Chinese indigenous values and Corporate Social Responsibility: An exploratory study into the adoption of CSR principles in China

Jackie, H.F. Cheung

Submitted for the degree of Doctor of Business and Administration

September 2015
STATEMENT OF ORIGINALITY

This dissertation contains no material which has been accepted for the award of any other degree or diploma in any university or other tertiary institution and, to the best of my knowledge and belief, contains no material previously published or written by another person, except where due reference has been made in the text. I give consent to this copy of my dissertation, when deposited in the University Library, being made available for loan and photocopying subject to the provisions of the Copyright Act 1968.

Jackie, H.F. Cheung

Date: 10 Sept., 2015
ACKNOWLEDGEMENTS

A DBA dissertation is very much an individual journey along a winding and at times, unpredictable road. Fortunately however, there are many people along that road who provide support, encouragement, comfort and inspiration. My greatest appreciation is to my wife, Paula, and our two children, Grace and Jack, for their support, comfort and encouragement in the past few years of juggling research, working, and taking care of my mother and the third elder sister who passed away one after another during this period. This dissertation is dedicated to my greatest mother, the greatest sister and my family.

I offer my sincere thanks to my supervisor, Dr Antony Drew for his support, insights, encouragement and his keen eyes for detail as this dissertation has evolved and developed. Also, I offer my sincere thanks to all of the focus group members and participants in the online survey, for without their time, contributions and insights, this dissertation would not have been possible.

Finally, I thank God who gives me the strength, courage and faith to accomplish something that is simply not possible to do on my own.
# TABLE OF CONTENTS

STATEMENT OF ORIGINALITY .......................................................................................... ii

ACKNOWLEDGEMENTS .................................................................................................... iii

TABLE OF CONTENTS ....................................................................................................... iv

LIST OF TABLES ............................................................................................................... viii

LIST OF FIGURES ........................................................................................................... ix

SYNOPSIS ......................................................................................................................... x

CHAPTER 1 - INTRODUCTION .......................................................................................... 1

1.0 Background of the research and research focus .......................................................... 1

1.1 Research gaps and justification for the research ....................................................... 2

1.2 Research questions .................................................................................................... 3

1.3 Methodology and design overview ......................................................................... 4

1.4 Outline of the dissertation ..................................................................................... 5

1.6 Limitations of this research .................................................................................... 6

1.7 Conclusion ............................................................................................................... 7

CHAPTER 2 - LITERATURE REVIEW .............................................................................. 8

2.0 Introduction ............................................................................................................... 8

2.1 The evolution of CSR definitions ......................................................................... 9

2.2 Western CSR concepts ....................................................................................... 12

2.3 Theories associated with CSR ............................................................................ 13

2.3.1 Social contract theory ..................................................................................... 13

2.3.2 Legitimacy theory ......................................................................................... 14

2.3.3 Stakeholder theory ......................................................................................... 15

2.3.4 Carroll’s CSR pyramid framework ................................................................. 16

2.4 Is corporate sustainability a better concept than CSR? ....................................... 17

2.5 The effects of cultures on CSR perceptions .......................................................... 19

2.6 CSR adaptation to the cultural context ................................................................. 20

2.7 Cultural differences affecting CSR ..................................................................... 21
APPENDICES ................................................................................................................................. 148
Appendix A- Interview Protocol, Research Questions and Interview Questions ........ 148
Appendix B - Participant Information Statement and Consent Form sent to focus group .......................................................................................................................... 153
Appendix C – Participant Information Statement and Consent Form sent to online survey participants .............................................................................................. 163
LIST OF TABLES

Table 2.1 Common CSR dimensions ................................................................. 47
Table 2.2 Unique CSR dimensions ................................................................. 48
Table 3.1 Demographic questions and related variables and themes ........... 61
Table 3.2 Carroll’s CSR components - Economic responsibility and legal responsibility ................................................................. 61
Table 3.3 Carroll’s CSR components - Ethical and philanthropic responsibility .......... 62
Table 3.4 Open-ended questions and related economic variables and themes .......... 63
Table 3.5 Open-ended questions and related legal variables and themes .......... 64
Table 3.6 Open-ended questions and related ethical variables and themes ........ 65
Table 3.7 Open-ended questions and related philanthropic variables and themes .... 66
Table 3.8 Focus group interview locations and dates ...................................... 67
Table 3.9 Formal Focus Group Interview ..................................................... 68
Table 4.1A Categories, themes and related questions on economic responsibility ........ 77
Table 4.1B Categories, themes and related questions on legal responsibility .......... 78
Table 4.1C Categories, themes and related questions on ethical responsibility .......... 78
Table 4.1D Categories, themes and related questions on philanthropic responsibility .. 79
Table 4.2A Demographic data .............................................................................. 81
Table 4.2.2A Themes related to perceptions of economic earnings .................. 83
Table 4.2.2B Themes related to perceptions of maintaining sustainable development .. 84
Table 4.2.2C Themes related to personal values on economic responsibility ........ 85
Table 4.2.3A Themes related to perceptions of legal responsibility .................... 87
Table 4.2.3B Themes related to perceptions of corporate citizen ....................... 88
Table 4.2.3C themes related to personal values towards legal responsibility ........ 90
Table 4.2.4A Themes related to personal perceptions towards ethical responsibility .... 91
Table 4.2.4B Themes related to personal values towards ethical responsibility .......... 93
Table 4.2.5A Themes related to perceptions of philanthropic responsibility .......... 95
Table 4.2.5B Themes related to personal values towards philanthropic responsibility .. 96
Table 4.3.1 demographic variables of focus group .............................................. 98
LIST OF FIGURES

Figure 2.1 Carroll's four-dimensional CSR pyramid - adapted ........................................... 42
Figure 5.1 CSR with Chinese characteristics ................................................................ 109
SYNOPSIS

The research explores the insights from Chinese business people whether they are developing their CSR principles drawing on indigenous Chinese principles and concepts such as Confucianism and guanxi. Accordingly, this research aims to answer the following research question:

**What are the underpinning values held by Chinese business people that shape their perceptions and practice of CSR?**

So far there has been a paucity of empirical research into Chinese perceptions of CSR and the values that underpin such perceptions. Additionally, there is a paucity of individual-focused research on the effects of the exposure of Chinese business people to Western CSR principles, and how such exposure might impact on their personal indigenous values. This research applies Carroll’s CSR Framework which is suggested as a suitable device to guide the examination of CSR principles and practices in different culture landscapes. The research has been undertaken by means of the interpretivist exploratory approach (in-depth and semi-structured field interviews), drawing on insights from 150 participants through the use of focus groups and an online survey, who are all the Chinese business people working in the regions of China.

This research finds that the CSR perceptions of the respondents are strongly influenced by traditional Chinese values. However, this research also finds that the influence of Western values and capitalism over the past three decades affect Chinese people to perceive economic benefit as a strong factor affecting their attitudes towards CSR adoption.

This research suggests that government bodies with considerable power in China could work effectively with educators and firms to develop and adopt CSR policies and practices, drawing on traditional Chinese values.