The Process of CSR Implementation –

Local Cases in Hong Kong

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DECLARATION

I hereby certify that the work embodied in this Dissertation Project is the result of original research and has not been submitted for a higher degree to any other University or Institution.

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SYNOPSIS

Compared with the corporate social responsibility (CSR) practices of Multinational Corporations (MNCs), this study on CSR of the companies in Hong Kong aims to understand how local companies in a non-Western context implement their CSR initiatives. Interviews have been conducted with eleven local companies in Hong Kong. Their views are analyzed with the secondary data collected as well as opinions collected from two focus groups consisting of CSR experts. Existing theoretical frameworks on the process of CSR development and implementation have been adapted to suit the attributes of the local companies in terms of their company size, availability of resources and the lack of external pressure in the society. A three-phase CSR development and implementation process framework has been used for analyzing the data collected in this research. The results of this qualitative research demonstrate that the critical success factors in the CSR implementation process of the selected local companies are the support from top management and the corporate culture of value-centric CSR initiatives. However, many other critical factors considered by MNCs as instrumental to the successful implementation of CSR are not applicable to the local companies in Hong Kong. This clearly illustrates the differences between MNCs and local companies in terms of their scales of operation, the degree of external pressure and the types of perceived benefits from CSR. Based on the conclusions of this research, further research can be conducted to better understand how local companies in a non-Western context carry out their CSR initiatives.
CHAPTER 1: INTRODUCTION

1.1 Background of the Research

Corporate Social Responsibility (CSR) has increasingly drawn the attention of scholars and the business sector in the past few decades (Carroll & Shabana, 2010). Its significance is proven by a large number of academic researches on this subject (Lindgreen, Swaen & Johnston, 2009; McWilliams & Siegel, 2010; Taneja, Taneja & Gupta, 2011), emergence of global CSR standards (Dentchev, 2004; Hine & Preuss, 2009), and the increasing number of corporations practising CSR (Berger, Cunningham & Drumwright, 2007; Bies, Bartunek, Fort & Zald, 2007; Taneja et al., 2011).

With increasing pressure from the media, activists, the public and the government, CSR is nowadays widely accepted in the business world and is considered as “an inescapable priority for business leaders” (Porter & Kramer, 2006, p.78). Generally speaking, CSR is about “the relationship between the business and the larger society” (Snider, Hill & Martin, 2003, p.175). Businesses need to fulfil their CSR in order to gain legitimacy and recognition in society (Bolton, Kim & O’Gorman, 2011). They are expected to consider the impact of their CSR initiatives brought to the society and their obligations to various stakeholders. Looking beyond the financial performance towards the larger society is an increasingly salient feature of businesses (Bolton et al., 2011; Maon, Lindgreen & Swaen, 2009) and many managers consider CSR a mainstream business practice in line with the profit-making core operation of the business (Berger et al., 2007; Godfrey & Hatch, 2007; Taneja et al., 2011).

1.2 Aim of the Research

The implementation of CSR is an important issue to businesses but business managers struggle with the way in which CSR can be committed (Lindgreen & Swaen, 2010). To address the growing concerns from the business sector for the implementation of CSR, a number of academic researches on CSR practices of firms, ranging from proving the business case of CSR to investigating the CSR activities of exemplary firms, have emerged. Some businesses try to adopt CSR by following the footsteps of renowned corporations. However, simply looking at the content of exemplary CSR cannot reveal the underlying factors underpinning a firm’s CSR practices. Many businesses fail to achieve good CSR outcomes because they fail to see that good CSR practices are
shaped by external and internal institutional factors and not simply following the so-called best practice.

Academics have realized that the process of CSR implementation could be more important than following some standardized best practices of CSR. Studying the CSR implementation process is meaningful, and more research should be done in this area (Basu & Palazzo, 2008; Lindgreen & Swaen, 2010). What matters the most is the process instead of the content and outcome (Bolton et al., 2011; Lindgreen, Swaen & Maon, 2009b). Only with a deeper understanding of the CSR process can we provide a more practical guide to the puzzled CSR practitioners.

The understanding of the CSR implementation process is complicated by the social, legal, cultural and institutional differences in different countries. Since the interest in the development of CSR initiatives in Western countries is higher than that in other countries (Berger et al., 2007; Jamali, 2007), many CSR researches have placed their focus on the Multinational Corporations (MNCs) based in the US and Europe. Given there are vast differences between MNCs and local companies, it is necessary to focus the research on the local companies in a non-Western context in order to come up with a practical guide to CSR practitioners in non-Western countries.

This research aims at studying how local companies in Hong Kong implement CSR. It is a response to the call for more research studies to be conducted on CSR in a non-Western context. The topic of this research is “The Process of CSR Implementation – Local Cases in Hong Kong”. Although Hong Kong is a well-developed economy, the development of CSR in Hong Kong has lagged behind the Western economies (Tsoi, 2010). Moreover, there are a large number of small and medium enterprises in Hong Kong (CSR Asia & HKCSS, 2011). The social environment and their limited resources will affect how these local companies make CSR decisions. Local companies have to be cautious in balancing the various economic and non-economic factors in CSR decisions. Against the above background, it will not be surprising to note that the local companies would pursue CSR in a different way. With reference to the features of the local companies in Hong Kong, this research aims to unveil their process of CSR implementation and the critical success factors behind their CSR implementation process under their specific constraints.
1.3 The Research Question

Accordingly, the research question in this proposed research is:

- What are the critical success factors considered by the local companies in Hong Kong in their CSR implementation process?

The research objectives are:

1. To explore the importance of various driving forces considered by the management of local companies in initiating their CSR programmes;
2. To identify the types of benefits perceived by local companies when they develop their CSR vision and strategy, and how such perceived benefits affect their CSR development and implementation;
3. To explore the factors considered by local companies in their choices of CSR activities and identify the major target stakeholder groups in these CSR activities;
4. To study under what conditions local companies would make use of the establishment of CSR department, employee training programmes, external partners, and international standards in their CSR development and implementation, and the importance of such factors;
5. To study how local companies communicate their CSR efforts and outcomes internally and externally, and whether such communication provides a positive feedback towards their CSR implementation; and
6. To study how local companies evaluate and measure their CSR outcomes.

1.4 Research Method

Three methods of data collection will be used in this qualitative research. They consist of a review on selected local companies’ secondary data, two focus groups comprising CSR experts, and qualitative interviews with selected local companies. Such research design follows the idea of triangulation. The conclusions drawn by the researcher must be consistent with the evidence collected from different sources. This can strengthen the reliability of the research.

Sources of secondary data collected in this research include company websites, company media coverage, CSR publications, newsletters, annual reports and company profiles in local CSR awards.
Two focus groups are conducted with CSR consultant and scholars. The views collected from them will provide additional information to understand the CSR initiatives implemented by local companies. The targeted scholars are local academics in marketing, management, accounting or corporate governance. Each focus group has three to four participants. They are held before the qualitative interviews.

Fifteen face-to-face semi-structured qualitative interviews are conducted with eleven local companies in this research. The interviewees are managers responsible for CSR activities or the top management of the selected local companies. Based on the literature review, an interview schedule has been developed before the interview.

The notes and transcripts obtained from the interviews and focus groups as well as the contents of the secondary data are coded and developed as CSR themes. These data collected from different sources will be contrasted and analyzed together, following the method of triangulation. The relationships between different themes are then explored and compared with the literature, and such relationships will then be used to explain the CSR implementation process of local companies in Hong Kong.

1.5 Definitions
Different people have different views on the obligations of business. There is no consensus among scholars on the definition of CSR. In this research, the researcher adopts McWilliams and Siegel’s (2001) definition of CSR, which defines CSR as “actions that appear to further some social good, beyond the interests of the firm and that which is required by law” (p.117). This definition is easy to be understood by the interviewees from the selected local companies. This definition helps the selected companies to locate their CSR initiatives based on the criteria of legal requirements and social good beyond the economic interest of the company. The details of this definition will be discussed in Section 2.2.

Another important concept in this research is the CSR development and implementation process. CSR researchers have realized that the study of CSR contents alone cannot guarantee business to achieve successful CSR outcomes (Basu & Palazzo, 2008). Scholars have developed various frameworks of CSR development and implementation
process to find the underlying factors of successful CSR initiatives. Many frameworks emphasize that the CSR implementation process involves several phases (Maon et al., 2009). The details of these frameworks can be found in Section 2.6. Based on these frameworks developed by CSR scholars, a three-phase CSR development and implementation process is adopted to study the CSR implementation of local companies in Hong Kong. Phase I is about raising the awareness of CSR within the company. Phase II is the CSR development stage in regard to its objectives, targeted stakeholders and the development plan for CSR. Phase III is about the implementation of the CSR initiatives, including their actions, communication and evaluation. The details of this three-phase CSR development and implementation process can be found in Section 2.9.

1.6 Delimitations of Scope

This qualitative research studies the CSR implementation of some local companies in Hong Kong. The research findings provide useful results for theoretical generalization in the arena of CSR implementation for local companies in a non-Western context. However, in view of the qualitative nature of the research, the results should not be used to draw a statistical inference. The CSR initiatives of these companies in Hong Kong are also influenced by external factors such as the regulatory framework, social and economic development and the local culture. Adaptation might be required when applying the research findings to other regions.

The companies selected to participate in this research are all having a relatively long history of active participation in CSR activities in Hong Kong. These companies are likely the advocates of CSR. Their attitude and beliefs towards CSR can be different from other companies in the same society. In other words, the research findings should be applied to companies which are motivated to initiate their CSR activities.

1.7 Outline of the Dissertation

This dissertation begins with a literature review on various definitions of CSR, development of CSR theories and recent empirical studies on CSR in Chapter 2. Following the literature review, a research gap in the process of CSR implementation for local companies is identified and a theoretical framework for analysis is developed. The methodology of this qualitative research is explained in Chapter 3. The three research methods, including focus groups comprising CSR experts, interviews with
local companies and the review of secondary data of selected companies are elaborated in details. The research findings are discussed at length in Chapter 4. The implications of the results, the contributions of the research, its limitations and future research opportunities are discussed in Chapter 5.
CHAPTER 2: LITERATURE REVIEW

2.1 Introduction
This chapter begins with an examination of various CSR definitions discussed in the literature. Section 2.3 elaborates CSR theories based on the two major approaches adopted by scholars – the moral orientation and economic orientation approaches. Sections 2.4 and 2.5 examine the practices of CSR in the business sector and various empirical researches in CSR. After going through the theoretical development on the CSR implementation process in Section 2.6, a research gap in the field is identified in Section 2.7. This gap comes from the bias of the current CSR research towards MNCs in the Western economies. After studying the situation in Hong Kong in Section 2.8, a theoretical framework of the CSR implementation process based on other researches is developed in Section 2.9, with an aim to study the CSR implementation of local companies in a non-Western context.

2.2 Definitions of CSR
Generally speaking, CSR describes the relationship between business and the larger society (Snider et al., 2003). The concept is based on the belief that corporations receive a social sanction that requires these corporations to contribute to the society (Berger et al., 2007; Devinney, 2009). Though CSR is a widely accepted idea in the business sector, there are still many puzzles and controversies on the concept and practices of CSR (Lindgreen, Swaen & Maon, 2009b).

One major point of contention is the lack of consensus among the scholars and practitioners regarding the definition of CSR. Different scholars and practitioners define CSR in different ways. There is neither a unanimous definition of CSR nor a clear list of the exact obligations of businesses (Berger et al., 2007; Carroll, 1991; Godfrey & Hatch, 2007; Panapanaan, Linnanen, Karvonen & Phan, 2003; Rivoli & Waddock, 2011; Taneja et al., 2011; Vallaster, Lindgreen & Maon, 2012).

Among the various definitions of CSR, a widely used definition is Carroll’s CSR pyramid (Carroll & Shabana, 2010; Jamali, 2008). Carroll (1991) defines CSR as the expectations placed on corporations by the greater society. In Carroll’s view, the entire range of business responsibilities covers four components: economic, legal, ethical and philanthropic responsibilities. The responsibilities are constructed as a pyramid with
the economic responsibility as the foundation and the philanthropic responsibility as the apex of the pyramid.

Some researchers take the economic and legal responsibilities in Carroll’s pyramid as basic responsibilities required of a firm. In Branco and Rodrigues (2006), CSR refers to those activities that “go beyond legal requirements as a response to social and political pressures, norms and expectations” (p.114). Branco and Rodrigues only consider the ethical and philanthropic responsibilities of corporations as true CSR and they conduct research studies based on these two aspects of Carroll’s pyramid (Carlisle & Faulkner, 2004).

Another commonly used definition is the one raised by McWilliams and Siegel (2001). Instead of considering the expectations placed on corporations, they focus on whether businesses go beyond their own self-interest. They define CSR as “actions that appear to further some social good, beyond the interests of the firm and that which is required by law” (p.117). For example, when a company devotes resources to some recycling practices beyond the legal requirements, the company is practising CSR. Following this definition, Lindgreen, Swaen and Johnston (2009) elaborate that CSR refers to the decisions of business in regard to the respect for people, communities, and the environment.

Some scholars view CSR from the triple bottom line of running businesses (van der Heijden, Driessen & Cramer, 2010). The triple bottom line is a measurement of a firm’s economic, social and environmental performance (Steiner & Steiner, 2009). It was first coined by John Elkington, the founder of a British consultancy (Triple Bottom Line, 2009). Elkington argues that in addition to earning profits, a business should also be responsible for the society and the environment, i.e., the three bottom lines in operation: profit, people and planet. Many researchers use these three dimensions to examine CSR (Fortuna, Hazzard-Robinson, Krupka & Loch, 2011). This triple bottom line is also a well-known concept among CSR practitioners (Berger et al., 2007) because it is consistent with the Global Reporting Initiative (GRI), a widely used CSR reporting format in the business sector (Dentchev, 2004; Steiner & Steiner, 2009). The GRI Sustainability Performance Indicators cover the areas of economic, environmental
and social performance. The latter consists of labour, human rights, society and product responsibility (GRI, n.d.).

Besides the scholars, many governments and public organizations are also interested in the promotion of CSR. For example, Industry Canada (2011) defines CSR as “a company’s environmental, social and economic performance and the impacts of the company on its internal and external stakeholders”. The European Commission (2011) defines CSR as “the responsibility of enterprises for their impacts on society” (p.6).

In addition to these various definitions of CSR, some scholars and business practitioners prefer to use other related terms and concepts instead of CSR. Such concepts include corporate citizenship, corporate social responsiveness, business ethics, corporate citizenship, corporate social performance, corporate sustainability and responsible business practice (Bolton et al., 2011; Cramer, Jonker & van der Heijden, 2004; Hesline & Ochoa, 2008; Lindgreen, Swaen and Johnston, 2009; Moore & Spence, 2006).

Different scholars have different views on the relationship between society and business, and hence they have different views on the obligations of corporations. Such diverse fundamental assumptions on the role of businesses as well as the evolving views on CSR over time make the definitions of CSR elusive (Jamali, 2008; Snider et al., 2003). Not only the views on CSR evolve over time, they are also influenced by local situations, including the social, political, cultural and legal environment (Freeman & Hasnaoui, 2011). Such diverse views on the definition of CSR is a big obstacle to both the theoretical development and empirical work in the field of CSR (Lindgreen, Swaen and Johnston, 2009; Taneja et al., 2011).

This research adopts the CSR definition proposed by McWilliams and Siegel (2001). As elaborated above, they define CSR as business decisions which are made for the sake of society, and going beyond the economic interests of the firm and the legal requirements. One reason behind this choice of definition of CSR is that this is an easy-to-understand definition to the targeted interviewees of this research. Companies can review whether their actions are CSR or not by referring to the criteria of legal requirements and social good. Since the CSR development is Hong Kong is lagging behind that in the Western economies (Tsoi, 2010), an easy-to-understand definition can
help reduce confusions of the interviewees in this research. Moreover, this definition is widely used by other CSR researchers (Dahlsrud, 2008; Godfrey & Hatch, 2007; Lindgreen, Swaen & Johnston, 2009), which help facilitate the comparison of the findings of this research to others.

2.3 CSR Theories

The root of CSR can be traced back to the period before WWII (Carroll & Shabana, 2010). As a modern concept being considered seriously in the academic world, CSR has emerged in the 1950s, initiated by Bowen (Lee 2008). Since then, it has been widely discussed and examined by scholars and business leaders.

The idea of CSR has not grown without challenges. In the 20th century, many businessmen and scholars still had doubt whether or not corporations should shoulder social responsibilities (Carroll, 1991; Heslin & Ochoa, 2008). Some academics, such as Milton Friedman, view societal problems as the domain of the governments (Drucker, 1984). Friedman & Friedman (1982) take CSR as a “fundamental misconception of the […] nature of a free economy” (p.133). From the agency theory perspective, they consider CSR a typical agency problem, in which managers seek their personal gains at the cost of shareholders. They dismiss any obligations of corporation managers other than creating wealth for their shareholders by the provision of goods in the market.

Despite the doubts from the agency theory, the idea of CSR has grown in its acceptance (Smith, 2003). The social movements in the 1960s provided fertile ground for the advancement of the CSR concept and provided continuous support for the development of CSR (Carroll & Shabana, 2010). Since then, several theories have been developed to support the rationale for CSR and suggest methods for practising CSR.

Several theories have contributed to the field of CSR. They include agency theory, stakeholder theory, stewardship theory, institutional theory, the resource-based view of the firm (RBV), cause-related marketing and strategic philanthropy (Godfrey & Hatch, 2007; McWilliams, Siegel & Wright, 2006). In contrast to the agency theory, the stakeholder theory takes into account firms’ responsibility in respect of fulfilling the legitimate expectations of stakeholders, including employees, customers, suppliers and governments (Nijhof, Bruijn & Honders, 2008). While the stewardship theory
emphasizes the moral obligations for managers to do the right things, the institutional theory focuses on the factors of external environment and internal organization (McWilliams et al., 2006). Another important theory in studying CSR is the RBV theory, which advocates the development of strategic CSR. RBV considers CSR efforts as a strategic investment with the aim of building sustainable competitive advantage (Branco & Rodrigues, 2006; McWilliams et al., 2006; Porter & Kramer, 2006). While cause-related marketing argues that CSR enables corporation to make contributions to both social welfare and the corporation’s income, strategic philanthropy argues that the strategic benefits of CSR are more on the aspects of long-term loyalty, legitimacy, trust and brand equity (Godfrey & Hatch, 2007).

Most of these CSR theories could be considered as variations of two basic viewpoints: the moral orientation viewpoint and the economic orientation viewpoint (Bolton et al., 2011; Godfrey & Hatch, 2007; Sharp & Zaidman, 2010). The moral orientation focuses on the ethical obligations of firms towards the greater society, while the economic orientation focuses on the business case of CSR via the financial performance of the firms.

2.3.1 Stakeholder Theory – A Moral Orientation of CSR
The moral perspective of CSR discusses the ethical obligations of firms towards a society, which is more than the financial interests of the shareholders. A representative theory in the moral orientation viewpoint of CSR is the stakeholder theory (Rodrigo & Arenas, 2008; Snider et al., 2003).

Freeman has used the stakeholder theory to study CSR in the 1980s (McWilliams et al., 2006). The theory emphasizes that a firm is responsible for its shareholders as well as many other stakeholders, including employees, suppliers, customers, governments and the communities. The interests and rights of these stakeholders are affected by the actions of the firms, and the firms have to act responsibly towards them in their business operation. The stakeholder theory provides a strong normative rationale for businesses implementing CSR. By addressing the demand of stakeholders, businesses can gain the legitimacy and recognition in a society (Bolton et al., 2011; Maon, Lindgreen & Swaen, 2009).
The stakeholder theory has become a research paradigm in studying CSR (McWilliams & Siegel, 2001; Snider et al., 2003). For example, Aguilera, Rupp, Williams and Ganapathi (2007) use a framework of multiple actors to study CSR. Aguinis and Glavas (2012) summarize how different scholars examine the issue of CSR by the stakeholder approach. Carroll (1999) describes the stakeholder theory as a natural fit for the study of CSR. There are several reasons behind CSR scholars’ interest in the stakeholder theory. First, when businesses consider the interests of both shareholders and other stakeholders, the economic and social goals of businesses are therefore intertwined with each other (Lee, 2008). They are no longer two separate goals that businesses find difficult to reconcile. This provides a strong linkage between the core business operation of businesses and their CSR initiatives. Secondly, the stakeholder theory can facilitate the study of CSR because the stakeholders can be clearly identified. Their functions and relations with each other can be examined (Lee, 2008). This provides a useful framework for the scholars to analyse real-life CSR issues by collecting empirical data.

In practice, the stakeholder theory is also very useful to CSR practitioners. First, in real life, businesses indeed have to manage the firm-stakeholder relationship. On many occasions, managers have to handle the needs and demands from different stakeholders. Lee (2008) argues that such demands from various stakeholders are easier to be envisaged and managed than a broader sense of responsibility to the whole society. The stakeholder theory provides a path for the managers to plan for their CSR initiatives. Second, the theory provides a more effective way for the company to communicate their CSR initiatives and achievement with the community. Snider et al. (2003) find that many firms target on specific groups of stakeholders in their CSR reporting on the web. Third, the language of the stakeholder theory is well understood by managers (Jamali, 2008). With these reasons, the stakeholder theory is considered as a good tool for both academics and managers to identify relevant CSR issues for their consideration.

The relevancy of the stakeholder theory in making CSR decisions is supported by empirical researches. Brammer and Millington (2004) show that U.K. corporations attach great importance to the visibility of their socially responsible actions because of the increasing stakeholder pressures. Lindgreen, Swaen and Johnston (2009) study the CSR practices of 401 U.S. organizations and find that some firms decide their CSR
focus having regard to the views of their core stakeholders. Smith, Ansett and Erez (2011) demonstrate the successful experience of Gap Inc in stakeholder engagement. It is believed that many businessmen indeed use the stakeholder theory to develop their CSR activities.

Though the stakeholder theory provides a useful framework for managers to consider relevant CSR issues, there are still several areas that need further research. First, there are many stakeholder groups and they place different demands on a company. With limited resources, businesses find it difficult to satisfy all the demands from different stakeholders (Godfrey & Hatch, 2007; Jamali, 2008). Under the increasing pressure from stakeholders, a business must consider how to prioritize demands from different stakeholder groups. Such priority can be related to the company’s perceived benefits from CSR initiatives, as well as the resources available and the size of the company.

Secondly, the viewpoints of external stakeholder might not fit into the capabilities of a firm (Porter & Kramer, 2006) and which could be detrimental to the economic performance of the firm. Referring to the triple bottom line, a company cannot just take care of the social and environmental performance without considering its own financial performance. After all, long term sustainability is built on short term costs. However, many external stakeholders, such as activists and NGOs, mainly focus on generic social and environmental issues. They do not understand the specific capabilities of a company. Porter and Kramer (2006) point out that successful CSR programmes must be related to a company’s particular business and strengths. Such capabilities are well-known to the management, but not to the external stakeholders. Studying the relationship between the pressure from external stakeholders and a company’s CSR initiatives is therefore important.

Employees, as an important internal stakeholder group, are crucial to the successful implementation of CSR. Any CSR strategy and initiative must be implemented by the employees and managers of a firm. Unfortunately, there is a bias towards external stakeholders among current CSR researches (Bolton et al., 2011). There are insufficient researches done on the roles of employees as internal stakeholders in the study of CSR (Aguilera et al., 2007; Bolton et al., 2011; Rodrigo & Arenas, 2008). This problem is
particularly important for those countries without huge external stakeholder pressure, such as non-Western emerging economies which are not mature civil societies.

Apart from employees, another important internal stakeholder group is top management. These internal stakeholders can provide the leadership in initiating CSR. However, their roles in large companies can be different from those in smaller companies. Preuss and Perschke (2010) explain that the managers in large companies tend to follow a business case in CSR implementation and this business imperative is more obvious for MNCs in recent years (Bondy, Moon & Matten, 2012). By contrast, owner-managers are more common in smaller companies and their personal values could be more influential in the CSR initiatives of a business than their counterparts in large companies.

2.3.2 Strategic CSR – An Economic Orientation of CSR

The business perspective of CSR establishes the business case for CSR by elaborating the benefits enjoyed by businesses practising CSR. An influential theory of CSR derived from an economic viewpoint is strategic CSR (Branco and Rodrigues, 2006; Maas & Liket, 2011; McWilliams et al., 2006). Strategic CSR considers CSR as “a source of opportunity, innovation and competitive advantage” (Porter & Kramer, 2006, p.80). It emphasizes the interdependence between the business and the society, with a mutually beneficial win-win situation which could be achieved through CSR initiatives of businesses.

The importance of integrating CSR efforts into the corporate strategy has drawn more attention from academics and CSR practitioners in recent years (Maas & Liket, 2011; McWilliams et al., 2006). The idea of strategic CSR is to consider the strategic values of a firm’s social contribution in enhancing the business benefits. McWilliams and Siegel (2010) define strategic CSR as “any responsible activity that allows a firm to achieve sustainable competitive advantage” (p.2) while Orlitzky, Siegel and Waldman (2011) define it as “voluntary CSR actions that enhance a firm’s competitiveness and reputation” (p.6).

According to Porter and Kramer (2006), the CSR initiatives of firms should neither focus on generic societal problems, nor spread over a broad range of social problems. Firms should identify “right” societal problems that they are capable of dealing with.
CSR is not best practice of the industry. CSR should be a unique value proposition promoting the competitive advantage of a firm by integrating well-selected societal issue into their core business strategy. Similar ideas are shared by the study of Jamali (2007). Jamali argues that corporations should direct their CSR efforts at a strategic purpose and consider their internal competences for CSR implementation. A connection between the core business of a firm and its social contribution is important.

CSR theoretical models have been built on the concept of strategic CSR. Burke and Logsdon (1996) suggest five strategic dimensions that can help create values in CSR projects. They are visibility, appropriability, voluntarism, centrality, and proactivity. Heslin and Ochoa (2008) categorize strategic CSR practices according to seven strategic principles: cultivating needed talent, developing new markets, protecting labour welfare, reducing environmental footprint, profiting from by-products, involving customers, and greening the supply chain. Bhattacharyya (2010) builds a holistic model of strategic CSR to distinguish proactive and anticipative strategic CSR activities from unplanned non-strategic CSR activities.

At the theoretical level, the idea of strategic CSR is linked to the RBV theory. The RBV theory explains the performance of a firm by examining the firm’s resources which are valuable, rare, imperfectly imitable and non-substitutable (Barney, 1991). These resources and capabilities can be transformed into a sustainable competitive advantage of the firm and help improve the firm’s financial performance. Owing to the difficulty of imitation and substitution, plausible sustainable competitive advantages of a company are mainly intangible resources, including reputation, culture, or employees’ knowledge. Since CSR can exert positive effects on a firm by improving the morale, motivation, loyalty as well as the recruitment of employees (Branco & Rodrigues, 2006; McWilliams et al., 2006, Turban & Greening, 1996), investment in CSR can enhance the creation of intangible resources related to employees and corporate reputation. This is deemed as a sustainable competitive advantage enjoyed by a business which is not easily imitable by others (Branco & Rodrigues, 2006). McWilliams et al. (2006) also share the viewpoint that product differentiation, corporate reputation and employees are the plausible strategic resources gained from CSR activities.
Some researchers find that strategic CSR has been practised by businesses. Brammer & Millington (2004) find that U.K. listed corporations pay more attention than before towards the strategic values of their corporate donations. Dentchev (2004) confirms that strategic CSR practised by a petrol-chemical MNC improves stakeholder relations, gains a ‘license-to-operate’ in the greater society, builds corporate reputation and develops better business model for the company. Jamali (2007) illustrates how strategic philanthropy has been successfully used by some firms in Lebanon. Maas & Liket (2011) conduct a research on corporate philanthropy of U.S. firms and find that they are more strategic over time.

Though strategic CSR is deemed very important in practice (Smith, 2003), it is still not yet fully understood by practitioners (Basu & Palazzo, 2008; Bhattacharyya, 2010). There are many businesses failing to link up their CSR efforts to their core business goals (Bolton et al., 2011; Jamali, 2007). Many businesses instead take a cosmetic approach in their CSR implementation and their CSR efforts are piecemeal and fragmented (Bruch & Walter, 2005; Porter & Kramer, 2006). Without a carefully planned CSR vision and strategy, their CSR efforts are ineffective and costly. Godfrey & Hatch (2007) argue that limited capital and human resources, and the lack of analytical tools make it difficult for managers to seize the opportunities of realizing the benefits of strategic CSR. More research should be conducted to understand how businesses can achieve good outcomes by implementing their CSR strategically (Dentchev, 2004).

2.3.3 The Complementary Nature of Stakeholder Theory and Strategic CSR

The moral orientation of the stakeholder theory and economic orientation of strategic CSR are not mutually exclusive to each other. Some scholars believe that the moral orientation and economic orientation of CSR are in fact complementary and coexist in real-life CSR decisions of businesses (Godfrey & Hatch, 2007; Husted & de Jesus Salazar, 2006).

On the theoretical side, Burke and Logsdon (1996) attempt to incorporate the stakeholder theory into strategic CSR. Branco and Rodrigues (2006) consider linkages with the firms’ multiple constituencies to be the key to sustain firms’ capacity. Carroll & Shabana (2010) agree that strategic CSR can improve stakeholder relationship, and
lead to an improvement in both social welfare and corporate profits. Barnett (2007) shows that some firms have the ability to identify, act on and profit from stakeholder relationship improvement. Berger et al. (2007) even argue that only those CSR with a good balance between economic and non-economic factors are sustainable over time.

Empirically, Husted and Allen (2007) believe that the successful management of CSR in Spanish firms creates competitive advantage and addresses legitimate stakeholder claims simultaneously. Dentchev (2004) explains the strategic importance of stakeholders as the determinants of corporate resources along the value chain in a MNC. Hillman and Keim (2001) find evidence for the complementary nature of stakeholder management and shareholder value creation. Cruz and Boehe (2010) adopt a stakeholder approach to study the CSR strategy of MNCs in Brazil.

Berger et al. (2007) find that companies have different normative orientations in their CSR initiatives. Some companies believe that CSR is an investment which gives a business case to a company through an acquisition of competitive advantage for the company. Some other companies take the social value-led approach by selecting social issues to drive a company. Some companies take the third approach with a more holistic view of CSR by working within the boundary of the triple bottom line and striking the balance between economic and noneconomic objectives.

The drivers behind the implementation of CSR in businesses could therefore be a mixture of both moral and business orientation (Graafland & van de Ven, 2006; Smith, 2003). Bruch and Walter (2005) find that an effective approach to corporate philanthropy requires the business to take account of the needs of their stakeholders and their competitive advantage. Without an economic motive, companies may not have strong motivation to implement CSR, especially in periods of economic downturn, or in non-Western countries where the concept of CSR is not well-developed. Moore and Spence (2006) find that many small and medium enterprises (SMEs) do not consider profit-making as their only business objectives. They consider both moral values and financial performance when they make their CSR decisions.

CSR is still an evolving field which needs more researches to solve our puzzles. Both the stakeholder theory and strategic CSR are useful theoretical frameworks to study
CSR. The stakeholder approach can contribute to more effective decisions on strategic CSR (Carroll, 1999), and the two orientations are complementary in nature.

2.4 CSR: Evolving into a Mainstream Business Practice

Stepping into the 21st century, many societies have experienced changes in their attitudes towards CSR due to the rapidly changing business and social environment (Hine & Preuss, 2009). Citizens, activists, the media and even businesses are now more receptive to the idea of CSR. There are several reasons behind this change in belief (Bolton et al., 2011; Smith, 2003; Snider et al., 2003). First, MNCs have expanded their businesses under globalization. Production plants have been relocated to countries with lower labour cost and less regulations. There are more production procedures along the supply chain being outsourced to companies in developing countries. Final products are sold to developing countries with less consumer protection. The growing power and influence of MNCs make it difficult for the governments to regulate these MNCs, and hence, arousing greater concerns from NGOs and the general public about these more influential MNCs exploiting the vulnerable developing countries (Hine & Preuss, 2009).

Second, there is a more demanding societal expectation towards businesses regarding their impacts on the environment as well as the societal issues such as child labour and poverty. This is not only the responses of the communities towards the widening income inequality and the worsening natural environment. It is also the results of the more widely used social media and the Internet, which connect different parts of the world more closely than before (Hine & Preuss, 2009).

Third, the 2002 accounting scandals in Enron and WorldCom and the financial crisis in 2008 in the US have triggered a strong response from the public and have catalyzed the awareness of business leaders on their own responsibilities. The greater pressure from citizens, employees, activists and the media forces businesses to look beyond their bottom lines (Hine & Preuss, 2009).

All these factors have led many activists and citizens to call businesses to account for societal problems (Carroll, 2004; Snider et al., 2003) and charging corporations as social change agents (Bies et al., 2007). Businesses have to embrace CSR as a response to demonstrate their responsible corporate citizenship and obtain the license-to-operate
in the greater society (Bolton et al., 2011). To business leaders, the debate of CSR has shifted from ‘whether’ to ‘how’ (Smith, 2003), and they take initiatives to mainstream their CSR activities (Berger et al., 2007).

Though the practice of CSR is more widely accepted by managers, CSR practitioners are still puzzled about how to successfully implement CSR in their organizations (Bhattacharya, Sen & Korschun, 2008; Cramer, Kim & van Dam, 2004; Husted & Allen, 2007; Maon et al., 2009). There are different approaches for businesses to handle CSR. Husted and de Jesus Salazar (2006) suggest that businesses engaging CSR can take the role as an altruist or a coerced egoist. An alternative approach is to be a strategist in which firms create tangible business benefits through their engagement of CSR activities in protecting the environment and the community (Heslin & Ochoa, 2008). Porter and Kramer (2006) suggest that firms include a social dimension in their value proposition offered to customers and create a shared value benefiting both the business and society. Nonetheless, Lindgreen, Swaen and Maon (2009a) consider it a challenge for companies to develop a practical approach to enhance their social and environmental performances by making use of their competitive advantage.

2.5 Empirical Researches in CSR in Recent Decades

There is a growing number of researches done on CSR, particularly in this century (McWilliams et al., 2006; Taneja et al., 2011). Taneja et al. (2011) examine CSR academic literature up to 2008 and classify the CSR researches into five different categories as listed in Table 2.1. They found that there have been more CSR research in recent years. Some of them discuss the problem of getting a definition for CSR. The problem of this was discussed in Section 2.2.
Table 2.1: Categories of CSR Researches by Taneja et al. (2011)

<table>
<thead>
<tr>
<th>Five Categories of CSR Researches</th>
<th>CSR Concepts in Each Category</th>
</tr>
</thead>
</table>
| Changing meaning, definition and models of CSR | ● CSR literature  
● Developments in CSR |
| Impact of CSR on stakeholders and financial performance | ● Impact of CSR initiatives  
● on corporate image  
● on financial performance  
● on customers |
| Factors determining CSR initiatives | ● Factors contributing growth of CSR practices  
● need of CSR in business  
● importance of CSR in business |
| Measurement of Corporate Social Performance (CSP) | ● Considerations to measure CSR  
● Approaches to measure CSP  
● Problems in measuring CSP  
● Approaches to assess CSR initiatives |
| CSR in action | ● CSR strategies  
● Problems in implementing CSR  
● CSR practices across nations |

To establish the business case for CSR, many empirical studies intend to prove the positive influence of CSR on corporate financial performance (CFP) (Carroll & Shabana, 2010; Taneja et al., 2011). Unfortunately, the results are mixed due to several reasons, including a lack of theory and methodology rigour, inconsistencies in defining CSR and firm performance, problems of measuring social performance, too many mediating and independent variables, and drastic changes of CSR activities over time (Devinney, 2009; Godfrey & Hatch, 2007; Husted & Allen, 2007; McWilliams et al., 2006). With these technical difficulties, the proof of a clear relationship between CSR and CFP is doubtful. The only consensus from these studies is that bad social performance will bring huge damage to a corporation (Branco & Rodrigues, 2006).

Besides financial performance, motivation behind CSR initiatives is another concern of researchers (Taneja et al., 2011). Many CSR empirical researches are based on the
stakeholder theory and they study how different groups of stakeholders affect the CSR implementation of companies. They include the external stakeholder pressure from the media, NGOs or governments, as well as the internal initiatives from top management.

However, employees are a significant internal stakeholder group in the implementation of CSR (Rodrigo & Arenas, 2008). On the one hand, CSR as a dynamic process relies heavily on employees’ participation. It is recognized that the interaction between employees and CSR policies is important (Bolton et al., 2011; Hillman & Keim, 2001). On the other hand, the competitive advantages brought by CSR are related to employees, such as know-how and corporate culture (Branco & Rodrigues, 2006). Many previous CSR researches related to employees mainly focused on the relationship that CSR can attract better employees and raise their motivation and morale, which is an outcome of successful CSR activities (Bhattacharyya et al, 2008; Husted & Allen, 2006; Stites & Michael, 2011; Turban & Greening, 1996). However, the management and involvement of employees are important issues to CSR researches and senior managers.

Another empirical research area is the measurement of CSR outcomes. Besides monetary outcomes, qualitative CSR outcomes are also important. Some researches attempt to turn the subjective value judgement into some quantitative CSR measures. Taneja et al. (2011) believe that there is a need for more CSR research in this area.

Another major research area is the contents of CSR. Scholars intend to find the best CSR practices as guidance for other practitioners. For example, Snider et al. (2003) research on the CSR efforts of US and UK firms reported in their company websites. Panapanaan et al. (2003) study the CSR practices of twelve Finnish companies in various aspects, including employee-related concerns, community involvement, suppliers and customers. Werre (2003) investigates the CSR experience of an international fresh and processed foods company.

However, there is an overemphasis of CSR research on the contents of CSR (Basu & Palazzo, 2008). Looking at the contents of CSR is insufficient for revealing the underlying factors behind the important features of a firm’s CSR activities because such CSR activities are actually shaped by the external and internal institutional factors. Effective CSR initiatives are related to the “unique culture, competencies, and strategic
opportunities” of a firm (Heslin & Ochoa, 2008, p.125). The social and environmental challenges are distinct in different countries (Cruz & Boehe, 2010). Copying other firms’ CSR activities does not guarantee a good CSR outcome. In this connection, the study of the CSR implementation process is more useful in providing useful CSR guidance for practitioners (Basu & Palazzo, 2008; Lindgreen, Swaen & Maon, 2009b). There is a need to conduct more research in this area (Lindgreen & Swaen, 2010).

2.6 CSR Implementation Process
Implementing the same CSR activities of another business does not guarantee a successful CSR campaign (Heslin & Ochoa, 2008, Snider et al., 2003). To understand the successful implementation of CSR, some researchers and CSR practitioners try to identify the best CSR practices executed by other businesses. However, the study of CSR contents alone is not enough to realize the factors leading to other firms’ successful CSR activities (Basu & Palazzo, 2008). Moreover, documents and public information on CSR activities of a company may not reveal the true nature and outcomes of their CSR initiatives (Basu & Palazzo, 2008). Many businesses fail to link other firms’ “successful” CSR practices with their own competitive advantages (Bolton et al., 2011; Cruz & Boehe, 2010; Husted & Allen, 2007; Jamali, 2007).

Some scholars believe that the implementation of CSR in each business is different and unique. Heavy investment in CSR initiatives could be sensible to some businesses but not so in others (Berger et al., 2007). Differences in the organizational competencies and contexts lead to different ways to realize a company’s CSR objectives (Heslin & Ochoa, 2008; Lindgreen, Swaen & Maon, 2009a; van der Heijden et al., 2010). A firm’s successful CSR practices may not fit into the strengths of another firm.

To fully understand the factors behind successful CSR practices, the study of the CSR design and implementation process is vital (Basu & Palazzo, 2008; Lindgreen, Swaen & Maon, 2009b). The understanding of how CSR issues are “incorporated, structured, managed and diffused within organizations” (Berger et al., 2007, p.136) is as important as why businesses participate in CSR initiatives and what they do in respect of CSR.

So some scholars have developed models to examine the stages or phases of CSR implementation. For example, Werre (2003) considers the implementation of CSR as
an organizational change process. By studying an international company, Chiquita, Werre proposes a CSR model with four phases – raising top-management awareness; formulating a CSR-vision and core corporate values; changing organizational behaviour; and anchoring the change. Three success factors are important to the CSR implementation process – sensitivity to the organizational environment; awareness of values; and clear leadership.

Maon et al. (2009) also consider CSR strategy development and implementation as an organizational change process. They construct an integrative framework of CSR design and implementation to study the strategic CSR process based on their empirical studies on three MNCs: Philips, IKEA and Unilever. Their CSR framework consists of four stages. In the sensitizing stage, top management becomes aware of the issues of CSR. In the unfreezing stage, the firms have to dig out all the long-held cultural assumptions about the right ways to do business. In the moving stage, the firms start to implement CSR practices. In the last stage, firms have to refreeze their new CSR-oriented cultural values.

Bolton et al. (2011) study a MNC in the energy sector. The study focuses on the roles performed by employees in the process of CSR. Bolton et al. propose a three-stage CSR process of initiation, implementation and maturation. In the initiation stage, the MNC explores “why CSR” and “what is CSR”. In the implementation stage, the MNC seeks to build relationships with different stakeholders with the purpose of justifying its CSR claims. In the maturation stage, CSR is embedded into the core values of the MNC, and it becomes a moral community with its employees serving as the co-creator of CSR.

Smith et al. (2011) study Gap Inc. and investigate how it engages with its stakeholders. Smith et al. find that Gap embarks a 5-step path to engage its stakeholders, namely drawing a stakeholder map; identifying the material issues; defining objectives; resolving issues collaboratively; and embedding engagement.

Table 2.2 outlines some of the frameworks of the CSR development and implementation process.
| Werre (2003), based on Chiquita, an international food company | 1. **Raising top-management awareness**  
- identifying internal and external driving forces, (from both reactive or proactive awareness) | 2. **Formulating a CSR-vision and core corporate values**  
- formulating a CSR vision / core corporate values which fit the values of employees | 3. **Changing organizational behaviour**  
- translating from vision to behaviour; from CSR plan to actions  
  - appointing CSR officers  
  - adopting external CSR standard / code of conduct  
  - providing training  
  - checking the effects of actions  
  - enhancing internal communication | 4. **Anchoring the change**  
- aligning the organization to CSR vision and core values  
- CSR as the long term business strategy  
- anchoring CSR in management systems, such as reward people  
- evaluating progress via CSR audit / CSR report  
- considering CSR performance as a factor for reward |
| Maon et al. (2009), based on 3 MNCs | 1. **Sensitize**  
- raising CSR awareness (from both reactive and proactive) | 2. **Unfreeze**  
- assessing corporate purposes in a societal context (core value and key stakeholders)  
- establishing a CSR vision & definition  
- assessing current CSR status (documents, managers, stakeholder)  
- developing a CSR-integrated strategic plan (goal & structure) | 3. **Move**  
- implementing the CSR plan  
- communicating about CSR (commitment and performance)  
- evaluating CSR strategies and communication | 4. **Refreeze**  
- institutionalizing CSR; anchoring the change |
Table 2.2: Continued

<table>
<thead>
<tr>
<th>General CSR Design and Implementation Process</th>
<th>Carlisle &amp; Faulkner (2004), based on surveys and interviews of UK large companies</th>
<th>Panapanaan et al. (2003), based on 12 Finnish companies (mostly big companies)</th>
<th>Non-sequential CSR Ingredients</th>
<th>Cramer et al. (2004), based on 19 Dutch firms (mainly influenced by big companies)</th>
<th>Process of Stakeholder Engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Seniors’ awareness</strong></td>
<td><strong>Promoting Awareness</strong></td>
<td><strong>Initial Implementation</strong></td>
<td><strong>Mainstreaming</strong></td>
<td><strong>Non-sequential CSR Ingredients</strong></td>
<td></td>
</tr>
<tr>
<td>1. Senior managers becoming aware of CSR issues;</td>
<td>2. Promoting awareness of issues;</td>
<td>3. Developing &amp; publishing quantifiable measures</td>
<td></td>
<td>1. listing the demands from stakeholders</td>
<td></td>
</tr>
<tr>
<td>2. Developing a policy which is linked to the company’s mission</td>
<td>3. Appointing CSR officials</td>
<td>4. Offering abstract departmental guidance on operation of policy</td>
<td></td>
<td>2. formulating a CSR vision and mission</td>
<td></td>
</tr>
<tr>
<td>4. Publishing CSR reports</td>
<td></td>
<td>5. Circulating reports widely and involving stakeholder</td>
<td></td>
<td>3. developing a CSR strategy and drafting an action plan</td>
<td></td>
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<td></td>
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<td></td>
<td>4. setting up a monitoring and reporting system</td>
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<td></td>
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<td>5. Embedding the process into the quality and management systems</td>
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<tr>
<td>5. Communicating internally and externally about the CSR approach and outcome</td>
<td></td>
<td></td>
<td></td>
<td>6. Communicating internally and externally about the CSR approach and outcome</td>
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<table>
<thead>
<tr>
<th>Non-sequential CSR Ingredients</th>
<th>Non-sequential CSR Ingredients</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. listing the demands from stakeholders</td>
<td>2. formulating a CSR vision and mission</td>
</tr>
<tr>
<td>3. developing a CSR strategy and drafting an action plan</td>
<td>4. setting up a monitoring and reporting system</td>
</tr>
<tr>
<td>5. Embedding the process into the quality and management systems</td>
<td>6. Communicating internally and externally about the CSR approach and outcome</td>
</tr>
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</table>

**Process of Stakeholder Engagement**

<table>
<thead>
<tr>
<th>Smith et al. (2011), based on the stakeholders engagement of Gap Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Drawing a stakeholder map – identifying and prioritizing stakeholders</td>
</tr>
<tr>
<td>2. Identifying the material issues</td>
</tr>
<tr>
<td>3. Defining objectives</td>
</tr>
<tr>
<td>4. Resolving issues collaboratively – via stakeholder talking and communication</td>
</tr>
<tr>
<td>5. Embedding engagement – both internal and external stakeholders</td>
</tr>
</tbody>
</table>
2.7 Limitations of Current Empirical Researches on CSR

2.7.1 CSR Practices of MNCs vs Local Companies

A limitation of current CSR empirical research is that many CSR researchers focus on MNCs or big corporations (Lee, 2008; Lindgreen & Swaen, 2010; Muller & Kolk, 2009; Preuss & Perschke, 2010). For example, the theoretical framework developed by Maon et al. (2009) is based on their study on three MNCs. The study by Snider et al. (2003) focuses on Forbes Magazine’s top 50 in U.S. and top 50 non-U.S. origin MNCs. The research of Lau (2011) comes from the buying office of a European international company in Hong Kong. It is common for researchers to begin their research of CSR by studying MNCs because MNCs are under the spotlight of the media and have more resources to implement CSR initiatives. Some examples of CSR researches studying MNCs are shown in Table 2.3 below.

Table 2.3: Examples of CSR Researches on MNCs

<table>
<thead>
<tr>
<th>Researchers</th>
<th>Companies Studied</th>
</tr>
</thead>
<tbody>
<tr>
<td>Snider et al. (2003)</td>
<td>Top 50 U.S. and Top 50 non-U.S. companies</td>
</tr>
<tr>
<td>Dentchev (2004)</td>
<td>a MNC in petrochemical industry</td>
</tr>
<tr>
<td>Chong (2009)</td>
<td>DHL, a MNC in logistics industry</td>
</tr>
<tr>
<td>Hine &amp; Preuss (2009)</td>
<td>3 UK companies with considerable international presence</td>
</tr>
<tr>
<td>Maon et al. (2009)</td>
<td>3 MNCs, Philips, Unilever, IKEA</td>
</tr>
<tr>
<td>Cruz &amp; Boehe (2010)</td>
<td>2 MNCs from retail industry</td>
</tr>
<tr>
<td>Bolton et al. (2011)</td>
<td>a MNC energy company</td>
</tr>
<tr>
<td>Gond, Igalens, Swaen &amp; Akremi (2011)</td>
<td>22 French companies, with a majority of highly internationalized and multinational corporations</td>
</tr>
<tr>
<td>Lau (2011)</td>
<td>an European international company in HK</td>
</tr>
</tbody>
</table>

However, CSR is not a privilege solely enjoyed by large corporations or MNCs. There are many local companies in a society and there is evidence that they carry out responsible business practices too (Moore & Spence, 2006). Yet, compared with MNCs, local companies are different in their organizational realities (Preuss & Perschke, 2010) and local companies find it difficult to follow the methods used by MNCs in initiating their CSR (Cramer et al., 2004). For example, Unilever, a MNC studied by Maon et al.
(2009), employed over 174,000 staff and with a turnover of more than 49 billion euro in 2013. Their sustainable living plan covers issues of health and hygiene, nutrition, environmental impact, and people’s livelihoods (Unilever, 2013). Such scale and contents could not be followed by a much smaller local company. It is important to understand the difficulties encountered by smaller local companies in their CSR implementation and to develop practical CSR implementation guidance for these local companies.

There are several differences between MNCs and local companies. Comparing with MNCs, local companies could be different in terms of the number of employees, financial resources devoted into philanthropy and CSR activities, and external stakeholder pressure (Figure 2.1) (Jenkins, 2006; Preuss & Pershke, 2010; Santos, 2011). Scholars find that firm size and resources can affect a company in terms of the use of formalized strategic controls, managerial expertise, organizational complexity, and economies of scale in CSR activities (Lindgreen, Swaen & Johnston, 2009; Moore & Spence, 2006; Santos, 2011). Such differences could lead to different ways for MNCs and local companies to implement their CSR.

Figure 2.1: Local SMEs vs MNCs
Regarding the pressure from external stakeholders, the media and activists are more interested in visible companies (Porter and Kramer, 2006; Preuss & Perschke, 2010) and MNCs are naturally the target of their attacks. The tension between the society and MNCs shapes their path of CSR. In order to obtain a licence to operate from various external stakeholders, many CSR programmes of MNCs are defensive in response to the demand from external stakeholders. Many big companies follow the standardized CSR reporting as a way to demonstrate their good corporate citizenship (Basu & Palazzo, 2008). Some MNCs fail to control their CSR agenda and are not able to make use of their own internal strengths in implementing CSR more strategically. On the other hand, many small local companies receive less attention and pressure from the activists, media and other external stakeholders (Preuss & Perschke, 2010). These local companies may have the chance to follow Porter & Kramer’s (2006) notion of implementing CSR strategically through the selection of one or a few societal issues to create shared value.

Researchers also find that MNCs and local companies have different considerations for their business objectives. Many MNCs are mainly listed companies and their management teams are under the pressure from the shareholders and investors to seek higher profits. These larger firms have to rely more on a business case for CSR. On the other hand, many smaller local companies, with different capital structure, have their owners as their managers. Preuss and Perschke (2010) find that the owner-manager values are very important for deciding CSR in SMEs. Moore & Spence (2006) and Preuss & Perschke (2010) find that profit is not the only concern for smaller companies to conduct CSR. Berger et al. (2007) also find that it is not uncommon for smaller companies to maintain a hybrid organization between the for-profit and nonprofit sector. Such difference leads to a different approach to CSR in local companies, as they conduct their CSR initiatives in a more informal way.

Smaller local companies are also more familiar with their own local culture, and more willing to contribute to the local community than MNCs (CSR Asia & HKCSS, 2011). Unlike MNCs, these local companies do not need to face the problem of conflicting local cultures in different countries. Many smaller companies are enjoying good relationship with the local communities and such relationship brings pressure to these companies to implement responsible business practice (Moore & Spence, 2006) and their CSR are more local in scope (Preuss & Perschke, 2010). They can also rely more
on employees’ support and execution in their CSR implementation process (CSR Asia & HKCSS, 2011). In fact, there is a higher level of interdependence between the smaller companies and their employees (Moore & Spence, 2006). Again, it is important to examine the roles performed by employees in their CSR implementation in smaller local companies.

With the above differences, the CSR implementation process in smaller local companies can be quite different from that in MNCs. Many local companies are SMEs, but they are not smaller “big companies” (Preuss & Perschke, 2010). It is not right to assume that these local companies can follow the path of MNCs to implement their CSR initiatives (Lau, 2011). However, there is not enough research done on CSR implementation in smaller companies for construction of generally accepted model (Russo & Perrini, 2010).

2.7.2 CSR Development in Western and non-Western Economies

So far, the concept of CSR is better developed in Western countries than that in non-Western countries (Gugler & Shi, 2009; Jamali, 2007; Lindgreen, Swaen & Campbell, 2009). As a result, many CSR researchers study the situations in Western countries (Table 2.4).

Despite the idea of CSR has drawn more attention around the world under globalization, the CSR implementation in non-Western countries are still quite different from those in Western countries. The differences in social, economic, legal and institutional contexts would influence how companies implement their CSR activities in different countries (Godfrey & Hatch, 2007; Muller & Kolk, 2009; Lee, 2008; Rettab et al., 2009). For example, Tsoi (2009) and Welford (2004) state the differences between the CSR implementation in Hong Kong and those in Western countries.
Table 2.4: Examples of CSR Researches on Companies in Western Economies

<table>
<thead>
<tr>
<th>Researchers</th>
<th>Companies Studied</th>
</tr>
</thead>
<tbody>
<tr>
<td>Panapanaan et al. (2003)</td>
<td>12 Finnish companies, mostly big companies</td>
</tr>
<tr>
<td>Snider et al. (2003)</td>
<td>Top 50 U.S. and Top 50 non-U.S. companies</td>
</tr>
<tr>
<td>Carlisle &amp; Faulkner (2004)</td>
<td>Top 1000 UK companies</td>
</tr>
<tr>
<td>Berger et al. (2007)</td>
<td>10 companies in North America</td>
</tr>
<tr>
<td>Hine &amp; Preuss (2009)</td>
<td>3 UK companies with considerable international presence</td>
</tr>
<tr>
<td>Maon et al. (2009)</td>
<td>3 MNCs, Philips, Unilever, IKEA</td>
</tr>
<tr>
<td>Preuss &amp; Perschke (2010)</td>
<td>a fashion retailer in the UK</td>
</tr>
<tr>
<td>Van der Heijden et al. (2010)</td>
<td>18 Dutch companies</td>
</tr>
<tr>
<td>Bolton et al. (2011)</td>
<td>a British registered MNC energy company</td>
</tr>
<tr>
<td>Gond et al. (2011)</td>
<td>22 French companies, with a majority of highly internationalized and multinational corporations</td>
</tr>
<tr>
<td>Liu &amp; Ko (2011)</td>
<td>UK firms listed on the London Stock Exchange with capitalization value over £ 100m</td>
</tr>
</tbody>
</table>

The local variations in CSR implementation and performance in emerging economies makes it important for researchers to investigate the implementation of CSR in non-Western countries separately. Without such research, CSR practitioners would not be able to have comprehensive understanding on effective CSR implementation. However, there are not enough empirical research done in areas beyond North America and Europe (Lee, 2008; McDonald & Chia, 2011; Rettab, Brik & Mellahi, 2009).

There are some CSR researches conducted to study the CSR implementation of MNCs or top local companies in non-western countries. For example, Kraisornsuthasinee and Swierczek (2009) study the stages of CSR development of top companies in Thailand. Tsoi (2009) studies the future scenario of CSR in China by interviewing garment MNCs operating in China. Tan (2009) looks at the breaches of CSR of MNCs operating in China. Cruz and Boehe (2010) study the retail MNCs in Brazil. Their researches provide useful insights into the CSR development in non-Western countries. However, they focus on MNCs or top companies and there is a need to expand the research for investigating the CSR of local companies in non-Western economies.
2.8 CSR Development in Hong Kong

Hong Kong is a well-developed economy but the development of CSR is lagging behind the Western economies (Tsoi, 2010). A survey of Oxfam (Wong & Lau, 2010) shows that big companies in Hong Kong are willing to contribute to charity causes but they do not have dedicated strategies for investing in CSR. GRI reporting is also limited to big companies, such as Cathay Pacific and MTR Corporation (Tsang, 2008). Leading Hong Kong companies are not as well-developed as their counterparts in Western economies in various CSR aspects such as fair trade, fair wages, vocational education etc. (Welford, 2004). All these indicate that the CSR implementation in Hong Kong is quite different from those in Western countries.

When applying a CSR implementation framework to the local businesses in Hong Kong, one must consider the feature of the Hong Kong economy that 98% of local companies in Hong Kong are SMEs (CSR Asia & HKCSS, 2011). Different from MNCs and the big corporations in Western countries, many local companies in Hong Kong do not receive very close attention and huge pressure from NGOs or the media, particularly at the international level. Moreover, the civic society is not very well-developed in Hong Kong and the consumer awareness of company CSR is not as high as Western countries. Both factors make external pressure less important in Hong Kong, compared with their Western counterparts. In other words, compared with the Western economies, CSR development in Hong Kong is more likely to be initiated by the internal stakeholders, such as awareness of management, in Hong Kong.

It is noted that local companies have fewer resources available for CSR development and implementation because of their small scales of operation. With this constraint, local companies might choose to develop their CSR programmes by covering a few aspects only instead of a comprehensive CSR programme.

CSR Asia & HKCSS (2011) is of the view that companies in Hong Kong have the potential to develop more CSR initiatives. They consider the smaller number of employees, flexibility in operations and organization, and connection with the local communities as the main advantages of implementing their CSR.
2.9 A Proposed Framework of CSR Implementation Process

In Section 2.6, several CSR implementation frameworks developed by CSR researchers are introduced. These frameworks share similar ideas about the process of CSR development and implementation. Generally speaking, many frameworks suggest four phases of the CSR implementation process in the Western economies:

1. CSR awareness
2. CSR development – vision and plans
3. CSR implementation – actions and communication
4. CSR mainstreaming

However, these CSR frameworks are mainly developed from the cases of MNCs or large western companies. They may not be applicable to local companies in other economies. Such gap is pertinent to developing countries as their economies rely more heavily on smaller companies (Moore & Spence, 2006). Moore and Spence consider the relationship between small companies and CSR an under-researched topic that needs more attention.

To study the CSR implementation of local companies in a non-Western economy, it is necessary to further modify the CSR theoretical frameworks derived from MNCs. Particularly, the development of CSR in non-Western economies is lagging behind those in Western economies. To address this issue, a modified framework of CSR development and implementation process with attention to smaller local companies in a non-Western context is developed to examine the actual CSR implementation process of the local companies in Hong Kong.
Table 2.5: Three Phases of CSR Development and Implementation Process

<table>
<thead>
<tr>
<th>Three Phases of CSR Development and Implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. CSR Awareness</td>
</tr>
<tr>
<td>■ internal driving forces, (coming from employee or top management with CSR-conscious)</td>
</tr>
<tr>
<td>■ external driving forces, (coming from customers, media reports, trade unions, NGOs, government or community)</td>
</tr>
<tr>
<td>2. CSR Development</td>
</tr>
<tr>
<td>■ formulating a CSR vision (moral vs economical)</td>
</tr>
<tr>
<td>■ identifying key CSR issues (planet vs community)</td>
</tr>
<tr>
<td>■ deciding the organization structure and developing a CSR plan</td>
</tr>
<tr>
<td>3. CSR Implementation</td>
</tr>
<tr>
<td>(a) Actions</td>
</tr>
<tr>
<td>■ choosing various CSR activities (what kind of CSR activities)</td>
</tr>
<tr>
<td>■ engaging external stakeholders / external partners</td>
</tr>
<tr>
<td>■ introducing external CSR standards / code of conduct</td>
</tr>
<tr>
<td>■ providing training for employees</td>
</tr>
<tr>
<td>■ embedding CSR into daily operation</td>
</tr>
<tr>
<td>(b) Communication</td>
</tr>
<tr>
<td>■ establishing internal communication (for employees)</td>
</tr>
<tr>
<td>■ establishing external communication (for external stakeholders)</td>
</tr>
<tr>
<td>(c) Evaluation of CSR Outcomes</td>
</tr>
<tr>
<td>■ monitoring CSR progress</td>
</tr>
<tr>
<td>■ introducing measurable outcomes</td>
</tr>
</tbody>
</table>

Table 2.5 shows a 3-phase CSR development and implementation process based on previous research on CSR implementation process, particularly from the frameworks developed by Werre (2003) and Maon et al. (2009). The three phases are CSR awareness, CSR development and CSR implementation. The details of these three phases of implementation can be found in Table 2.5. However, it is worthwhile to note that this three-phase process does not include an explicit phase of CSR mainstreaming. This is due to two reasons. First, in emerging economies, the concept of CSR is not so well developed. It is doubtful whether the local companies have already achieved the phase of mainstreaming CSR. In fact, even the more-developed Western companies...
have not reached the stage of CSR mainstreaming (Carlisle & Faulkner, 2004). Second, there are many overlaps in the last two phases, i.e., CSR implementation and CSR mainstreaming (Werre, 2003). Werre explains that their differences are actually conceptual, not chronological, and not easy to be spotted.

Given that the concept of CSR, compared with Western companies, is not so well developed in Hong Kong, it might affect the features of this 3-stage framework on CSR development and implementation process. In Phase I of this framework, an emphasis of this research is placed on the sources of CSR driving forces as the external driving forces are not strong in a non-Western society. In Phase II, a local company in Hong Kong may start their CSR initiatives by identifying some societal issues in community or environment as an add-on to their existing business activities, rather than having a full scrutiny of their own current business practices. A clear CSR strategy may not exist for these local companies. Moreover, following the model of Smith et al. (2011), collaboration with different stakeholders is possible, given that they face less hostile external pressure. In Phase III, following the findings of Bolton et al. (2011), a focus is on the changes brought to employees as an outcome in the CSR implementation process.

In addition to the three phases, various factors influencing the CSR implementation process is also included in the proposed extended framework (Figure 2.2). Following the literature reviewed in Section 2.3, both the moral orientation and economic orientation of CSR are relevant to the actual practice of CSR implementation of local companies. The analysis of the CSR development and implementation process in this research considers both of these CSR orientations. From the moral orientation approach, the proposed framework focuses on the relations of both internal and external stakeholders to the CSR initiatives of a business. To address the bias towards the roles of external stakeholders in previous researches (Bolton et al., 2011; Hine & Preuss, 2009) mentioned in Section 2.3.1, this research particularly studies whether and how local businesses in Hong Kong address the demand and expectation of internal stakeholders, given that they are under smaller pressure from external stakeholders as compared with their counterparts in MNCs. The two major types of internal stakeholders concerned in this research are employees and the management, with particular attention on their roles in influencing the CSR implementation process and as co-creators of a value-centric “good company” (Bolton et al., 2011).
Concerning the various types of external stakeholders discussed in Section 2.5, special attention will be drawn to NGOs. NGOs serve dual roles in the arena of CSR: they are both monitors and partners of the business sector (Arenas, Lozano & Albareda, 2009). Their influence on the CSR implementation of local companies in a non-Western context will be explored in this research. Another group of concerned external stakeholder is the business-to-business customers. When a company participates in business-to-business transactions, its CSR initiatives could be influenced by the requirements of major business-to-business customers.

Regarding the economic orientation approach of CSR, this framework focuses on the resources available in CSR initiatives and their perceived benefits of CSR. In view of the smaller scale of operation of local companies in Hong Kong than that of MNCs, which is discussed in Section 2.7.1, this research examines the impacts of resource constraints on the CSR implementation process of these local companies. Compared
with MNCs, local companies have limited financial and human resources to invest in CSR initiatives and the public have different expectations towards their CSR when compared with their MNC counterparts (Wong & Lau, 2010). It is known that resources of a firm would affect the decisions of local companies on their choices of CSR initiatives as well as their implementation process (CSR Asia & HKCSS, 2011; Taneja et al., 2011). Different from MNCs, a smaller local company is not able to spend so much resource on following some standardized internal CSR reporting to cover a wide range of aspects of CSR. Instead, local companies are selective in the design of their CSR programmes, which could fit into their own unique strengths (Porter & Kramer, 2006).

Another factor considered in the extended framework is the company’s perceived benefits of CSR initiatives mentioned in Section 2.3.2, which follow the line of strategic CSR. The benefits of the CSR initiatives could cover different aspects. Kurucz, Colbert & Wheeler (2008) propose four different CSR arguments. They include cost and risk reduction; gaining competitive advantage; developing reputation and legitimacy; and seeking win-win outcomes through synergistic value creation. Kraisornsuthasinee and Swierczek (2009) find that businessmen consider social license to operate, cost reduction, brand image and impact on sales as their major benefits from CSR. Bruch and Walter (2005) consider several benefits which include applying core competencies in new business areas, boosting employee motivation, stimulating customer demand and enhancing attractiveness in the labour market.

Referring to the resource-based perspectives, Branco and Rodrigues (2006) suggest several benefits that could be generated from CSR and the CSR implementation framework of this research is based on their suggested perceived benefits. The first benefit of implementing CSR comes from more effective human resource management. They argue that CSR, as a source of competitive advantage, can increase productivity through improvement in employees’ morals, motivation and loyalty to the firm. Bhattacharya et al. (2008) also suggest that CSR is important in attracting and retaining good employees.

The second benefit mentioned by Branco and Rodrigues (2006) is related to the production and operation of a business. Heslin and Ochoa (2008) agree that CSR can
help develop new markets and achieve growth in market share. The environmental component of CSR provides an opportunity for businesses to improve their production processes and reduce their costs. The innovation on pollution prevention and cost reduction can be turned into a competitive advantage. Moreover, socially responsible products are appealing to concerned customers and thus CSR creates new market opportunities for businesses.

Finally, CSR brings an external benefit on corporate reputation. Dowling & Moran (2012) view CSR initiatives as a way to establish the reputation of a company. Reputation is difficult to create; therefore it is a competitive advantage of a business. Branco and Rodrigues (2006) explain that the corporate reputation is related to the support of external stakeholders. When a business successfully fulfills the expectation of external stakeholders, it gains its reputation. Dentchev (2004) finds evidence of corporate social performance as a source of competitive advantage through the improvement of stakeholder relations and good corporate reputation.

Different businesses target on different perceived benefits and their choices would influence the actual CSR implementation approach of a business. For example, a company aims at developing reputation would spend resources on establishing external communication channels, while another company aims at gaining competitive advantage through their retention of employees would emphasize more on internal communication channel. Therefore, it is worthwhile to consider the perceived benefits of businesses when the CSR implementation process is examined.

2.10 Research Question

Previously, some CSR scholars study the critical success factors in CSR implementation, which have both theoretical and practical values in CSR. Werre (2003) view the three success factors behind CSR implementation as sensitivity to the organizational environment; awareness of values; and clear leadership. Porter and Kramer (2006) believe in the right choice of suitable societal issues and hence the implementation of strategic CSR. Maon et al. (2009) set out a detailed list of critical success factors in the CSR process based on their study on MNCs (Table 2.6).
Table 2.6: Critical Success Factors suggested by Maon et al. (2009)

<table>
<thead>
<tr>
<th>Critical Success Factors</th>
</tr>
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<tbody>
<tr>
<td>● connecting CSR vision and initiatives to core values of the business</td>
</tr>
<tr>
<td>● formalizing CSR vision in official documents</td>
</tr>
<tr>
<td>● considering mistakes as learning opportunity for CSR</td>
</tr>
<tr>
<td>● getting key people’s commitment</td>
</tr>
<tr>
<td>● engaging participation of key stakeholders</td>
</tr>
<tr>
<td>● building upon existing organizational structures</td>
</tr>
<tr>
<td>● ensuring the internal skills required for the change</td>
</tr>
<tr>
<td>● training of employees</td>
</tr>
<tr>
<td>● emphasizing relationship between new organizational behaviour and success</td>
</tr>
<tr>
<td>● fostering the CSR champions</td>
</tr>
<tr>
<td>● thinking in long-term engagement</td>
</tr>
<tr>
<td>● creating enthusiasm and credibility for CSR</td>
</tr>
<tr>
<td>● recognizing the critical role of leadership</td>
</tr>
<tr>
<td>● rewarding people that create CSR success</td>
</tr>
</tbody>
</table>

Considering that the local companies in Hong Kong are mainly companies with limited financial resources and without much strong external pressure, this research aims to unveil their process of CSR implementation in a non-Western context, and whether a certain pattern can be identified from the successful CSR experiences of these local companies for further theoretical development in CSR. Accordingly, the research question is:

- What are the critical success factors considered by the local companies in Hong Kong in their CSR implementation process?

Identifying these critical success factors in the CSR implementation process can provide practical guidance to local companies in implementing their CSR initiatives. To answer this research question, the researcher will examine the three phases of CSR implementation process and study how the various factors will affect the CSR practitioners in making their decisions. Particularly, this study examines how the CSR implementation process of local businesses, including the choice of CSR initiatives, the organizational structure of handling CSR, use of international CSR standards, the ways
of measuring CSR outcomes and the ways of communication, will be influenced by the perceived benefits of CSR, limited resources available and the roles played by internal and external stakeholders. Correspondingly, the research objectives are:

1. To explore the importance of various driving forces considered by the management of local companies in initiating their CSR programmes;
2. To identify the types of benefits perceived by local companies when they develop their CSR vision and strategy, and how such perceived benefits affect their CSR development and implementation;
3. To explore the factors considered by local companies in their choices of CSR activities and identify the major target stakeholder groups in these CSR activities;
4. To study under what conditions local companies would make use of establishment of CSR department, employee training programmes, external partners, and international standards in their CSR development and implementation, and the importance of such factors;
5. To study how local companies communicate their CSR efforts and outcomes internally and externally, and whether such communication provides a positive feedback towards their CSR implementation; and
6. To study how local companies evaluate and measure their CSR outcomes.

Next chapter discusses the research methodology chosen by the researcher for the above research question.
CHAPTER 3: RESEARCH METHODOLOGY

3.1 Introduction
This chapter first explains the use of a qualitative research method to study the research question on the CSR implementation process of the local businesses in Hong Kong. Sections 3.3 to 3.5 discuss the features of the three research methods used in this research, including the review of secondary data of local businesses, focus groups comprising CSR experts, and interviews with CSR managers and top management of local businesses. This is followed by Sections 3.6 and 3.7 which describe the process of data collection and data analysis. Section 3.8 discusses the ethical issues of this research.

3.2 Research Methods
3.2.1 Qualitative Research
Despite a lack of statistical inference, qualitative research plays an important role in modern management and business researches (Gummesson, 2006). Generally speaking, compared with quantitative research, qualitative research has fewer number of cases which reduces its ability to generalize in a statistical sense. However, Yin (1984) suggests that a qualitative research method can be more suitable when the research question is about “why” or “how”. Qualitative research attempts to understand people’s beliefs and behaviour within a certain context (Draper, 2004). It can dig out sensitive issues and handle complex phenomena and therefore provide a deeper understanding on the research issues (Baker, 2001; DiCicco-Bloom & Crabtree, 2006; Gummesson, 2006; Malhotra, Hall, Shaw & Oppenheim, 2006). In other words, the lack of statistical inference does not make qualitative research inferior than quantitative research. The choice of qualitative or quantitative research method should depend on the nature of the research gap (Baker, 2001; DiCicco-Bloom & Crabtree, 2006).

Qualitative research provides data with more depth and in greater detail because it is not restricted by predetermined framework of analysis (Patton, 1990). Such flexibility enables researchers to explore new ideas or discover new information during the research process. In contrast to the hypothesis testing nature of quantitative research, the rich descriptive details of qualitative research can offer a more comprehensive picture to researchers. This helps define a research problem, provide fertile grounds for developing new theories and generate hypotheses (Bryman & Bell, 2011; Draper, 2004;
The results of qualitative research can lead to general theoretical principles (Seale, 1999). When the logic in a theory is supported by the cases in a qualitative research, the same logic could be used to study other cases as well. Such analytical induction is an important feature of qualitative research (Draper, 2004; Seale, 1999).

In practice, many CSR researches are qualitative researches. For example, Chong (2009) uses it to explore the relationship between employee’s participation in CSR and their corporate identity. The qualitative research done by van der Heijden et al. (2010) considers the internal search for CSR structure as a sense-making process among some Dutch companies. Bolton et al. (2011) use it to highlight the important role of employees as an internal stakeholder in the CSR process through their study of a MNC energy company. Werre’s (2003) qualitative research explores the issue of how to conduct CSR in an efficient and effective way through an international food company. Cruz and Boehe (2010) investigate how leading MNCs from the retail sector handle problems in their worldwide CSR programmes. Lindgreen, Swaen, Harness and Hoffmann (2011) conduct a qualitative research to study the CSR-related competencies required for the “high potentials” in some Dutch companies to act as CSR change agents. Mohr, Webb and Harris (2001) make use of a qualitative research to study the feelings of consumers on CSR.

The choice of a research method is determined by the current knowledge on a certain research question. Tan (2009) finds that typically, CSR researchers rely on survey but Tan considers that such heavy reliance on surveys does not have sufficient theoretical bases. Some CSR issues are complicated and scholars still need to explore them for having a deeper understanding on these issues. Bhattacharyya (2010) believes that the thematic perspectives of qualitative research in CSR are important for the development of CSR theories. Maon et al. (2009) also explain that in-depth understanding and explanation can be derived from qualitative study even the contexts of the study are not well-defined. Lindgreen, Swaen, Harness and Hoffmann (2011) also explain that qualitative research is suitable for complex CSR phenomena with many variables taking into account. To grasp the complexities of CSR issues, CSR scholars can use qualitative research to explore the “why” and “how” issues on CSR (Taneja et al., 2011). In fact, Taneja et al. (2011) find that exploratory studies in CSR are dominated by
qualitative research. Since literature review shows that we do not know enough about the CSR implementation process, a qualitative research is appropriate to explore this underdeveloped area (Cruz & Boehe, 2010; Dentchev, 2004), particularly in the under-examined non-Western contexts (Tan, 2009).

3.2.2 Triangulation
To enhance the reliability of their research findings, many researchers make use of the method of triangulation (Patton, 1990; Seale, 1999; Yin, 1984). Triangulation makes use of several sources of data as well as a combination of methods in data collection. Different sources of data seldom give the same perspectives and coverage on a research topic. Their differences lead to an expansion of the breadth and depth of the data. These diversified perspectives from different sources also bring a challenge to the researcher. It forces the researcher to view the data more critically and to identify the weaknesses of his own arguments and theories. A researcher must review his own theory until all the evidence from different sources point to the same pattern or conclusion. Such frame of mind of handling different perspectives can therefore improve the quality of the research (Eisenhardt & Graebner, 2007; Fielding & Fielding, 1986).

Many CSR researchers make use of mixed methods to study CSR issues. For example, Tan’s (2009) study of the CSR initiatives implemented by MNCs operating in China collects data from interviews with company executives, media reports, company websites, external investigate reports and academic databases. Kraisornsuthasinee & Swierczek (2009) study the best practice of CSR in Thailand by interviewing companies and searching published corporate documents in public domain. Sharp and Zaidman (2010) conduct interviews with CSR managers of Israeli firms and a senior CSR consultant in implementing CSR programmes, and supplement these by secondary data collected from the company websites of these Israeli firms. Maon et al. (2009) collect data from interviews with companies, conduct reviews on secondary data including news articles and websites, and adopt other in situ techniques. Panapanaan et al. (2003) collect data from Finnish companies by interviewing with company top managers and collecting secondary data. Lindgreen, Swaen, Harness and Hoffmann (2011) explain that the multiple methods employed in qualitative research can “enhance the robustness
of the study’s findings, help compensate for the weaknesses of any one data collection method, (and) improve the quality of the final interpretation” (p.79).

This research follows the above studies and adopts methodological triangulation, i.e., the use of mixed research methods. Three methods are used in this research. They consist of reviewing selected local companies’ secondary data, conducting focus groups with CSR experts, and interviewing with selected local companies. The researcher critically examines the findings of the research which are then cross-referenced with multiple sources of data, until the evidence collected from different sources are consistent with the findings. With this rigorous examination of data, the reliability of the research findings is strengthened.

3.3 Research Design: Review on Secondary Data
Reviewing secondary data is a commonly used research method. These secondary data can be drawn from organizational or programme records, company websites, official publications or reports. These documents and records are a rich source of information, and some of the information cannot be easily observed by other methods (Patton, 1990). They are the traces of human behaviour, and the information taken from them can tell us about the value, decisions and beliefs of the research targets (Hall & Rist, 1999). These documents provide useful qualitative data such as quotations and excerpts for analysis and inspire the researcher to pursue important questions in in-depth interviews at a later stage (Patton, 1990). Berger et al. (2007) explain that the supplementary use of secondary data can improve the quality of the research outcomes by making the results more convergent. Tan (2009) also explains that secondary data are an important source of information when primary data are not available, and they can cover a certain period of time without the problem of recollection.

Many CSR researches rely on secondary data. Many companies are willing to communicate with their stakeholders about their CSR efforts and outcomes. Hence, it is common for CSR researchers to collect useful information drawn from their communication with stakeholders and study these secondary data. For example, Chambers, Chapple, Moon and Sullivan (2003), Snider et al. (2003) and Sharp & Zaidman (2010) examine the websites of the companies included in their research. Janggu, Joseph and Madi (2007) study the annual reports of their target companies in
Malaysia. Kraisornsuthasinee & Swierczek (2009) examine corporate websites, sustainability reports and other publicized corporate documents of the leading companies in Thailand. Panapanaan et al. (2003) collect information from the Internet and published company documents including “annual reports, sustainability reports, health and safety reports and business codes of conduct” (p.135). Maon et al. (2009) examine “news articles, web pages, scientific literature, promotional materials, and other literature sources” (p.73).

Secondary data are collected in this research. These secondary data include relevant information extracted from company websites, company publications, CSR reports, company annual reports, media reports related to the selected companies and company profiles in local CSR awards. These secondary data are important channels for the selected companies to communicate with their internal and external stakeholders. They provide useful information about the CSR visions and activities of the businesses concerned, which form the background for each case. They also identify their targeted stakeholders as well as show how they communicate with their stakeholders. Company publications, newsletters and promotional materials are also sought from interviewees during the interviews. These secondary data provided insights on the drivers of their CSR development, their allocation of resources in the CSR implementation process and their evaluation of CSR outcomes. By looking at how much resources have been put into these communication channels and the extent to which CSR issues are covered by these publications, one can see how much importance are placed by these companies in communicating with their stakeholders. Their contents of these secondary data can also be compared with the views of the interviewees.

3.4 Research Design: Focus Groups

Focus group is a widely used research method (Hall & Rist, 1999; Morgan, 1996; Stokes & Bergin, 2006). Patton (1990) describes it as “an interview with a small group of people on a specific topic” (p.335), which typically lasts for 1.5 to 2 hours. A key feature of the focus group is the interaction within the group (Morgan, 1996). Each participant would explain their own ideas to others and comment on the responses of others. Even though consensus or disagreement might not be necessary in a focus group (Patton, 1990), the agreement and disagreement among the participants provide useful insights to the research topic. Their interaction brings out a chain of ideas and thoughts.
Focus group has been widely used with other research methods, particularly, in-depth interviews (Morgan, 1996). The depth of individual in-depth interviews is complementary to the breadth of the focus group. A focus group can help identify “a range of experiences and perspectives’ (Morgan, 1996, p.134), which can then be further studied in in-depth interviews. For example, Hargett and Williams (2009) make use of both methods in their CSR research on a Norwegian company.

In this research, two focus groups have been conducted with some CSR experts. Collecting viewpoints from experts is quite common in CSR research. Though CSR is now a common practice, managers still have to struggle with a correct approach in CSR implementation (Lindgreen & Swaen, 2010). To understand more about CSR, it is common for researchers to collect the views from CSR experts, such as scholars, business consultants and CSR practitioners. For example, Dentchev (2004) interviews 18 experts including academics and representatives from business networks, NGO and labour unions to examine the practical value of corporate social performance. Tsoi (2010) interviews academics, representatives from NGO and labour unions, government official and supply chain consultants in her study on the CSR scenario in China. Berger et al. (2007) and Sharp & Zaidman (2010) also interview CSR consultants in their research.

Participants of a focus group are not necessarily representative (Rabiee, 2004). The important thing is that these participants can give valuable inputs in the process. The focus groups in this research target on both scholars and CSR practitioners. The targeted scholars are local academics in marketing, management or accounting. They are expected to discuss the CSR implementation in Hong Kong from various perspectives including branding, strategic management, training, HRM, and corporate governance. The targeted CSR practitioners are chosen from local CSR or corporate governance consultants, representatives from trade unions, experienced chartered secretaries, and representatives from NGOs in promoting CSR. They are invited to join the focus groups because of their knowledge in CSR and varied perspectives (Dentchev,
2004), which would be important to maintain a healthy dynamics and interaction in the focus groups.

The focus groups aim at identifying difficulties faced by local companies in their CSR implementation process, as well as discussing the critical success factors perceived by local companies in their CSR implementation. Following the idea of Morgan (1996), the focus groups help the researcher modify the theoretical framework, and prepare the interviews with managers in more specific perspectives. To achieve this, the focus groups have been held before the in-depth interviews.

There are different views on the best size of a focus group (Flick, 2002; Rabiee, 2004). Patton (1990) suggests a typical size of six to eight while Flick (2002) suggests a normal size of five to ten. Generally speaking, a smaller group would allow each participant to have more time expressing their ideas and hence to have more involvement. This also enables the researcher to manage the discussion of the group (Morgan, 1996). However, the group dynamic might be adversely affected if the group size is too small.

This research targets on inviting three to five participants to join the focus group. Given that these participants are CSR experts and scholars in relevant disciplines, a high level of participation is expected. As a small group could allow the participants to have more time to express their expert knowledge, this size of the focus group is considered suitable for this research purpose.

A focus group schedule is developed by the researcher (Table 3.1) (Appendix 1). It consists of six basic questions. Follow-up questions will be asked based on the responses of the participants in their discussion.
Table 3.1: Focus Group Schedule

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>What are the major benefits derived from CSR activities to local companies in Hong Kong?</td>
</tr>
<tr>
<td>2</td>
<td>What are the main obstacles to local companies when they conduct their CSR activities? How should they overcome these obstacles?</td>
</tr>
<tr>
<td>3</td>
<td>Given that local companies might not have the resources to develop a full range of CSR initiatives, what types of CSR activities would be more suitable to local companies? How should they choose such CSR activities?</td>
</tr>
<tr>
<td>4</td>
<td>What kind of CSR vision / missions / strategies would be suitable for local companies?</td>
</tr>
<tr>
<td>5</td>
<td>What are the critical success factors for implementing CSR initiatives?</td>
</tr>
<tr>
<td>6</td>
<td>How can local companies integrate the ideas of CSR into the corporate culture?</td>
</tr>
</tbody>
</table>

3.5 Research Design: Qualitative Interview

Interview is the most widely used method to collect qualitative data (Bryman & Bell, 2011; DiCicco-Bloom & Crabtree, 2006). It is often used together with focus group in research (Morgan, 1996). Patton (1990) considers in-depth interview as the major qualitative research method to know the perceptions and knowledge of people. It is “an unstructured and direct way of obtaining information” on a one-to-one basis (Malhotra et al., 2006, p.221). An in-depth interview helps the reconstruction of events through the verbal recounts of the interviewees. Interviewees describe their experience, motivation, feeling and knowledge about a certain issue or event which they deem important (Patton, 1990). The perspectives of these interviewees would then be interpreted and analyzed by researchers. One of the major strengths of qualitative interview is the depth of information obtained (Hakim, 1987). Interviewees’ rich description and details help researchers achieve a better understanding of a phenomenon. This deeper understanding brings insights to researchers for the formulation of further research ideas (Bryman & Bell, 2011; DiCicco-Bloom & Crabtree, 2006).

There are different forms of qualitative interviews and this research adopts semi-structured interviews. It is common to have semi-structured interviews as the major source of data in qualitative research (DiCicco-Bloom & Crabtree, 2006). Semi-
structured interview is conducted by following a list of questions on fairly specific topics (Bryman & Bell, 2011; Jamali & Mirshak, 2007). These standard questions provide a sufficient focus for analysing on different interviewees (DiCicco-Bloom & Crabtree, 2006). Follow-up questions might also emerge from the dialogue with interviewees (DiCicco-Bloom & Crabtree, 2006). For example, Rodrigo and Arenas (2008) make use of semi-structured interview, in which they follow certain standard questions but allow interviewees to wander off. Bolton et al. (2011) follow an interview guideline in their semi-structured interviews, and allow for “elaboration and examination of various issues that emerged from the conversations” (p.65). After asking the broad questions, Berger et al. (2007) allow interviewees to determine the focus of their discussion. Such flexibility in semi-structured interview is crucial and productive because this allows the interviewees to fully elaborate their perspectives (DiCicco-Bloom & Crabtree, 2006; Patton, 1990).

When the answers obtained from the interviewees are not consistent with the secondary data reviewed previously, further inquiry by follow-up questions is important (Yin, 1984). Van der Heijden et al. (2010) also consider that asking questions in the interviews with reference to the company documents is a good practice to raise the internal validity of the research. It is vital to grasp a complete picture of the research question, particularly on some unexplored areas, and get a convergence of data collected from difference sources. In this connection, questions in regard to the interviewees’ corporate documents and websites will be posed to the interviewees during their interviews.

Many CSR researchers collect data by qualitative interviews. For example, Bolton et al. (2011) conduct semi-structured interviews in their longitudinal case study of an energy MNC to study the role of employees in the CSR implementation process. Sharp and Zaidman (2010) interview twelve Israeli CSR managers and investigate how the CSR strategy penetrates into their daily business operations. Cruz and Boehe (2010) conduct semi-structured interviews with managers involved in the CSR strategy of two MNCs in the Brazilian retail industry. Van der Heijden et al. (2010) study the CSR as a sense making process with some Dutch companies. Other examples of semi-structured interviews include Jamali’s (2007) study of strategic CSR in Lebanon, Panapanaan et
al.’s interviews with Finnish companies, and Berger et al.’s (2007) elite interviews with CSR managers and external stakeholders.

Following the review on secondary data and the focus groups, qualitative interviews with the participating businesses are conducted in this research. The targeted interviewees are those who are familiar with the CSR implementation process of the selected local companies. They are managers or personnel responsible for the CSR initiatives or top management of the selected companies. Interviewing such CSR managers is a commonly used method in CSR research (Cruz & Boehe, 2010; Jamali, 2008; Kraisornsuthasinee & Swierczek, 2009; Maon et al., 2009; Sharp & Zaidman, 2010). These managers and top executives know about the CSR objectives and the vision of the company, and the benefits and the strategic implications of the CSR initiatives. They are familiar with the CSR practices of the businesses and can provide the details on how these companies integrate their CSR values into their daily operations, as well as the communication channels of the CSR initiatives. They can help understand the CSR implementation process, and the roles played by their employees and the management in the CSR implementation process.

Based on the literature review, an interview guide has been developed before the interview (Table 3.2) (Appendix 2). The interview guide starts with questions building the profiles of the selected businesses, such as the drivers of their CSR initiatives, their CSR objectives, and the perceived benefits of their CSR initiatives. Then, the interviewers seek information from the companies in regard to their CSR implementation process including how to decide and run their CSR activities, and the evaluation of their CSR outcomes. The interviewees are also asked to provide details about how these companies integrate their CSR values into their daily operations, and the internal and external communication channels of the CSR initiatives.

These interviews help examine the relationship between the profiles of the businesses and the CSR implementation process. They also help understand the critical success factors considered by these local companies behind their CSR implementation process.
<table>
<thead>
<tr>
<th>Questions</th>
<th>Purposes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. What have triggered your company to start CSR initiatives?</td>
<td>To find out the driving forces behind their CSR initiatives and whether they face less external CSR pressure</td>
</tr>
<tr>
<td>2. Is there any CSR vision and CSR strategy?</td>
<td>To examine the CSR vision and the CSR strategy of the company</td>
</tr>
<tr>
<td>3. What are the major CSR activities of your company?</td>
<td>To establish a background of the CSR initiatives of the company</td>
</tr>
<tr>
<td>4. How do you choose CSR activities?</td>
<td>To examine their CSR implementation process and examine the critical success factors</td>
</tr>
<tr>
<td>Which kinds of activities are more successful?</td>
<td></td>
</tr>
<tr>
<td>5. What are the major perceived benefits from CSR? Has your company successfully benefited from these areas?</td>
<td>To study how perceived CSR benefits would affect the process of CSR implementation</td>
</tr>
<tr>
<td>6. How does your company facilitate the CSR implementation? What resources does your company allocate to CSR?</td>
<td>To examine their CSR implementation process and examine the critical success factors</td>
</tr>
<tr>
<td>7. Do you involve any external partnership or external stakeholders? Why and how?</td>
<td>To examine their CSR implementation process and examine the critical success factors</td>
</tr>
<tr>
<td>8. How do you communicate your CSR progress and vision to external and internal stakeholders? Are these communications important?</td>
<td>To examine their CSR implementation process and examine the critical success factors</td>
</tr>
<tr>
<td>9. Has your company make use of any external standard or code of conduct in CSR? Why or why not?</td>
<td>To examine their CSR implementation process</td>
</tr>
<tr>
<td>10. Are you satisfied with the present CSR inputs and outputs? How does your company measure the CSR outcomes?</td>
<td>To examine their CSR implementation process and examine the critical success factors</td>
</tr>
</tbody>
</table>
Table 3.2: Continued

<table>
<thead>
<tr>
<th>Questions</th>
<th>Purposes</th>
</tr>
</thead>
<tbody>
<tr>
<td>11. What are the major difficulties in</td>
<td>To examine their CSR implementation process and examine the critical</td>
</tr>
<tr>
<td>initiating CSR?</td>
<td>success factors</td>
</tr>
<tr>
<td>12. How important is the role of employees?</td>
<td>To examine their CSR implementation process and examine the critical</td>
</tr>
<tr>
<td>Is CSR part of the organizational culture now?</td>
<td>success factors</td>
</tr>
</tbody>
</table>

The interviews are anonymous in nature. All interviewees and participating companies remain anonymous. This encourages the interviewees to report their information more truthfully and promotes more in-depth understanding of their viewpoints (Tan, 2009; Tsoi, 2010).

3.5.1 Selection of Companies

The purpose of the qualitative research sampling is to find information-rich cases rather than statistically representative samples (Patton, 1990). In contrast to a survey, qualitative research makes use of purposive sampling (Bryman & Bell, 2011; Patton, 1990). The selected interviewees in a qualitative interview are not necessarily statistically representative because the purpose of a qualitative research is to enhance understanding of certain issues rather than to permit generalization (Berger et al., 2007; Eisenhardt & Graebner, 2007). The important criterion is whether the samples can provide useful information for a particular research. The selection of interviewees is based on whether they can help the theory building by “replication, extension of theory or contrary replication” (Eisenhardt & Graebner, 2007, p.27). Good sample selection would save the time and cost of the research, and they can provide more robust analysis for the research.

Selected interviewees in a qualitative interview should “share critical similarities related to the research question” (DiCicco-Bloom & Crabtree, 2006, p.317) but there should be enough differences between the interviewees for cross-case analysis (Eisenhardt & Graebner, 2007). For example, Jamali (2007) conducts a research on eight Lebanese companies which are active in CSR. Four of them are local companies while the other four are subsidiaries of international corporations, and they come from different
industries. Kraisornsuthasinee & Swierczek (2009) select businesses from different sectors but all of them come from the same Business Council concerning sustainability in Thailand. Sharp & Zaidman (2010) choose twelve Israeli firms from different industries but all of them work with the same non-profit organization which assists them in CSR strategy development. In the single-case study of an energy MNC, Bolton et al. (2011) select their interviewees from different departments and of different ranks.

Since this research studies the critical success factors of local companies in Hong Kong in the CSR implementation process, instead of taking a representative sample from all the local companies in Hong Kong, the targeted participating businesses are those local companies which have actively engaged themselves in CSR activities and have a positive attitude toward CSR. CSR researchers use different ways to identify companies with active CSR practices. First, a researcher can find their research targets among the top companies in a society. For example, Panapanaan et al. (2003) select their targeted companies from mainly Finnish big companies. Maon et al. (2009) take three MNCs with strong CSR reputation in their studies. Welford (2004) studies the top twenty listed companies in each country studied in his research. Second, a researcher can identify their targets from those organizations assisting businesses to take CSR initiatives, or from CSR awards. Kraisornsuthasinee & Swierczek (2009) identify such businesses from members of a well-established CSR organization in Thailand, and check whether they have won any CSR awards. The Israeli firms studied by Sharp & Zaidman (2010) are all members of a non-profit organization which helps businesses develop their CSR. Similarly, all the Dutch companies studied by van der Heijden et al. (2010) come from a CSR programme. Third, a researcher can identify their research participants from other secondary data. Hine and Preuss (2009) locate such businesses by finding those companies with three consecutive years of publishing separate and comprehensive CSR reports.

Though the concept of CSR is not as well-established in Hong Kong as in the Western countries (Tsoi, 2010), it is still a business agenda in Hong Kong. There are many companies practising CSR in Hong Kong (Welford, 2004). It is necessary for the researcher to identify companies which are suitable for the research. They must participate in CSR activities but, compared with MNCs, with limited resources available for CSR development.
References have been made to previous CSR research when determining the selection method of the targeted participants in this research. The starting point of the selection of participating businesses is the various CSR awards and indices. There are several of them in Hong Kong, such as Caring Company Scheme, HKQAA-HSBC CSR Index, Hong Kong Corporate Citizenship Program and Hong Kong CSR Index for SME. Among these awards and indices, the Caring Company Scheme has a long history. This Scheme is well-known in Hong Kong and it covered more than 2,500 companies and organizations in 2012 (Caring Company, n.d.). This research starts with the awardees of the Caring Company Scheme. They are the companies with their CSR efforts recognized by the public. Companies with other evidence of active CSR participation are also considered. Such selection method can help identify those local companies with more successful CSR practices.

Following the research practice of Hine and Preuss (2009), this research only considers those businesses with a history of at least three years in CSR activities. For those companies with a shorter history in CSR initiatives, their CSR implementation process might not be mature enough for this research purpose. To minimize the risk of indirectly identifying the participants of the interviews from the dissertation, companies with unique features, such as a monopoly in a particular industry, are excluded.

Taking note of the research done by van der Heijden et al. (2010), Kraisornsuthasinee & Swierczek (2009) and Jamali (2007), the participating businesses of this research are selected from different industries. Companies from different industries might have different ways to deal with their CSR issues. By having these samples from different industries, the findings can have a greater degree of theoretical generalization. Selecting companies from the same industry might lead to a biased result.

Since this research aims at correcting the bias of previous CSR researches towards MNCs, the local branches of MNCs in Hong Kong are not considered as the potential participants. To contrast with MNCs, companies with abundant resources spent on CSR are also excluded. Thus, the top listed companies in Hong Kong, i.e., those in the Hang Seng Index Constituent Stock, are excluded.
3.5.2 Number of Companies in Qualitative Interview

Seale (1999) explains that one single case may not have all the elements required in a certain theory, and therefore research of multiple cases is necessary. In contrast to a single case, multiple-case studies can facilitate a comparison between businesses, and therefore provide “a stronger base for theory building” (Eisenhardt & Graebner, 2007, p.27). By comparing different cases, the essential core of a theory can be revealed more clearly through identifying the important shared patterns (Patton, 1990; Seale, 1999).

Many CSR research make use of multiple case studies. Researchers collect data and interview respondents from several organizations. For example, Sharp and Zaidman (2010) interview 14 key CSR managers from 12 Israeli firms about their process of CSR strategization. Hine and Preuss (2009) interview 27 managers from nine UK companies in three different industries to investigate the perceptions of managers on CSR. Gond et al. (2011) interview 30 executives from 22 corporations operating in France to study the contribution of human resources to CSR. Van der Heijden et al. (2010) collect data from 18 Dutch companies in different industries to analyze CSR as a sensemaking process. Jamali (2007) conduct a research on four local companies and four MNC subsidiaries in Lebanon to study their strategic CSR. Kraisornsuthasinee and Swierczek (2009) interview 11 informants from six Thai companies in three sectors to study their exemplary CSR practices. Lindgreen, Swaen, Harness and Hoffmann (2011) study the CSR initiatives of nine Dutch companies. Lindgreen, Xu, Maon and Wilcock (2012) conduct interviews from five UK firms to examine the issue of CSR brand leadership. Panapanaan et al. (2003) interview 12 Finnish companies to study the roadmap of CSR in Finland.

The above qualitative research in CSR has a range of covering 5 to 22 companies. Some researches have a smaller number of cases but they may interview more than one person in each case. The study of Lindgreen, Xu, Maon and Wilcock (2012) has only five cases but they have conducted eight interviews. They state that five cases, as a rule of thumb, “are necessary to study highly complex issues” (p.971). Kraisornsuthasinee and Swierczek (2009) have only six cases but they have conducted 11 interviews.

There are no mechanical rules to determine the number of samples in a qualitative research (Patton, 1990). The number of samples depends on time and resources,
purpose of the research, credibility of the samples and the usefulness of the samples (Patton, 1990). With a larger number of companies covered by this research, it increases the breadth of the data with a better understanding of the variations in CSR implementation of different companies. It also increases the confidence in the reliability of the findings. However, in the consideration of time and resource constraints, the depth of each case would be reduced and the data collected might not be so comprehensive. A research has to face a trade-off between breadth and depth in the decision on the number of samples.

Considering the balance between depth and breadth, the researcher proposes to study a total of 10 to 20 companies. The researcher will interview one or two company representatives from each participating company, with a minimum target of 15 interviews. At a minimum of 10 companies, the research allows a comparison of the CSR implementation processes from different local companies. Since this research is not industry-specific, a sample size of a smaller number of companies might reduce the confidence of its findings.

With this sampling strategy, the number of samples allows some flexibility (Patton, 1990). The invitation of participation continues until eventually the researcher finds that the data are saturated. That is the point where no new information will be gathered from extra companies. Despite having the aim of reaching a saturated point in the qualitative interview, there is a need to set a minimum target number of companies and interviews as it helps the planning of the research.

3.6 Data Collection
3.6.1 Collection of Secondary Data
After identifying the participating businesses, secondary data of these businesses are reviewed before conducting the in-depth interviews. Several sources of secondary data are used to analyse the CSR initiatives of these companies. They include company annual reports, websites, environmental and social reports, sustainability reports, CSR reports, external publications and business code of conducts (Chan & Welford, 2005; Janggu et al., 2007).
These materials are reviewed before the interviews so as to increase the researcher’s familiarity with each company (Lindgreen, Xu, Maon & Wilcock, 2012). Such secondary data can help develop rich and in-depth information about the current CSR initiatives of these companies (Maon et al., 2009).

Interviewees are asked to provide some other company documents related to CSR for further analysis. Such documents can be internal company documents such as newsletters for their employees, corporate brochures for clients or promotional materials related to CSR activities.

3.6.2 Collection of Data in Focus Group

The focus group targeted participants are CSR scholars and CSR practitioners. The scholars are identified in the local tertiary institutions. Other CSR experts are identified by their participation in CSR conferences and activities, as well as referrals. Invitations are sent to the targeted focus group participants requesting their participation in this research. An information statement (Appendix 3) and a consent form (Appendix 4) are provided to these targeted participants stating the details of the research and their involvement in the research. The researcher then follows up the invitation to confirm the interviewees’ participation in this research. The signed consent forms are then returned to the researcher prior to the beginning of the focus group discussion.

Before the commencement of the focus group, an information statement outlining the details of the research is explained to the participants. The participants are reminded that their participation is voluntary and the research is anonymous. They are also informed that they have the right to withdraw from the research without any conditions, but their comment cannot be removed from the focus group summary.

The focus groups will be held in a location provided by the researcher. The researcher will follow a schedule to conduct the focus groups (Table 3.1). The schedule lists out several important CSR issues faced by local businesses in Hong Kong. The focus group discussion is expected to take approximately 1.5 hours, which is considered as typical (Patton, 1990). The focus group is audio-recorded for transcription and analysis. Consent of participants will be obtained before the beginning of the audio-recording.
3.6.3 Collection of Data in In-depth Interview

The targeted interviewees are the CSR managers and top management of local companies in Hong Kong. Phone calls will be made to the targeted businesses to obtain the names and contacts of their top management or CSR managers who are responsible for the CSR initiatives in their companies. Written invitation will then be sent to them requesting their participation in the in-depth interviews. An organization information statement (Appendix 5) and an organization consent form (Appendix 6) will be provided to them stating the details of the research and the involvement of the targeted businesses. The researcher will follow up the invitation to confirm whether these top management or CSR managers would agree to participate in this research. An individual participant information statement (Appendix 7) and an individual participant consent form (Appendix 8) will be provided to them.

Before the commencement of the interviews, the information statement outlining the details of the research will be explained to the participants. The participants are reminded that their participation is completely voluntary. Their decisions of not to participate in (or of withdrawal from) the project would not disadvantage them in any way. Participants would be informed of their right to withdraw from the research at any time without any need of justification, and the anonymous nature of the research. Participant Consent Forms should be signed and returned to the researcher before the commencement of the interview.

These CSR managers are required to participate in a semi-structured face-to-face individual interview in locations that are convenient to the participants. The interview venues can be the offices of the participants, or a venue provided by the researcher. The main concern of the location is that of confidentiality and anonymity, so that the participants are free to express their views.

Each interview is expected to take approximately one hour to complete. The researcher follows the interview guide (Table 3.2) to conduct the semi-structured interviews. There is a set of standard open-ended interview questions set out in the schedules. Depending on their responses, follow-up questions will be raised so that interviewees can elaborate and clarify the emerging topics derived from their answers (Hine & Preuss, 2009; Lindgreen, Xu, Maon & Wilcock, 2012; Rodrigo & Arenas, 2008). Interviewees
are reminded that short telephone follow-up interview might be required following the interviews.

All the interviews are audio-recorded for transcription and analysis. Consent of the participants is obtained before the commencement of the audio-recording. Seale (1999) explains that a mechanical way of recording data, such as audio-recording, can help improve the confidence in the process of data analysis. This would also reduce the chance of changing the meaning of the data.

3.7 Data Analysis

To increase the confidence in the research findings, a researcher should consider whether other researchers could see the same thing in the process of data analysis (Seale, 1999). To achieve this, the analysis of data should begin with the description of the cases. Rich description of data is important because it provides sufficient information for readers to draw their own interpretation (Patton, 1990) and to verify the conclusions of the researcher (Rabiee, 2004). It is also good to make use of the verbatim accounts of the interviewees to illustrate the meaning of the research in the reporting. The rich description of the cases and research methods can then be followed by the interpretation of the data which answers the “why” and “how” question.

Since multiple sources of data enable a better quality of the research outcomes (Berger et al., 2007), the interview notes and transcripts, and secondary data obtained from websites and publications are combined for analysis. Relying on only one source of data is not a satisfactory way because each method has its own weaknesses. For example, interview is constrained by the personal experiences and emotion of the interviewees, while company documents might be incomplete and selective in aspects (Patton, 1990). To address these weaknesses, multiple sources of data should be analyzed together.

However, one of the major concerns in the data analysis of qualitative research is the vast amount of data collected. A large volume of filed notes is collected from a qualitative research. Such large volume of data will not be meaningful without any analysis. To make the data readable, the data from various sources should be coded into different themes and categories (Liu & Ko, 2011; Tsoi, 2010). Coding is a good way to
show the qualitative data collected in a research in a well-organized way. These data would then become readable narrative description with themes or categories (Patton, 1990). But one should be careful with coding (Seale, 1999). A premature code can block one’s view of seeing new things and make one fail to make sense of a phenomenon.

Yin (1984) indicates that following theoretical propositions is a good analytical strategy in this aspect. Themes and relationship can be identified from previous literature review and be used to develop the original theoretical framework. The data from the research would then be sought to match these themes. The pre-set themes developed from the literature provide a good start for the data analysis.

The above coding method is used in this research. Prior to the interviews, secondary data of each participating business are reviewed. These secondary data are scanned for any section related to CSR. Then, such information is categorized into different CSR themes based on the literature review in Chapter 2. These secondary data provide a background of each company for the researcher to prepare for the interviews, particularly for asking follow-up questions regarding the relations between the answers of the standard questions and the contents of the secondary data. These secondary data also contribute to the development of the company profile on CSR after the interviews. All these secondary data are being read repeatedly, both before and after the interviews, until there is a clear categorization of CSR themes (Snider et al., 2003).

All the interviews are audio-recorded. After the interviews, the researcher would listen to the audio tapes again and read the transcripts and notes several times with the purpose of familiarization of the data (Rabiee, 2004). This procedure gives an overall idea about the interview which can help bringing out the themes from the data. The researcher then reads through the transcripts and the interviewer notes to identify CSR themes from the data, and looks for any relationship between the themes. Following the discussion in Rabiee (2004), the researcher would pay close attention to the actual words used by the interviewees, as well as the frequency, extensiveness and intensity of their comments. The researcher would also look for examples of personal experiences given by the interviewees to support their views in the interviews. These help the researcher identify the themes from the data. Quotations supporting these themes are
also highlighted. Since some of the quotations of the interviewees might be put into different themes, the process of reviewing data is repeated many times in order to get a better categorization of the collected data.

The notes and transcripts obtained from the interviews, and the secondary data obtained from websites and publications will be analysed together for developing company profiles for each participating company. Before comparing with other cases, the analysis would start off by conducting individual case analysis. The CSR implementation for each case would be described in detail in their company profiles.

Comparisons between different cases are conducted. It is important to sort out the similarities and differences identified in these cases. Similarities will form patterns and they become important elements in the theoretical framework of the CSR implementation. The results of the analysis will then be compared with the views collected from the CSR experts in the focus groups.

It is equally important to examine the differences identified in each case. Explanation is sought to account for the differences identified. A look for a negative case is an important step to enhance the reliability of the findings (Patton, 1990). A case that does not fit into the recognized pattern is worthy for further examination. Patton (1990) explains that an important step in the data analysis process is to consider any alternative explanation for the patterns recognized from the data. This would increase the confidence in the conclusion of the research. Seale (1999) also suggests that when there is deviation in some cases, modification of the theory should be considered. In this research, analysis for each case is conducted to examine any deviation from other cases. The analysis is then further modified until there are no more negative cases. Again, the results would be compared with the view collected from the focus groups.

The findings of this research are based on the convergence of information from different sources, and such findings are more robust (Yin, 1984). However, Patton (1990) states that multiple sources of data would not automatically point to the same picture. A more important thing is to understand why there are differences arising from the data of various sources. Only by offering reasonable explanations with these differences can the overall creditability of the findings be increased.
The themes and categories will form the essential core of the findings and they can be used to compare with the CSR implementation process developed by previous studies. However, preset themes may not be good enough. Unforeseen new themes may emerge after reading the collected data. New concepts and new relationship will then be developed, and be added into the analysis. The data should be reviewed several times to ensure a more thorough analysis. Likewise, the coded data should be repeatedly reviewed to examine their relationship with existing literature, to identify new concepts, and to form theoretical ideas from the data.

The relationship between the themes, patterns and categories are sought and developed in the data analysis process. These relationships include the co-existence of two or more themes, or the cause and effect relationship or the sequences between different themes (Taylor-Powell & Renner, 2003). Such relationship can explain the actual CSR implementation process of local companies in Hong Kong. Eventually, propositions regarding the CSR implementation process of the local companies and their critical success factors can be identified from the categories and concepts derived from the coded data. With this approach of data analysis, the original theoretical framework can be supported and extended (Hsieh & Shannon, 2005). The understanding can also be used to modify and enhance the original theoretical framework in the future.

3.8 Ethical Implications

Ethical issue is very important in conducting research. This research has been approved by the Human Research Ethics Committee in accordance with the National Statement on Ethical Conduct in Human Research (Appendix 7). This research conforms to the relevant legislation and policies and procedures of the University of Newcastle.

DiCicco-Bloom and Crabtree (2006) identify several ethical issues related to qualitative interviews. First, the interview should not bring harm to interviewees. Second, the intent of the study should be communicated well with the interviewees. Third, to protect the interviewees, the information obtained in the interview should be anonymous and the position of the interviewees should not be jeopardised.
To handle the ethical issues related to this research, several measures will be taken. First, the potential participants are well-informed of their rights in this research project. They will be given the Information Statement which includes the purpose, methods, demands, risks, inconveniences, discomforts and possible outcomes of the research. The rights of the participants and the protection of their privacy will be explained before the start of the interviews or the focus group. Participants will be given enough time to go through the Information Statement. After reading the Information Statement, participants should understand that the research is on a voluntary basis, and the issues of confidentiality and anonymity of information are well-addressed in this research. Participants are reminded that they have the right to withdraw from the research at any time without the need of giving any justification, the right to stop recording at any time, and the right to review the transcripts of their interviews. Their decisions of not participating in the research would not bring them any disadvantage at all.

Consent from the participants is also required in this research. Before the start of the interviews and the focus groups, written consent (including the consent of audio recording) from the participants is obtained. The Information Statement and Consent Forms are attached in the Appendix 3 – Appendix 8.

The issues of confidentiality and anonymity of information are considered seriously in this research. The protection of privacy is one of the top priorities and the identity of interviewees is kept anonymous. Participants will not be identified in the research report. When responses of participants are quoted, the names of the participants and their organizations would be replaced by codes. In order to strengthen the protection on the confidentiality of the participants, companies with unique feature, such as a monopoly in the industry, were not be invited to participate this research.

Regarding the internal documents obtained from the companies, the issue of confidentiality will be discussed with the interviewees during the interview. Without their permission, quotations from these internal documents would not be used.

All the information collected will only be used by this research project and will be kept confidential. The interview notes, the audio records and the transcripts are locked up by the researcher. Only the researcher and the supervisor would be able to assess to them.
Through all these measures, any undesirable impact on the participants will be minimized. Their privacy is protected and the risk of unanticipated harm is reduced.

The next chapter reports on the findings from the data analysis.
CHAPTER 4: DATA ANALYSIS

4.1 Introduction
This chapter summarizes the findings of the research. Sources of information include the interviews with selected local companies in Hong Kong, two focus groups with CSR experts, and other secondary sources such as company websites, company publications and company profiles in local CSR awards. The characteristics of the selected local companies and the interviewees are described in Section 4.2. In Section 4.3, the CSR initiatives of the 11 selected companies are summarized as individual company cases. These profiles provide the background for the analysis in the remaining sections in this chapter. From Section 4.4 onwards, the various aspects of the CSR implementation process of these selected local companies are discussed in detail. They include the driving forces behind the CSR initiatives of these companies, their perceived benefits gained from CSR initiatives, the selection of CSR activities, the measurement of CSR outcomes and other aspects of CSR. This chapter concludes with the critical success factors perceived by the interviewees on the CSR implementation in their companies.

4.2 Characteristics of Interviewees and the Selected Companies
This research studies 11 local companies. Altogether a total of fifteen company representatives have been interviewed (Table 4.1). Six interviewees are top management of their companies, including Managing Director, Executive Director, Director and Financial Controller. The remaining nine interviewees are middle management responsible for CSR implementation in their companies.

As explained in Chapter 3, these companies are selected from different industries to minimize the influence of some unique features in a particular industry. Following the classification of industries in the Caring Company Scheme, a renowned local CSR award, these 11 companies come from 10 different industries (Table 4.2). Two of them are subsidiaries of listed companies in Hong Kong and the others are private companies. One of them had been a listed company but was delisted a few years ago. They represent a sample of local companies with a positive attitude toward CSR, and with their CSR efforts recognized by the community.
Table 4.1: Interviewees from Selected Companies

<table>
<thead>
<tr>
<th>Company</th>
<th>Interviewees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company A</td>
<td>● Marketing Head</td>
</tr>
<tr>
<td>Company B</td>
<td>● Financial Controller (HR Department under her jurisdiction)</td>
</tr>
<tr>
<td>Company C</td>
<td>● Executive Director ;</td>
</tr>
<tr>
<td></td>
<td>● Head of Recreation Committee (from HR Department)</td>
</tr>
<tr>
<td>Company D</td>
<td>● Marketing Director</td>
</tr>
<tr>
<td>Company E</td>
<td>● PR Manager</td>
</tr>
<tr>
<td>Company F</td>
<td>● Managing Director</td>
</tr>
<tr>
<td>Company G</td>
<td>● Managing Director ;</td>
</tr>
<tr>
<td></td>
<td>● HR Director</td>
</tr>
<tr>
<td>Company H</td>
<td>● Managing Director ;</td>
</tr>
<tr>
<td></td>
<td>● Head of Operations (HR Department under her jurisdiction)</td>
</tr>
<tr>
<td>Company J</td>
<td>● HR and Finance Manager</td>
</tr>
<tr>
<td>Company K</td>
<td>● Director ;</td>
</tr>
<tr>
<td></td>
<td>● Marketing Manager</td>
</tr>
<tr>
<td>Company L</td>
<td>● Marketing Manager</td>
</tr>
</tbody>
</table>

Table 4.2: Number of Selected Companies in Different Industries

<table>
<thead>
<tr>
<th>Industry</th>
<th>Number of Companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apparel</td>
<td>1</td>
</tr>
<tr>
<td>Banking and Finance</td>
<td>1</td>
</tr>
<tr>
<td>Education and Training</td>
<td>1</td>
</tr>
<tr>
<td>Food and Beverage</td>
<td>1</td>
</tr>
<tr>
<td>Insurance</td>
<td>1</td>
</tr>
<tr>
<td>Information Technology</td>
<td>1</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>1</td>
</tr>
<tr>
<td>Medical and Healthcare</td>
<td>1</td>
</tr>
<tr>
<td>Property Management</td>
<td>1</td>
</tr>
<tr>
<td>Publishing, Printing, Advertising and Design</td>
<td>2</td>
</tr>
</tbody>
</table>

While several selected companies come from secondary industries, most of their employees in Hong Kong headquarters are white-collar staff. This is unavoidable
because service sector contributes more than 90% of Hong Kong’s GDP (Census and Statistics Department, 2014).

Following the practice of Laudal (2011), the sizes of the selected firms in this research are measured by the number of employees. Their sizes in terms of the number of employees in Hong Kong are listed in Table 4.3. To better reflect the situation in Hong Kong, the categories of the firm size in Table 4.3, except for the smallest category, follow the employment survey conducted by the Hong Kong government (Census and Statistics Department, 2013).

Table 4.3: Size of Selected Companies in terms of Employees in Hong Kong

<table>
<thead>
<tr>
<th>Size of Selected Companies in terms of Number of Employees in Hong Kong</th>
<th>Number of Selected Companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-49</td>
<td>1</td>
</tr>
<tr>
<td>50-100</td>
<td>2</td>
</tr>
<tr>
<td>100-199</td>
<td>2</td>
</tr>
<tr>
<td>200-499</td>
<td>2</td>
</tr>
<tr>
<td>500-999</td>
<td>2</td>
</tr>
<tr>
<td>$\geq$ 1000</td>
<td>2</td>
</tr>
</tbody>
</table>

A few of the above selected companies set up manufacturing plants in other territories. However, this research just focuses on their CSR initiatives in the Hong Kong headquarters.

Secondary information on the CSR profiles of these companies is collected from the company websites, their internal and external publications, media reports, company profiles in local CSR awards and other sources. It is found that all selected companies do not publish CSR reports. Two major sources of secondary information are company websites and their publications. A brief summary on the CSR coverage of their company websites and publications is showed in Table 4.4.
<table>
<thead>
<tr>
<th>Company</th>
<th>Company Website</th>
<th>Publications e.g. newsletters</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company A</td>
<td>brief reports on CSR award, participation of CSR activities and the company’s support to local artists</td>
<td>occasionally reports on details of CSR events organized by the company</td>
</tr>
<tr>
<td>Company B</td>
<td>extensive coverage on CSR activities; descriptions on their CSR practices leading to various CSR awards</td>
<td>CSR newsletters reporting details on their value of CSR, details of CSR activities and sharing of staff</td>
</tr>
<tr>
<td>Company C</td>
<td>brief reports on the company’s participation in CSR activities and award</td>
<td>reports on promoting a few CSR events</td>
</tr>
<tr>
<td>Company D</td>
<td>brief reports on the company’s participation in many CSR activities &amp; awards;</td>
<td>a list of CSR awards won by the company</td>
</tr>
<tr>
<td>Company E</td>
<td>coverage on CSR awards and a lot of other CSR activities</td>
<td>reports on their belief and values of CSR and awards</td>
</tr>
<tr>
<td>Company F</td>
<td>no company websites</td>
<td>publication not available</td>
</tr>
<tr>
<td>Company G</td>
<td>brief reports on the company’s participation in CSR activities and CSR award;</td>
<td>reports on the details of CSR events organized by the company</td>
</tr>
<tr>
<td>Company H</td>
<td>brief reports on the company’s participation in CSR activities and CSR award;</td>
<td>brief reports on the company’s participation in CSR activities and CSR award;</td>
</tr>
<tr>
<td>Company J</td>
<td>no reports on CSR activities</td>
<td>occasional and brief reports on the company’s participation in CSR activities;</td>
</tr>
<tr>
<td>Company K</td>
<td>brief reports on CSR award;</td>
<td>publication not available</td>
</tr>
<tr>
<td>Company L</td>
<td>extensive coverage on CSR activities; an introduction on the company’s organizational structure in promoting CSR</td>
<td>extensive coverage on the company’s CSR activities</td>
</tr>
</tbody>
</table>
Other sources of secondary data are also available, such as company profiles in local CSR awards, promotion materials on the Internet and media reports. All sources of secondary data and the interview results will be examined together for developing the company profiles in Section 4.3.

Another source of research data comes from the focus groups with CSR experts. Two focus groups are held and seven CSR experts have participated in the focus group discussion (Table 4.5). The views of the focus groups are combined with the interview results and secondary data for the analysis of the CSR implementation process.

Table 4.5: Number of CSR Experts in the Focus Groups

<table>
<thead>
<tr>
<th></th>
<th>Group A</th>
<th>Group B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Consultant</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Scholars in Marketing and Management</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Scholars in Accounting</td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>

4.3 Company Profiles

4.3.1 Company A

Company A is an insurance company and the Marketing Head is responsible for the company’s CSR initiatives. Reports on the company’s various CSR activities can be found on the company’s website as well as the company’s newsletters. The company has planned to publish a CSR report next year.

The main driving force of CSR in Company A comes from top management. They consider CSR an essential responsibility that Company A must undertake for the benefits of the society. The Marketing Head of Company A points out that the development of the company’s CSR initiatives echoes its business motto, which emphasizes a positive attitude in life. The company’s CSR initiatives are therefore focused on opportunities provided to young local artists and support to the young generation through events related to sports.

Company A takes the view that the value of its CSR initiatives might diminish if Company A treats the CSR initiatives as an ordinary task of giving out sponsorship.
Instead of directly sponsoring sports events, Company A prefers to organize sports-related events which require the participation of volunteers and recipients. Company A agrees that it is time-consuming to organize such events and the events are small in scale. Notwithstanding this, Company A considers that this type of events can bring more positive influence on the participants.

The major benefit of CSR initiatives to Company A is branding. Even though CSR initiatives cannot directly boost the sales of the company, the public become more aware of Company A and a good corporate image is being established. The goodwill brought by CSR initiatives also gives a positive influence over its employees. They take pride in Company A’s contribution to the community.

The CSR development in Company A is led by their Marketing Department. The Department has earmarked a certain portion of its budget on branding to implement CSR initiatives. With this budget arrangement, extra resources are not required for Company A to implement CSR initiatives.

The Marketing Head considers the Marketing Department suitable for leading CSR projects for the company, as he has remarked:

Marketing Department has a good network with the media and production vendors. Since they will be involved in organizing CSR activities, it is cost-effective if the activities are done by the Marketing Department. Moreover, staff from the Marketing Department are creative… and there can be lot of ideas on CSR activities. They are also good at doing publicity. (Marketing Head, Company A)

Company A works with many external partners in organizing its CSR activities, particularly with non-governmental organizations (NGOs) related to youth. Company A needs the expertises and the network of these NGOs in its CSR initiatives.

Company A does not link up the sales of its products with its CSR initiatives, for it worries that it might distort the meaning and the positive influence of its CSR initiatives.
Neither does Company A measure the outcomes of its CSR by sales figures. It takes the goodwill of the company and the feedback of the CSR participants as the main indicators of CSR outcomes, and both are intangible.

### 4.3.2 Company B

Company B is an eyewear manufacturing company and its Financial Controller is interviewed by the researcher. Company B’s website shows that Company B has participated in many CSR activities. The company has published CSR newsletters for its staff and clients. CSR initiatives related to employees’ well-being, community services and environmental protection are reported in the newsletters. The company’s CSR value and concept are also clearly illustrated in the newsletters. An office tour is given to the researcher following the interview. It is found that Company B has assigned a large area in its office to display its CSR achievement, such as trophy, certificate and newspaper clippings.

The CSR initiatives of Company B are driven by top management. They intend to improve the work-life balance of their employees and make contribution to the society. The Company can also gain from the better work environment faced by employees.

Since Company B is an eyewear manufacturer, the company has devoted resources on CSR activities related to eye-care. Company B work with NGOs to help disadvantaged groups, such as elderly or ethnic minorities in the society. They also work with their clients and optometrist in these community projects. To solicit help from outsiders, Company B has even set up a charity foundation to run this community project. Besides eye-care, Company B also participates in other community projects. For environmental protection, it uses ISO 14001 and adopts green technology in production.

Company B has made a lot of efforts to care for employees’ well-being and in return, it has won several awards. Its initiatives include the professional and personal development of its employees, and activities for maintaining work-life balance of the employees. Company B also extends its CSR activities to cover the families of its employees. The Financial Controller has explained that the responses from the employees are much better when the CSR activities also invite their families.
The CSR initiatives of Company B are coordinated by the Human Resources (HR) Department, which reports to the Financial Controller. Company B has formed a CSR Committee to collect views from different Departments. The Financial Controller considers it natural for HR to coordinate the CSR efforts because it is a part of people management.

Top management is heavily involved in the CSR development in Company B. One of the company founders has participated in most of the CSR activities and worked closely with the HR Department in initiating CSR activities. His support has been very crucial to the CSR development in Company B. It has cleared the doubts from the employees and they are more willing to join CSR initiatives.

The major benefit perceived by Company B on its CSR initiatives is the impacts brought on its employees. The Financial Controller has explained that their employees take pride in the company’s CSR achievement. CSR has enhanced their sense of belongings and increased the bonding among the employees. There is a rise in the team spirit after Company B has implemented CSR initiatives. Indeed, CSR is already a corporate culture in Company B:

In last year’s company retreat, we had group discussion on the company culture. All groups considered CSR as part of the company culture. (Financial Controller, Company B)

Company B has not mentioned corporate image or branding in the interviews. However, the company has agreed that its CSR efforts are known and appreciated by their clients. Their renowned efforts in CSR become a key differentiation of Company B from their competitors in the industry.

Company B does not consider it essential to have a formal measurement on the CSR outcomes because they already have the full support from top management. It is not necessary to add CSR participation in the employees’ performance appraisal. Nonetheless, they would record the participation of their employees in CSR activities so as to provide recognition to the active participants.
4.3.3 Company C

Company C is from the medical and healthcare industry. Its CSR implementation is coordinated by its Recreation Committee which is chaired by a HR Officer. Interviews have been arranged with the Executive Director and the Chairperson of the Recreation Committee. Their company’s website only briefly reports on their community activities while its newsletters have focused on educating their customers.

Company C considers CSR a responsibility for a company with a certain scale of operation and it usually selects CSR activities related to its business, i.e., health or patients’ well-being. These include fund raising activities for health-related charity organizations and volunteer services related to children patients. CSR does not only help the image-building of Company C, but it also enables Company C to make use of its skills and professional knowledge in helping the targeted recipients. Such type of CSR activities could induce very good feedback in Company C. However, to a certain extent, Company C is quite passive in conducting its CSR activities. A number of CSR activities come from the network of the CEO or are approached by different charity organizations.

An important element of Company C’s CSR initiatives is consumer right education. Company C considers this as an integrated part of its core business which is aligned with its core values and vision.

Company C considers that the major driving force of CSR comes from top management. The attitude and beliefs of different CEO of Company C determine the number of CSR initiatives, the direction and the strategy of the CSR campaign.

Company C perceives several benefits when implementing CSR. First, CSR has improved the corporate image of the company. This is good to their business as some corporate clients consider the CSR activities carried out by Company C. Second, CSR initiatives has boosted the morale of the employees and benefited the employee relationship. The HR officer is of the view that CSR is helpful to retain the staff in the company.
Instead of simply providing donations to charity organizations, Company C prefers to make efforts in organizing CSR events which require participation of its staff. Despite the heavy workload, Company C considers this essential to nurture a corporate culture of CSR. However, Company C often has difficulties in recruiting sufficient participants in its CSR activities.

The CSR activities of Company C are organized by its Recreation Committee. Though the Committee comprises members from different departments, the chair of the Committee always comes from the HR Department. This is easier for Company C to engage their employees in CSR initiatives. This also echoes its preference for selecting CSR activities with more employee participation.

The performance in CSR activities is not counted in the employees’ performance appraisal in Company C. However, employees’ participation in CSR is formally recorded as recognition of the contribution made by them.

Company C works with external partners in CSR activities. These external partners do not only provide a network to reach the recipients of the CSR initiatives, they also provide a platform for Company C to participate in CSR activities without the burden of organizing the CSR activities by itself. It is easy for Company C to find external partners because there are many NGOs concerning with health related issues.

Company C chooses external partners based on the reputation and the recipients of the NGOs. Particularly, Company C has studied how these NGOs used their funds before forming a long term relationship with them. As a consequence, a number of these external partners are large NGOs which, at the same time, work with many other companies as well. The busy schedule of these NGOs is an obstacle to Company C in developing their CSR initiatives. It is difficult to find a suitable time schedule to organize CSR activities with them. To address this concern, Company C is now developing a strategic partnership with a medium-sized NGO.

Company C considers that the Company is not high profile in publicizing its CSR activities because of the nature of the health care industry. Not many CSR activities can be found in the company’s newsletters or company’s websites.
Company C considers CSR initiatives being not necessary to have an outcome of boosting sales. Instead, Company C considers the participation rate of its employees in these CSR activities, and the feedback of the NGOs and recipients as the outcomes of its CSR activities. Another visible indicator is the awards in relation to CSR. Achieving CSR award was a priority in Company C as it has reflected its efforts in CSR to both external and internal stakeholders.

4.3.4 Company D

Company D is from the banking and finance industry. The Marketing Director is interviewed by the researcher. The company’s website has indicated that Company D has participated in many types of CSR activities, ranging from voluntary services to scholarship. The interviewee has elaborated that quite a number of the Company’s CSR are related to supporting children and the elderly.

According to the Marketing Director, the CSR efforts of Company D are initiated by top management of Company D and its CSR is closely related to the vision of the business. Its business vision emphasizes a sense of integrity in financial planning for the well-being of its clients, which is consistent with the ideas of helping others behind CSR initiatives.

The top management of Company D has agreed that there is no short-term gain from these CSR activities. The major benefit is the improved image of Company D. Company D also emphasizes the support given to its employees via CSR. Through the CSR activities, the company’s employees can get recognition from helping others and they have greater commitment to Company D:

Our financial planners have their own networks. Every year there are different referrals made by our colleagues. These staff know many different clients and people. They would refer the recipients in need to our company. In a sense, CSR initiatives help our colleagues too. They find that CSR initiatives of our company can affect them and such initiatives help others as well. They are more committed to the
company as well as to the participation in these CSR activities.

(Marketing Director, Company D)

The CSR initiatives of Company D are conducted by two parties: the Marketing Department and the Recreation Club. The Marketing Department coordinates regular CSR activities, such as territory-wide community events and scholarship. It also works with some long term external partners in CSR activities. A long term relationship is easier to manage and it also facilitates Company D to communicate its CSR activities to its clients.

Ad hoc CSR activities, such as volunteer services and blood donation are mainly organized by the Recreation Club. These CSR activities are indirectly supported by Company D. In choosing the CSR activities, the Club would consider activities which provide opportunities for the employees to interact with the recipients.

The executive committee of the Recreation Club is elected among their staff, and its members are consisted of both the staff and their clients. These CSR activities organized by the Club are not decided by the management of Company D. However, the Marketing Department provides some guidance and support to facilitate its CSR activities, such as donation of gifts, insurance coverage and publicity. Since these activities are not officially organized by Company D, its employees do not feel any pressure to participate.

Company D often works with external partners in organizing its CSR activities and these NGOs provide advice and network of recipients to Company D. Most of the NGOs are connected through its employees’ networks. Since top management cares about the support provided to the employees, Company D has worked with many different NGOs, as long as the resources and manpower allow. Despite the fact that the participation of employees is good, manpower is a concern in CSR initiatives because Company D is not a large company.

Many of these external partners are small NGOs. Even though they do not have territory-wide reputation, Company D does not mind to work with them in organizing CSR activities:
In fact small NGOs need more of our support…. We do not worry about the size of the NGOs. We consider the purposes of their CSR activities. We participate in the activities. It is not just a donation. We could see the responses and the needs of the recipients.

(Marketing Director, Company D)

Company D considers CSR already a part of its corporate culture and it is closely integrated with the business vision of the company. The Marketing Director considers the support from top management crucial to the CSR development in the company. The attitude and belief demonstrated by top management can be felt by the employees, which decide how employees perceive the CSR initiatives of the company.

4.3.5 Company E

Company E specialises in healthy food products. The main driver of its CSR initiatives comes from top management of Company E. They take it as a responsibility for a profitable business to make a contribution to the society.

Company E’s main targeted stakeholders in its CSR initiatives include customers, employees and the local community. Regarding the customers, Company E aims to promote a healthy lifestyle via its traditional herbal products. The Company even runs a private museum on herbs for schools and the public. Employee development and well-being are also issues of concern for Company E. Its company’s website and publications show that Company E arranges a lot of training and development opportunities for its staff, and promotes a healthy lifestyle among staff. Company E also provides a lot of sponsorship, usually in products, to NGOs in the local community. It organizes or participates in various community projects to help the disadvantaged groups and social enterprises, as well as hires the underprivileged. However, Company E admits that, to achieve a better outcome, it should organize more community projects to draw the attention of the public to its NGO partners.

The CSR initiatives of Company E are coordinated by its Public Relations (PR) Department because Company E perceives a benefit in branding through its CSR initiatives. It can also indirectly promote their products. Other than branding,
Company E also finds that CSR initiatives contributed to the sense of belongings of its employees, and the participation of CSR activities also helps the development of its staff.

Company E does not use any quantifiable CSR outcome measurements. It considers CSR outcomes as intangible, such as better brand image and employees’ morale. However, the CSR awards have provided positive feedback to Company E in regard to its CSR initiatives.

Company E considers the support from the top management as the most important factor in successfully implementing CSR initiatives. However, the lack of quantifiable CSR outcomes has posed a difficulty to Company E for getting more resources in conducting more CSR initiatives. Another difficulty is the recruitment of enough volunteers because the employees of Company E, particularly the front-line staff, are very busy and they have different work schedules.

4.3.6 Company F

Company F is from the apparel industry. Its Managing Director is involved heavily in the company’s CSR initiatives and he is interviewed by the researcher. After the interview, a video clip reporting the Company’s CSR activities is shown to the researcher.

The Managing Director of Company F explains that the Company is willing to contribute to the society because it is a Hong Kong local company. The Company considers it a responsibility to contribute to the community when it has built a profitable business in Hong Kong. The Company has focused its CSR efforts in helping youth, the elderly, and the lower income class and improving employees’ well-being.

However, within Company F, they do not call their efforts as CSR. Such initiatives are not considered as owned by Company F. The Managing Director is of the view that the Company wants its employees to believe in its value behind these initiatives. Its CSR efforts are not linked to the job duties or performance. Company F just provides a platform to its staff so that they could solve some social problems together.
Sustainability is a key concept behind the CSR initiatives of Company F. The Company does not prefer one-off donation in its CSR initiatives. It prefers to help recipients find ways of self-reliance. It is a process of continuing improvement of these recipients. To achieve this objective, Company F has made use of their products, knowledge, human resources and business network in their CSR initiatives. For example, the Company has worked with social enterprises by providing business advice in their operation, or providing the network to reach new clients, or providing their apparels as their uniforms or for charity sales.

Company F has made use of its network to connect different NGOs, social enterprises and businesses when it carries out its CSR initiatives. By connecting with other businesses, Company F has demonstrated to other companies how businesses can help the disadvantaged in the society. Company F also likes to link up different NGOs and social enterprises. For example, it has connected a social enterprise with a NGO together to work on a new campaign on local agricultural industry. This kind of collaboration could bring leverage effects of their efforts, and thus bring a multiplier effect in their contribution to the society.

The CSR initiatives in Company F are coordinated by the Managing Director. The Managing Director explains that this can persuade the Company’s staff to join the initiatives, and more importantly, more staff will agree with the belief behind such initiatives. The CSR efforts in Company F are not done by a particular department. Its employees voluntarily participate in these activities. The Managing Director has assigned these CSR initiatives to different volunteers based on their workload and ability in different period of time.

Company F perceives the greatest benefit from CSR initiatives coming from the team spirit of the employees. They are proud of their contributions and have a higher self-esteem. It has also brought a bonding among the staff. Company F believes that CSR is already a corporate culture in the company and it is consistent with the company vision of having a harmonious work environment.

Branding and CSR awards are not the concerns of Company F. It does not take CSR as a way to promote the company. It does not have a systematic record of its CSR efforts.
because Company F does not want to turn CSR into a task. Its communication with external stakeholders about its CSR efforts is very limited.

However, Company F emphasizes much on the internal communication with its employees. Its Managing Director has taken an active part in internal communication. The Company publicizes its CSR achievements in e-mails, newsletters, notice boards, and even in the annual dinner videos. Such internal communication can create a positive feedback to the employees and promote the beliefs of CSR efforts. Both the company and the employees are very satisfied with their achievement.

Company F works with many external organizations. The Company relies on these NGOs to reach the recipients and their expertise in helping the recipients. Company F understands its limitations in these areas. The NGOs and Company F could complement each other in helping the recipients. In the actual implementation, the technical know-how and network can help the recipients and NGOs with more than money donation. Many NGOs do not do well because they have spent their energy and resources on dealing with these issues that they do not have the expertise. These are the areas that companies can help the most.

Company F considers the leadership of the top management as a very important factor in CSR development. The willingness and ability of top management in supporting CSR are crucial elements. However, such ability depends on whether the business is profitable. To make the CSR efforts sustainable, the participation of employees is important. They could only be achieved if the company could show them the true value behind their CSR initiatives.

4.3.7 Company G

Company G is from the publishing and printing industry. While the HR Director handles the CSR efforts related to environmental protection issues and employees’ well-being, other CSR initiatives are directly handled by the Managing Director. Both the Managing Director and HR Director are interviewed by the researcher. Many of their art and cultural events are covered in the local media as well as overseas media and these newspaper clippings are shown to the researcher at the end of the interview. The Company’s website only has a brief introduction on the Company’s CSR activities but a
lot of coverage on CSR activities can be found in the quarterly newsletter for the Company’s clients and staff. Company G believes that true CSR can only be achieved if its employees know what Company G have done.

As a company in the printing industry, there are many organizations asking for printing sponsorship from Company G. It has also introduced environmental measures in its production and taken measures to care for employees’ well-being. Besides, Company G has some CSR projects on youth and education. Another main CSR initiative is on art and cultural activities. Their Managing Director has led various departments to organize a territory-wide art and cultural event.

The CSR development in Company G is mainly driven by top management. The Managing Director explains that the Company has started CSR when they switched from a small printing company to an integrated communication company. As the business grows, Company G needs to consider the well-being of their staff. There are also many external organizations approaching Company G for printing sponsorship or money donation. Company G is willing to contribute to the local community because it has identified itself as a local company.

Concerning environmental protection, Company G has adapted ISO 14001 and obtained the certificate in Forest Stewardship Council. These standards are comprehensive and have served to provide guidance to employees to do better. It is not only good to the environment and is also able to cut cost for Company G.

The most important benefit perceived by Company G is a better brand image established through its support to art and cultural events. This is an intangible benefit; the direct impact on the sales is not obvious. Another benefit of CSR is the loyalty of the employees. It can reduce the high turnover rate which is a big problem in the industry.

The HR Director also considers it vital to follow a win-win approach for CSR initiatives. While CSR might not be costly, it is important to avoid conflicts between the business operation and CSR initiatives. Top management would not agree to carry on if CSR
has adversely affected the operation. After all, CSR initiatives can only be sustained by a profitable business.

The Managing Director also echoes it by stating that the major difficulty of CSR implementation is the vast time spent by them in organizing CSR initiatives. That is the reason why Company G has spent much resources on donation and scholarship, as they are an easier way to return to the society. This problem is particularly important to Company G because it has grown very rapidly in the past decade. The Managing Director explains that he and his staff are very busy under the business expansion and do not have time to participate in too many CSR activities.

Overall speaking, the HR Director considers the most crucial factor of CSR development is to gain the support from the top management:

> We are just employees. If top management does not agree, there is not much that we can do………In the initial stage, we need to convince top management that there is a value for the money spent on CSR. This message must be very clear. If top management perceive the many advantages of CSR, of course they would agree to it. (HR Director, Company G)

### 4.3.8 Company H

Company H is from the publishing and printing industry. Interviews are conducted with its Managing Director and Head of Operations. The Head of Operations is responsible for their CSR implementation. Company H has participated in various CSR initiatives, including promoting environmental protection, helping the NGOs and minorities, and caring for employees’ work-life balance. Information about the Company’s participation in CSR activities in the community can be found in their company website.

The CSR initiatives in Company H are mainly driven by top management who consider CSR good to the society and to their business expansion. Some large business clients would take into account the CSR efforts of Company H.
A major CSR concern of Company H is environmental protection. The Managing Director of Company H explains that it is natural for them to be sensitive to environmental issues because they are a printing company. Besides implementing green policy within the company, Company H has also made efforts to educate and convince its clients to adopt more environmental friendly products.

Company H has organized different types of CSR activities and worked with different NGOs. It aims to raise the awareness of the needs of different minorities groups in the society. NGOs have provided platforms for Company H to help the recipients.

Company H is now working on a new CSR initiative by making use of its business network to help a NGO. Through this initiative, Company H can promote CSR to its business partners and help the disadvantaged together. Company H also expects a better outcome because different companies have different expertise or resources.

Most of the CSR initiatives are chosen by the HR team, which is under the Head of Operations. Company H chooses this arrangement because employees’ work-life balance is another main concern in their CSR initiatives. Moreover, it is easier to convince the employees that the CSR efforts of Company H aim to contribute to the community instead of boost the sales.

Company H considers it useful to communicate its CSR achievement with external stakeholders. This is particularly helpful for their employees to promote environmental friendly products to its clients. Therefore, getting CSR or environmental awards and certificate is a priority to Company H. The Company communicates with external stakeholders via its Company’s websites, brochures and publications. However, Company H agrees that it tries to keep low profile when mentioning its CSR efforts is concerned.

The largest benefit to Company H from CSR initiatives is an improvement of staff morale. There are many young employees in Company H and they feel good with their contribution in these CSR initiatives.
The Managing Director of Company H considers the support of employees a crucial factor in successfully implementing CSR initiatives. However, employees in this industry have long operating hours and they need to work in the weekends as well. Many of them do not want to participate in CSR activities after work. This is particularly difficult for voluntary services.

Another concern is finding suitable NGOs. Some NGOs have indicated that Company H is not large enough and they do not want to work with Company H.

If a NGO is too big, it doesn’t choose us as its partners. If it is too small, we don’t know whether this NGO is appropriate or not. We have to be very careful……We have to look at their reputation, their past history, and it depends on the contents of our activity. (Managing Director, Company H)

The Head of Operations considers the support from top management and the passion of the staff the most crucial factors for successful CSR implementation:

Top management is the first factor. If they don’t agree, CSR cannot go ahead. Passion is also vital. After all, a company can choose to implement CSR, or not to do it….. If the CSR team doesn’t have the passion, other employees would not follow you. (Head of Operations, Company H)

4.3.9 Company J

Company J is an educational and training company and its HR and Finance Manager is interviewed by the researcher. This manager is responsible for the coordination of the CSR initiatives of the company. Its employees have participated in various CSR activities, including providing their services to children in need, practising green policy, caring for employees’ well-being, giving donation to NGOs and participating in community charity events.

With the expansion of its business in the past few years, top management of Company J consider that it is appropriate to launch some CSR initiatives. They believe that the
reputation and corporate image associated with their CSR efforts will be beneficial to the future expansion of Company J.

During the CSR implementation, the HR and Finance Manager realizes that caring for the employees’ well-being is actually a way to enhance the sense of belongings of the Company’s employees and reduce their grievances. This is particularly important to Company J as it hires many young staff. The support provided by Company J in the career development for its staff and voluntary services are appreciated by its employees. These CSR initiatives could improve the morale of employees.

Regarding environmental protection measures, Company J has taken them as cost-saving measures. Top management are involved more in this area and have spent resources on adjusting its production technology in the daily operation to achieve the results.

CSR activities in Company J are initiated in the daily meetings led by the top management. The Company consider different types of CSR activities based on the budget, the workload and whether these CSR activities can help Company J to get CSR award. They also regularly provide their services to children from lower-income group.

The coordination of the CSR activities in Company J is handled by the HR and Finance Manager. This arrangement facilitates the allocation of budget to various CSR activities and it is also easier to care for the employees’ well-being.

However, the actual implementation of these CSR projects is taken by the front-line managers of Company J. They have known many external partners in its daily business operation and they are able to maintain harmonious relationships with these NGOs. These NGOs provide the network for Company J to reach the recipients of its CSR initiatives.

Company J disseminates the CSR efforts made by the company to its staff through its daily staff meetings. It is an effective way to communicate with their staff. However, only a few CSR activities could be found in its publications and company’s website.
For its services provided to the lower-income groups, the Company considers the number of recipients as an indicator that reflects the outcomes of CSR. It will look at the feedback and responses of its staff in community services. For environmental protection measures, Company J would measure the outcome by the amount of cost-saving.

Company J considers the corporate image as its top priority in conducting CSR. It has clearly indicated that CSR initiatives can only be maintained if the company earned enough profits to sustain it. This is very important to a company in rapid business expansion and with limited resources. To do this, it is crucial for the top management to identify the benefit associated with the CSR initiatives. Only with the linkage between CSR initiatives and the business benefits is made clear to top management will the company spend more resources on developing CSR initiatives.

4.3.10 Company K
Company K is an IT company. Interviews are arranged with a Director and the Marketing Manager. Company K participates in various CSR activities. The coverage of CSR is limited in the Company’s website. The CSR initiatives are driven by top management. It is considered a responsibility to the society as the company grows. Company K often joins the activities organized by NGOs. Since several NGOs are its clients, Company K has participated in the community events organized by its clients. The Director has explained that this is convenient to Company K.

However, the Director admits that CSR is not the top priority of Company K in the past years because the company had experienced a period of rapid expansion to overseas places. Therefore Company K is neither systematic nor proactive in organizing their CSR initiatives:

It all depends on whether we have the resources to support them. We seldom think of new CSR activities and approach NGOs. We are not so creative in this area. We are passive. We try to see the needs of NGOs and consider our own resources and objectives. (Director, Company K)
Compared with a few years ago, Company K finds it more difficult to find NGOs as its CSR partners. There are more companies in Hong Kong looking for CSR partners but many of them only trust those renowned NGOs with reputation. Company K finds these NGOs all very busy and have tight schedules. It is difficult to think of new CSR activities and its small company size is another obstacle to find suitable NGO partners.

The CSR activities are mainly conducted by the staff in Marketing and HR Departments with many initiatives on a voluntary basis. Company K has a pool of young employees and they are energetic to participate in CSR activities. Therefore Company K is able to keep on-going CSR initiatives.

While Company K does not perceive any direct business benefits from CSR, it agrees that CSR can bring a better image to Company K. The Marketing Manager has pointed out that such reputation is important to a business-to-business company, like Company K.

For CSR initiatives related to employees’ well-being, they are mainly conducted by the HR Department. The Marketing Manager is of the view that this arrangement is good to employees. The Company’s CSR initiatives in this area have improved the morale of the employees.

The Director of Company K believes that satisfactory CSR initiatives can only be achieved when the business growth is stable. It is difficult to a company under rapid expansion to engage in CSR activities as they might lack the time and human resources. Moreover, it is also crucial to have active participation from the employees.

4.3.11 Company L

Company L is a property management company. An interview is taken with its Marketing Manager who is responsible for the company’s CSR initiatives. Company L has quite a long history of participating in CSR activities. Environmental protection activities are the main focus of the Company’s CSR initiatives. The Company has organized various environmental protection events in the properties that are managed by it. It has also participated in the events organized by environmental NGOs. In addition, Company L has undertaken some community care events such as visiting elderly homes.
The CSR initiatives in Company L are driven by their top management who have a clear objective of brand building. In the property management industry in Hong Kong, environmental protection is closely linked with their businesses:

CSR is mainly used to enhance the branding. Property management companies have very close relationship with their clients. Through CSR initiatives and environmental awards, we could get recognition from our clients. It is good to our business. (Marketing Manager, Company L)

An important criterion for the selection of CSR activity for Company L is whether it is easy to measure the outcomes of its CSR efforts. Company L measures the outcomes of its environmental activities by the number of participants, number of recipients, environmental awards or labels, and media coverage. The above visible CSR outcomes are good to business development in its industry. Company L considers CSR initiatives easier and less costly to achieve than other ways of brand building, such as having first-class facilities in their properties. It is also well received by its customers. That also explains why Company L attaches great importance to CSR awards.

Most of the CSR activities in Company L are initiated and coordinated by the Marketing Department, which included many partnerships suggested by NGOs. Company L has also set up two committees on environmental protection and CSR to give advice to the Marketing Department. The committees are consisted of members from other different departments, including the front-line staff.

Environmental activities organized in the properties managed by Company L involve many stakeholder groups: NGOs, Owners Associations, residents and tenants, front-line staff and the government etc. Generally speaking, owners associations and residents are quite receptive to environmental activities. Environmental NGOs in Hong Kong are quite notable and the selection of these NGO partners is not a major concern to Company L. Working with these NGOs is good for brand building to Company L.
These notable NGOs are very experienced in organizing environmental activities and the government also provides a lot of assistance to property management industry in this aspect. However, a number of notable environmental NGOs requires donation for support and it can be a concern to Company L given their limited budget allocated to CSR.

The website of Company L shows that the Company attaches great importance to their participation in CSR activities. Another important communication channel with internal and external stakeholders is the newsletters. CSR efforts of Company L are always the main focus in the newsletters, which are distributed to its staff and its clients. Company L also promotes CSR initiatives in their corporate brochure for their clients.

Company L has made use of some international standard on environmental protection such as ISO14001 system. This is helpful to Company L because it provides easy guidelines for internal work procedure to follow.

Since Company L takes CSR initiatives as business decisions, the Company requires front-line managers to find participants for the CSR initiatives. The biggest difficulty of implementing CSR initiatives in Company L is to convince other employees to do it together as a responsibility towards the society:

> It is difficult to have employees from other departments to support the CSR wholeheartedly. Sometimes, it is just like some business of the Marketing Department only. CSR should be something good to the society and we should work together towards a common goal. But now it is treated more like a compulsory task and the spirit is not high. It seems that the culture of CSR cannot be promoted within the company. (Marketing Manager, Company L)

The interviewee has remarked that CSR should not be treated as a pure business decision on corporate image only. Without attaching a value towards the society, the CSR initiatives cannot be truly successful.
4.3.12 Analysis of the Selected Companies

The above company profiles form the basis for the analysis of the CSR implementation process of the local companies in Hong Kong. While these 11 companies come from different industries and vary in size, all of them have made efforts and devoted resources to develop their CSR initiatives. In the following sections, the various aspects of the CSR implementation process of these companies are synthesized to shed light on the CSR development and implementation process of local companies in Hong Kong.

4.4 Various Driving Forces behind CSR Initiatives

4.4.1 Top Management

Various driving forces of CSR have been mentioned in Table 2.5, including top management, employees, the government etc. Among them, the research findings clearly indicate that top management is the major driving force behind the CSR initiatives of these local companies in Hong Kong. Interviewees from all selected companies agree to this. This result is not surprising. Many top management regard themselves as good corporate citizens and CSR is deemed as their duties towards the society. Particularly, some top management in the interviews have emphasized that they would like to contribute to Hong Kong as they start their business here. They consider it appropriate to shoulder more responsibilities towards the society when they expand their business to a certain scale:

Our company has grown bigger and expanded, and now has more staff. To run the business better, we need to take note of the needs of our staff and there are also responsibilities for the society. (HR and Finance Manager, Company J)

According to the PR Manager of Company E, her company pursues CSR for the interests of the society. In her view, any reputable business should undertake a duty towards the society. Likewise, the Director of Company K has expressed that, so long as his company continues its business in Hong Kong, it will use part of its resources to help people or organizations in need in the society.
The Managing Director of Company G also explains that his company has started pursuing CSR when it grew from a small printing company to an integrated communication company:

Our business network widens and we know more people…Moreover, our strength of the staff grows rapidly. We have to take note of the needs of our staff, which means more HR effort and more events put in this area. Naturally, there are more demands, both internally and externally, for CSR initiatives from us. (Managing Director, Company G)

Some other companies consider that their CSR implementation is closely related to their industry nature. These include those industries that concerns about environmental protection issues or have big impacts on consumers’ well-being:

Many people consider that the printing industry is not environmentally friendly. In our view, it is not true…We don’t dare to say our CSR is a return to the society. But at least it is our responsibility to help the environment or to educate our clients about environmental protection. (Managing Director, Company H)

Top management of Company C also share a similar view on their CSR efforts in consumer right education:

To be a proper medical organization is already a CSR. It is in our industry nature to protect our consumers and deliver the right services. You can brand it as CSR, or something a medical organization must do. (Executive Director, Company C)

All of the above companies view CSR as a moral obligation that a company must fulfil. In other words, there is evidence of the moral orientation of implementing CSR in Hong Kong.
When the management of these selected companies initiate their CSR efforts, some of them have very specific targeted stakeholders in their minds. Both Company B and Company G claim that they have begun their CSR because of their concerns on their employees’ well-being. When they find their employees are overwhelmed by heavy workload during their business expansion, they start to find some ways in improving their employees’ work-life balance:

Our company founders find that our staff are overwhelmed by their workload. They try to find ways to help our staff feeling better. After all, we work at least eight hours a day and usually need to work overtime. We spend more time with our colleagues in the office than with our families. We wonder how we could make our staff physically and mentally healthier. Then we attended many HR seminars and learned from other companies. We find that we could do the same in our company too. (Financial Controller, Company B)

The motivation of the selected companies’ CSR initiatives reported in the interviews can also be compared with the CSR values reported in their company websites and publications (Table 4.6). An analysis of their websites and publications find that most selected companies have reported that they implement CSR for the sake of the community and the environment, and sometimes for their employees and customers.

Even though only two companies have linked their CSR initiatives to their business in their websites, the interviews have revealed that the CSR implementation of some selected companies is related to the vision of their core business. For these companies, the values of their CSR initiatives can be easily integrated with their business vision or motto. The Marketing Director of Company D has explained that:

Our CSR is consistent with the company vision. The top management believes in improving other’s well-being through our daily business in financial planning. In addition, there is also a responsibility to contribute to the society. Thus, our top management always encourages the staff to do CSR. (Marketing Director, Company D)
Table 4.6: Motivation of CSR Initiatives Mentioned by the Selected Local Companies in their Company Websites and Publications

<table>
<thead>
<tr>
<th>Company</th>
<th>Economic Motives</th>
<th>Non-economic Motives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company A</td>
<td>nil</td>
<td>care for the community, the environment, &amp; employees</td>
</tr>
<tr>
<td>Company B</td>
<td>creating all-win situations for the company, employees, customers &amp; suppliers; green products are well-received by customers</td>
<td>care for the community, the environment, employees, customers &amp; suppliers</td>
</tr>
<tr>
<td>Company C</td>
<td>nil</td>
<td>care for the community &amp; employees &amp; customers</td>
</tr>
<tr>
<td>Company D</td>
<td>nil</td>
<td>care for the community</td>
</tr>
<tr>
<td>Company E</td>
<td>care for customers’ health as business mission</td>
<td>care for the community, the environment, employees &amp; customers</td>
</tr>
<tr>
<td>Company F</td>
<td>no company website</td>
<td>no company website</td>
</tr>
<tr>
<td>Company G</td>
<td>nil</td>
<td>care for the community &amp; the environment</td>
</tr>
<tr>
<td>Company H</td>
<td>nil</td>
<td>care for the community &amp; the environment</td>
</tr>
<tr>
<td>Company J</td>
<td>nil</td>
<td>nil</td>
</tr>
<tr>
<td>Company K</td>
<td>nil</td>
<td>nil</td>
</tr>
<tr>
<td>Company L</td>
<td>nil</td>
<td>care for the community &amp; the environment</td>
</tr>
</tbody>
</table>

Company A has explained that its CSR initiatives are consistent with their latest business motto on positive life attitude. The CSR implementation complements its brand building efforts:

Since 2010, we have been using a new marketing campaign about positive life attitude...to develop our brands. We want to give this
message to Hong Kong citizens... When we conduct our CSR campaigns, we try to influence people to take a step forward and do something meaningful. (Marketing Head, Company A)

A few interviewees have reported that they implement CSR because of economic motivation. Company J says that its top management would only implement CSR if it is beneficial to the company’s development. Company L considers environmental protection initiatives as cost-effective ways to build their brand reputation in the property management industry:

CSR is a good way to enhance corporate branding... Even without upgrading costly facilities in our sites, we can still better promote our company image. Say, giving out hundreds of pots of plants to residents in our managed properties is not costly at all. But we can already promote the company in newsletters, website and other internal and external channels. The public is also aware of our CSR efforts. (Marketing Manager, Company L)

Nonetheless, it should be noted that most interviewees have reported that they have both moral and economic motivation in their CSR initiatives (Table 4.7). Most companies have commented on achieving a win-win situation for both the society and their companies. Only one interviewee considers her company’s CSR a pure business case, despite their company website has reported some non-economic motivation.
Table 4.7: Economic and Non-economic Motivation of CSR Initiatives Reported by the Selected Local Companies in Interviews

<table>
<thead>
<tr>
<th>Company</th>
<th>Economic Motives</th>
<th>Non-economic Motives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company A</td>
<td>CSR related to the company motto, part of branding</td>
<td>for the community, particularly youngsters and local artists</td>
</tr>
<tr>
<td>Company B</td>
<td>sense of belongings and team spirit of employees</td>
<td>for employees’ well-being, the disadvantaged and the environment</td>
</tr>
<tr>
<td>Company C</td>
<td>demand of corporate clients; consistent with company’s core value &amp; industry nature</td>
<td>a responsibility to the society; for the consumers benefit</td>
</tr>
<tr>
<td>Company D</td>
<td>Branding, CSR related to the company vision of helping others</td>
<td>to help the disadvantaged; a support to employees</td>
</tr>
<tr>
<td>Company E</td>
<td>nil</td>
<td>a responsibility to the society</td>
</tr>
<tr>
<td>Company F</td>
<td>to understand the vision of the company: creating a harmonious work environment</td>
<td>for employees well-being; for the disadvantaged; a responsibility to the society of a local company,</td>
</tr>
<tr>
<td>Company G</td>
<td>loyalty of employees; cost-saving from green practices;</td>
<td>a responsibility to the society of a local company, particularly for the art and cultural sectors; for employees’ well-being</td>
</tr>
<tr>
<td>Company H</td>
<td>for the expansion of the company</td>
<td>for the planet; a responsibility to the society; for employees’ well-being</td>
</tr>
<tr>
<td>Company J</td>
<td>for business expansion; for cost saving; to reduce employees’ grievance</td>
<td>a responsibility to the society: for employees’ well-being</td>
</tr>
<tr>
<td>Company K</td>
<td>reputation</td>
<td>a responsibility to the society; for employees’ well-being</td>
</tr>
<tr>
<td>Company L</td>
<td>branding</td>
<td>nil</td>
</tr>
</tbody>
</table>
Evidence collected in this research shows that moral motivation is not just lip service in the selected companies. Even excluding the unanimous assent of the interviewees from top management about their moral motivation, eight out of nine remaining interviewees from the middle management have recognized moral motivation behind the CSR initiatives of their companies. The moral value could be demonstrated by the actual practices of CSR implementation, such as employees’ regular voluntary services, the emphasis on employees’ participation by CSR initiatives organizers, or the active participation of their top management in CSR initiatives. It is believed that, generally speaking, both economic and moral orientations of CSR are relevant to the selected local companies.

4.4.2 Other Drivers

Even though several companies have implemented their CSR initiatives for the sake of their employees, employees are not considered by the interviewees as an active driving force behind their initial CSR implementation. Despite the fact that employees are considered important in the CSR implementation process, employees in these local companies are only passive supporters in the earlier stage of CSR development. The Managing Director of Company F finds that the employees are shy to participate in CSR initiatives in the beginning. The HR Director of Company G also mentions that the employees are not passionate with CSR in the beginning. Similar view is shared by Company C as well.

In contrast to the important roles played by top management and employees, pressure from consumers on local businesses’ CSR development is not significant in Hong Kong. The selected companies in this research do not feel any pressure from consumers in the mass market. All of them have not encountered any adverse incidents related to consumer groups which trigger them to initiate CSR projects.

Many selected companies also serve business clients in addition to regular consumers. Company C and Company H mention that their CSR performances are being considered by their business clients. Some business clients collect information on the CSR initiatives done by Company C. For Company H, some of its business clients have expressed concerns on the environmental impact related to its services provided.
Nonetheless, both companies do not consider pressure from business clients as an important driving force behind their CSR.

On the contrary, some selected companies have to put efforts on promoting their CSR values to their customers:

Regarding environmental issues, there is no pressure from our clients. Instead, we introduce them to do so. We have asked them to use recycled paper or FSC paper… We do not gain from our clients. But our employees get a sense of achievement when they successfully convince our clients to use such FSC paper. We cannot earn more profits but we can contribute to the environment. (Managing Director, Company H)

The Executive Director of Company C also shares a similar view on educating consumers:

In HK, consumers are not assertive about their rights in medical services. In this market, consumers are shy. It is up to our industry to decide whether to take advantage from this, or properly educate them about their rights. (Executive Director, Company C)

This research finds that pressure from media or NGOs are absent among the selected companies. Moreover, none of them has mentioned pressure from the regulatory authorities in Hong Kong or from the industry unions as relevant factors. These factors are not the driving force behind the selected companies to implement CSR initiatives.

Overall speaking, internal driving forces of CSR are more important than the external driving forces to these selected companies. These companies have developed their CSR initiatives mainly because of the moral and economic motivation of the top management. External pressure from the media, NGOs, government, customers, competitors and industry unions are insignificant to them.
4.5 Perceived Benefits Brought by CSR to Local Companies

The selected companies are of the view that developing CSR initiatives are beneficial to both the society and the business. All interviewees agree that their companies also benefit from CSR initiatives. Following Section 2.9, these benefits, according to the resource-based perspectives, can be categorized into three different areas: corporate branding, employees, and business operation (Branco & Rodrigues, 2006).

4.5.1 Corporate Branding

One benefit of implementing CSR is a better brand image for the company. Eight selected companies consider that their reputation and corporate image can be improved with their CSR implementation. For example, Company J has even placed corporate image as their top priority in conducting CSR initiatives. Company L also takes the view that:

 CSR is mainly to enhance our branding. Property management companies have very close relationship with their clients. Through CSR initiatives and environmental awards, we can get recognition from our clients. It is good to our business. (Marketing Manager, Company L)

Company E also finds CSR activities helpful in building their brand image:

 We have an upgrade in our brand image. In the past few years, we won several awards because of our CSR efforts… It is a big help to our brand name (PR Manager, Company E)

Some selected companies have attached great importance to the brand building effect of their CSR implementation. They assign the task of CSR development to their Marketing or PR Departments. They also report many CSR activities on their company websites. Company A allocates part of its budget in branding to CSR projects while Company G and Company L make efforts to ensure media coverage when they organize CSR activities.
However, these companies are of the view that the better corporate image may not be able to bring short-term boost in sales. In their view, the public are more aware of their companies because of their CSR activities and this is helpful to future business development. Nevertheless, the better brand image is an intangible benefit:

There are soft benefits. Overall speaking, the biggest benefit is brand building. We have gained a lot in brand building... Even with a lot of advertisements, we cannot achieve such a good branding. (Managing Director, Company G)

However, some selected companies do not consider branding important in their CSR initiatives. Company F has clearly indicated that it only concerns about the positive influence on their employees when they organize CSR projects:

We do not want to make use of CSR to promote our corporate image. You might realize that so far, I did not mention anything about corporate image... I just want our employees to become more positive in the CSR implementation process, and we can really help people in need in the community. (Managing Director, Company F)

Likewise, Company B has set up a separated charity foundation to run their voluntary services in eye-care. Their Financial Controller has explained that the Company does not want other people to take the project as a promotion for Company B. Hence, the Company’s staff provide these community services under the name of the foundation. It is also easier for them to invite outsiders, such as optometrists, to join the project.

In any event, corporate image or branding is a widely accepted benefit associated with CSR initiatives. Some participating companies even consider this as the greatest benefit from their CSR initiatives. However, three companies intentionally do not link their CSR efforts with branding. They have explained that they prefer focusing on the values behind their CSR initiatives. They are not enthusiastic about highlighting the benefit of branding in the interviews. One interesting fact is that such viewpoint on branding comes from top management of these three companies. They explain that branding is not their intention in implementing CSR. In any case, although corporate reputation is...
intangible; it is still considered a realized benefit to local companies, regardless of the company’s original intention in CSR implementation.

4.5.2 Employees

Another major area of benefits perceived by the selected local companies from their CSR initiatives is related to their employees. Many selected companies implement measures to enhance their employees’ well-being, including training programmes, counseling services by psychologist, interest classes, Outward Bound programmes, rooftop farming in their office etc. They are of the view that enhancing employees’ well-being is a way to boost the morale and the loyalty of their employees. The HR and Finance Manager of Company J responds that her company uses CSR to relieve the grievance of their staff. She notes that:

CSR initiatives can help the staff achieve a team spirit and foster a sense of belonging to our company. The employees can feel the care from the company and know that they are not just getting a job here. It is like a big family in our company. (HR and Finance Manager, Company J)

The support provided by Company A and Company J in the career development for their staff is greatly appreciated by their employees, which in turn helps their employees to cope with their work more effectively.

Company G also emphasizes their employees’ work-life balance and the issues on health and safety. The Managing Director of Company G says that:

Regarding our staff, the benefit of CSR is that in return, our employees are more loyal, and we have fewer quarrels and staff problems. We hope that employees are more loyal and fewer staff quit, since the current turnover rate is very high. (Managing Director, Company G)

Besides taking care of employees’ well-being, many selected companies claim that CSR initiatives, which aim to serve the community, can bring about satisfaction of the
employees. Company C finds that CSR activities have boosted the morale of the employees and improved the relationship among employees:

There is also a very positive influence on our existing staff. Our company does not only care about business. Our company is also willing to put resources in voluntary services. Most of our staff are willing to help people in need… and CSR initiatives provide a platform for the staff to do so. Now, our staff have a higher sense of belonging. The company image among our staff is also deemed better. Staff retention and morale have also improved. (Recreation Committee Chair, Company C)

The Financial Controller of Company B notes that there is a rise in the team spirit after they implement CSR initiatives:

There are many intangible benefits… We take pride in the responses of our staff towards the company’s CSR efforts. We can really make our company different from others. The most important thing is that our staff work happily in our company. (Financial Controller, Company B)

Similarly, Company E also finds CSR activities good for their employees:

Another benefit is for our staff. They participate in these activities and they are positive about our CSR. It can really raise their morale and establish a sense of belonging. Through these activities, they can have their personal development. (PR Manager, Company E)

These CSR activities are particularly important to those companies with many young staff. Several selected companies note that their voluntary services provided to the community are widely supported by the young employees. For example, Company H notes that their young employees consider it important to see their company investing in CSR. Similar views are shared by several other companies as well.
Interviewees from several selected companies reflect that their employees take pride in what their companies can do for the community. Company D notes that their employees get a sense of achievement from these CSR because they can help the community. Company F perceives the greatest benefit from CSR initiatives coming from the change of their employees:

Employees are very active in participation. They are quite proud of themselves. They can help others and they appreciate their own efforts very much… The bonding between employees, the sense of belonging towards the company, their belief in the company’s vision and their own self-esteem have increased. (Managing Director, Company F)

A few companies hold the view that their CSR efforts might help the recruitment of new staff, though the benefit is only marginal. Company C says that they have introduced their CSR initiatives to their potential applicants during recruitment. Two other selected companies provide scholarship to institutions and it is considered slightly helpful for their recruitment in these institutions.

Company D considers that organizing CSR activities provides the staff a training opportunity:

To organize the CSR activities, our staff can earn new experiences. Say, an accountant does not need to organize any project in her daily work. But from the CSR initiatives, she gets such an opportunity. (Marketing Director, Company D)

All companies, except one, recognize some benefits brought to their employees through CSR initiatives. Interviewees have discussed the influence on morale, sense of belonging, team spirit, bonding and relationship among staff, as well as commitment and loyalty of their employees. A few even believe that CSR initiatives have made their staff feel proud of their companies, and have higher self-esteem on themselves. Both top management and middle management share similar views in regard to these benefits.
for employees. The CSR experts from the focus groups have also added that the value-driven CSR activities are good opportunities to develop team spirit of a company:

There is a stronger bonding between employees and a sense of belonging towards the company. There is no conflict of interest among different departments in CSR activities. As long as it is voluntary…there is a sense of satisfaction among the staff, regardless of your rank. (Focus Group A)

4.5.3 Business Operation

Some selected local companies find CSR directly helpful to their business operation. Two companies hold the view that their business clients might consider their CSR performance. Both Company C and Company H consider that CSR is helpful to retain some business clients. Despite this, both companies do not perceive CSR as a determinant factor to attract business clients.

Environmental protection measures may be another benefit to their business operation. Company J has devoted resources to adopt a more environmental friendly production technology. In the end, Company J has found that these measures have successfully reduced their operation costs. Company C and Company G have taken their green policies as cost-saving business decisions. However, it should be noted that many other selected companies do not perceive any cost reduction related to their environmental friendly measures. Some companies even consider that it is costly to implement green policy and they pursue it just for the sake of the planet.

Company B notes that its prominent CSR efforts are well known by its clients. They regularly report their CSR efforts to their business clients in corporate briefing and the responses from their clients are good. Their employees perceive that the CSR initiatives of Company B become a differentiation against other competitors in the market. Company H advises that the Company is among the first in the industry to provide environmental friendly products to their customers. Since its environmental friendly products are certified by international standard, it is a well-founded product differentiation in the market.
Compared with the other two widely accepted benefits, it is noted that CSR only bring benefits to the business operation of some local companies but such benefits are usually insignificant. Environmental protection is the more plausible area for local companies to enjoy a business gain but CSR efforts in the community seldom provide a direct benefit to business operation. However, the gain from environmental protection measures could be bound by the industry nature.

4.6 Selection of CSR Activities and Targeted Stakeholder Groups

Many selected local companies target their community services on the disadvantaged groups and youngsters in their CSR initiatives and provide voluntary services and donations to them. Some companies have other targeted groups in their CSR initiatives. For instance, Company A targets on young local artists while Company G targets on local art and culture sectors. Company C, a healthcare company, targets on patients, including their own customers as well as those in the community whereas Company D and Company G provide scholarship to institutions. Company G and Company B work with many schools and institutions for company visits, school talks or training opportunities. Similar to the study of Panapanaan et al. (2003) mentioned in Section 2.5, employees and their families are another group of major targeted stakeholders. Improving employees’ well-being has been mentioned by several companies. The targeted stakeholders of the selected companies are summarized in Table 4.8.

It is common for the selected companies to participate in community activities organized by NGOs and provide voluntary services. Some selected companies also organize their own CSR events. For example, Company G organizes art and cultural events while Company A organizes sports-related community projects for children from lower-income families.
Table 4.8: Main Targeted Stakeholders of the Selected Companies

<table>
<thead>
<tr>
<th>Company</th>
<th>Community</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Disadvantaged Groups</td>
</tr>
<tr>
<td>Company A</td>
<td>✓</td>
</tr>
<tr>
<td>Company B</td>
<td>✓</td>
</tr>
<tr>
<td>Company C</td>
<td>✓</td>
</tr>
<tr>
<td>Company D</td>
<td>✓</td>
</tr>
<tr>
<td>Company E</td>
<td>✓</td>
</tr>
<tr>
<td>Company F</td>
<td>✓</td>
</tr>
<tr>
<td>Company G</td>
<td>✓</td>
</tr>
<tr>
<td>Company H</td>
<td>✓</td>
</tr>
<tr>
<td>Company J</td>
<td>✓</td>
</tr>
<tr>
<td>Company K</td>
<td>✓</td>
</tr>
<tr>
<td>Company L</td>
<td>✓</td>
</tr>
</tbody>
</table>

Though many selected local companies make donation to different NGOs, many of them have indicated that they do not prefer giving donation as their major CSR initiatives. Company C explains that they would rather take more effort in arranging CSR events which require participation of their staff. Despite the heavy workload and limited scale, Company C considers this essential to nurture a corporate culture of CSR in the company. Company G also remarks that:

> Printing sponsorship is simple. Donation is easy to do… But the fun of CSR comes from the participation of our staff. There is more satisfaction if we pay the effort to do these by ourselves… Our staff work very hard in our company’s CSR project. But there is fun. They could tell their families and friends that they have organized this project. (Managing Director, Company G)

Company A has advised that they prefer organizing CSR activities to making donations because they could influence other people. Company D and Company F also express the same preference in their selection of CSR activities. However, Company H seldom
organizes voluntary services because they find it difficult to recruit volunteers among their staff. They attribute this to the fact that their industry operates around the clock and seven days a week.

Several selected companies have made use of their business expertise or products in their CSR initiatives. Company J provides their training services to children of lower income families or other disadvantaged groups. Company G, a printing company, provides a lot of printing sponsorship and books for charity sales to NGOs. Company B and Company F provides their products to NGOs or targeted recipients. Company C has made use of their expertise and professional knowledge on health issues:

> There is a need in health-related issues. We have the expertise and we have many doctors... We can contribute more than money. We can contribute our expertise, or even do operation or body check for the people in need. We use our strengths to contribute to the society… The response of our staff is good. The message is very clear and it is related to our business. (Executive Director, Company C)

CSR experts in the focus groups agree that making use of a company’s products or expertise is an easy way to implement CSR. Employees feel comfortable to provide their expertise in helping others. Donating goods is straightforward:

> They are businessmen. They don’t know how to implement CSR. They find it confusing to decide CSR activities and to find targeted recipients. But they have many goods…It is easy to ask them to donate goods. (Focus Group A)

Several selected companies have focused some of their CSR initiatives on specific societal issues. For example, Company B, a glasses manufacturer, organizes eye-care projects to disadvantaged groups. Company A provides support to local artists, while Company L actively implements environmental protection measures. Company F emphasizes helping the disadvantaged to become self-reliant, and thus they work with many social enterprises.
For enhancing employees’ well-being, there are many different types of activities provided by the selected companies. For example, the company’s websites and interviews of Company B and Company F report a large variety of initiatives for their employees, ranging from free counseling services provided by psychologist to massage service at office. Company B, Company H and Company J emphasize their efforts in the provision of training to their employees for career development. Company E, a healthy food product producer, puts emphasis on the health-related issues of their employees. Several other companies also pursue different kinds of activities to enhance employees’ well-being. Most of the companies focus their activities on work-life balance and training and development. Only one selected company mentions health and safety in the interview because the majority of the employees from the selected companies are white-collar staff.

When interviewees are asked about their environmental friendly practices, all selected companies advise that they have implemented recycling or energy saving measures. One could conclude that local companies in Hong Kong actually are conscious of environmental protection, and they have adopted basic environmental friendly practices. However, not all of them have adopted the more vigorous environmental friendly policies.

Some companies are quite passive in selecting their CSR activities. For example, Company E and Company K mainly act on the suggestions made by NGOs which are seeking sponsorship or partnership. Consequently, their CSR initiatives are organized on a more or less ad hoc basis. Company G also faces similar situation with the organizations approaching them for printing sponsorship, though they are more organized in other forms of CSR initiatives.

The network of top management can be influential in the selection of CSR activities. Company C has advised that the business network of its CEO connects them to many NGOs and companies which bring them opportunities for participating in CSR activities. The Managing Director of Company G states that his business network in art and culture connects the Company to many external organizations. Similarly, the Managing
Director of Company F has made use of his network to work with different NGOs in CSR initiatives.

In some other companies, employees play a more important role. Company D relies heavily on its employees’ network to identify external partners in its CSR activities. The Company has this arrangement because top management considers CSR as a platform to provide support to the personal development of their employees. Company J also relies on the network of their front-line managers to select CSR partners.

Disadvantaged groups, children, employees and the environment are the major targeted stakeholders in the CSR implementation of local companies in Hong Kong. Given that there are no major product safety issues in Hong Kong and the awareness of consumer right is not as high as the Western economy, only a few selected local companies emphasize their customers as a major targeted stakeholder. Investors as a stakeholder group was not mentioned by any selected local companies.

4.7 CSR Implementation
4.7.1 Involvement of External Partners
All of the selected companies work with NGOs in their CSR initiatives. There are different forms of collaboration with NGOs. The most basic one is participation in the community activities organized by NGOs, particularly the large NGOs. Their company websites show that most of the selected companies participate in this kind of community activities. Examples include the fundraising activities organized by ORBIS, Oxfam, and The Community Chest of Hong Kong. Such activities provide a platform for the employees of the selected companies to help the community, without using much of their resources.

Some local companies co-organize their own CSR activities with NGOs. For example, Company F provides business advice and resources to some social enterprises to develop their businesses. Company A works with some youth organizations to hold sports events.
Organizing such kind of CSR activities can be time-consuming but the selected local companies still find them worthy to do so. The Marketing Head of Company A comments on this:

Just with a small amount of money, the participating youngsters could learn a lot through this event and they have gained good value from it……..Even the NGOs found this meaningful. It benefited both the recipients and the volunteers. (Marketing Head, Company A)

Generally speaking, these selected local companies work with NGOs because this could help the companies to reach their targeted recipients and NGOs provide the expertises in helping the recipients. The Managing Director of Company F explains:

We cannot reach the recipients. If we do it by ourselves, the resources cannot be used efficiently. So we work together with NGO. They are more professional and they know the community of recipients… For helping the disadvantaged in the community, we work with external partners. (Managing Director, Company F)

The Marketing Director of Company D has also advised:

The NGO partners are very skilful. They tell us what to notice. We have proposed to them what we intend to do and NGO partners give us advice, say, the elderly cannot play a certain game… They always have someone to stay with us in these CSR activities. (Marketing Director, Company D)

This kind of collaboration is also considered by the focus group experts as a good way to conduct CSR in Hong Kong. It is not realistic to expect a marketer or a HR officer to know the network and the skills to reach the targeted recipients. The CSR experts find it necessary for smaller local companies to work with NGOs in CSR implementation. Otherwise, there would be much pressure exerted on their employees.
There are different considerations when the selected companies choose their external partners in CSR. Some companies prefer to work with many different NGOs in different events, while some others prefer to have a long term partners. For example, Company A deliberately works with more NGOs because in this way, the Company can promote the value of its CSR initiatives to more partners and recipients. Company H keeps working with different NGOs because it is considered more flexible in using its resources. Company G has not placed any limit on its choices of NGO partners. Their Managing Director explains that they do not want to decline a meaningful project just because it is a new NGO to them.

Some other selected companies prefer to have more stable partners. The Executive Director of Company C considers a stable long term relationship with its external partners in CSR a key factor in implementing CSR. Such long term relationship helps their staff to fully understand the needs of these NGOs and hence provides the most suitable CSR initiatives for its recipients.

The NGO partners of the selected companies also vary in size. Company C usually works with big NGOs because the reputation of NGOs is a consideration. It therefore finds out how these NGOs have used their funding carefully before their collaboration. Company K shares the same view and considers working with reputable NGOs a protection to their corporate image.

On the other hand, some companies work with small NGOs. Company D chooses to work with many small NGOs. Their Marketing Director has advised that small NGOs might need their help more than large NGOs. Company H considers the objectives and recipients of the NGOs more important when they select them as CSR partners. Company H finds that it could be difficult to work with large NGOs:

Some NGOs consider our company too small. We are medium-sized company. We can’t do as much as HSBC. They consider us too small. On one occasion, we tried to donate some goods but they considered the amount too small. (Head of Operations, Company H)
The difficulty of working with large NGOs is also echoed by Company C. Its external partners are large NGOs which, at the same time, work with many other companies as well. The busy schedule of these NGOs is an obstacle to Company C in developing their CSR activities because it is difficult to find suitable time schedule to organize CSR activities with NGOs. Company L also experiences difficulties with their CSR partners. Company L mainly focuses on environmental protection activities and works with many notable NGOs in this area. They find it difficult to bargain with these notable NGOs.

Our research findings show that NGOs in Hong Kong are not critical to local businesses. None of the selected local companies has reported any unpleasant criticism from the NGOs. In contrast, the NGOs are collaborating partners with local companies. There are diverse strategies in the collaboration. Some prefer to have stable partnership with certain NGOs while others prefer to work with different NGOs. Some prefers to work with social enterprises. There is not a pattern in the collaboration with external partners. However, several selected local companies find that renowned NGOs have a stronger bargaining power in their collaboration which imposes an obstacle to local companies in their CSR implementation.

4.7.2 CSR Reports, International CSR Standard and Local CSR Awards
A few selected local companies use international standards. All these standards are related to environmental protection, such as ISO 14001 system, or Certification from the Forest Stewardship Council. For companies using the ISO system, they find it very useful to their daily operation. The ISO system provides a guideline for them to design internal work procedures for environmental protection:

There is a concept for staff to follow… There is a standard and system to follow. It is good for us, other people and the community… ISO system is a comprehensive system, and we have to improve continuously. Our staff need to attend classes. Five years ago, we were forced to do it. Now we are much better. (HR Director, Company G)
None of the selected companies prepare CSR reports. They do not rely on this to communicate or monitor their CSR performance. Some of them even have no knowledge about any CSR reporting standard.

Many interviewees have indicated that their companies attach great importance to CSR awards. For example, Company J regards CSR award as the minimal achievement in their CSR development. Company C also considers getting CSR award as an essential task that it must achieve. Through these CSR awards, they could demonstrate to external stakeholders about their fulfilment of CSR.

Company L mainly implements CSR for promoting their brands to their clients. So CSR awards are important visible CSR outcomes for this purpose. Similarly, Company H has made use of their awards on environmental protection to educate and convince their clients to adopt more environmental friendly products.

Some other companies take these CSR awards as a visible encouragement to their staff. Company B finds CSR awards an effective way for its staff to understand the Company’s achievement in CSR. It has assigned a large area in its office to display these awards. Company F also agrees that CSR awards are encouragement to their staff. They show these awards in a video to its staff in its annual dinners and the staff are proud of their achievements.

The research show that there are only a few companies using international CSR standard or code. All of them are related to environmental protection. None of the selected companies has made use of CSR reporting standard such as GRI. At this stage, none of the selected companies produce their own CSR reports or sustainability reports. Only Company A intends to do so in the coming year. At present, local companies have set their eyes on local CSR awards. These CSR awards are considered as encouragement to their employees as well as evidence to customers for their CSR achievements.

### 4.7.3 Organizational Structure in Handling CSR Initiatives

All of the selected local companies do not have CSR Department. In many companies, their CSR initiatives are coordinated by their Marketing Department or HR Department.
If we put PR Department and Marketing Department into the same category, then there are four companies relying on their Marketing Department to coordinate the CSR initiatives and another five relying on their HR Department.

**Table 4.9: Departments Responsible for CSR Initiatives**

<table>
<thead>
<tr>
<th>Department</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing Department</td>
<td>3</td>
</tr>
<tr>
<td>PR Department</td>
<td>1</td>
</tr>
<tr>
<td>HR Department (Including one company with Recreation Committee chaired by HR officers)</td>
<td>5</td>
</tr>
<tr>
<td>No Formal Structure</td>
<td>2</td>
</tr>
</tbody>
</table>

Among the companies relying on the Marketing Department to conduct CSR, three of them obviously put branding in a high priority in their CSR initiatives. For example, the budget on CSR in Company A comes from their budget allocated to branding. Company L has also advised that:

> It is to enhance the corporate image. In property management, different from other professions, we have a close relationship with customers. We get a lot of recognition from CSR activities, such as Caring Company Award or environmental awards from NGOs or the government. We get more logos in our advertisements and more things to sell to our clients. (Marketing Manager, Company L)

Company D has a unique structure in their CSR implementation. On the one hand, its Marketing Department is responsible for the CSR initiatives of the company. On the other hand, it has allocated some budget to their Recreation Committee to organize various activities, including CSR activities. Its Marketing Director explains that enthusiastic employees from different departments are recruited to organize CSR activities in the Recreation Committee. In other words, both top-down and bottom-up approaches of CSR implementation are used in Company D.
There are five companies using HR Department to coordinate their CSR initiatives. For example, in Company J, caring for employee well-being is a main type of CSR activities to deal with employees’ grievances in work. Their HR and Finance Manager can play an important role to realize this purpose. Similarly, Company B, Company G and Company H emphasize much on work-life balance of their employees. That explains why it is the HR Department that coordinates their CSR efforts.

In Company C, its CSR initiatives are coordinated by the Recreation Committee and its members are from different departments. Similar to Company D above, enthusiastic staff can join together for implementing CSR in Company C. However, the committee is always led by the HR Department. Company C explains that it is easier to find participants for its CSR activities. This echoes its preference in selecting CSR activities with more employee participation. Company B and Company H also share this view:

It is easier to find participants. We know more staff. It also falls into our work arena… HR is about the management of people. To handle CSR, it is more related to HR. (Financial Controller, Company B)

Despite the fact that the HR Department is in-charge of the CSR activities in Company G, the Managing Director plays an important role. The Company organizes a large scale art and cultural event which is led by the Managing Director and it involves many departments. He also makes decisions in approving sponsorship to various organizations. In other words, its HR Department only focuses on CSR activities related to employees’ well-being, environmental protection measures and community activities participation.

Two companies do not have a formal structure in developing their CSR initiatives but they are in two extremes. Company F is very active in CSR and all their CSR initiatives are coordinated by the Managing Director. He believes that this is a good way to promote the beliefs of their CSR initiatives. He emphasizes that its CSR is done on a personal capacity:

We don’t use the term “CSR” in our company… I am the initiator of all the CSR projects and promote them softly. We don't want our
staff to take it as a job duty. We want them to agree with our belief and therefore be willing to join these projects. All these activities are not linked to their performance and job duty. That’s why it is not a “corporate” responsibility at all. (Managing Director, Company F)

Following the belief of Company F on CSR, they do not assign any department to take up the work of CSR. Their Managing Director seeks volunteers within the company to assist him in organizing the CSR activities and he has assigned the tasks to them according to their workload at that moment. The Managing Director can make use of the manpower of the Company in a more flexible way.

Company K, the smallest company in this research, also does not have a formal structure in coordinating their CSR. Some CSR projects are proposed by the management and they have asked the staff in the Marketing Department or the HR Department to follow up on a voluntary basis. Company K also gives support to their staff in organizing voluntary CSR projects by themselves. Their Director agrees that they rely heavily on the voluntary support from their staff in CSR initiatives.

Regardless of their organizational structure, it is found that top management of three companies are very active in the development of their CSR initiatives. The CSR initiatives of Company F are coordinated by its Managing Director. In Company G, its Managing Director directly leads different departments to organize some CSR events. In Company B, its top management is also active in initiating CSR projects and they participate in most of the Company’s CSR activities. The interviewees of these three companies agree that active participation of their top management provide strong support for the participation of their employees.

Only Company B and Company L form CSR Committees to advise their CSR implementation. Their committee members are from different departments. Both companies collect employees’ views and preferences on CSR through these committees. Company J has discussed its CSR plans and collect staff views in their daily staff meetings. Many others collect the view of their staff via the HR Department or Recreation Committee.
CSR Department is not common in local companies. The CSR initiatives of local companies are mainly handled by their Marketing and PR Department or HR Department. Naturally, Marketing Department emphasizes CSR as a branding method while HR Department puts more attention to employee-related benefits of CSR. However, referring to Company F and Company G, a team of staff from different departments under the leadership of top management can be an alternative to implement CSR initiatives among the local companies.

### 4.8 Communication of CSR Initiatives

Several selected companies attach great importance to their communication with external stakeholders. They mainly rely on their company websites, media coverage and publications as their external communication channels. Publications can be company newsletters, corporate brochures, company magazines etc. For example, many CSR initiatives are reported in the company website of Company B, and the Company’s CSR value and activities can be found in the Company’s CSR newsletters. Likewise, Company L does the same with their company websites. It also emphasizes that getting media coverage is a priority when the Company implements its CSR initiatives. Company G also obtains a lot of media coverage for its art and cultural events. Newspaper clippings on its CSR activities are shown in the interview. The Company also reports many CSR activities in the company’s newsletters. Besides the above channels, Company C takes recruitment talks as an opportunity to let potential applicants aware of its CSR efforts. Company D makes use of social media to reach out to their customers regarding their CSR efforts.

However, some companies are not very active in their communication with external stakeholders. The Head of Operations of Company H has advised that:

> We can do more, actually. It depends on whether we want to be high-profile. We are not high-profile at all. A minimal amount is enough… It we are too high-profile, then the meaning of CSR will be lost. (Head of Operations, Company H)

Company C shares a similar view with Company H. It has advised that a healthcare company tends to stay low-profile on this issue, except on consumer right education,
which is promoted with much effort. Likewise, Company F does not promote their CSR efforts to external stakeholders although the Company is very active in pursuing CSR initiatives. Their Managing Director has advised that branding is not a concern when it runs CSR.

Regarding internal communication, many selected companies attach great importance to their communication with their employees on their CSR initiatives. Intranet, e-mails, notice boards and newsletters are widely used to report their CSR initiatives and progresses. Some companies report their CSR initiatives in their staff meetings. Company B has assigned a large area in its office to display its CSR awards and report its CSR activities. Both Company B and Company F produce videos about their CSR initiatives to recognize the efforts paid by their employees and to encourage participation in future CSR activities. The Managing Director of Company F has elaborated that:

We want to give them some positive influence. Not all our staff participate. With some actual objects shown to them, we might be able to persuade them to join future CSR activities… We show them newspapers clippings, photos, CSR activity booklets, certificates, trophies, etc, to let our staff know about these… We also review our CSR activities in our annual dinner by videos. (Managing Director, Company F)

The selected local companies pay much effort on communicating with internal and external stakeholders about their CSR achievement. However, compared with the information collected from the interviews, their company websites indicate that many of them do not have comprehensive coverage on their CSR initiatives. Only a few companies have listed their CSR vision clearly and provide comprehensive coverage on their CSR initiatives on their websites. Others report their CSR activities in photos or short paragraphs. Compared with MNCs, the CSR contents in their company websites are very simple. CSR targets and data are quite rare in their company websites. Their publications and newsletters show a similar situation.
In this sense, the external communication of the selected local companies is not well-developed. This is consistent with the comments made by the CSR experts in the focus groups. They have advised that many local companies are B-to-B companies and they do not rely much on their websites to attract clients. Moreover, the scales of their CSR campaigns are not large enough to draw public attention or exert big impact on the community. Thus, the local companies might not make much effort in their external communication or measurement of their CSR outcomes.

On the other hand, internal communication with their employees is more important. Company G mentions that it is essential for their staff to know its CSR achievement. This could be related to their perceived CSR benefits on their employees’ morale and sense of belongings. Several selected companies intend to foster a corporate culture on CSR and provide a positive feedback and encouragement to the CSR participants.

4.9 Measuring CSR Outcomes

Several companies note the difficulties in measuring CSR outcomes. For example, Company C considers CSR initiatives as a long term strategy in achieving results for the business, with the final outcome of integrating CSR into the core value of the company. The outcomes of CSR could not be turned into a boost of sales in short-term. Several interviewees share this view because, as discussed in Section 4.5.3, they do not perceive direct benefits of CSR on their business operation, with the exception of cost reduction from green policy.

Since quite a number of CSR outcomes are intangible, companies reflect that they could not be directly measured. Some companies consider the feedback of the employees, NGOs and recipients as the outcomes of their CSR activities. Some other companies emphasize more on the value attached to CSR. For example, Company A considers a change in attitude and belief of the participants as the outcomes of their CSR activities. Similarly, Company F takes the change in the belief of their employees as the outcome of their CSR initiatives. Its Managing Director believes that this is already achieved in Company F but it could not be directly measured.

Both Company A and Company G consider the better brand image as the outcome of the CSR initiatives. Again, brand image cannot be measured. The Managing Director
of Company G has explained that he does not need a measureable CSR outcome to justify the importance of their CSR initiatives. Company B also expresses the same view on the need of CSR outcome measurement:

We do not pay efforts on assessing how our CSR performed. We just think about what else we could do. It is because top management has already supported us to do so. Of course, the awards are recognition and they are an encouragement to us. (Financial Controller, Company B)

Company D also does not have a formal measurement of their CSR initiatives. In Company D, many CSR initiatives are referred by their employees. Their Marketing Director has advised that top management consider the support to their employees more important:

The top management does not care about what the company can gain from it. The top management takes it as an encouragement to our staff. Our staff recommend NGOs to us. The top management considers that we need to support our staff… We don’t care about the feedback and response. He just wants to support our staff. Our staff get recognition. This is already a gain to the company. (Marketing Director, Company D)

However, some companies still consider visible CSR outcomes important for them to convince their top management about the effectiveness of their CSR activities. For example, Company C measures the participation rate of their employees in these CSR activities. Company J counts the number of recipients in their CSR activities. It should be noted that Company C was a listed company while Company J reveals that it has a plan of listing.

Another widely used visible indicator is CSR awards, such as Caring Company Scheme. As mentioned in Section 4.7.2, achieving CSR awards could reflect the selected companies’ CSR efforts to both external and internal stakeholders. Company L expresses its view on the importance of CSR awards:
There are a lot of green awards, CSR awards and branding awards with an element of CSR. We need these awards so we can prepare our reports and newsletters. We can then convince our clients.  
(Marketing Manager, Company L)

Regarding individual employees, CSR performance is not an important factor in their job appraisals. Most companies emphasize that they prefer their staff to participate in a voluntary basis. Though Company B and Company C record the CSR participation of their individual staff, they only make use of it to show gratitude to active CSR participants. Company C appreciates the CSR efforts paid by their staff but does not count it towards their performance rating. Company G does not put CSR performance in its staff appraisal but the Company gives awards as recognition to active CSR participants. In contrast, Company F emphasizes that it does not link CSR to the performance of their employees. It hopes that employees join its CSR activities only because they agree with the value behind the CSR activities.

Quantitative CSR outcomes are not well-developed among local companies in Hong Kong. All selected companies do not have clear CSR indicators or targets as their CSR outcomes. Even top management do not have plans to develop such quantitative targets for their companies. Most of them only perceive some soft or qualitative CSR outcomes, whether it is for the business or for the society. Company F even refuses to take quantitative measurement for its CSR inputs or outputs. Their Managing Director worries that the value of CSR would be undermined by such quantitative figures. Against this background, it is noted that many companies take CSR awards as their important visible CSR outcomes.

4.10 Critical Success Factors in CSR Implementation

Even though a lot of factors are important in nurturing the environment for successful CSR development, most companies consider the leadership and support of the top management as the most influential factor in CSR development and implementation. The visibility of the top management in CSR activities can also put an exemplary influence on other staff. Many interviewees share the view that concrete support and participation of the top management gives a clear message to the employees about how
serious the top management treat the CSR development of the company. This is consistent with the view of the focus groups:

It relies on top management to advocate and implement CSR. It also requires top management to participate in the CSR activities, and to bring it to different levels within the company. It can be done. Both big and small companies can implement it. (Focus Group A)

Most interviewees report that their top management are positive with the CSR initiatives of their companies but there is a difference in the extent of their support. The Executive Director of Company C clearly points out that the different beliefs of their CEOs in the past decade have determinant influence on their CSR development:

Over the years, we have experienced different leadership… On reflection, we did more CSR in some periods than other periods. It depends on whether our leaders drive us to allocate budget on CSR, and how much resources to put into it. It also depends on their beliefs on how CSR benefits the company. (Executive Director, Company C)

The support from the top management can be related to their belief that CSR initiatives can contribute to the society. All the six top management interviewed in this research come from private companies. Four of them mention that earning profit is an important concern but it is not their only concern. The Managing Director of Company F has explained that they could use part of the profits to contribute to social objectives as well. This is agreed by the Managing Director of Company G that as a local company, the Company wants to contribute to the local community. Such value-centric support from the top management is a key factor for the CSR implementation of a company. This is also agreed by the CSR experts:

CSR is for winning companies…I believe everyone would like to contribute to the community. It is just whether they have the ability to do so. When a company earns much and the business is on track, they can spend more time on CSR. (Focus Group B)
It is noteworthy that two companies are subsidiaries of listed companies in Hong Kong. The interviewees of these two companies have advised that their top management are not active participants in their CSR activities. The CSR initiatives of both companies are led by their Marketing Department with a strong emphasis on brand building. It seems that ownership structure may have an influence on the CSR implementation of the local companies.

While the middle management believe the leadership of top management is the most important factor in CSR development, top management consider other factors as equally important in their CSR development. Top management of Company G considers the rapid business expansion as the major obstacle to their CSR development. The Managing Director of Company G states that its management and staff are too busy to engage in CSR initiatives in its early years of expansion. He explains that organizing CSR initiatives is very time-consuming and it is not easy to devote much manpower in conducting CSR. That explains why Company G had made a lot of donations and sponsorships but has only organized a limited number of CSR activities.

Interviewees from the middle management also echo this. Both Company C and Company H have expressed the concern that employees are busy and it is difficult to secure their participation in CSR activities. Consequently, Company H even tries to avoid voluntary community services because of it. Company E also finds that most of its CSR participants are from the headquarter. The busy work schedule of its front-line staff makes it difficult for them to join any CSR activities. There is a similar concern from the focus group experts:

Another barrier is human resources… Do they have any employees to implement CSR? They are busy from Monday to Friday. Can they do it after work or in the weekend? (Focus Group A)

Another concern from some top management is capital. The Director of Company K has advised that the Company’s resources are used in expansion and the Company has limited capital resources for investing in CSR initiatives. To a certain extent, the importance of capital is confirmed by other interviewees. Several interviewees,
particularly top management, emphasize that CSR initiatives could only be done if their companies are able to maintain their profits. The Managing Director of Company F is of the view that while the Company does not only consider profits as the sole objective, CSR initiatives should not adversely affect the development of the business. Company G and Company B also share the same view. The HR and Finance Manager of Company J notes that:

> CSR is something extra. Our daily business has a higher priority. After that, we can think about CSR. We need to consider the business operation… If our sales continue to rise, then we can have extra resources to do more CSR. (HR and Finance Manager, Company J)

However, it should be noted that most selected companies do not consider capital as an important constraint as manpower. First, some companies realize that a small scale but meaningful CSR initiative can be organized with a small budget. Second, many companies prefer donation in kind as part of their CSR initiatives. Both Company B and Company F consider that these goods are only sunk cost to them. This is also supported by the CSR experts in the focus groups that many companies are willing to support others by donating their products. They consider that capital might not be as important as manpower in CSR implementation.

Another critical success factor in CSR implementation is to maintain the passion and enthusiasm of the CSR participants and CSR organizers. Company B and Company G give rewards to active CSR participants as an encouragement. Company E emphasizes that the feedback and responses given to their PR Department are important for the continuous CSR development of the company. Company G gives some rewards to recognize the efforts paid by active CSR participants. Company H also agrees that the passion of the staff in HR Department is crucial to the successful CSR implementation. However, its Head of Operations emphasizes that such passion must be cultivated and nurtured.

To maintain the passion of their staff in CSR implementation, many interviewees recognize the importance of a corporate culture on CSR. Other than the visible support from the top management, Company B and Company F consider that real objects of
their CSR achievement, such as the display of CSR trophies and newspaper clippings, are useful to foster such culture and environment for promoting CSR within the company. Some companies emphasize the value of CSR by giving awards to active CSR participants in annual dinners. More importantly, several interviewees explain that the participation of top management in CSR activities is vital to foster such a CSR culture in their companies. All these practices are consistent with the ideas of the CSR experts in the focus groups. They also emphasize that the feedback loop is very important to reinforce the CSR participation of the employees.

It should be noted that one company, Company L, does not think about the passion of its employees when the Company organizes their CSR initiatives. Company L admits that it just takes CSR as a branding effort of the company. In the interview, their Marketing Manager reflects that this view is indeed a drawback of the Company’s CSR initiatives.

Know-how is another concern of the CSR experts of the focus groups. They have advised that the absence of a specialized CSR Department could be an obstacle to local companies in their CSR implementation. Relying on other departments might not be able to develop the specialized skills in CSR implementation. However, only one company in the interview views a formal specialized CSR Department essential for better CSR development, and a clearer CSR vision and objectives for the company. Other companies do not consider it realistic to have CSR department due to their company size. Instead, the interviews reveal that these local companies work closely with NGOs as an alternative. They rely on NGOs to provide the knowledge and network in implementing their CSR initiatives. Moreover, some of them focus on certain societal issues related to their businesses. With this, the selected companies could make use of their business expertise to implement CSR initiatives.

A noteworthy factor in the interviews is the use of business network in implementing CSR initiatives by some selected companies. Company F is a representative company in making use of its business network in connecting different NGOs, social enterprises and businesses. Its Managing Director believes that this would achieve a leverage effect on helping the recipients. Company H is also planning a similar CSR initiative along the way of connecting different businesses.
Overall speaking, the critical role of top management is considered as the main determinant for successful CSR implementation. Not only does the top management have to commit to the beliefs of CSR, they also have to be seen in “walk the talk” in the process of CSR implementation. This is vital for a company to establish a value-centric corporate culture for CSR. Another important factor is employees’ willingness to participate in CSR initiatives. Many interviewees from the middle management have remarked that the employees appreciate the CSR initiatives of their companies. However, employees in Hong Kong are in general very busy in their work and have long working hours. They might not take action and join the CSR activities. Know-how is another important factor but the research findings show that selected local companies overcome this obstacle by working with NGOs, focusing on specific societal issues related to their business, as well as making use of their industry expertise and business network.

Conclusions on the above research findings are discussed in Chapter 5.
CHAPTER 5: DISCUSSION AND CONCLUSION

5.1 Introduction
This chapter discusses the findings of the research. In Section 5.2, the findings of the research and the literature review are compared and contrasted for discussion. The discussion generally follows the research objectives stated in Chapter 1 and the CSR implementation framework illustrated in Figure 2.2. The conclusions of this research are then discussed in Section 5.3. This chapter concludes with the limitations of this research as well as the implications for further research about the CSR implementation process of local companies in a non-Western context.

5.2 Discussions and Findings on the CSR Implementation Process
5.2.1 Driving Forces of CSR
The discussion in Section 4.4 shows that the main CSR driver of the selected local companies in Hong Kong comes from top management. Unlike MNCs, many other types of driving forces, including employees, competitors, the government, the media and NGOs, are absent in these selected local companies. For example, Hine & Preuss (2009) find the government as the major driver of CSR in the U.K. Panapanaan et al. (2003) find the media, activists, the government and employees as the major drivers of CSR initiatives among Finnish companies. These social and political drivers commonly found in Western countries are absent in Hong Kong. These findings are consistent with the results in Tsoi (2010) in that the pressure from the public, consumers and the media in Hong Kong is insignificant. Pressure from business customers plays a limited role among the selected local companies, which is similar to the findings of Jenkins (2006) on SMEs in the U.K. The findings of this research confirm that the degree of external pressure faced by local companies in Hong Kong is very different from that faced by the MNCs in the Western economies. Following the literature review in Section 2.3.1, local companies in Hong Kong do not need to face the problem of conflicting requests from external stakeholders. This would affect how local companies implement their CSR initiatives, such as the choice of CSR initiatives or the focus of their communication with stakeholders.

It is noted from the literature review in Section 2.3.3 that both social and corporate goals are relevant to CSR implementation (Godfrey & Hatch, 2007). Berger et al. (2007) find that large companies in North America attempt to strike a balance between
economic and noneconomic objectives. Lindorff and Peck (2010) show that Australian financial companies attach importance to their economic motives and the well-being of their employees. Section 4.4 and Table 4.7 confirm that the selected local companies in Hong Kong also consider both economic and moral motives when launching their CSR initiatives. Many interviewees mention the importance of achieving a win-win situation from their CSR initiatives. For example, Company C finds CSR good to business expansion and demonstration of a corporate citizenship. Company A considers CSR the right thing to do for the society and its CSR helps the branding of the company. It is common for local companies in Hong Kong to make CSR decisions based on both economic and moral motives. Local companies accept their social obligations well but they are also pragmatic enough to take CSR as a mutually beneficial practice to both the company and the society (Jenkins, 2006; Preuss & Perschke, 2010).

5.2.2 Perceived Benefits of CSR Initiatives

Section 4.5 discusses the three perceived benefits of CSR initiatives to the local companies: corporate reputation, more committed employees and direct business gain from production. The literature shows that companies can gain corporate reputation from their CSR initiatives (Dentchev, 2004; Kraisornsuthasinee & Swierczek, 2009). Branco and Rodrigues (2006) identify reputation as the most important intangible resource to a company. In this research, many selected companies claim that CSR help them build up corporate reputation. Some companies, such as Company A and Company E, consider corporate branding as the most important benefit from their CSR implementation. However, interviewees have reflected that corporate reputation is a soft and intangible benefit and it is difficult to be measured. This measurement difficulty makes it hard to tell how much the selected local companies can gain from their CSR initiatives in this aspect. This measurement difficulty is also reported in Jenkins’ (2006) study on SMEs in the U.K.

Another well-known benefit of CSR is the more engaged and committed employees (Bolton et al., 2011; Branco & Rodrigues, 2006; Heslin & Ochoa, 2008). Bhattacharya et al. (2008) take CSR as an important way to retain good employees. In this research, almost all selected companies consider that CSR will bring to the companies the benefits of employees’ morale and loyalty. For example, Company B has expressed that its employees has internalized CSR as part of the core corporate culture and their
extraordinary team spirit built on this culture is highly regarded by their clients. The Managing Director of Company F is satisfied with the improvement in the self-esteem and sense of belongings of his employees through the Company’s CSR initiatives. However, the degrees of success achieved by the selected companies vary. Some companies consider that they have benefited a lot from CSR while some other companies only have a relatively vague impression of changes in morale or loyalty of their staff. Similar to the corporate reputation, selected companies find it difficult to measure the extent of achievement in this aspect.

It is noted from the literature review that CSR can bring direct business gain to companies by developing new markets, products or technology (Fortuna et al., 2011; Heslin & Ochoa, 2008; Porter and Kramer, 2011). However, many selected local companies in this research fail to realize direct operational benefits from their CSR initiatives. The only exception is in the area of environmental protection. Company H achieves product differentiation by providing environmental friendly products before other competitors while Company J is able to reduce its costs through adopting a more environmental friendly production technology. In contrast to previous research results on MNCs, many selected companies in this research cannot find ways to realize direct business gain from CSR initiatives.

5.2.3 Choices of CSR Activities and Targeted Stakeholders
Maignan & Ralston (2002) note that different countries have given different attention to their stakeholders. Section 4.6 reports that the major targeted stakeholders of the selected local companies are employees and the community. The companies are concerned about the work-life balance and training & development for their employees and hence, provide various voluntary services or make donations to the community.

However, unlike MNCs which cover a spectrum of societal issues, it is found that some selected local companies focus on specific societal issues, such as Company C on health issues and Company L on environmental protection. It is observed from the literature review that, instead of covering a board range of CSR issues, CSR design in a business should be a unique integration of well-selected societal issue with the specific core strategy and strengths of a business (Heslin & Ochoa, 2008; Porter & Kramer, 2006; van der Heijden et al., 2010). Yet, Porter and Kramer find that many companies have
failed to do so. In this respect, the smaller selected local companies in Hong Kong are in a better position to focus on specific societal issues. After all, they are not under the spotlight and they face a smaller external pressure. They are not required to allocate resources to all different kinds of generic CSR aspects and contribute to all kinds of societal issues. The choices of societal issues are made subject to the companies’ limited resources and expertise.

5.2.4 Implementing CSR Initiatives

It is also observed from the literature review that NGOs are important drivers of CSR and have significant influence on corporate behaviour (Arenas et al., 2009; Doh & Guay, 2006). Both confrontation and collaboration exist between NGOs and companies. In Section 4.7, it is found that there is no such external pressure exerted from NGOs on the local companies in Hong Kong. NGOs are partners to the selected local companies in implementing CSR initiatives. For example, Company F chooses to work with NGOs to help social enterprises and it provides business advice, support and business networks to these social enterprises. Company J provides its services to the disadvantaged groups through the network of NGO partners. Sharing the view of Brugmann & Prahalad (2007), the selected local companies count on the network and expert knowledge of NGOs to assist them in reaching the targeted recipients. However, their partnerships are not without problems. Some companies report that there are too many companies competing the time of the too few renowned NGOs in Hong Kong. It is difficult for small local companies to maintain a long term stable relationships with those NGOs. This research finds that the selected local companies try different ways to deal with the collaboration difficulties. In any event, the local companies in Hong Kong are collaborative with NGOs instead of being confrontational. Compared with the companies in Western countries, the local companies in Hong Kong are following another path of collaboration with NGOs.

International CSR standards are not widely used in the selected companies, except for some environmental measures, such as ISO 14000. This is consistent with the findings of Werre (2003) and Jenkins (2006). Companies using such standard understand the advantages to their internal procedures. The guidance of these systems to their employees is considered by interviewees as very important for developing their
environmental policies. However, the more comprehensive CSR reporting standard, such as GRI, is not used by any selected companies at all.

In Section 4.7.3, it is reported that all selected local companies have not set up specialized CSR department. Only two companies have set up CSR Committees. This is different from MNCs. For example, MNCs studied by Maon et al. (2009) have set up Corporate Sustainability Office or Sustainable Business Team to carry out their CSR initiatives. The research done by Gond et al. (2011) on French companies also shows that it is quite common for companies to set up CSR departments or offices. However, this research finds that CSR initiatives are mainly carried out by Marketing or HR Departments. Several interviewees have advised that their companies are too small to have a specialized CSR department. Nonetheless, without a CSR department, the selected local companies have to find ways to accumulate CSR know-how.

5.2.5 Communication on CSR

Section 4.8 shows that selected companies have not fully utilized their communication channels to disseminate information about CSR to their external stakeholders. They cover CSR in their company websites or company publications but many of them only focus on reporting their CSR activities. Maignan and Ralston (2002) find that many U.K and U.S. firms discuss CSR principles in their websites but this is rare among the selected local companies. Only two companies discuss their CSR visions in their newsletters or websites, and only Company B clearly illustrates their targeted stakeholders in CSR initiatives. This is different from the results in the literature review (Carlisle & Faulkner, 2004; Snider et al., 2003). For example, IKEA, a company studied by Maon et al. (2009), publishes their sustainability reports which have a comprehensive coverage of CSR by following GRI guidelines (IKEA, 2013). The reports cover the goals and targets, data of their impact on environment, CSR vision, communications with customers, collaboration with suppliers etc. Indeed, none of the selected companies have published CSR reports. This is very different from the large companies worldwide (Lee & Carroll, 2011). This difference might be explained by the findings of Lindgreen, Swaen & Johnston (2009) that the larger organizations have more resources to communicate their CSR efforts to stakeholders and they face a larger external pressure, whereas for local companies, they have fewer resources and are subject to a much smaller external pressure.
Comparative speaking, selected local companies place more emphasis on internal communication with their employees. Similar to the findings of Maon et al. (2009) and Werre (2003), newsletters, magazines and meetings are widely used among the selected companies for internal communication. Company B allocates an easily assessed office area next to the staff lounge for displaying CSR related items. The Managing Director of Company F personally undertakes the coordination of internal communication. All their efforts echo those in the literature review about the importance of reporting the CSR progress and demonstrating the success to the CSR implementation process (Maon et al., 2009). All these also illustrate that there is a bias towards the internal communication among the selected local companies. Employees are deemed as an important stakeholder group in the CSR initiatives of these local companies. These companies perceive internal communication important to foster a corporate culture of CSR. This echoes the view of Bolton et al. (2011) that employees play an important role as co-creator of a company’s CSR. Many selected companies, such as Company F and Company H, emphasize the value and meaning to their employees in their CSR implementation. Many interviewees agree that, only with a value-driven CSR culture developed can the local companies sustain the passion in implementing these CSR initiatives.

5.2.6 Evaluate CSR Outcomes

The previous CSR implementation models introduced in Table 2.2 emphasize the importance of evaluating and monitoring CSR performance. However, in Section 4.9, it is found that the selected local companies do not have a well-developed measurement of CSR outcomes. The top management of several selected local companies consider it not necessary to introduce any CSR outcome measurement. In their view, CSR outcomes are intangible and cannot be directly measured. The Managing Director of Company G perceives branding as the biggest benefit which cannot be easily measured. The top management of Company B considers the biggest benefit come from their employees and their satisfaction, and bonding and pride cannot be measured. The Managing Director of Company F emphasizes that the Company intentionally does not collect any data about their CSR participation because he worries that such measurement would undermine the value of the Company’s CSR initiatives perceived by their employees. The lack of proper CSR outcome measurement is also related to
the fact that many selected companies are private companies. Their owner-managers do not perceive the need to have such measurement because of their owner structure.

5.3 Conclusions of this Research

The discussion in Section 5.2 has several implications on the theoretical framework illustrated in Figure 2.2. First, the driving forces behind the CSR initiatives of local companies are very different from those of MNCs. There is only a minimal level of external pressure faced by the selected companies in Hong Kong. The main CSR driver comes from top management who take into account both social and economic goals in their CSR implementation. Employees are not active CSR initiators in these local companies but the local companies recognize their important role in CSR implementation. Second, the ways of CSR implementation of selected local companies do not follow the frameworks developed in previous research based on MNCs. The actual CSR implementation of local companies in Hong Kong is affected by their limited resources devoted to CSR. Finally, the selected companies generally agree that CSR would bring benefits in regard to employees’ morale and loyalty and corporate reputation. However, direct benefits to company operations are less common.

Without much external pressure from the government, NGOs, the media or activists, this research shows that local companies do not engage a full range of stakeholders when they implement their CSR initiatives. The lack of external pressure enables the local companies to focus their CSR initiatives on a few societal issues rather than covering a full range of societal issues. Moreover, the focus of CSR communication is also placed on the employees instead of the external stakeholders. This also affects the choice of CSR initiatives of the selected companies. Many of them prefer to engage their employees in CSR activities although employees are very busy in Hong Kong.

Echoing the literature review in Section 2.3.1, this research finds that the two key actors among local companies in Hong Kong are the internal stakeholders: management and employees. Many local companies consider the value-centric CSR culture of paramount importance in engaging their employees in their CSR initiatives, which plays a key part on the CSR implementation of these companies. This affects the CSR implementation process of the selected local companies. For example, some selected companies do not link their CSR to the business for fear that it might undermine its value if business
benefits can be derived from their CSR initiatives. The top management also tries to avoid having CSR be labelled as promotion efforts of their companies. Company C and Company H specially caution that they prefer to stay low-profile in communicating their CSR efforts with external stakeholders. Company B sets up a trust foundation to run its community project instead of using the name of the company.

To address the problem of limited resources, local companies have to adjust their CSR implementation process. Local companies seldom set up specialized CSR department nor provide training to their employees. The research findings show that they rely on the collaboration with NGOs to obtain the know-how in CSR implementation. Although there are problems, the overall collaboration is harmonious. Similarly, some selected companies rely on international standard, such as ISO 14000, to guide them to implement environmental measures. Again, this overcomes their problem of lacking know-how. Another solution to leverage their contribution to the society is the choice of specific societal issues. A number of the selected companies, such as Company B, focus on their own expertise or products to identify suitable societal issues and specific targeted recipients in their CSR initiatives. Focusing on a few societal issues avoids spreading their resources too thin. Moreover, making use of their professional knowledge and services, such as Company C and Company J, is proven to be successful in their experience of CSR implementation. Similarly, making use of their business networking and experience is another way to leverage the social impacts of local companies under limited resources.

The value-centric CSR perceived by the local companies also affects the measurement of the CSR outcomes. CSR outcome measurement is an underdeveloped research area (Taneja et al., 2011). CSR is deemed by the local companies for achieving social goals. Their top management does not look at quantitative outcomes to link up the value of CSR to the profits of the company. To some selected companies, such as Company F, quantitative measurement of CSR outcomes are not important for their social performance. For business benefits, many companies perceive the benefits of CSR coming from reputation and employees’ morale and loyalty. Both are intangible and difficult to measure. Meanwhile, direct benefit from production is more plausible to be measured but they are not so common among the selected companies.
Referring to the results of this research, it is found that the critical success factors considered by the selected local companies are not exactly the same as those of MNCs suggested in the literature review. Full engagement with external stakeholders and specialized CSR know-how are not necessary to local companies in Hong Kong. This can be attributed to the differences, in terms of operation scale and the extent of external pressure, between the smaller local companies in a non-Western economy and MNCs in the West. However, the role of top management and the embedded value of CSR initiatives are still the crucial factors for these local companies. With a value-centric culture and support from top management, there are ways for local companies to overcome their constraints in resources and operation scale so as to implement their CSR initiatives successfully.

5.4 Limitations

There are several limitations in this research. First, given the long time required to conduct, transcribe and analyze the interviews, this qualitative research only confines to a few businesses. We must be careful with the generalization of the results (Kraisornsuthasinee & Swierczek, 2009; Welford, 2004). Yin (1984) explains that the rich description of multiple-case studies can help generalize theories in other setting, though it cannot be generalized in a statistical sense.

Second, all these companies are located in Hong Kong. Their CSR practices would be affected by the local situation, in particular the social, political, legal, economic and cultural environments. Considering the unique domestic factors, applying the research findings to other emerging economies or developing economies might need some adaptation (Chambers, et al., 2003; Welford, 2004).

Third, the selected companies and interviewees who have agreed to join this research are likely advocates of CSR activities, and they are not struggling with their survival in the market. Comparing with other companies, they are more likely to have a positive and proactive attitude towards CSR practices in the business sector. They also have extra resources to address some societal issues. This might not be the case for other companies in the same society (Kraisornsuthasinee & Swierczek, 2009). With different beliefs and motivation behind a company’s CSR initiatives, their process of CSR implementation and the critical success factors could be different.
Finally, this was a cross-sectional study. Overtime, a company may change its CSR implementation process because of changes in its ownership structure, firm size, production technology etc. However, without the resources to conduct a longitudinal research, the evolutionary pattern of the CSR progress cannot be fully revealed in the interviews.

5.5 Implications for Future Research and Practice

Nonetheless, this research has implications for future research in CSR implementation process. First, the findings in this research affirm the importance of top management and value-centric approach of CSR implementation. Particularly in a non-Western context without much external pressure from NGOs, customers and the government, the role of top management is even more influential than that in the West. Further research can be developed to study the various issues related to top management in a non-Western context. For example, future research can study how the perception of top management on the role of employees would affect the CSR implementation of their companies. This may require a research to study both the management and the employees in local companies. Second, researchers can study how a change in ownership structure, such as before and after listing, would affect the CSR implementation of the local companies.

Another implication for future research is on the collaboration between local companies and NGOs. The partnership experiences of the selected local companies demonstrate that NGOs are very important to these local companies. However, several problems have been encountered by the local companies and different forms of partnership are preferred. Future research can be done to collect information from both the local companies and their NGO partners to examine their collaboration. A particular area of future research is related to the emergence of social enterprises in Hong Kong. Only Company F has reported collaboration with social enterprises, and it believes that its business experience and expertise are valuable assistance to social enterprises. Their respective strengths can complement each other. With social enterprises rapidly growing in Hong Kong, the form of collaboration between business and social enterprises is another area that is worth exploring.
The last implication is how local companies overcome the barrier of limited resources in their CSR implementation. This research reveals some solutions adopted by the local companies. They include close collaboration with NGOs, limiting their scope of CSR initiatives to a few specific societal issues, a flexible organizational structure in CSR implementation and the use of business network and business expertise. Some of these solutions are widely used by the selected local companies while some others are only used by a few of them. Future research can explore the barriers and the effectiveness of using these various solutions of CSR implementation to overcome the limited resources faced by local companies in a non-Western context. This provides a useful practical guidance for local companies in a non-Western context on implementing their CSR initiatives.

This research provides insights to the theoretical framework used to analyze CSR implementation process of local companies in a non-Western context. Their implementation is indeed different from that of MNCs. By recognizing the different roles played by various stakeholder groups, and the differences in firm size and perceived benefits from CSR, we can also provide more practical guidance to companies participating in CSR. With future research done as suggested above, this can contribute to our theoretical knowledge and practical understanding in the CSR implementation of local companies in different economies.
References


CSR Asia & Hong Kong Council of Social Service (HKCSS). (2011). *Corporate Social Responsibility. CSR Guide for SMEs in Hong Kong*. Hong Kong: CSR Asia & HKCSS.


APPENDIX

APPENDIX 1: Focus Group Schedule
Questions for Focus Group:

1. What are the major benefits derived from CSR activities to local companies in Hong Kong?
   Prompts: on employees / operation / reputation

2. What are the main obstacles to local companies when they conduct their CSR activities? How should they overcome these obstacles?
   Prompts: resources / expertises / competitive environment / lack of consumer awareness

3. Given that local companies might not have the resources to develop a full range of CSR initiatives, what types of CSR activities would be more suitable to local companies? How should they choose such CSR activities?
   Prompts: environment / communities / art and culture / charity donation

4. What kind of CSR vision / missions / strategies would be suitable for local companies?

5. What are the critical success factors for implementing CSR initiatives?
   Prompts: employee participation / resources / support from top management / communication with external stakeholders

6. How can local companies integrate the ideas of CSR into the corporate culture?
   Prompts: internal communication / formal CSR department / incorporate CSR achievement in rewards system / training

Follow up questions will be asked depending on the initial answers of the participants.
APPENDIX 2: Interview Questions
Questions for In-depth Interviews:

1. What have triggered your company to start CSR initiatives?
   Prompts: When? Driven by employees / management / or external forces?

2. What are the CSR vision and CSR strategy of your company?

3. What are the major CSR activities of your company?

4. How do you choose CSR activities? Which kinds of activities are more successful?
   Prompts: from top management, or bottom-up approach, or by CSR manager?

5. What are the major perceived benefits from CSR? Has your company successfully benefited from these areas?
   Prompts: on employees / operation / reputation

6. How does your company facilitate the CSR implementation? What resources does your company allocate to CSR?
   Prompts: organizational structure / training / resources etc

7. What external partnerships or external stakeholders does your company involve? Why and how do you choose them?
8. How do you communicate your CSR progress and vision to external and internal stakeholders? How important are these communications?

Prompts: company website / annual reports / internal newsletter / advertisements

9. What external standard or code of conduct in CSR has been adapted, or being considered to be adapted in the future? Why or why not?

10. How does your company measure the CSR outcomes? Are you satisfied with the present CSR inputs and outputs?

Prompts: no. of employee involved / no. of CSR initiatives / awareness of external stakeholders / morale or sense of belongings of employees

11. What are the major difficulties in initiating CSR?

12. How important is the role of employees? Is CSR part of the organizational culture now?

Follow up questions will be asked depending on the initial answers of the interviewees.
APPENDIX 3: Information Statement for Focus Group
For further information:
Dr. Jeffrey Li
Newcastle Business School
Faculty of Business and Law
University of Newcastle
(852) 5387 0762
jeffreyli2006@gmail.com

Information Statement for the Research Project:
The Process of CSR Implementation – Local Cases in Hong Kong

You are invited to participate in the abovementioned research project that is being conducted by Dr Jeffrey Li (the Supervisor), Eliot Lee (the student researcher) from the University of Newcastle as part of the research project for the DBA dissertation. Your contact details have been obtained from the website or the reception office of your organization.

Why is the research being done?
This project aims at studying how local companies in Hong Kong implement Corporate Social Responsibility (CSR). It is a response to the call for more research on CSR in a non-Western context. With reference to the features of the local companies in Hong Kong, this research aims to unveil their process of CSR implementation and the critical success factors behind their CSR initiatives under their specific constraints.

Who can participate in the research?
You are eligible to participate in a focus group interview of this research project if you are a scholar in relevant discipline or an expert / experienced practitioners in CSR.

What choice do you have?
Participation in this research is entirely voluntary. The focus group interview is completely confidential whilst there can be no record of you or whether or not you have participated. Even if you indicate your interest in participating in the study and go further to sign the consent form, you may withdraw from the study at any time. However, if you participate in the focus groups interview you will not be able to withdraw your individual comments as the data gathered informs part of a larger conversation.
What you are being asked to do?
If you agree to participate in a focus group interview, you will be sent a copy of the consent form and asked to sign the consent form prior to the focus group interview.

The focus group interview could be conducted in Chinese, if all participants agree on it. Otherwise, it will be conducted in English. During the focus group interview, you will be asked a series of questions about the implementation of CSR initiatives based on your experience and knowledge. The focus group interview will be recorded on audio tape and later transcribed by a transcriptionist who will have signed a confidentiality agreement prior to transcribing. The focus group interview is made up of between 3 to 5 participants and it is not possible to edit or erase your individual contribution to the group discussion as it forms part of a larger conversation.

How much time will it take?
The focus group interview will take approximately 90 minutes to complete.

What are the risks and benefits of participating?
There is the possibility that participants may be known to each other and to minimise the risk of a breach of confidentiality, each participant will be asked to not divulge the identities of the other participants or the content of the discussion in the focus group interview.

There are no direct benefits for any individual participant. However, it is hoped the research can enhance our understanding of the nature of the building and maintenance of CSR programmes in a non-western context. This is beneficial to those companies which do not have abundant resources compared with their counterparts in multinational enterprises.

How will your privacy be protected?
All information received from you will be strictly confidential and no individual participant is able to be identified in the dissertation of the student researcher. Information from individual participants will be aggregated for analysis. The data will be stored in password-protected computers accessible only to the researchers and will be disposed of in accordance with the University of Newcastle’s policy and procedures for the disposal of confidential material.

How will the information collected be used?
The results from this research will form the student researcher’s DBA dissertation submitted to the Faculty of Business and Law. Once the dissertation is approved by the Faculty Board, a summary of the findings will be distributed to all participants of this research. It is anticipated that the report will be available by June 2014. Additionally, the results from the research will be submitted to scholarly journals for publication.
What do you need to do to participate?

Please read this Participant Information Statement and be sure you understand its contents before you decide to participate or not. If there is anything you do not understand, or you have questions, please contact the researchers. Once you have read and understood the statement and wish to proceed, please confirm your agreement to participate by signing the consent form and return the completed consent form to the researchers prior the focus group interview. We will inform you the time and venue of the focus group interview once we confirm the availability of all the participants of the focus group interview.

Further information

If you would like further information please contact Dr. Jeffrey Li and/or Mr. Eliot Lee at the address above. Thank you for considering this invitation.

(Signatures will be added)

Dr Jeffrey Li (Chief Investigator/Supervisor) and Eliot Lee (Student Researcher)

17 February, 2014

Complaints about this research

This project has been approved by the University’s Human Research Ethics Committee, Ethics Reference No. H–2014–0011. Should you have concerns about your rights as a participant in this research, or you have a complaint about the manner in which the research is conducted, it may be given to the researcher, or, if an independent person is preferred, to the Human Research Ethics Officer, Research Office, The Chancellery, The University of Newcastle, University Drive, Callaghan NSW 2308, Australia, telephone (02) 49216333, email Human-Ethics@newcastle.edu.au.
APPENDIX 4: Consent Form for Focus Group
Consent Form for the Research Project:

The Process of CSR Implementation – Local Cases in Hong Kong

I agree to participate in the above research project and give my consent freely. I understand that the project will be conducted as described in the Participant Information Statement, a copy of which I have retained.

I understand that I can withdraw from the project at any time and do not have to give any reason for withdrawing. However, as my comments will form part of a larger conversation, I understand that the researchers will be unable to withdraw my individual contribution to the focus group once I have participated. I understand that the data is de-identified to ensure anonymity.

I consent to:

1. Participate in a focus group of approximately 90 minutes
2. The interview being recorded onto a digital recorder.

I undertake not to divulge the identities of the other participants or the content of the discussion in the focus group.

I understand that my personal information will remain confidential. I have had the opportunity to have questions answered to my satisfaction.

Print name: ________________________________
Signature: ________________________________ Date: _____/_____/_______
Contact telephone number: ________________________________
Email Contact: ________________________________
APPENDIX 5: Information Statement for Organization
Organization Information Statement for the Research Project:
The Process of CSR Implementation – Local Cases in Hong Kong

The (XXXX Company) is invited to participate in the abovementioned research project that is being conducted by Dr Jeffrey Li (the Supervisor) and Mr. Eliot Lee (the student researcher) from the University of Newcastle as part of the research project for the DBA dissertation.

Why is the research being done?
This project aims at studying how local companies in Hong Kong implement Corporate Social Responsibility (CSR). It is a response to the call for more research on CSR in a non-Western context. With reference to the features of the local companies in Hong Kong, this research aims to unveil their process of CSR implementation and the critical success factors behind their CSR initiatives under their specific constraints.

What is being asked of the (XXXX Company)?
We request the consent of the (XXXX Company) to agree with our invitation to your employees participating in this research. In this research, the employees who are responsible for the CSR planning or CSR implementation of your company will be invited to participate in an interview. Their participation is entirely voluntary. During the interview they will be asked a series of questions about the implementation of CSR initiatives based on their experience in your company. The interview will be recorded on audio tape and later transcribed by a transcriptionist who will have signed a confidentiality agreement prior to transcribing. During the interview they can ask for the tape to be stopped and edited or erased. They will also have the opportunity to review the transcript of their interviews and edit their contribution if they wish. The interviews could be held in your company if it is the wish of the participants. In that case, an appropriate room would be required so as to protect the privacy of the participants and to maintain the confidentiality of the research. Internal CSR publications, newsletters and promotional materials will also be sought from interviewees if your company is willing to provide these materials.
What choice do you have?
Participation in this research is entirely voluntary. The interview is completely anonymous whilst there can be no record of (XXXX Company) and its employees or whether or not they have participated.

How much time will it take?
The interview will take approximately sixty minutes to complete.

What are the risks and benefits of participating?
Participation in this study entails neither risk nor direct benefit to (XXXX Company). However, it is hoped the research can enhance our understanding of the nature of the building and maintenance of CSR programmes in a non-western context. This is beneficial to those companies which do not have abundant resources compared with their counterparts in multinational enterprises.

How will your privacy be protected?
All information received from (XXXX Company) will be strictly confidential. As the data collected in this research is anonymous, code numbers will be used in place of company names and their individual participants throughout the research process. The data will be stored in password-protected computers accessible only to the researchers and will be disposed of in accordance with the University of Newcastle’s policy and procedures for the disposal of confidential material.

How will the information collected be used?
The results from this research will form the student researcher’s DBA dissertation submitted to the Faculty of Business and Law. Once the dissertation is approved by the Faculty Board, a summary of the findings will be distributed to all individual participants of this research. It is anticipated that the report will be available by September 2014. Additionally, the results from the research will be submitted to scholarly journals for publication.

What do you need to do to participate?
Please read this Participant Information Statement and be sure you understand its contents before you decide to participate or not. If there is anything you do not understand, or you have questions, please contact the researchers. Once you have read and understood the statement and wish to proceed, please confirm your agreement to participate by signing the consent form on behalf of the (XXXX Company) and return the completed consent form to the researchers. The Participant Information Statement for individual participants is also attached for information.
Further information

If you would like further information please contact Dr. Jeffrey Li and/or Mr. Eliot Lee at the address above. Thank you for considering this invitation.

(Signatures will be added)

Dr Jeffrey Li (Chief Investigator/Supervisor) and Eliot Lee (Student Researcher)

xx February, 2014

Complaints about this research

This project has been approved by the University’s Human Research Ethics Committee, Ethics Reference No. H–2014–0011. Should you have concerns about your rights as a participant in this research, or you have a complaint about the manner in which the research is conducted, it may be given to the researcher, or, if an independent person is preferred, to the Human Research Ethics Officer, Research Office, The Chancellery, The University of Newcastle, University Drive, Callaghan NSW 2308, Australia, telephone (02) 49216333, email Human-Ethics@newcastle.edu.au.
APPENDIX 6: Consent Form for Organization
Organization Consent Form for the Research Project:

The Process of CSR Implementation – Local Cases in Hong Kong

On behalf of the (XXXX Company), I, __________________________ agree to participate in the above research project and give my consent freely.

I understand that the project will be conducted as described in the Organization Information Statement, a copy of which I have retained.

As duly authorized by the (XXXX Company), I consent to:

1. the researchers named in the Information Statement inviting the employees of the company to participate in an interview of approximately 60 minutes; and
2. provide an appropriate venue for the interview to ensure the privacy and confidentiality of the participants; and
3. consider providing internal CSR publications, newsletters or promotion materials to the researchers, if they are requested.

I understand that company name will remain anonymous.

I have had the opportunity to have questions answered to my satisfaction.

Print name: ________________________________________________

Signature: ____________________________ Date: ___/___/_______

Contact telephone number: _________________________________

Email Contact: ___________________________________________
APPENDIX 7: Information Statement for Interview
Information Statement for the Research Project:
The Process of CSR Implementation – Local Cases in Hong Kong

You are invited to participate in the abovementioned research project that is being conducted by Dr Jeffrey Li (the Supervisor), Eliot Lee (the student researcher) from the University of Newcastle as part of the research project for the DBA dissertation.

Why is the research being done?
This project aims at studying how local companies in Hong Kong implement Corporate Social Responsibility (CSR). It is a response to the call for more research on CSR in a non-Western context. With reference to the features of the local companies in Hong Kong, this research aims to unveil their process of CSR implementation and the critical success factors behind their CSR initiatives under their specific constraints.

Who can participate in the research?
You are eligible to participate in this research project if you are responsible for the CSR planning or CSR implementation of your organization.

What choice do you have?
Participation in this research is entirely voluntary. The interview is completely anonymous whilst there can be no record of you or whether or not you have participated. Even if you indicate your interest in participating in the study and go further to sign the consent form, you may withdraw from the interview at any time. If you decide to withdraw, all data related to you will be withdrawn and destroyed.
What you are being asked to do?

If you agree to participate in an interview, you will be sent a copy of the consent form and asked to sign the consent form prior to the interview.

The interview could be conducted in Chinese or English, depending on your preference. It could be conducted in your company if it is at your convenience. During the interview you will be asked a series of questions about the implementation of CSR initiatives based on your experience in your organization. The interview will be recorded on audio tape and later transcribed by a transcriptionist who will have signed a confidentiality agreement prior to transcribing. During the interview you can ask for the tape to be stopped and edited or erased. You will also have the opportunity to review the transcript of your interview and edit your contribution if you wish.

How much time will it take?

The interview will take approximately sixty minutes to complete.

What are the risks and benefits of participating?

There is a slight risk of inadvertent indirect identification of individual participants through the publication of comments. There are no direct benefits for any individual participant. However, it is hoped the research can enhance our understanding of the nature of the building and maintenance of CSR programmes in a non-western context. This is beneficial to those companies which do not have abundant resources compared with their counterparts in multinational enterprises.

How will your privacy be protected?

All information received from you will be strictly confidential. As the data collected in this research is anonymous, code numbers will be used in place of names throughout the research process. The data will be stored in password-protected computers accessible only to the researchers and will be disposed of in accordance with the University of Newcastle’s policy and procedures for the disposal of confidential material.

How will the information collected be used?

The results from this research will form the student researcher’s DBA dissertation submitted to the Faculty of Business and Law. Once the dissertation is approved by the Faculty Board, a summary of the findings will be distributed to all participants of this research. It is anticipated that the report will be available by June 2014. Additionally, the results from the research will be submitted to scholarly journals for publication.

What do you need to do to participate?

Please read this Participant Information Statement and be sure you understand its contents before you decide to participate or not. If there is anything you do not understand, or you have questions, please contact the researchers. Once you have read and understood the statement and wish to proceed, please confirm your agreement to participate by signing the consent form and return the completed consent form to the researchers prior the interview.
Further information
If you would like further information please contact Dr. Jeffrey Li and/or Mr. Eliot Lee at the address above. Thank you for considering this invitation.

(Signatures will be added)

Dr Jeffrey Li (Chief Investigator/Supervisor) and Eliot Lee (Student Researcher)
17 February, 2014

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APPENDIX 8: Consent Form for Interview
Consent Form - Interview

Consent Form for the Research Project:

The Process of CSR Implementation – Local Cases in Hong Kong

I agree to participate in the above research project and give my consent freely.

I understand that the project will be conducted as described in the Participant Information Statement, a copy of which I have retained.

I understand that I can withdraw from the project at any time and do not have to give any reason for withdrawing. During the interview I can ask for the tape to be stopped and edited or erased. I may also review the transcript of the interview and edit my contribution. If I decide to withdraw, all data related to me will be withdrawn and destroyed.

I consent to:

1. Participate in an interview of approximately 60 minutes
2. The interview being recorded onto a digital recorder.

I understand that my personal information will remain confidential.

I have had the opportunity to have questions answered to my satisfaction.

Print name: ____________________________

Signature: ____________________________ Date: _____/_____/_______

Contact telephone number: ____________________________

Email Contact: ____________________________