey center in collecting data. Honda company are developing their ‘wing’ into new market, which is Africa, a low-cost of living to promote the production at the country. Since that, a new market is a big challenge to dominate their market. So Honda company will enhance the service, especially in the service information to customer and building many repair shops to provide an interesting picture towards the Honda company (Honda Official Portal, 2012). From the Honda company report, the company held 30 training tours to offer picture-based training since October 2011, where they success to train a total of 1,200 mechanics. Until 2012 year, the company will expand the program to cover the entire of nation. Even there is a majority of the people who cannot read so well, however, company change the unreadable massage into more easy words through picture-action or leaflets (figure 17) and also with the training program, especially in maintenance and repair editions. The reason why Honda company are changing the way of their operation in the country is to provide the best product and services to the customer so that they can enjoy their motorcycle with peace of mind over the long term. Honda company, to dominate the worldwide marketing is not possible. However, it needs a long term to achieve the goal. One example to move forward to the goal is by increasing the service staff member’s technical skill through unique service education system. The training included Honda Automotive Service Training (HAST) and the Body Paint (BP) training. Both training are concern to the production, and also customer service content which is connected with the customer service skill. The company also increasing their technical skill especially in service Engineer certification (the staff that pass the grade 1 to 3 consider as Honda Master of Service Generalist), and expand a trainer program (a program to build HAST training for the staff to become trainer and train the prefectural and corporate levels) (Honda Official Portal, 2012). The ideas can help the company to keep their quality in staff, where they providing a training to the staff. The staff will be exposed with various education in their product and this will help them to master the product or even for new coming product. The training also can help to reduce the staff to make any mistake when producing the product of the motorcycle or automobile. Honda company also having their own R&D group, where this group plays an important role to produce and run a new product, meanwhile innovate the traditional product. In the R&D group, they will work in different department, but they are actually worked forward to the vision and mission. The R&D department is important where their effort is needed to produce new product and to fulfill the customer demand. Their creativity design will help to develop the company through out worldwide.

Figure 15: The role of customer service operations

Figure 16: Customer Satisfaction initiatives and the 3Ps

Figure 17: the maintenance leaflet or picture-action in easily to understand in treating the motorcycle
3. Conclusion
As a conclusion, Honda company is a largest motorcycle and automobile manufacturer that demand to the worldwide customer. Maintaining marketing and sale are the most difficult, where the worldwide are always change according to their need and favor. So, R&D group are always need to aware on the changes of the world to come out with a new product. Moreover, fulfilling the customer satisfaction is very important and this can be done by collecting customer feedback. Honda company will keep the quality in their production, quality servicing, and creating product for the future generation in environmental friendly. The Honda company also try to do more invention to provide the most greater product to reduce human difficulties in their life. “Life Without Honda, Is No Meaning; Live With Honda, Dreams Come True”.

4. References
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