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
2.8 CSR in the Chinese business context ............................................................... 22
2.9 Personal values as drivers of CSR ................................................................. 25
2.10 Chinese traditional values ............................................................................. 27
  2.10.1 Confucianism ............................................................................................. 28
  2.10.2 Taoism ......................................................................................................... 31
  2.10.3 Buddhism ..................................................................................................... 32
  2.10.4 Guanxi and the embedded values and norms ............................................. 33
  2.10.5 Summary ..................................................................................................... 36
2.11 Communism - A challenge to Chinese Indigenous Values? ......................... 37
2.12 Convergence and divergence of CSR ............................................................. 38
2.13 Theoretical framework .................................................................................... 41
2.14 Recent research findings on CSR dimensions between China and the West .... 46

CHAPTER 3 - METHODOLOGY AND RESEARCH DESIGN .................................. 49
3.0 Introduction ...................................................................................................... 49
3.1 Research philosophy ......................................................................................... 49
3.2 The interpretive social science paradigm ......................................................... 50
3.3 Alternative research methods in qualitative research ....................................... 51
  3.3.1 Case study ..................................................................................................... 51
  3.3.2 Grounded theory and substantive theory ..................................................... 52
  3.3.3 Observation, interviews, focus groups and survey ...................................... 52
  3.3.4 Participation observation ............................................................................ 52
  3.3.5 In-depth, semi-structured interviews ......................................................... 53
  3.3.6 Focus groups ............................................................................................... 54
  3.3.7 Survey ......................................................................................................... 55
3.4 Research design and implementation ............................................................... 55
  3.4.1 Sampling method and units of analysis ....................................................... 55
  3.4.2 Gaining access to respondents ................................................................... 58
  3.4.3 Interview protocol and process ................................................................... 59
  3.4.4 Pilot study ................................................................................................... 66
  3.4.5 Main study .................................................................................................. 67
3.5 Reliability and validity ..................................................................................... 69
  3.5.1 Credibility ................................................................................................... 70
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.
CHAPTER 1 - INTRODUCTION

1.0 Background of the research and research focus

Over the past three decades, China has rapidly integrated into the global economic system and is now the second largest national economy in the world. During this time, Chinese government policies have played an important role in promoting economic development and social prosperity. Over recent years however, as some Chinese firms have attempted to profiteer, negative externalities have eventuated. These include business scandals, food scares and labor problems. As a consequence, Chinese firms are facing mounting pressure from global Corporate Social Responsibility (CSR) campaigns (Wang, 2005; Rowley & Warner, 2011) to improve their CSR. This noted however, the notion of CSR within a given country, is strongly underpinned by the evolution of that country’s informal and formal cultural, economic, political and legal institutions. Such institutions have evolved quite differently in China in comparison to countries with a European heritage, and therefore Chinese perceptions of CSR, and its antecedents are different (Wang, 2011). In Western countries, the law is not only the fundamental core of the social order but also the highest authority, exceeding everything else. People are expected to strictly obey the laws and regulations established by the government. In China however, indigenous values mean that human relationships and human factors represent an important part of the consideration when it comes to law enforcement.

Lin and Wang (2009) note that indigenous values may be defined as cultural norms that are derived from the classical virtues and other cultural sources such as Confucianism, Daoism, Buddhism and widely diffused in the Chinese cultural system, notably: guanxi (relationships); mianzi (face); renqing (favor) and bao (reciprocity). It is also argued that indigenous values underpin the CSR practices and polices (Thompson, 2011). The purpose of this research is to explore the effects of Chinese values on Chinese business people's adoption of CSR principles, and to identify Chinese indigenous values related to CSR principles. Consequently, this research aims to answer the following overarching research question:

What are the underpinning values held by Chinese business people that shape their perceptions and practice of CSR?
The researcher (author) would like to note for the record that in addition to literature specifically referenced, this chapter draws from papers previously written and submitted by the researcher to the University of Newcastle in the coursework components of the DBA program (Groen, 2009).

1.1 Research gaps and justification for the research

With China's increasing socio-economic and socio-political interaction with the West (Gao, Herbig & Jacobs 1995; Roberts, 1996), it is important to advance our knowledge of Chinese business behavior and the factors that underpin the Chinese perceptions of CSR. The Western literature on CSR has evolved over time in Western contexts, underpinned by Western ethics, values, assumptions, traditions in a very etic manner. Indeed, a number of studies have identified that there are very different CSR constructs and differences in conceptual comprehension in different social and cultural settings (Welford, 2005; Boxenbaum, 2006). Differences in views of CSR derive from both institutional environments and social value bases. By way of example, Matten and Moon (2008), argue that companies in North America typically address issues of responsibility explicitly in corporate policies, programs and strategies, whereas in Europe the responsibility for such issues is more implicit in the formal or informal institutional business environment.

Whilst there may be cultural and social differences between Europe and North America, there are considerably greater cultural and social differences between China and both Europe and North America. The literature suggests that Chinese business ethics appear to be underpinned by Chinese traditional philosophies on moral conduct including Confucianism, Buddhism and Taoism (Lou, 2006). It is argued that these traditional philosophies have a profound historic influence on Chinese culture and behavior and that the wisdom they impart cannot be neglected (Juslin & Wang, 2009) as they still permeate the Chinese mindset. To date there has been a paucity of empirical research into Chinese perceptions of CSR and the values that underpin such perceptions. Juslin and Wang (2009) state that there are few CSR concepts studied in China consistent with the Chinese physical reality, values and cultures. These scholars emphasize the need for more CSR research in the context of China, given the valuable insights such research could provide for Western scholars. (Juslin & Wang 2009; Ramasamy & Yeung, 2009; Gao, 2011).
Furthermore, 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. Visser (2008) supports that as research into CSR in developing countries, such as China, is still relatively underdeveloped makes benchmarking difficult. Yin and Zhang (2012) put forward a useful framework for understanding CSR in China - abiding reflections of national business system and cultural and historical traditions. They believe that examining different levels of institutional dynamics is increasingly important to understanding CSR across different contexts. Yin and Zhang (2012) note that the CSR conception with Chinese characteristics may also be influenced by the Confucian cultural tradition. They suggest that adoption and diffusion of CSR in China is mainly driven by moral leadership and institutional necessity within the Chinese cultural heritage. The research aims to further explore the indigenous Chinese principles implicit in their “Cultural heritage" box. Therefore, this research explores whether Chinese business people are continuing to draw on indigenous Chinese principles and concepts such as Confucianism and guanxi, whether they are adopting Western principles and concepts, or whether they are developing hybrid CSR principles drawing on both. The findings from this research should inform Chinese and Western scholars, policy makers and business practitioners with a more accurate understanding of CSR in the Chinese context.

1.2 Research questions

Chapter 2 of this dissertation reviews critically the literature on the evolution of CSR definitions, Western CSR concepts, theories associated with CSR and the effects of cultures on CSR perspectives. It critically scrutinizes the relationship between cultural adaptation and the CSR context and examines the extent to which the principles motivating CSR may be divergent among countries. It further reviews CSR in the Chinese business context and the historical development and embedding of the indigenous drivers of ethical behaviour in China. The chapter closes by drawing on the literature to propose a theoretical framework (Carroll, 1991) and a related series of sub-questions, to guide exploratory, qualitative empirical research in answering the overarching research question:
What are the underpinning values held by Chinese business people that shape their perceptions and practice of CSR?

The sub-questions are

1a. some people believe it is important for a firm to act in such a way that maximizes its earnings. Do you think profit maximization should be a key objective for a firm?

1b. what personal beliefs do you have that you think might influence your thoughts on this question?

2a. a firm obeys the government regulations and the obligations of paying tax in such a way that behaves a good corporate citizen. Do you think law is everything that justifies right and wrong?

2b. what personal perceptions of justness and righteousness that you think might guide you and lead you to behave correctly.

3a. in the development of economic reforms, firms in China frequently face allegations of poor human rights, child labor, environmental pollution, gender inequality and infringement of patterns. Do you think economic consideration is more important than obeying law and ethic performance?

3b. What is your moral standard to justify these issues? Is this standard related to Chinese philosophies and culture? Could you give some examples?

4a. in the recent years, there are an increasing number of Chinese firms and business people voluntarily to donate their wealth to the society. Do you think the social investment is a kind of social performance?

4b. what personal values do you have that you think might influence voluntarily to contribute resources to the community and improve quality of life?

1.3 Methodology and design overview

The purpose of this research is to explore the effects of indigenous values on Chinese business people's adoption of CSR principles and to identify the indigenous Chinese
values relating to CSR principles. It attempts to provide an insight of the value structures of Chinese business people and how these influence the adoption of CSR principles.

As the research is exploratory in nature, a review of the literature determined that it was most appropriate to adopt a qualitative and interpretivist methodology (Crotty, 1998; Lincoln, 1990). There are a number of data collection approaches can be applied to explore and explain insights (Gioia & Pitre, 1990). However, after reviewing the literature and comparing data collection approaches, it was determined that the use of in-depth, semi-structured field interviews for primary data collection was most appropriate for this research.

Data were collected from 150 participants (all members of the Hong Kong Sourcing Network Association) through the use of focus groups and an online survey. Both methods used the same interview protocol. In the focus group interviews, questions were posed in English, Mandarin or Cantonese, depending on the preferred language of the participants and English and Chinese characters were used in the online survey. It was determined to use two methods of data collection to exercise triangulation to enhance the validity of the research and possibly ameliorate the generalizability (Cavana, Delahaye & Sekaran, 2001) of the findings.

Two pilot focus group interviews were conducted (one in Hong Kong and one in Shenzhen) with ten Chinese ethnic business people, all invited through the Association. The pilot study was deemed necessary in order to verify the reliability, validity, and accuracy of the questionnaire's language. Only minor adjustments were made to the wording of several questions in the interview protocol as a consequence of the pilot study.

The data collected were subjected to comprehensive content analysis and Boolean word and theme searches using Microsoft Excel and NVivo in order to provide insights into the key themes that evolved in response to the questions posed.

1.4 Outline of the dissertation

This dissertation is comprised of five chapters and begins with this chapter which provides an overall introduction to the dissertation. Chapter 2 discusses the background literature on CSR as well as the literature specific to the research question. The gaps in
the literature are identified and the research questions are put forward. Chapter 3 provides the methodology used in this study to answer the research questions and discusses the target population, sample, instrumentation, data collection and the data analysis. Chapter 4 presents a discussion of the data analysis and a thematic and cross-sectional analysis of the research questions. Chapter 5 discusses the findings of this study as well as the implications for research and business and provides suggestions for further research.

1.6 Limitations of this research

There are some limitations to the research. First, qualitative social research commonly generates large amounts of data in non-standard format, thus presenting severe problems of data handling and data analysis (Turner, 1983). However the objective of this research requires the generation of data without leading or self-constructing the data (Murphy, 1995) and this data also contributes to the notions of validity and reliability. Second, critiques of qualitative research claim that such analysis is little more than a form of imaginative linkage and thus considered too subjective (Cavana et al., 2001). This claim is partly countered in this research by drawing on a broad range of perspectives from 10 focus group interviews in seven cities (Hong Kong, Macau, Shenzhen, Guangzhou, Changsha, Shanghai and Beijing), complimented by an online survey. Third, interview bias results from having the interviewer as part of the data collection process (Dick, 1990). This study used a single interviewer and an interview protocol as a guide to help to minimize this bias by providing a repeatable process to collect data systemically. In addition transcripts and analysis were critically reviewed by the supervisor to help clarify possible misinterpretation of responses (Perry, 1998). Fourth, due to the limited number of participants, it is unwise to generalize from the findings. However, the findings do provide more specific insights from which hypotheses may be developed in future to measure Chinese perceptions of CSR through quantitative means. Fifth, this research only canvasses the perceptions of business people. Different perceptions may be held by people in different roles and social sectors.
1.7 Conclusion

This chapter presents the foundations of the research and introduces the subsequent chapters of the dissertation. It introduces the research problem and identifies the following research question:

What are the underpinning values held by Chinese business people that shape their perceptions and practice of CSR?
CHAPTER 2 - LITERATURE REVIEW

2.0 Introduction

Since joining the World Trade Organization (WTO) in 2001, China has committed to following WTO regulations, international quality standards and requests from external Non-Government Organisations. For Chinese business firms that engage in export, foreign direct investment (FDI) or join ventures with overseas firms and stakeholders, the adoption of CSR principles is becoming increasingly important. However, the literature suggests that CSR principles have developed over time in accordance with the values, assumptions and beliefs that have evolved in a number of Western countries and as such, may not be appropriate to the Chinese cultural context. By way of example, the Chinese have their own deep-rooted indigenous values derived from Confucianism, Taoism and Buddhism that essentially influence the Chinese to maintain high moral standards and good virtue.

Consequently, this chapter presents a critical review and synthesis of extant theories and schools of thought on the nature and evolution of CSR; Chinese culture; personal values and behaviours; and on theoretical frameworks for analysing culturally specific Chinese indigenous values. This review is undertaken in order to provide a theoretical foundation and framework for an empirical analysis of the effects of Confucian values on Chinese business people's adoption of CSR principles, and to identify the Chinese indigenous values that relate to CSR principles.

First, based on the respective literature, section 2.1 presents the literature on evolution of CSR definitions, illustrates how CSR definitions evolve and demonstrates that CSR has no unique definition. Section 2.2 critically reviews the Western CSR concept that CSR should be above legal obligations and be based on an individual and collective moral foundation. Section 2.3 discusses theories associated with CSR that are considered as the cornerstones of the CSR context: social contract theory; legitimacy theory; stakeholder theory and; Carroll’s Pyramid CSR framework. Section 2.4 discusses corporate sustainability to show how recent models and frameworks have extended beyond the CSR field e.g. Porter’s CSV model (Kramer & Porter, 2006), the advent of corporate social innovation and social impact investing. Section 2.5 reviews the effects of cultures on CSR perspectives and provides evidence that differences in national cultural values among
countries have different effects on CSR interpretation and performance. Section 2.6 critically scrutinizes the relationship between cultural adaptation and the CSR context and examines the extent to which the principles motivating CSR may be divergent among countries. Section 2.7 critically discusses how cultural differences effect the attitudes and behaviour of local people in relation to CSR practice. Section 2.8 critically reviews CSR in the Chinese business context. Section 2.9 discusses personal values as the drivers of CSR and illustrates how individual values influence human perception and behaviour on the judgment of right and wrong. Section 2.10 delineates the Chinese traditional values and philosophies influence the Chinese thinking and behaviour. Section 2.11 discusses the influence the Cultural Revolution had on Chinese indigenous values and how the Chinese Communist Party have been trying to restore indigenous values. Section 2.12 critically discusses the convergence – divergence debate, anchored in globalisation and the implications for CSR in the Chinese context and identifies a gap in knowledge to which this research might contribute. Section 2.13 proposes a theoretical framework, based on the literature, to answer the call from researchers, including Aupperle, Carroll and Hatfield (1985), Carroll (1979), Kraft (1991) and Minyard, Oviatt and Zahra (1993), to guide this research project which empirically examines the underpinning values held by Chinese business people that shape their perceptions and practice of CSR. Finally, section 2.14 concludes the common values and unique values on CSR dimension between China and the West.

2.1 The evolution of CSR definitions

It has been suggested that the similarities across the many national embodiments of CSR - each of which is largely explicit - may be explained by referring to the supra-national advent of economic globalization (Den Hond, de Bakker & Neergaard, 2007). In order to substantiate this position, it is necessary to look at the history and evolution of the concept. For example, the debate on the relationship between corporate economic activity and society in the United States is derived from evolving paradigms held in the late 19th and early 20th centuries (Blumberg, 1972). It has been suggested that the cultural influence of that ancestry can still be ascertained in representations of the CSR concept today (Pasquero, 2005) and that the influence of American culture on the concept of CSR might be explained by the religious atmosphere of the past (Acquier & Gond, 2005). Building
on the Weberian argument of the influence of the protestant ethic on the spirit of capitalism, Acquier and Gond (2005) suggest that it is considered a moral obligation for the successful businessman to share his wealth with the people in his community.

Globalization has often been mentioned in the context of CSR (Bhattacharya & Sen, 2001; Blowfield, 2005; Tokoro, 2007; Lauring & Thomsen, 2008; Crane & Matten, 2010; Thompson, 2011), yet mainly to point out the fact that the CSR concept is embraced on a large scale in many settings, rather than to outline how globalization affects the emergence of explicit notions of CSR in different geographical and cultural settings. Therefore this section explains how CSR has evolved with various definitions initiated by Western countries but differentiated through their geographic location and cultural backgrounds.

The evolution of the concept and definition of CSR has undergone an impressive history. The period of CSR initiation began when Sheldon (1924) advocated ethical management; then Barnard (1938) discussed CSR through multiple aspects such as the economic, legal, moral, social and physical aspects of the business environment. This position was furthered by Simon (1945) who proposed that organizations and the community should be perceived as being engaged in an interactive relationship. In the 1950’s, a number of scholars noted the importance of social obligation and community obligation in relation to the effect of business policy upon society and that business should contribute to sustaining community stability (Bowen, 1953; Drucker, 1958; Heald, 1957; Selznick, 1957). CSR definitions were further evolved in 1960s when more essential elements of CSR were defined (Walton, 1967), for example corporate constitutionalism (Davis, 1960), shareholder approach (Friedman, 1962) and societal approach (McGuire, 1963). In the 1970s CSR definitions rapidly expanded. The focus fell on reflection of the social and environmental movements and the growing concern for performance in business and industry. Friedman (1970) used agency theory to indicate that CSR is contradicted to shareholder benefit but Johnson (1971) argued that CSR is a kind of utility maximization, which means an entrepreneur or manager should be socially responsible for all members of the enterprise. In 1971 the Committee for Economic Development (CED) stated that it is time to change the social contract between business and society. The statement is supported by Sethi (1975) in terms of corporate social performance, Frederick (1978) in terms of corporate social responsiveness and Barry (1979) in relation to business ethics.
As the decade closed, Carroll developed a conceptual model for corporate social performance (the CSR pyramid) comprising four dimensions: economic, legal, ethical, and discretionary expectations (Carroll, 1979).

Alternative concepts, themes and definitions of CSR emerged in the 1980s and 1990s as more research was conducted and published. This research led scholars and practitioners to begin to view CSR as a construct and field of study that had some validity and some sought to better define and operationalize the concept. CSR themes to arise in the 1980’s included the stakeholder approach (Freeman, 1984), corporate social performance and normativeness (Wartick & Cochran, 1985; Moser, 1986).

Throughout the 1990s tangential themes of CSR were expanded, related research was conducted, and alternative models were developed. Thus, more themes were integrated into CSR definitions, for example strategic CSR (Fombrun & Shanley, 1990), stewardship theory (Donaldson, 1990), revisited CSP (Wood, 1991), the revisited pyramid of CSR (Carroll, 1991), institutional theory (Jennings & Zandbergen, 1995; Jones, 1995), the stakeholder approach (Clarkson, 1995; Donaldson & Preston, 1995), the natural resource based view (Hart, 1995), the triple bottom line (Elkington, 1998) and the initiative view (Costin, 1999). Furthermore, Frederick (1992) proposed that more social obligations be included in the CSR context and defined CSR2 as the action-oriented managerial concept of social responsiveness; CSR3 as a normative element based on ethics and values and later, CSR4 (Frederick, 1998), as corporate social religion. As Carroll stated, even though definitions of CSR may be revised and adapted in the future, ‘it is hard to imagine that these new concepts could develop apart and distinct from the groundwork that has been established over the past half century’ (1999, p.294).

In the 21st century, CSR has evolved from “what obligations” CSR should perform to “how obligations” related to CSR should be performed. More recent literature discusses how organizations should act as a good corporate citizens (Hemphill, 2004; Matten & Crane, 2005); how NGO activism motivates the CSR performance of organizations (Feddersen & Gilligan, 2001); how resource-based perspectives help to determine CSR at an ideal level (Branco & Rodrigues, 2006); how CSR should be of societal accountability (Gobbels, 2002); how strategic CSR attracts socially responsible consumers (Baron, 2001) and; issues related to the bottom of the economic pyramid
(Prahalad & Hammond, 2002). Normative and business cases motivate corporates to do good (Smith, 2003). They suggest CEOs should act as CSR strategic leaders (Waldman, Siegel, & Javidan, 2004). The narrow vision of CSR (Greenfield, 2004) suggests firms should make profits for the owners and obey relevant rules. Conversely, broader views suggest that corporations should sustain the environment, the community, resources, engage in philanthropic giving (Hancock, 2005; Lindfelt & Tornroos, 2006; Pettit, 2007), and use 3C-SR model to build trust (Meehan, Meehan, & Richards, 2006).

2.2 Western CSR concepts

Although the evolution of CSR definitions commenced in 1924, CSR has been practiced in one form or another in the Western World for well over 200 years (Idowu, 2011). The review of the evolution of CSR definitions in the above section and the extant literature indicates that CSR has no clear boundaries (Lantos, 2001); has many conflicting goals and objectives (McWilliams & Siegel, 2001); has no generally accepted definition (Carroll, 1991; Idowu & Papasolomou, 2007); means different things to different people (Idowu & Leal Filho, 2009; Kakabadse & Mostovicz, 2011) and; incorporates counterproductive practices in its evolution (Kramer & Porter, 2006). Whilst these arguments may or may not be true and accurate reflections of CSR, it is important to note that no CSR theory can assure trust building (Dubin, 1978; Whetten, 1989, 2002; Idowu & Louche, 2011; Kakabadse & Mostovicz, 2011). Bossone (1999) and Olson (2006) argue that key CSR principles attempt to ensure corporations operate with trust. However, most countries have seen the damage that can be caused to their business and government institutions when there is a breakdown of moral values, particularly trust and integrity. Friedman (1970) argues that the corporation should care only for profit maximization and should do nothing more than comply with the legal requirements. This is explicitly rejected by Davis (1973) who states that in order to talk meaningfully about CSR; managers need to look for something more than legal and something beyond the traditional way of managing the corporation according to the profit maximization logic. Furthermore, Frederick (1994) argues that there needs to be trade-offs between economics and social good and discusses how they should be balanced. Frederick (1994) suggests that there is a moral principle from which corporate obligations to society can be derived.
Clearly, whilst there is no single exact definition of CSR; the central point of CSR is based on an individual and collective moral foundation.

2.3 Theories associated with CSR

The CSR context has drawn on a number of theories to explain the adoption of CSR principles by firms and why firms should disclose information on their CSR activities (Idowu & Leal Filho, 2009, p.15). However, the evolution and context of CSR are widely derived from three main theories: Social Contract Theory, Legitimacy Theory, and Stakeholder Theory.

2.3.1 Social contract theory

Social Contract Theory proposes that each society has a set of defined relations between society, business and state, and that modalities of relations are specific to each society (Lenssen & Vorobey, 2005). Contracts between society and state, and contracts between society and business could be formal/explicit by taking the form of laws, regulations, rules and procedures or informal/implicit through commonly accepted traditions and institutions (Habisch, 2005). At the firm level, Sacconi (2004) defines a social contract as the agreement that would be reached by the representatives of all the firm's stakeholders in a hypothetical situation of impartial choice. In addition, multiple factors may contribute to the process of defining social contracts in any particular society (Habisch, 2005). A social contract is intrinsically present in every society as an expectation of society towards business, of society towards government and vice versa (Lenssen & Vorobey, 2005). Due to the complicated and multi-faceted process of creating a social contract and the way a social contract is embedded in institutions, none of the sides in the state-society-business triangle could drastically influence the social contract status quo in the short term (Habisch, 2005). Moderately, it provides a reference point for companies on how business processes and policies are maintained and what the expectations of business in a given society are over the long term (Habisch, 2005).

Social contract theory deals with abstract entities of society, state and business, making it possible to extrapolate it to other levels of complexity in social arrangements. Donaldson and Dunfee (1999) developed an Integrated Social Contracts Theory with
clear differentiation of macro-social contracts (expectations of community) and micro-
social contracts (specific form of involvement). While this theory sets the context for
business people to take decisions, it does not provide a framework with which to analyse
the dynamics of macro and micro social contracts in line with changing demographics of
a population or increased mobility and information flows (Habisch, 2005). Whilst it might
explain the initial motivation of companies to engage with communities, it might not
explain the totality of their involvement (Habisch, 2005). Further, it is hard to define a
dynamic entity such as society in static descriptive terms of micro or macro levels and
the applicability of this theory becomes even more ambiguous with higher levels of
complexity in societal arrangements, such as when communities of different ethnic,
cultural and economic backgrounds mix in a given territory (Habisch, 2005). For example,
a social contract attributed to one community may operate with different norms compared
to another community. Gray, Owen and Adams (1996) suggest that society and business
transform into a complex series of societal contracts in individual particles of state,
society and business. Mullerat (2010) suggests that the corporate social contract today
underpins the CSR concept and this point is further clarified by Lantos (2001, p.598) who
notes:

Given the sometimes adverse effects of business decision making on society, as
well as corporate reliance upon society, the notion of an implied corporate social
contract, conceived by social and economic theorists, spells out society's
expectation of business as well as business" expectations of society.

2.3.2 Legitimacy theory

Legitimacy theory suggests that organizations continually seek to ensure that they operate
within the bounds and norms of their respective societies, that is, they attempt to ensure
that their activities are perceived by outside parties as being "legitimate'. Legitimacy
theory is essentially a ‘systems-oriented’ theory where organizations are viewed as
components of the larger social environment in which they exist (Mullerat, 2010).
Legitimacy theory anchors the social contract arrangements in the state-society-business
triangle to a business sector perspective and the same concerns noted above could be
applied to this theory. For example, Suchman (1995, p.574) defines legitimacy as ‘a
generalised perception or assumption that the actions of an entity are desirable, proper, or
appropriate within some socially constructed system of norms, values, beliefs and definitions’. He identifies three types of organisational legitimacy (pragmatic, moral, and cognitive) and three key challenges of legitimacy management (gaining, maintaining and repairing legitimacy). Suchman (1995, p.586) points out that ‘legitimacy management rests heavily on communication’ - therefore in any attempt to involve legitimacy theory, there is a need to examine some forms of corporate communications. Whilst social contract theory remains abstract, static and difficult to operationalise, legitimacy theory emphasises the dynamic process of a company gaining legitimacy through concrete actions and communications.

Corporate reputation indices in different countries can shed light on the different legitimation processes which companies need to adopt in each country, in order to be perceived as living up to its social contract (Habisch, 2005). Legitimacy is attributed to a purpose or goal that a company has. Clear and consistent communication is essential to transmit a company's efforts in legitimacy management to other sides of the triangle, i.e. to society and the state. Whilst in the long-term business could refer to the social contract attributed to a given society at large, in the short term business requires a far better understanding of such diverse groups that make up society. Economic systems, governments and institutions often determine what is legitimate and this power to determine legitimacy cannot be easily lost (Banerjee, 2008).

2.3.3 Stakeholder theory

Stakeholder theory may help define the parties of a social contract in better terms. Freeman (2010), the originator of the stakeholder theory, describes the firm as a series of connections of stakeholders that the managers of the firm attempt to manage. Freeman and Reed's (1983, p.46) classic definition of a stakeholder is ‘any group or individual who can affect or is affected by the achievement of the organisation's objectives’. Clarkson (1995) further developed stakeholder theory by defining primary and secondary stakeholders based on stakeholders' level of engagement in transactions with the corporation and their importance for the corporation's survival. Mitchell, Agle and Wood (1997) present a model of stakeholder identification and salience based on stakeholders possessing one or more of the attributes of power, legitimacy and urgency and confirm that the three attributes do lead to salience, however, all three attributes are subject to
cultural and historical interpretation within a particular context. Freeman and Velamuri (2006) proposed to redefine the acronym CSR as corporate stakeholder responsibility. Whereas other scholars (Hedberg & von Malmborg, 2003; Salzmann, Ionescu-Somers, & Steger, 2005; Hahn & Scheermesser, 2006; Ballou, Heitger, & Landes, 2006; Dunphy, Griffiths, & Benn, 2011) prefer the term corporate sustainability to CSR, in that sustainability refers directly to the triple-bottom-line approach and the integration of social, environmental and economic dimensions into management practices, presuming the stakeholder orientation.

Corporate sustainability involves the voluntary adoption of social and environmental standards beyond legal prescriptions; opening companies to stakeholder dialogue and cooperation; addressing operations toward sustainable development and; gaining mutual consensus, trust and legitimacy for firms in the globalization era (Perrini, Pogutz, & Tencati, 2006). Whereas, CSR refers to a governance model based on stakeholder satisfaction beyond not only legal prescription but also individual ethical orientation (Bettignies, Ip, Bai, Habisch & Lenssen, 2011). Critically, stakeholder theory does not provide an answer on how social, historical and cultural factors influence such interactions. Depending on time and space, the notion of stakeholder could vary significantly in its meaning, especially if the dynamics of interaction between stakeholders are considered (Habisch, Jonker, Wegner, & Schmidpeter, 2004).

2.3.4 Carroll’s CSR pyramid framework

Companies might use the concepts of justice and perfect rights to prioritize stakeholder claims from economic and moral standpoints to satisfy both business and society (Brown & Forster 2013). However, CSR can only have a discernible meaning if viewed against a background of normative assumptions that tell us what is desirable and that business organizations have a responsibility to bring about that desirable state of affairs. Without these normative premises, it may not be clear as to what CSR is and is not (Crane, Matten, McWilliams, Moon & Siegel 2008). Carroll (1979) presents the view that if CSR simply requires a mere assumption of responsibility, this is not a satisfactory attitude. Therefore his theoretical model adds to social responsibilities with two additional dimensions: the type of behavioural attitude taken by corporations in responding to societal demands and the specific social issues involved in the relationship. Carroll (1991) conceptualises a
four-part CSR pyramid framework comprising economic, legal, ethical and philanthropic faces and this framework is widely recognised (Madsen & Ulhoi, 2001; Van Marrewijk, 2003; Wheeler, Colbert & Freeman, 2003). The model aims to help business people visualize how different social issues - environmental concerns, product safety, human right issues, and so forth - can be tackled by the corporation using different attitudes - namely in a reactive, defensive, accommodating, or proactive behavior - according to their understanding of where each specific issue can be positioned in the continuum of corporate economic, legal, ethical, and philanthropic obligations.

Carroll's CSR pyramid (Carroll, 1991) is almost entirely based on research in an American context and this raises the question of whether is adequate for describing CSR in developing or non-Western countries - such as China. Indeed, several empirical studies suggest that culture may have an important influence on perceived CSR priorities (Carroll & Pinkston, 1994; Carroll & Edmondson, 1999; Burton, Farh & Hegarty, 2000). Crane and Matten (2010) address this point explicitly by discussing CSR in a European context using Carroll's CSR Pyramid. They conclude that 'all levels of CSR play a role in Europe, but they have different significance and furthermore are interlinked in a somewhat different manner’ (Crane & Matten, 2010, p.49). Given that developing countries and those with a non-European heritage are even more distant from the American context than Europe, it would be valuable to examine how CSR is manifested in such a country context and whether Carroll’s CSR Pyramid is a suitable framework for such an examination.

2.4 Is corporate sustainability a better concept than CSR?

Hopkins (2012) recognized that corporate sustainability is an additive to CSR but it does not take into account stakeholders, ethics or responsible behaviour. The researcher further explained that the notion of sustainability was originally concocted as a development that attempts to be continuous amid worries that existing development will be resource constrained by the carrying capacity of earth’s natural resources and eco-systems. In corporate sustainability literature, the social dimension of sustainability is generally used to equate the meaning of the concepts of CSR (Bansal, 2005) or with business ethics (Jones & Peirce, 2007). A frequently cited definition from Carroll (1979) understands CSR as “the social responsibility of business that encompasses the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point
in time” (Carroll, 1979, p.500). The sustainability discourse analyses the externalities of business activities (such as environmental pollution) and this does not follow the expectations of many Western societies of organizations. Moreover, performing in a socially responsible way is often suggested as a rectification of unsustainable’ business behavior especially following the financial crisis starting in 2007 which was mainly caused by unsustainable borrowing (e.g. consumer credit and real estate acquisition) and short term profit seeking by banks and other financial institutions. Hence, sustainability is always practised equivalent to social responsibility. However, other than business ethics, sustainability does not focus solely on moral or ethical problems in the business context and other than CSR, it does not focus on the control of business activities alone (Jones & Peirce, 2007; Ehnert et al., 2014).

It has been widely criticized by mainstream management scholars that business behavior follows the traditional economic rational (Kramer & Porter, 2006, 2011; Ehnert et al., 2014). Hence, Kramer and Porter (2006) constructed the idea of Creating Shared Value as a critique of the CSR approach in management and corporate mindset that believe societal issues as peripheral to the concerns of business. The approach of Creating Shared Value should be considered as broader than corporate sustainability and as integral to firms’ competitive advantage and profit maximization because of the way businesses create economic and societal benefits relative to cost. At its essence, the idea regards sustainability as value creation for both the company and the society in which it practices. (Albino, Carbone & Taticchi, 2013). CSR, they argue, presents too narrow a vision of a company’s social responsibility - the fact that businesses “have overlooked opportunities to meet fundamental societal needs and misunderstood how societal harms and weaknesses affect value chains” (Kramer & Porter, 2011, p.6). Considered as an “externality” that aims merely at “doing good” by focusing solely on citizenship, philanthropy, or corporate sustainability, the CSR approach is also held to be separate from profit maximization, with an agenda determined by “external reporting” and its impact limited by corporate footprint and CSR budget (Albino et al., 2013).

Albino et al. (2013) propose that social innovation can be the driving force to spark change through social impact investing. Companies are increasingly cognisant that there is an economic perspective to take when assisting to resolve social and environmental problems. They have learned that applying their energies to solving inveterate problems
found in the social sector potently motivates their own business development. Therefore, from a shared value viewpoint, companies must take the consideration of social impact into the core frameworks that they use to understand their competition and to develop their business strategy (Michelini, 2012). CSV approach not only drives competitive advantage; it can help solve important economic, societal and ecological issues such as alleviating unemployment and poverty, improving education and providing access to participation in the formation of new local businesses. Through their innovative eco-friendly products and services and innovative environmental management programs, companies can address environmental degradation and pollution at local levels, helping to facilitate the transition to an environmentally sustainable economy (Albino et al., 2013).

In summary, corporate sustainability and CSV work out the social impact of investing to meet society's expectation that companies add social, environmental and economic value from their operations, products and services. However, it is still not enough to cover the comprehensive interests of the stakeholders discussed in the CSR literature (Hopkins, 2012).

2.5 The effects of cultures on CSR perceptions

A number of studies have identified that there are very different CSR constructs and conceptual comprehensions in different social and cultural contexts (Welford, 2005; Boxenbaum, 2006). As noted in the previous section, the general definitions and views on CSR vary to some extent between Europe and North America (Palazzo, 2002; Matten & Moon, 2004). Matten and Moon (2008) explain that North American companies usually address problems of responsibility explicitly in corporate policies, programs and strategies, whereas the European companies are more implicit in how they handle the CSR. Further, the focus on the context of CSR varies in response to national institutional and business environments. Matten and Moon (2008) note that the strong explicit mark of CSR usually occurs in countries with a weak social embedding of the economy. For example, in the USA philanthropic acts are largely made at the discretion of companies whereas in European countries such acts are more likely settled through a legal framework such as corporate taxation. This may well be reflected in the fact that income and corporate taxes are usually higher in Europe than in the USA. European companies place
less weight on external philanthropic activities in their CSR agenda as they consider such issues are tasks for their governments (Crane & Matten, 2004) and concentrate their CSR activities within the firm (Hill, Martin, & Snider, 2003). The differences in views of CSR can be attributed to both institutional environments and social value bases (McWilliams, Siegel & Wright, 2006). The literature argues that the differences in national cultural values between Europe and USA have different effects on CSR performance and that this can be explained by cultural divergence and adaptation.

2.6 CSR adaptation to the cultural context

The literature suggests that CSR behavior is targeted to the needs of the local community rather than the global community (Burton, 2008). The principles motivating CSR are divergent among countries. For example, European businesses present CSR in response to stakeholder demands and examination (i.e. performance-related motivations) whereas US firms tend to introduce CSR initiatives that enhance their core values. Thus CSR programs implemented by the countries of these two regions have their differences. The divergence of CSR principles are influenced by factors including the role of the state, public opinion, religion, and the composition of investors and this is illustrated in the contrast in CSR agendas between Europe and developing countries (Habisch, et al., 2004). In developed countries concerns are about environmental protection, labour protection, employment practices and corruption. However, in developing countries, such as China and India, the focus is more towards employment opportunities and the development of economic and social conditions (Habisch, et al., 2004).

What contributes to good CSR agenda in one country may not be appropriate in another. This is a very real issue for multinational enterprises (MNEs). In terms of international business, Habisch, et al., (2004) suggest that CSR is about organisational change that involves the development of new relationships with a much more complex mix of stakeholders than in a single national context. International firms needs to examine explicitly what issues and approaches contribute to their overall CSR agenda and adapt company practices to local organisational and national cultures. This point is supported by a number of scholars (Arthaud-Day, 2005; Galbreath, 2006; Morsing & Schultz, 2006; Banerjee, 2008; Burton, 2008; Chandler & Werther, 2010; Coombs & Holladay, 2011) who also argue that companies should adapt their CSR strategies to local cultures. Allen
and Husted (2006) conclude from their research that MNEs tend to adapt to local CSR strategies than global companies. Burton (2008) supports this notion and states that there is no conclusive framework to identify between local and global CSR. He further explains that firms should be accountable in all societies to follow universal CSR principles including rights and obligations; however, the local society should develop their own norms of ethical behavior because they have their self-defined groups whose members interact on the basis of shared tasks, values and goals.

2.7 Cultural differences affecting CSR

Theories on cultural differences may provide an interpretive framework for understanding the roles and expectations of a society in practicing CSR (Lenssen & Vorobey, 2005). For instance, Hofstede (1991) adopted four value oriented dimensions in his original seminal work to distinguish societal cultures between countries:

1. Power distance orientation - social inequality in terms of authoritative relationship, for example, developed countries have lower power distance and developing countries are vice versa.

2. Uncertainty avoidance orientation - ways and levels of dealing with uncertainty.

3. Individualism versus collectivism - the relationship between the individual and the group.


The four value orientations show that behavioural differences result from cultural differences and perceptions of power, hierarchies, gender and risk (Hofstede, 1977).

When considering the issue of business ethics, cross-cultural differences are normally compounded in the business environment (Akram & Azad, 2011). For instance, developing and emerging countries are more likely to attract foreign direct investments by engaging in government and firm level actions that enhance the perceptions of ethical behavior to outsiders. This is reflected through an increasing number of studies that demonstrate the influence of culture on business code of conducts and ethical behaviours (Patel, 2004; Arzova, et al., 2005). CSR is regarded as ‘the continuing commitment by business to behave ethically and contribute to economic development while improving
the quality of life of the workforce and their families as well as of the local community and society at large’ (Idowu & Leal Filho, 2008, p.377). However, with regard to business ethics, there is a paucity of literature that allows for predictions of attitudes and behaviours as a consequence of national differences (Gossling, 2011). Therefore this research is focused towards contributing to this literature by examining the influence of culture in terms of indigenous values on CSR perceptions in the Chinese business context.

2.8 CSR in the Chinese business context

Since 1980 China has become one of the most popular destinations for FDI, predominantly due to its enormous market potential, but also because of low labour costs and lax social and environmental laws (Brown & O'Rourke, 2003; Eastin & Zeng, 2007; Balducci & Men, 2010). However, there are concerns that the growth rate is unsustainable. There are also concerns that a one party state may be less effective in managing work related human rights violations than a multi-party state in which politicians advocate for workers’ rights (Balducci & Men, 2010).

From 1949 until 1978 China's business landscape consisted only of state-owned enterprises (SOEs). These SOEs were comprehensive social institutions - the so-called "iron rice bowls" that provided lifetime employment, housing, child and health care, education and other benefits to their workers. Decisions were taken by the Communist Party so that all business was dependent on Beijing. However, with Deng Xiaoping's elevation to power in 1978, the government gave enterprises more autonomy so that they could focus on economic profits, rather than providing social benefits. With the Third Plenum of the Eleventh Chinese Communist Party Congress held in December of 1978 (Wang, 2004), state-owned enterprises were granted more autonomy and greater financial incentives to managers. In 1984 the State Council allowed enterprises more autonomy in production planning and profit retention, then in 1992 it granted them further rights in setting their own prices and wages, hiring and firing labour, investment of fixed capital and foreign trade. After the regulations were issued, many SOEs began laying off workers in an effort to improve financial performance. Privatization of small SOEs occurred in large scale in 1995. By the end of 1996 over half of the small SOEs were privatized. At the same time, over ten million workers were laid off from SOEs. In private firms there is often one controlling majority shareholder who control powers and decision making
and it is alleged that abuse of minority shareholders by the controlling shareholder often occurs (Wang, 2004). Further, Balducci and Men (2010) suggest that the economic responsibility of Chinese companies seems to have definite priority over social concerns as a result of changes from the former entirely state-controlled business system and the recent "gold-digger" business environment.

The Western concept of CSR was only introduced into Chinese organizations in the mid-1990s, concomitant with an increasing number of foreign firms engaging in foreign direct investment in China. The introduction of CSR was driven by both external push and internal pull factors (Zu, 2008). Externally, MNEs and particularly those in the consumer goods and retail sectors faced great pressures from their own domestic consumers and home country activists to ensure their activities in China were being conducted responsibly and they audited Chinese suppliers accordingly. Chinese companies passively accepted these CSR standards, audits and other requirements as a condition of doing business with MNEs. Internally, decades of enterprise reform changed the role of SOEs and civil society was becoming more informed, with growing media coverage and awareness of CSR. The leaders of Chinese governments, civil society and consumers started to view CSR as an important tool with which to engage and challenge business and new organizations were established to promote CSR in China. In addition, other factors accelerate the evolution of CSR in China such as ‘developments in the regulatory environment, the evolution of civil society to act as both watchdog and partners to business, progress in developing and refining basic CSR tools and frameworks and progress on issues like corruption and the status of workers’ (Zu, 2008, p.45).

The foci of CSR practices in Chinese society today are mainly on disaster relief, poverty alleviation and education. These efforts endeavor to create a harmonious society and are different to the foci of Western CSR which is broadly concentrated on human rights, environmental protection, gender equality and equitable labor practices (Lin, 2006). There are several existing international guidelines and standards are relevant to CSR globally: Global Reporting Initiatives SA8000, ISO26000, the UN Global Compact and the UN Principles for Responsible Investment. However, these standards and guidelines are more widely adopted in the United States and Europe than in China, where people do not value guidelines and fixed standards (Lin, 2006). Lin (2006) suggests another reason why international standards and guidelines are not well adopted in China is due to the
lack of governmental attempts to enforce laws regarding irresponsible practices. Western people regard the rule of law as the highest authority and a fundamental core of social order. Thus, the people in Western countries are expected to strictly obey the laws and regulations established by the government. Lin (2006) argues that fundamental differences exist between Chinese philosophy and Western philosophy. Chinese are deeply influenced by the ethics and moral standards taught by Confucius, Buddha and other great philosophers. These teachings provide guidelines for harmonious human relationships. To become a man of noble character, one must respect seniority in human relationships and find a balance between the individual, the family and the society. Of great importance and influence in the society is *guanxi*, a term denoting one's network of private connections and friendships with other people or organizations (Drew & Kriz, 2012). In China, law, following reason, lies at the bottom. Law is considered the last to be obeyed, while superego and moral standards play important roles in guiding individuals down the right path and avoiding evil. The superego enables people to transcend society's rules and pursue human perfection realized by adhering to higher ethical standards (Lin, 2006). Cheney, May and Roper. (2007, p.105) suggest that ‘business culture and definitions of corporate responsibility must always take account of the local context’.

The development of CSR reporting practices have not yet matured in China. It is argued that Chinese companies tend to politically sensitive in addressing social issues (Gao, 2011) and tend to conform to the Chinese guidelines in issuing CSR reports rather than follow international guidelines. The CSR reports issued usually go beyond profit maximization and admit the company’s responsibilities to a broad range of stakeholders including employees, customers, community and the environment (Hinson and Ofori, 2007). In particular, SOEs are the firms most likely to issue CSR reports under the coercive pressure from their government owners (Hou & Li, 2014). This issue may explains why SOEs always follow the legitimacy-seeking strategies prevalent in the socialist era (Marquis & Qian, 2013).

Chen (1995) notes that Chinese traditional values strongly influence certain dimensions of the Chinese management. The concept of paternalistic and personalistic management implies a family head or other paternal figure serving as the organizational leader in Chinese enterprises (Wong, 1985; Redding, 1993; Martinson, 1996). The paternalistic
style of leadership is still prevalent as the dominated mode of leadership in Chinese business, and the cultural power distance is still dominating the Chinese management (Ng, 1998; Chin et al., 2000; Drew, Kriz & Redding, 2015). The prevalent Chinese culture value has strongly influenced the Chinese management systems, and centralized authority, hierarchical structures, as well as informal co-ordination and control mechanisms predominate in both the Mainland Chinese government and overseas Chinese business (Hempel & Martinson, 1995; Chin et al., 2000). Although many traditional Chinese organizations may conform to certain business transactional procedures or requirements of the West, the social processes and relationships through which managers function will probably persist Chinese for some time (Chin et al., 2000). Accordingly, it is believed that the Chinese style management will also adopt CSR principles.

Notwithstanding the increasing attention to CSR in recent years in advanced Western economies, Ip, (2008) observes that CSR awareness in China and other Asian countries is rather scant, both at the corporate and state level due to differences in cultures and political economies. Therefore this research seeks to expand our understanding of CSR in the Chinese context by exploring the relationship between Chinese indigenous values and the CSR principles adopted by Chinese business people.

2.9 Personal values as drivers of CSR

Values are regarded as social phenomena and factors explaining human action. Rokeach (1973, p.5) defined a value as ‘an enduring belief that a specific mode of conduct (instrumental values) or end-state of existence (terminal values) is personally or socially preferable to its opposite’. Values are also widely defined as a conception of desirable - self-sufficient ends that can be ordered and which serve as orientations to action (Hutcheon, 1972; Bengtson & Lovejoy, 1973; Lorr, Suzuedelis & Tonesk, 1973; Meglino & Ravlin, 1998; Schwartz, 1994, 2009). Bardi and Schwartz (2001) define values as desirable, trans-situational goals, varying in importance, that serve as guiding principles in people's lives and this theory has been the most widely accepted view over the last decade (Siltaoja, 2006).

Juslin and Wang (2012) argue that values have a considerable influence on human attitudes and behaviour and suggest that they are drivers and guiding principles for human
behaviour and actions. Other scholars conclude that individual values influence human perception and behaviour as they include a factor of judgment in which people form social norms and emotions about what is justice, good or desirable (Hemingway, 2005; Parashar, Dhar & Dahr, 2004). Values form and build our ethical standards, and our behaviour and ways of thinking are guided by internalized values and attitudes (Mayton II, Ball-Rokeach & Loges, 1994). This suggests that a company's CSR policy will be formulated and implemented under the influence of key individuals (Hemingway & Maclagan, 2004) and their participation in political processes that influence the organization. As Hemingway and Maclagan (2004) note, personal values allow individuals to use their judgment to impact on CSR policies.

Mosley, et al. (1996, p.141) suggest that ‘CSR refers to managements’ obligation to set policies, make decisions and follow courses of action beyond the requirements of the law that are desirable in terms of the values and objectives of society’. This notion is supported since exceeding the requirements of the law is a prevailing peculiarity of the CSR literature (Reidenbach & Robin, 1987; Baker, 2001). Furthermore, other corporate motives for the adoption of CSR principles involve issues on the integration or acceptance of the business into the local community. For example, Kell and Ruggie (2001, p.326) attribute the corporate interest in business ethics and good citizenship to ‘the necessity for corporations to be able to integrate the increasing number of diverse cultures of their officers and employees as a result of their global operations’. People from different regions of the world have their own original characteristics and it is claimed that different nations do not share the same values (Aras & Crowther, 2008). This notion suggests that it is difficult for companies to establish standard global CSR regulations that can guide them to be socially responsible. For example, Giacomino, Fujita and Johnson, (2000), concluded that there are significant differences of managers’ personal values and CSR perceptions between in Eastern and Western work context. People in different cultures have various value priorities (Schwartz, 1994, 1999), which can influence their perception of reality and motivation for action (Allport, 1961; Siltaoja, 2006). In many countries and regions, CSR draws strongly on deep-rooted indigenous cultural traditions, business ethics and community embeddedness. For example, in a survey of over 1,300 small and medium-sized enterprises in Latin America, Vives (2006) identified that the region's religious beliefs are one of the major motivations for CSR. In Asia, Chappie and Moon
(2005) have drawn a similar conclusion, namely that CSR does vary considerably among Asian countries and that this variation is not explained by levels of development but by factors in the respective national business systems (Visser, 2011).

In China, Confucianism has been the backbone of the values of the Chinese people for over two thousand years, but emerging market ethics may also influence ethical decisions (Erdener, Li & Whitcomb, 1998; Crawford & Redfern, 2004). Gowing, King, Lan, McMahon & Rieger, (2008) suggest that the Chinese value system may currently be divided into the following three orientations: Chinese traditional values, displaying high Confucian dynamism and high long-term orientation; Western values, representing individualism and materialism and a combination of Chinese traditional values including communism and collectivism and imported Western values.

Much of the extant research on the relationship between personal values and business ethics/CSR, focuses more on the effect of the values on individual beliefs, commitment, decisions and judgments in the evaluation of business ethics/CSR (Orpen, 1987; Jones, 1991; Barnett, Bass, Brown, & Hebert, 1998; Ibrahim & Rashid, 2002; Joyner, Payne, & Raiborn, 2002; Hemingway & Maclagan, 2004; Hunt & Vitell, 2006; Fukukawa & Lee, 2007). Few studies have been conducted on the effect of values on the perception of CSR performance and fewer still within a Chinese context. Therefore the main research focus of this research is the relationship between personal values and perception of CSR in the Chinese context.

2.10 Chinese traditional values

Juslin and Wang (2009) argue that an etic approach to CSR concepts does not take the Chinese reality and culture into consideration. They identified that reining in the local cultural context can support and progress CSR implementation in manufacturing sector. This point is supported by Perry (2012) who identified that in Sri Lanka, Buddhist philosophy provides a moral underpinning and hence fosters supplier engagement with CSR implementation. Indeed, the influence of national cultures upon corporate behaviour and managerial decision-making practices has long been recognised (Hofstede, 1980; Trompenaars, 1993; Lee & Usunier, 2005). As the Western world was being shaped by the classical ideas or humanism, law, and Christianity, China was molded by its classical
culture. The richness of Chinese belief systems has often been interpreted as a response to the complexity of humanity. There are three pillars of philosophies that mold Chinese society and culture: Confucianism, Buddhism and Taoism (Moore, 1967). Although these three philosophies sometimes compete with each other, they also nourish each other, ameliorate each other, and intertwine with each other. Confucian guanxi is also significant to the Chinese business context. Briefly, Confucianism appeals to the mind, Daoism (Taoism) to nature and Buddhism to the heart. This section explains the essential thinking of these three indigenous Chinese philosophies and practices in terms of nurturing CSR in a business context. It also probes the significance of guanxi in the Chinese business context.

2.10.1 Confucianism

Confucian philosophy advocates harmonious social relations, moral codes and ethical systems (Fan, 2000; Murphy & Wang, 2006; Juslin & Wang, 2009;). It is the backbone of Chinese culture (Laurence, Gao & Herbig, 1995; O’Keefe & O’Keefe, 1997; Pang, Roberts & Sutton, 1998; Fan, 2000; Cho & Lee, 2001; Kau, Mohammed, & Wang, 2007;) and has a deep-rooted influence on the moral code of the Chinese ethical tradition. In the Han Dynasty (202 B.C.-200 A.D.), Confucianism was chosen among other doctrines such as Taoism and Legalism and gained eminence as the imperial orthodoxy of China. Confucian virtues have been embedded and reinforced into Chinese intrinsic behaviour for more than two thousand years and still have tremendous influence on the Chinese civilization (Drew & Jansson, 2014). The following virtues associated with Confucian philosophy are still outstanding characteristics of Chinese behavior today.

*Ren* (humaneness) is the virtue of all virtues (Dolor, 2001). *Ren* is the quality of being a human and becoming a superior person by contributing to a harmonious society (Evans, Maher, Nicholson & Wong, 1998; Chuang, 2007; Juslin & Wang, 2009;). *Ren* is the virtue which engenders benevolence or humaneness and responsibility towards others (Confucius, Analects 4:16). To live by *ren*, one must always treat one's inferiors just as one would want to be treated by superiors, and this contributes to harmony in society. ‘What one does not wish for oneself, one ought not to do to anyone else; what one recognizes as desirable for oneself, one ought to be willing to grant to others’ (Confucius, Analects 15: 23). This is a doctrine for parents teaching their children, teachers educating
students, employers teaching employees, a senior teaching a junior and adults teaching to the young. Applying the virtue to business practice, it sets the ethical norm for what one should do to benefit others and society and what should not do. *Ren* is the intrinsic value to sustain harmonious society in China.

*Yi* (righteousness) is the key to traditional Chinese business ethics (Jensen, 2006). Confucianism states: ‘try your best to treat others as you would wish to be treated yourself, and you will find that this is the shortest way to benevolence’ (Mencius, 7A:4, cited in Juslin & Wang, 2009). *Yi* is the virtue that individuals cultivate in themselves to obtain humaneness, ritual, wisdom, sincerity and responsibility. In a business context, the way for an enterprise to become a superior enterprise is to contribute to the construction of a harmonious society. This is the primary reason for Chinese enterprises being active in the society and is the primary reason why enterprises should also conduct CSR (Juslin & Wang, 2009).

*Li* (good manners or propriety) is an ideal form of social norm (Dolor, 2001) and ritualized as a norm of proper conduct in governing human relations (Tan, 2003). *Li* requires superiors to lead the people by virtue and rule by uniform propriety so that people will have a sense of shame and order themselves harmoniously (Confucius, Analects 2:3). Confucius believed achieving harmony was the most valuable function of observing ritual propriety (Confucius, Analects 1:12). In the Chinese context, *li* underpins CSR norms (Juslin & Wang, 2009). Similar wisdom has been applied to business ethics in China, where the tradition is to depend on moral considerations to conduct a profitable business and this should result in a harmonious business (Confucius, Analects 4:5; Pang, et al., 1998). Enterprises should not only pursue profit but also proper performance and make a contribution to society. Historically, Confucian values and norms served as the ethical code of commerce adopted by merchants. Today this commercial ethical code can be perceived as CSR principles (Juslin & Wang, 2009), for example, ‘never gain dirty money or wealth gotten by illegal means’ (Confucius, Analects, 4:5). Confucianism suggests that virtuous behaviour towards others lies in reciprocity (Bond & Hofstede, 1988). Confucius labeled reciprocity *shu*, the fundamental moral principle which could guide a person throughout life, saying: ‘never impose on others what you would not choose for yourself’ (Confucius, Analects 15:24). Confucius also stated:
‘recompense injury with justice, and recompense kindness with kindness’ (Confucius, Analects 14:36). Confucianism argues that if we try to act virtuously towards others, then we will receive virtuous behaviour from others. Confucius taught about the power of self-cultivation and self-motivation in reciprocity. He taught that individuals should cultivate themselves morally and act in the correct performance of ritual (Juslin & Wang, 2009). The concept of giving back to society is deeply rooted in Chinese culture. Doing a good deed not only helps others but also enables a person to achieve fullness as a human being, which is the highest virtue of a perfect man.

Confucianism heavily prioritizes family roles and commitment (Li, 2006). The philosophy views the family as the natural habitat of humans, the most desirable environment for mutual support and personal growth and as the building-block for society's structure and function (Moise, 1986). Confucius taught that a good family relationship is the key to harmonious society, in that if people could learn to perform their familial roles properly, they would in turn be able to carry out their roles in society and government properly (Confucius, Analects 1:2 and 4:20).

Ip (2009) argues that the tradition of virtue, as prescribed by Confucianism, could become a more culturally appropriate basis for Chinese business practice. A Confucian firm would accept morality-constrained profit-seeking; to do good for the community and society and; provide fair salaries and a healthy working environment. The goals and practices of a Confucian firm would be defined by the principles of ren (benevolence towards others), yi (moral righteousness), and li (the many etiquettes, norms and protocols in both personal and institutional lives). With this notion, people's moral character, not rules and regulations, would be the main driver of their actions and decisions. Confucian philosophy resounds the idea of CSR today. Although Confucianism sprang up in ancient China 2,500 years ago, the nature of ethical standards and humanitarianism spanning ancient and modern times may provide an essential link between the East and the West. However, there are practical management differences between a Western rule based system and a Chinese role based system (Drew, et al, 2015) when it comes to the management of Western MNEs located in China.
2.10.2 Taoism

As noted previously, Confucianism focuses on interpersonal harmony whereas Taoism emphasizes harmony with nature. Taoism pursues the harmonious complexity of natural ecosystems; teaches that the relationship between man and nature is reciprocal and retributive but that they may exploit each other as well. Man’s will and activities must be consistent with nature, and the mutual exploitation should be balanced in harmony. ‘The world is a sacred vessel and it cannot be controlled, you will only make it worse if you try’ (Tao Te Ching, 29), Taoism proposes that nature works harmoniously according to its own ways and that man should not try to harm and master it, if nature suffers from human beings, it will retaliate against man causing disasters (Chan & Lau, 2000; Chen, 2003; Juslin & Wang, 2009). Taoism teaches that if man treats the nature well, the world will be peaceful and harmonious. The right way to achieve harmony with nature is ‘love the whole world as if it were yourself; then you will truly care for all things’ (Tao Te Ching, 13).

Taoism has adopted social ethics such as loyalty, filial piety and social responsibility towards the society into its religious practice, and linked them to the Taoist philosophy of immortality. In the Taoist tradition, the self is ‘but one of the countless manifestations of the Tao and ... an extension of the cosmos’ (Ho, 1995, p.120). The ideal self is, paradoxically, selfless. While the reciprocity principle in Confucianism masks the differentiation between the self and others, the selfless person advocated by Taoism embraces the dichotomy between self and others. The abandonment of selfhood in Buddhist tradition essentially puts the self and craving to death. Whereas Confucianism sought to order the proper relationships among men, Taoism sought order between man and nature. Whilst the origins of Taoism may have been in place in the Shang dynasty by 1750 B.C. (Drew, et al, 2015), the assumed documenter of Taoist principles was Lao Zi, who lived in the sixth century BC. According to Lao Zi, the Tao, or 'way' was not a common code of social conduct, but a set of values that would allow a person to live in harmony with nature. This involved knowing the laws of nature and flowing with them rather than reordering them. Thus, the best ruler for a Taoist was the one who governed least. Taoist influence was greatest in the area of art and science due to the seclusion and observation of nature, which were preoccupations of its followers.
In Western thought, humans are regarded as the prime object of the natural order. In Chinese thought however, the relationship between humans and nature are deep and reciprocal. To the Chinese, heaven, earth, and man constitute a single unity governed by the cosmic law or Dao (Tao). Within the Dao, two interacting forces are recognized - Yin and Yang. Each represents a constellation of qualities. Yin is negative, feminine, and passive; Yang is positive, masculine, and active (Drew & Jansson, 2014). The fundamental difference between classical Chinese dualism and classical Western philosophy is that the two forces, for example hot and cold, light and dark, are complementary rather than opposing. According to Chinese philosophy, the aspiration of man is harmony rather than victory of one over the other. Clearly, Taoism teaches people to respect nature, and learn to adapt to or even integrate with it - ‘everything has to be in keeping with the cosmic cycle so as not to interfere’ (Schipper, 1993, p.102). In general, Taoism provides ancient concepts of sustainability and offers Chinese firms principles to protect the environment and achieve better sustainable development (Juslin & Wang, 2009).

2.10.3 Buddhism

Buddhism forms part of the Chinese classical tradition. When it arrived in China some 2000 years ago, it was greeted with suspicion by the Confucian elite; but it found an ally in the Taoist tradition (Bettignies, et al., 2011). Buddhism deeply affects Chinese society and corporations’ good deed initiatives. Buddhism is the most widely practiced as a belief system in China, with an estimate of more than one hundred million adherents (de Cea, 2013). The word "charity" didn't exist in China until it was introduced with Buddhism from India in 2 B.C. Buddhism has a long history to advocate philanthropic giving and social actions (Futures & Schultz, 2009) - the notion is pertinent to the charity concept and has evolved in Chinese society for over 2000 years. Great love for all living creatures is the spirit of Buddhism and it inspires the nature of human beings through mutual help, peace and kindness. It also promotes human goals of perfection-goodness, beauty and truth. It is great love that drives Buddhists to pure altruism. To achieve great love, one must have kind love for all living creatures; kind love enables a person to have mercy on others and evokes the true happiness in one’s mind. Buddhism inspires compassion for human beings which leads believers to philanthropy and potentially other CSR type
actions, for example mitigating the impact of corporate malpractice, which is consistent with major Western CSR principles (Kraisornsuthasinee, 2012).

Buddhism promotes a concept of reincarnation. Reincarnation is an ongoing recycle of birth, death and rebirth and is assumed as a fact of nature. The concept of reincarnation and causality from Buddhism entwine with Confucianism to form the moral principles that shape Chinese people's daily life. According to Buddhism inequality is due not only to heredity but is the result of our own past actions and our own present doings (Bercholz & Chödzin, 2002). In order to create a better next life, people are willing to speak good words, carry good intentions and practice good deeds under the influence of reincarnation and causality. This may be how philanthropy and doing good deeds became important and popular in Chinese people's lives. Some people do it for their own good while some do it out of pure altruism because they are grateful for what they have and want to give back to the society (Lin, 2006).

2.10.4 Guanxi and the embedded values and norms

Guanxi literally means relationships and has applications in both personal and business domains, although in business settings it can be better understood as connections (Wong, 2007). Guanxi has its roots in the Confucian family system - the five cardinal relationships, and at its heart are valuing social hierarchy and reciprocal obligations (Wong, 2007). Confucianism stresses the importance of relationships, both within the family and between master and servant. The five cardinal relationships stress the importance of interpersonal relationships in a society: those between ruler and administrator, father and son, husband and wife, elder and younger brothers and between friends. These interpersonal relationships are reciprocal in the sense that the senior cares about the junior while the junior respects the senior. Reciprocal relationships form the basis on which Chinese society operates. These Confucian teachings have fundamentally shaped Chinese social behaviour and the importance of reciprocal relationships at all levels. However, there are two modes of guanxi in modern China: working guanxi and backdoor guanxi, also called 'zou houmen' or back door dealings (Drew, 2010). Backdoor guanxi implies corruption, bribery and client-patron relations (Bedford, 2011) and has its roots in how people used bribery and corruption to manage shortages during Maoist era from 1949 to 1978. As such, it is not connected with Confucian concepts. Conversely, empirical
research by Drew (2010, p.231) identified that working *guanxi* is rooted in Confucian philosophy and ‘describes the Chinese social, political and business practice of engaging in mutually particularistic and purposeful connections, and relationships in order to lower search and transaction costs, provide useable resources, reduce environmental uncertainty and minimise opportunism’.

Following the Confucian concept, *guanxi* works on the basic and implicit principles of mutual obligation, assurance, trust, bonding and sympathy and so forth. Individuals belonging to a *guanxi* network are expected to fulfil their *guanxi* responsibilities. Failure to do so will result in damaged prestige, loss of *mianzi* (face) and subsequent loss of trust by other members of the *guanxi* circle (Hwang & Staley, 2005). *Guanxi* embeds with the other three Chinese indigenous values: *renqing*, *bao*(reciprocity) and *mianzi* (Ramady, 2015). Firstly, *renqing* shows a resource that can be used as gift in the process of social exchange. It is extremely difficult for Chinese to reckon and be able to recompense debts of ‘*renqing* to others as it could be material as well as invisible and abstract’ (Hwang, 1998, p.954), such as giving spiritual support. This kind of *renqing* gift strengthens ‘the sense of obligation of friendship and kinship, the affectional emotion and *guanxi* ties’ (Yang, 1994, p.122). *Renqing* is a form of social capital that can render leverage during interpersonal exchanges of favors. Developing *renqing* is both a prerequisite for the establishment of *guanxi* and a result of using it to one’s own advantage (Luo, 2007). Therefore, *renqing* connotes certain *guanxi* rules, which should be obeyed when people associate with each other, and it provides the leverage in interpersonal exchange of favour (Ramady, 2015). By weaving one’s web of *renqing* obligations, one can enhance his/her *guanxi* network; while enjoying the benefits of the *guanxi* network, one also takes on a reciprocal obligation (*bao*) that must be repaid sooner or later (Hwang 1987; Qian et al., 2007; Ramady, 2015). *Bao* means ‘to repay’ or ‘to respond’ and ‘return’ and is the foundation of *renqing* and *guanxi* (Yang, 1957; Hwang, 1987; Zhai, 2004; Ramady, 2015). Ki et al., (2015) argue that the Chinese family values and *bao* in the Chinese society significantly shaped Chinese behaviors in terms of CSR in China. The value of family accentuates one’s caring for the place that nurtures him or her, whereas *bao* means that one should always reciprocate others’ favors. These two values are highly respected in the Chinese society; therefore, ‘the Chinese business people consider it necessary to participate in local public welfare activities, Chinese society having become the family
they should take care of as they repay the support from the society that has kept their businesses running’ (Ki et al., 2015, p.223).

Further, in a *guanxi* relationship, both parties must carefully observe certain unspoken rules of *bao* and equity. Disregarding or violating these rules can seriously damage one’s reputation and lead to a humiliating loss of prestige, so called ‘no face’. The loss of *mianzi* associated with opportunistic behavior spreads quickly through the *guanxi* network as a result of its transferability (Luo, 2007). The Chinese people place great emphasis on the importance of *mianzi*. This is an individual’s public or social image gained by performing one or more specific social roles that are well recognized by others - the larger one’s *guanxi* network, and the more powerful the people connected within it are, the more *mianzi* one has (Luo, 2007). One needs to have a certain amount of *mianzi* in order to cultivate new *guanxi* relationships. *Mianzi* also provides the leverage one needs to successfully expand and manipulate a *guanxi* network. ‘Enjoying the prestige of not losing *mianzi* and, at the same time, saving other people’s *mianzi* is key components in the dynamics of *guanxi*. *Mianzi* is therefore an intangible form of social currency and personal status, often determined by social position and material wealth’ (Luo, 2007, p.14).

*Guanxi* under the implication of Confucian doctrines is a moral and ethical practice, which is embedded in *renqing* as an unlimited flow of interpersonal exchanges and *bao* commitments. The discourse of *renqing* clearly expresses the moral and decent character of social conduct when it implies the necessity for *bao* obligation, and indebtedness in human relations. In essence, ‘*renqing* provides the moral foundation for *bao* and the equity that is implicit in all *guanxi* relationships’ (Luo, 2007, p.15).

It is widely recognized that *guanxi* is a key business determinant of a firm’s performance, especially its market growth. Any business in Chinese society, including both local firms and foreign investors, inevitably face *guanxi* dynamics. *Guanxi* is a necessity for achieving a competitive edge in the Chinese market. Luo (2007) argues that *guanxi* networks affects managers’ strategic choices and hence impact the performance of the firms they lead. Consequently, it has a direct impact on the market expansion and sales growth of Chinese firms by affecting resource sharing and social, economic, and political contexts in inter-firm transactions (Luo, 2007).
It is noted that *guanxi* casts a special relationship among Chinese companies that rely on trust, favor and interdependence. Western companies have often argued that *guanxi* leads to unethical behaviors, bribery and corruption. The allegation is identified when in the absence of a good legal infrastructure, *guanxi* leads to unethical behaviors because members within the same network engage in under-the-table dealings and give preferential treatment to each other (Cullen & Parboteeah, 2013). In reality, *guanxi* for the Chinese firms is indispensable for efficiently doing business in an environment with a poorly developed legal and distribution systems in China. For example, Chinese export companies are faced with dealing with complicated administrative procedures regarding distribution involving complex customs clearance rules and difficulties with securing raw materials and finished goods. These companies are more likely to develop special relationships with local customs officials and other trading firms to assure a smooth and speedy delivery. The Chinese are more likely to engage in conflict resolution based on trust within their network rather than relying on the poorly developed commercial laws (Cullen & Parboteeah, 2013).

Ethical universalists might view *guanxi* as unethical because it violates transparency norms (Cullen & Parboteeah, 2013). Nevertheless, ethical relativists regard *guanxi* as a moral and ethical social conduct because it represents the legitimate views of Chinese business society. Furthermore, most foreign companies follow this tradition to build up personal connections to do business in China. In China’s new and fast-paced business environment, *guanxi* has become discussed more openly in both academic and trade literature (Luo, 2007) However up until this research, minimal effort has been placed on exploring it in the context of CSR.

2.10.5 Summary

Juslin and Wang (2009) support that CSR can be legitimately interpreted within the Chinese culture, the harmony approach of CSR merging with the harmony principles from Confucianism and Taoism offers a better understanding of CSR in the Chinese context. Confucianism emphasizes the cultivation of virtue and morality, and the essence of its harmony notion is the harmonious society. Thus, the Confucian harmony can explain the primary reason for conducting CSR, and its interpersonal harmony principles similar to the social relations and social responsibilities of modern business (Juslin &
Wang, 2009). Likewise, Taoism pursues the harmonious complexity of natural ecosystems, and its principles of harmony between man and nature reflect the environmental responsibilities and sustainability of modern business. Further, the Chinese harmony approach to CSR refers to respecting nature and loving people. Modern enterprises should carry on their business in a harmonious way, and cultivate virtues and to become a superior enterprise, in this way they contribute to the construction of a harmonious society. Conclusively, the traditional Chinese philosophies on which ‘the definition is based have a profound historic influence and the wisdom they teach cannot be neglected, it is believed that the Chinese approach to CSR can facilitate CSR practice in China’ (Juslin & Wang 2009, p.446).

2.11 Communism - A challenge to Chinese Indigenous Values?

Whilst Confucianism strongly influences Chinese thought, there is another factor that requires discussion as it may also impact on Chinese values - Chinese Communism. The communist party gained control and established the People's Republic of China in 1949. The ruling party inherited a devastated economy that suffered from high inflation and disrupted transportation links and introduced a Soviet style of political and economic systems. In the early 1950s, the Communists Party launched its first Five Year Plan of economic and social development and this gained an initial success; however, afterwards the reforms encountered unexpected drawbacks and incurred many hardships for some 30 years (Meisner, 1999). During this period, much of Chinese traditional culture was uprooted and the thinking of the Chinese people was tremendously confronted and distorted resulting from the land reform, the anti-corruption movements, the Great Leap Forward and the Culture Revolution (Perry, 2007).

Among all the reforms and movements, the Cultural Revolution significantly damaged traditional cultural values and undermined social values. In 1966 Chairman Mao launched the Cultural Revolution to purge China of all bourgeois and non-communist cultural influences, including Confucianism and Buddhism (Best, 2006). Schools were closed and millions of teenagers were organized into Red Guards to destroy temples and ravage most of cultural works and books inherited from the traditional classical schools. The revolution ended after the death of Mao in 1976. The revolution resulted in around one million of the elite, including intellectuals and old party members, being oppressed
through a campaign of ideological purity (Best, 2006).

When Chairman Deng Xiao-ping gained the power as the new leader of the party at the 11th Party Congress in 1979, his focus was on restoring China’s economic development. His pragmatic leadership style was to adopt economic reform policies that aimed at improving the living standard of the nation, increased national revenue by accelerating economic development and attracting foreign direct investment into China (Bureau of East Asia and Pacific Affairs, 2006). He also advocated for the restoration of Chinese traditional culture in all fields including promoting Chinese traditional arts and literature, and building Confucian schools around the world to encourage people to study Confucian teachings (Bureau of East Asia and Pacific Affairs, 2006). Such reforms brought great improvements to the standard of living and contributed to a popular revival of Confucianism.

China has been on an unalterable road to capitalism and economic reform since 1979 and is currently the world’s second largest national economy country. After decades of suffering from poverty and hunger, many Mainland Chinese are obsessed with how to succeed and become rich and this in turn raises an important question: Are Chinese indigenous values and moral standards facing a challenge from such a strong focus on economic profit?

2.12 Convergence and divergence of CSR

An area of deep debate in the CSR literature concerns the topic of global convergence versus global divergence in corporate thinking, regulation and practice (Horrigan, 2010). It is suggested that the fundamental point of divergence between Western countries and China is law (Lin, 2006). Western countries regard law as the highest authority and the core foundation of social order, whereas China emphasizes human relationships over law. In China, law can be adjusted according to different situations and relationships (Lin, 2006). For example, maintaining harmonious relationships with colleagues and external business partners is found to be a unique characteristic of organizational citizenship behavior in China (Farh, Organ & Zhong, 2004). Therefore, different interpretations of humanism between China and the West might be attributed to a divergent CSR focus.

Existing cultural/religious values and norms shape more systematic and crucial forms of
CSR in developing countries (Jamali & Neville, 2011). Under the influence of cultural values, China stresses that CSR should build a harmonious society and focus on disaster relief, poverty alleviation and education; whereas, Western CSR is broadly concerned with various aspects of social issues such as ecological protection, human rights, labor protection, disaster relief and social investment. (Lin, 2006). The impacts of different politico-legal, historical and socio-cultural systems induce the development of particular markets and corporate regulator regimes in particular countries (Horrigan, 2010). For instance, research into the approach to CSR by both Chinese and foreign retailers in China reveals substantial differences - Chinese retailers pay more attention to philanthropy; whereas foreign retailers focus on product responsibility, labour issues and the environment (Hong, Kolk & Van Dolen, 2010). Research also suggests that foreign companies should be locally responsive (Doz & Prahalad, 1999) and adapt themselves to local cultural and economic contexts (Hong, et al., 2010).

It is argued that there are no unified international standards of contextualized description for the adoption of CSR principles (Jamali & Neville, 2011; Lund-Thomsen, 2004). It is also argued that cultural value, path dependencies and the advantages of differentiation in each nation causes greater divergence of CSR (Whitley, 1994; Hall & Soskice, 2001; De Mooij, 2010). Campbell (2007) suggests that each place has its own CSR context with its own characteristic meaning to the local people at different times, this results in cultural divergence in CSR perceptions.

It is argued that Chinese culture will increasingly permeate international culture and move from peripheral to mainstream status (Bettignies, et al., 2011). As the Chinese economy increasingly integrates into the global economy and Chinese firms take up major roles in global production and commerce, there is a growing demand that the Chinese firms should comply with universally accepted ethical rules in labor rights, environmental responsibilities and anti-corruption, among others (Weymes, 2004). Roper and Zhao (2011) present a hybrid model of business management that combines aspects of both Western and Confucian-based management styles that are proven to be successful in building social capital. Orij (2010) identifies in his research that national cultures have significant influences on corporate social disclosures. Furthermore, Duarte, Mouro, & das Neves (2010) suggest that addressing stakeholders' perceptions of CSR requires closer examination and authentication through contextual adaptations, for example adaptations to
national culture. China's recent CSR development is a prominent response to global business ethical concerns. The historic and possibly enigmatic purpose of business - to maximise shareholder wealth - is no longer a relevant proposition (Weymes, 2004). Efforts have been made to match and develop good business practice fashioned in CSR norms and visions.

We have also seen the development of “human-based” and “virtue-based” business models encouraging Chinese businesses to disclose concerns about business ethics (Bettignies et al., 2011). Human-based thinking is developed for business by focusing on the humanistic management (Andrews, 1989) and ‘emphasizing the human condition and the development of human virtue’ (Melé 2003, p.79). The notion is to promote ‘interpersonal relationships in the workplace and let employees grow as a person through their practice, as a result, contribute to the pursuit of human fulfillment and a good life’ (Amann, Dierksmeier, Kimakowitz, Pirson, & Spätzeck, 2011, p.182). Virtue-based thinking focuses on developing habits of the heart, character traits, and acting on them. In the context of management, virtue-based thinking has the main focus in executive hiring and management development programs. Concerning the problem of environment, ‘virtue-based thinking stresses the virtue of temperance in the use of natural resources and community involvement’ (Business Ethics, p.12). The alleged ”human-based” and ”virtue- based” business practices rooted in ‘local cultural heritage have been boasted as a Chinese response to this problem’ (Ip 2009, p.463). Ip (2009, p.464) argues that Confucianism is consistent either with “human-based” or “virtue-based” and that Confucian values are embedded in moral conduct and aligned to ‘match with reasonable universal norms based on the concept of human rights’.

Although much of discussion in the literature seems to focus on the positive side of Confucianism (Koehn, 2001; Lam, 2003; Romar, 2002, 2004; Chan, 2008), Ip (2000) argues that analysis is often framed in generic and vague terms that makes connections difficult between Confucian concepts and the real world of business. The literature has little to say in concrete terms on how Confucianism can combat corporate malpractice or the muddy terrain of guanxi and the arena of morals and ethics is difficult to interpret in the Chinese CSR context (Li & Madsen, 2011).Leung and Qu (2006) suggest that as China’s cultural and social norms change, further research on Chinese traditional values may provide more concrete evidence of the changing corporate disclosure environment.
This study attempts to contribute to this knowledge gap by exploring the Chinese perceptions of the cultural implications in implementing CSR context in modern China.

2.13 Theoretical framework

The main purpose of this research is to examine the underpinning values held by Chinese business people that shape their perceptions and practice of CSR. It is argued that many researchers tend to develop their own measures rather than use the established definitions in the literature (Aupperle, et al., 1985). There are a number of theoretical models including Stakeholder Theory, Social Contract Theory, Legitimacy Theory, GRI Theory and Triple-Bottom Line Theory, that could be used to analyse CSR. However, as previously discussed, these have limitations. The preceding literature review suggests that CSR is a multidimensional concept (Carroll, 1979; Kraft, 1991) and that survey instruments used to research CSR should account for as many of the firm's CSR dimensions as possible (Minyard, et al., 1993). Carroll's (1979, 1991) CSR pyramid framework identifies four categories of responsibilities: economic, legal, ethical and discretionary/philanthropic. These responsibilities are the expectations placed on the corporation by corporate stakeholders and society as a whole. Carroll and Shabana (2010) have made the notion of CSR more explicit when they contended that the economic and legal responsibilities are required, the ethical responsibilities are expected, and the discretionary/philanthropic responsibilities are desired.

It is argued that culture also has an important influence on perceived CSR priorities (Burton et al., 2000; Carroll & Edmondson, 1999; Carroll & Pinkston, 1994; Visser, 2006). Previous discussion in this chapter suggest that humanitarianism is not a strong motivation for CSR in China but that social relations and citizenship responsibilities that arise from mianzi and guanxi could be motivators. Further, philanthropy as understood in the West is not understood in the same way in China (which is more reciprocal than altruistic, perhaps). Compared to foreign companies whose philanthropic responsibilities focus on public relations, market expansion, and maintaining relationships with customers and employees, Chinese enterprises place more emphasis on relief efforts, poverty alleviation and education. This focus is typical of CSR in emerging markets. In fact, Visser (2006) explains that the social-economic needs in developing countries are
so great that philanthropy is an expected norm - it is considered the right thing to do by business. As in other developing countries, CSR in China is still at an early age of maturity and sometimes CSR is equated with philanthropy. The legal responsibilities should be reframed within the higher priority for stakeholders of governmental *guanxi* relations and signs of good corporate citizenship. Given that the CSR pyramid framework is the most multidimensional theoretical framework, and therefore the most appropriate for this study, this research adopts and modifies it slightly (see Figure 2.1) in order to develop an interview protocol to answer the following overarching research question:

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

Figure 2.1 Carroll's four-dimensional CSR pyramid - adapted

Adapted from Carroll (1991)
The Western literature on CSR focuses on behavioural attitude whereas Chinese business ethics appear to be underpinned by Chinese traditional moral conduct. With China's increasing exposure to the West (Gao, et al., 1995; Roberts, 1996), it is important to advance our knowledge of the factors that underpin the Chinese perceptions of CSR. Therefore, this research explores whether Chinese business people continue to draw on indigenous Chinese principles and concepts such as Confucianism and guanxi, or whether they are adopting Western CSR principles and concepts or, perhaps some hybrid of both. According to Carroll (1979), the economic dimension of CSR requires that companies are profitable, the legal dimension involves their working within a legal framework, the ethical dimension refers to ethical or moral standards, and the discretionary dimension is based on companies' voluntary actions that benefit society. Accordingly, this research proposes to explore each of these four areas through the following broad questions, which in turn are based on the theoretical framework.

1. ECONOMICS: GOOD CORPORATE CITIZENS ARE PROFITABLE

Carroll (1991) suggests that good corporate citizens earn enough money so that their investors receive a strong return on their investments and that other stakeholders are assured of the continuity of the business and the flow of products, services, jobs, and other benefits provided by the company. It is clear from public opinion today that businesses are expected to make money, but also to go beyond the bottom line. Profits, therefore, are a prerequisite of effective corporate citizenship.

The literature reviewed in this chapter indicates that differences in the cultural and social backgrounds, as well as political and institutional environments result in CSR taking different forms in different parts of the world. In emerging countries such as China, CSR focuses more on issues such as corporate operations at the basic legal level, and Chinese society is still struggling with issues such as corruption, labour rights, distributive justice, corporate crime, product safety and pollution (Lu, 2009; Tian, 2006). Previous cross-national studies found that Chinese people show greater skepticism concerning the ethics and social responsibility in business success (Ahmed, Chung, & Eichenseher, 2003) and that Chinese business people are less idealistic, less concerned with humanitarianism and more concerned with economic considerations such as profit than their Western counterparts (Crawford & Redfern, 2004). Therefore, the first broad question based on
the theoretical framework explores the thoughts of Chinese business people on whether and to what extent profit maximization for a firm is importantly regarded as a good corporate citizen.

**Question 1**

1a. Some people believe it is important for a firm to act in such a way that maximizes its earnings. Do you think profit maximization should be a key objective for a firm?

1b. What personal beliefs do you have that you think might influence your thoughts on this question?

**2. THE LAW: SOCIETY'S CODIFIED ETHICS**

Carroll (1991) proposes that good corporate citizens, like private individuals, are also expected to obey the law. One way of thinking about the law is to perceive it as codified ethics. If business ethics are about what is right, good, and just in the commercial realm, the law should designed by lawmakers to manifest these standards in terms of businesses' performance. Of particular concern to businesses wishing to be good corporate citizens are laws that are designed to govern their relationships with key stakeholders such as consumers, employees, the community, and the natural environment. As discussed earlier in this chapter, relationships (guanxi) are of immense importance in Chinese culture and *guanxi* is recognized as an effective and efficient way to achieve business agreements, contracts and by-pass the government regulations to solve business issues and problems. Therefore, the second broad question explores Chinese business perceptions on complying with codified laws and regulations and how one ought to behave in relationships with different stakeholders.

**Question 2**

2a. A firm obeys the government regulations and the obligations of paying tax in such a way that behaves a good corporate citizen. Do you think law is everything that justifies right and wrong?

2b. What personal perceptions of justness and righteousness that you think might guide you and lead you to behave correctly.
3. GOING BEYOND THE LAW: ETHICS AND MORAL MANAGEMENT

Carroll (1991) recognizes that businesses wishing to be regarded as exemplary corporate citizens not only carry their own weight by being economically successful and function in compliance with law, but they also strive to operate in an ethical fashion. Complying with the law means operating at a minimum level of acceptable conduct. It has often been said that the law is at the floor level of acceptable behavior. The upright corporate citizen must go beyond mere compliance with the law.

Despite harsh and brutal treatment during Cultural Revolution in 1967, Confucianism and other deep-rooted Chinese philosophies such as Taoism and Buddhism are being revived, with the endorsement by many top government officials. As discussed earlier in this chapter, there is evidence that Confucianism seems to have regained popularity in society. This research is an attempt to fill in this gap to give a more balanced picture of Confucianism, especially in relation to business ethics. Hence, the third broad question examines the perceptions of Chinese business people in relation to ethical standards and the factors that might underpin such standards.

**Question 3**

3a. In the development of economic reforms, firms in China frequently face allegations of poor human rights, child labour, environmental pollution, gender inequality and infringement of patterns. Do you think economic consideration is more important than obeying law and ethic performance?

3b. What is the moral standard by which you might judge such issues? Is this standard related to Chinese philosophies and culture? Could you give some examples?

4. GIVING BACK: PHILANTHROPY

Philanthropy is commonly believed to be a desire to help humankind through acts of charity, whether done by private citizens, foundations, or corporations. Philanthropy can be defined as three related activities: voluntary service, voluntary association, and voluntary giving for public purposes, which covers "acts of community to enhance the quality of life and to ensure a better future" (Payton, 1988, p.172). The good private or corporate citizen is suffused with this sense of charity - this sense of improving life for
others while at the same time improving life for oneself.

The Chinese indigenous value of mianzi (the giving and receiving of face) could be likened to a person's 'brand' and it forms an integral part of the Chinese way (Baker & Zhang, 2008). Mianzi can be substantial - multi-billion dollar contracts can be awarded if the decision-maker wants to give mianzi to someone; it can be small - if someone does not have enough 'clout', no one will pay attention to their requests or orders. Mianzi can grow as one accumulates guanxi (connections) and advances in life; it can also shrink if one has done something to damage it. You must be seen to be able to give mianzi to others where appropriate, and not be seen to be taking away someone else's mianzi. To make someone lose mianzi is worse than physically hurting them. Mianzi forms a very important part of both social and business activities. It sustains most of the Chinese guanxi and centres on doing the right thing to each other, while gaining recognition for respecting and trusting the recipient of one's attentions or favours. Therefore, the fourth broad question attempts to examine philanthropy in the Chinese context and assess if mianzi is one of the considerations when Chinese firms or individual Chinese business persons decide to give donations or invest in societal activities.

**Question 4**

4a. In the recent years, there are an increasing number of Chinese firms and business people voluntarily donating their wealth to the society. Do you think this kind of social investment is a kind of social performance?

4b. What personal values do you have that you think might influence you to voluntarily contribute resources to the community and improve quality of life?

**2.14 Recent research findings on CSR dimensions between China and the West**

A comparative study conducted by Xu and Yang (2010) indicates that China’s CSR has common dimensions with Western CSR and possesses its own unique dimensions as well. Common dimensions are conceptually similar to Western ones, whereas unique dimensions are noticeably different from those found in Western literature. The distinction highlights the characterization of each CSR dimension in light of China’s heritage, and to emphasize Chinese unique characteristics. The common dimensions are summarised in Table 2.1.
Table 2.1 Common CSR dimensions

<table>
<thead>
<tr>
<th>Common dimensions</th>
<th>Western CSR dimensions</th>
<th>China’s CSR dimensions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic responsibility</td>
<td>Create wealth and profits</td>
<td>Boost economic benefits, create wealth</td>
</tr>
<tr>
<td></td>
<td>Provide valuable products and services to society</td>
<td>Efficiently provide quality products and services</td>
</tr>
<tr>
<td></td>
<td>Economic growth and efficiency</td>
<td>Promote national and local economic development</td>
</tr>
<tr>
<td></td>
<td>Ensure corporate sustainability</td>
<td>Corporate sustainable development</td>
</tr>
<tr>
<td>Legal responsibility</td>
<td>Operate within the bounds permitted by law</td>
<td>Conduct operations by laws and regulations</td>
</tr>
<tr>
<td></td>
<td>Pay taxes</td>
<td></td>
</tr>
<tr>
<td>Environmental protection</td>
<td>Not act at the expense of environmental deterioration and ecological damage</td>
<td>Environmental protection</td>
</tr>
<tr>
<td></td>
<td>Assume responsibility for solving environmental and ecological problems</td>
<td>Strengthen environmental protection and reduce pollution</td>
</tr>
<tr>
<td></td>
<td>Environmental protection</td>
<td>Boost effort to harness environmental pollution</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Conserve resources and boost resource utilization rate</td>
</tr>
<tr>
<td>Customer orientation</td>
<td>Product and service quality</td>
<td>Product quality and safety</td>
</tr>
<tr>
<td></td>
<td>Consumer safety in using products</td>
<td>Quality is the life of corporation</td>
</tr>
<tr>
<td></td>
<td>Provide no false ads and make information disclosure</td>
<td>Consumer rights and interests</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Genuine goods at fair prices</td>
</tr>
<tr>
<td>Employees</td>
<td>Staff health and work safety</td>
<td>employee and family care</td>
</tr>
<tr>
<td></td>
<td>Staff skill development and training</td>
<td>People focused</td>
</tr>
<tr>
<td></td>
<td>Physical and mental health and work satisfaction</td>
<td>Safe production and occupational health</td>
</tr>
<tr>
<td></td>
<td>Equal development and promotion opportunities</td>
<td>Staff learning and education</td>
</tr>
<tr>
<td></td>
<td>Assurance system and stable income</td>
<td>Ban on child labor</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Staff's legitimate interests, welfare and insurance</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Minimum wage rates and timely wage payment</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Union and human rights</td>
</tr>
<tr>
<td>Philanthropic responsibility</td>
<td>Actively conduct charitable activities</td>
<td>Charity</td>
</tr>
<tr>
<td></td>
<td>Social donation and charity</td>
<td>Donation and charity</td>
</tr>
<tr>
<td></td>
<td>Actively participate in charitable causes</td>
<td>Support and participate in social charity</td>
</tr>
<tr>
<td></td>
<td>Pay attention to underprivileged social groups and support education, culture and the arts</td>
<td>Pay attention to underprivileged people and schools of hope</td>
</tr>
</tbody>
</table>
The unique dimensions are summarised in Table 2.2 and include good faith, employment and social stability and progress. This dimensional framework complements Carroll’s (1991) framework and is used in Chapter 4 of this dissertation to tease out the shared and unique values at the economic, legal, ethical and philanthropic levels.

Table 2.2 Unique CSR dimensions

<table>
<thead>
<tr>
<th>Western unique CSR dimensions</th>
<th>China’s unique CSR dimensions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Create profits for shareholders</td>
<td>Increase job opportunities</td>
</tr>
<tr>
<td>Information transparency and prevent trade corruption</td>
<td>Reemploy lays-off</td>
</tr>
<tr>
<td>Protect the interests of small and medium shareholders</td>
<td>Ease national employment pressure</td>
</tr>
<tr>
<td>Improve governance structure</td>
<td>Provide jobs for the disabled</td>
</tr>
<tr>
<td>Equality</td>
<td>Good faith</td>
</tr>
<tr>
<td>Racial equality (racial discrimination)</td>
<td>Comply with business ethics</td>
</tr>
<tr>
<td>Gender equality (gender discrimination)</td>
<td>Operate in good faith, honor contracts Social stability and progress</td>
</tr>
<tr>
<td>Equal opportunity for underprivileged groups</td>
<td>Ensure social stability and harmony</td>
</tr>
<tr>
<td>Equal opportunity for regional development</td>
<td>Serve and repay society, promote social progress</td>
</tr>
<tr>
<td>(monopoly)</td>
<td>Support culture, science and education</td>
</tr>
<tr>
<td></td>
<td>Patriotism, promote national prosperity</td>
</tr>
</tbody>
</table>

Both tables developed from Xu and Yan (2010)
CHAPTER 3 - METHODOLOGY AND RESEARCH DESIGN

3.0 Introduction

Methodology is the direction in which one makes sense of the aim of research (Murphy 1995) and how one approaches about examining any phenomenon (Silverman, 2000). Research design concerns the overall structure and orientation of an investigation (Zikmund, 2003). Research can be conducted using various approaches, but the crucial component of all valid research is data collection (Bell & Bryman, 2007). Stake (1995) argues that research methodology selection is important because it impacts the validity and reliability of the results. This chapter discusses the research methodology, research design and research implementation developed for this research. It begins with a discussion of the philosophical stance adopted by the researcher. Next it justifies the paradigmatic approach and underlying principles of the research. Then it presents alternative approaches to qualitative research before identifying that the use of focused semi-structured interviews and online survey is most appropriate. Lastly, the chapter discusses issues with regards to the design and implementation of this research, before concluding with a detailed assessment of reliability and validity issues, the underlying limitations of the research and ethical considerations.

3.1 Research philosophy

There is only one requirement for research: to persuade others that this is a credible piece of discovery worthy of note (Tesch, 1990). The quest for valuable knowledge therefore guides the researcher in this particular process. Social science research is concerned with subjective, human values (Baker, 2001) and requires a research philosophy that is fit for the purpose and considers the research phenomena of interest (Carson, Gilmore, Perry & Gronhaug, 2002). Therefore, the researcher decided to adopt a pluralistic approach as such an approach can increase the probability of constructive discoveries, drawing on whichever philosophical approach or theoretical perspective best fits the aims of research - it can be interpretative, positivist or both. The complexities underlying social relationships and the context-specific processes typical of social networks (Aldrich & Dubini, 1991) dictate an interpretivist approach. This is appropriate to understand the 'hows' and 'whys' of under-researched phenomena (Carson, et al., 2002). The
interpretivist approach appears suitable where the focus is on exploratory research into Chinese values and how they affect the perceptions of Chinese people in relation to the adoption of CSR principles.

3.2 The interpretive social science paradigm

A paradigm can be defined as a set of basic beliefs that guide action (Guba & Lincoln, 1994). Paradigms are related to choices of research methodologies (Dominick & Wimmer, 2011). Paradigms exemplify a global view that delineates the nature of the world, the individual's place in it, and the range of possible relationships to that world and its parts. The qualitative research domain is an emerging postmodernist area, often trying to prove its worth in the shadow of the historically dominant quantitative positivist regime. Unlike quantitative research, there is currently no consensus on methods and process to ensure validity (Berg-Weger, Lees, Rauch, Rubio & Tebb, 2003). A paradigm is the framework used to develop a research design. There are two paradigms: positivist and interpretivist (Creswell & Miller, 2000). Dominick and Wimmer (2011) distinguish the two paradigms: the positivist researcher endeavors for objectivity which means reality is objective. Reality exists independently but not relies on an observer. The design of a positivist study is defined before it commences. Conducting investigations in controlled settings are predefined so as to limit contaminating and confounding variables. In positivist research, it allows another party to use measurement instruments to collect data in the researcher’s absence. In addition, the positivist researcher uses research to test, support, or reject theory.

The interpretive researcher is subjective - reality exists only in reference to the observer. Each observer creates reality as part of the research process. The interpretive researcher examines the entire process, believing that reality is holistic and cannot be subdivided. In interpretive research, the design evolves during the research; it can be adjusted or changed as the research progresses. The interpretive researcher conducts studies in the field, in natural surroundings, trying to capture the normal flow of events without controlling extraneous variables. The interpretive researcher develops theories as part of the research process - theory is ‘data driven’ and emerges as part of the research process, evolving from the data as they are collected. Briefly, positivist researchers endeavor for breadth, interpretive researchers endeavor for depth.
The purpose of an interpretivist research project is not to predict the world or control it as positivists and even post-positivists might desire (Crotty, 1998; Lincoln, 1990). Interpretivists identify a number of mental constructions of the world held by people and attempt to understand them, identify some consensus among them and interpret their world based on this understanding. Drawing from the inductive nature of qualitative inquiry, interpretivists seek theories from the data and help explain the many ways that humans conceptualize the world in which they live. Interpretivist research, therefore, diverges sharply from the precepts of positivism. This research seeks to build a more comprehensive interpretation of Chinese indigenous values in relation to adoption of CSR principles. Therefore an interpretivist approach is appropriate.

3.3 Alternative research methods in qualitative research

The purpose of the research is to conduct a cross-sectional, exploratory, interpretive and qualitative study into the perceptions of Chinese business people. There are a number of data collection approaches that can be applied to explore and explain the insights of Chinese business people into their underlying Chinese values in response to adoption of CSR principles (Gioia & Pitre, 1990). This section evaluates various approaches related to the emic focus of this research in order to determine the most suitable approach.

3.3.1 Case study

A case study is an analysis of ‘a particular contemporary phenomenon within its real life context using multiple sources of evidence’ (Yin, 2003, p.13). The case study emphasizes the importance of context as a social phenomenon; however, within a case study, the boundaries between the phenomenon being studied and the context within which it is being studied are not clearly evident (Yin, 2003). Although the research is undertaken in context, the ability to explore and understand this context is limited by the number of variables for which data can be collected.

Since the focus of this research is to explore the perceptions of Chinese values in relation to adopting CSR principles, the aim is to interpret the characteristics of the phenomena of interest and not on the contextual analyses of similar situations in other organizations (Cavana, et al., 2001); hence the case study method is not suitable for this research.
3.3.2 Grounded theory and substantive theory

Grounded theory is an extensively used qualitative research methodology which seeks to inductively determine issues of importance to specific groups of people (Glaser & Strauss, 1967). Grounded theory relies on intense interpretation of data beginning with rich, naturalistic inquiry (Eisenhardt, 1989). The researcher also needs to develop well-grounded concepts and constructs from the data (Carson & Coviello, 1996). The objective of this research is to examine the perceptions of Chinese business people from different industries in order to determine if there are differences in how they perceive the Chinese values and whether or not the CSR principles are changing as they are disclosed to the variables identified in the theoretical framework. Although the present research seeks to draw and establish new information concerning Chinese values in response to adoption of CSR principles, there is already a richness of parent and intermediate theory literature, providing a demonstrated grounding for the research question. Under this circumstance, grounded theory is considered as inappropriate for this research.

3.3.3 Observation, interviews, focus groups and survey

The most common research methods applied in qualitative social research include surveys, observation and interviews (Bosch, Law, Letts, Pollock, Stewart & Westmorland 1998). These methods are evaluated in the subsequent sections.

3.3.4 Participation observation

By choosing participant observation as a research method, researchers become the research instruments and their behavior becomes a vital (Neergaard & Ulhcri, 2007). Brewer (2000) makes the point that participant observation is neither quick nor easy. Time is needed to re-socialize the observer into the practices and values of the group and win acceptance for the role, but especially time is needed to experience the full range of the events and activities of the setting. He also points out that participant observation certainly has its limitations as a research method. An observer is bound to be selective and present a partial account, and this may be skewed towards observations of abnormal, exceptional or aberrant behavior or may be a personal viewpoint that is not representative.
This research requires asking probing questions to draw information out of participants; hence participant observation is not an appropriate methodology.

3.3.5 In-depth, semi-structured interviews

The theoretical position of qualitative research is often more concerned with data that depicts 'reality' rather than surface level, survey style interpretations (Silverman, 2000). In-depth interviews provide intense understanding for interviewers. Conducted in an appropriate manner, such an approach allows for meaning and encourages a truer view of a respondent's reality within the context of the research topic. As summarized by Patton (1987, p.108), in-depth interviewing 'probes beneath the surface, soliciting detail and providing a holistic understanding of the interviewee's point of view' that are based on personal experience and perspective. Additional questions can also be introduced if a particular issue worthy of exploration surfaces (Patton, 1987; Wickham, 2004). As this research examines and explores the indigenous values of ethnic Chinese business people in relation to their perceptions of CSR principles, in-depth and semi-structured interviews are deemed as appropriate for this study.

In-depth, semi-structured interviews conform to the following criteria:

- an interview protocol is used to guide the questions;
- the order of questions are determined by the actual situation facing the researcher;
- the interviewer encourages depth through using a probing technique;
- interviews are often conversational;
- the interviewer pays close attention to body language and facial gestures;
- the interviewer plays close attention to what the respondent considers to be important;
- a number of open-ended questions used; and
- the interviewer sets the pace according to the situation;

The above points were developed for this research from Gummesson (1991), Neuman (1994) and Patton (2002).

In-depth semi-structured conversational interviews are also suitable in cross-cultural settings (Cavana, et al., 2001). They also allow for rapport to be developed to better
motivate the respondents to provide richer data on the points being discussed. Finally, in the Chinese context, the literature suggests that conducting in-depth, semi-structured interviews with Chinese business people over a hosted evening meal in a nice restaurant is a suitable research method for eliciting, thick, deep responses and shared perceptions (Redding, 1993).

The features discussed above are coherent with the requirements of this particular research. Therefore, in-depth semi-structured field interviews are to be employed as the primary data collection method for this research.

3.3.6 Focus groups

Focus group research focuses on 'gaining insights into meaningful constructs of phenomena which emerge out of sharing and discussing issues, exchanging opinions, revising perceptions and highlighting commonalities and differences' (Carson, et al., 2002, p.115). Focus groups or group discussions involve between four and ten respondents brought together to discuss the research topic as a group (Lewis & Ritchie, 2003). They are used where the group process will itself shed light on the research issue. They do provide a social context for research, and thus an opportunity to explore how people think and talk about a topic, how their ideas are shaped, generated or moderated through conversation with others. Because group discussions allow participants to hear from others, they provide an opportunity for reflection and refinement which can deepen respondents' insights into their own circumstances, thoughts, perceptions, attitudes and behaviors. They also provide an opportunity for direct and explicit discussion of difference as it emerges in the group.

The design of this research is philosophically aligned with a phenomenological philosophy and a naturalistic inquiry perspective (Patton, 2002, p.39), to the extent that it is established on fieldwork that involves eliciting insights from focus groups of respondents by use of semi-structured focus group interviews, while trying to avoid influencing the respondents or the phenomenon of interest. The focus groups method is considered fitting this research.
3.3.7 Survey

Survey research is common because it is flexible and open to researchers taking quantitative as well as qualitative approaches. Survey methods can answer a wide range of research questions, from 'who' and 'what' to the 'how' and 'why'. However, trustworthy survey research requires careful consideration of design and research conduct (Bryman, et al., 2003). Validity and reliability are important aspects of survey research. Internal validity is achieved when the survey's questions and answers accurately measure or reflect what the investigators want to know and are not distorted by some other factor. External validity refers to how representative a sample of the population is. Reliability refers to the consistency of data gathering in measuring whatever the survey purports to measure. To ensure reliability, the researcher looks at question wording to ask whether the questions really ask for the information in the best possible way or to ask if people from different groups understand the questions in the same way. Reliability can be improved by asking the same question twice on a questionnaire or by following up to check on similarity of response in an interview. The survey method is also considered fitting this research.

3.4 Research design and implementation

Section 3.4 discusses various key elements of the research design and its implementation including sampling method and units of analysis; gaining access to respondents; interview methodology; and the interview protocol and processes. This section is followed by five further related sections depicting issues related to the pilot study; the main study; validity and reliability issues; limitations of the research and coping mechanisms; and ethical considerations. The research design had a twofold aim: to incorporate the best methods for overcoming the lack of empirical knowledge of the topic (Patton 2002) and to establish an audit trail (Cooper & Emory, 1995; Perry, 1996).

3.4.1 Sampling method and units of analysis

Sampling theory is based on the assumption that inferences can be made, or conclusions can be drawn about the population from which the sample is taken. Sampling is an important element in research planning and design. Since statistics are of no concern to
phenomenological methods, sampling is purposive, focusing on getting a manageable and relevant group of individuals with whom the investigated phenomenon is relatively salient. The purpose is not to present intrinsically interesting cases nor to represent a general population, but rather to gain a more detailed picture of the phenomenon (Harré, et al., 1995).

Research design specifies ‘the unit or units of analysis to be studied’ (Patton, 2002, p.228) and both research design and sampling strategies are dependent on informed decisions, derived from a thorough review of the related literature on both methodology and the research question (Redding, 1993; Huberman & Miles, 1994; Cavana, et al., 2001; Kriz, 2002; Patton, 2002; Sarantakos, 2005; Denzin & Lincoln, 2009). This research requires insights into the collective and cultural perspectives of different industry sectors of Mainland Chinese business people into the Chinese values in relation to CSR principles. Therefore, it is determined that this research should primarily adopt a stratified and purposeful (judgmental) sampling methodology, using homogenous units of analysis (focus groups) in each industry (major industries in China) and draw on the informed opinions of the respondents. However, before the researcher can start to collect data and indeed think of analyzing it, it is highly necessary to consider who or what may be the best information source. Neergaard and Ulhcri (2007) argue that sampling composes a vital element in ensuring the quality of the outcome of a research work, and that all research works need to select cases and informants that are able to give the best possible information and that this can only be accomplished through purposeful sampling.

Focus group interviews involve face-to-face endeavors with groups of individuals simultaneously being interviewed by a single researcher or facilitator. Focus group interviews are sometimes placed along an imaginary continuum of rigidity of structure and are described as unstructured, semi-structured, and structured. Although focus group interviews encourage individuals to speak about their personal experiences and understandings of their social lives, the group interview makes use of the synergistic energy of the group to encourage people to talk about and to discuss their views and experiences, sometimes negotiating different understandings than some may have held prior to the group interview (Bryman, et al., 2003).
In relation to the use and the size of the focus groups, the literature (Redding, 1993; Huberman & Miles, 1994; Cavana, et al., 2001; Patton, 2002; Sarantakos, 2005; Denzin & Lincoln, 2009) suggests that the sample size of each focus group should be large enough to facilitate a range of perspectives, but small enough to ensure that all involved have the time, confidence and opportunity to put their thoughts forward. It was determined that there must be at least three respondents at each focus group interview in order to allow for the triangulation of perceptions of respondents at each interview and thereby assist in reducing individual biases. However it was also determined that there should probably be no more than six, as more than six may not allow all of the questions to be commented upon by all respondents; may not be manageable from a recording and respondent identification perspective; and may exceed the point of redundancy (Guba & Lincoln, 1985; Sarantakos, 2005).

Also, it was determined that where possible, each focus group interview should be relatively gender balanced and intimate enough for respondents to feel comfortable about expressing their perceptions in detail and to determine whether perceptions of Chinese values in relation to CSR principles have a gender bias. Consequently, it was decided that four to six respondents at each group interview would be the ideal number as this would meet the aforementioned requirements. However, given that some respondents in different industry may not be able to attend at the last minute, it was also determined that at least five respondents from each location be invited to the focus group interview to ensure a minimum of three and a maximum of six at each session.

In order to better ensure the integrity and quality of responses it was determined that the most suitable respondents in major industries would be:

People of ethnic Chinese origin who could speak Cantonese or Mandarin well - the researcher is fluent in both dialects and therefore able to communicate effectively with the respondents who are all Chinese natives.

The focus group sessions were implemented as the primary source of data collection to facilitate collective interpretations of perceptions of Chinese values in relation to CSR principles. However, the researcher had concerns about the truthfulness and generalizability of such a limited source of data for each industry (Cavana, et al., 2001). Therefore, it was decided to implement a secondary phase of data collection through the
implementation of an online survey, based on the focus group interview protocol, to draw further on the individual perceptions of the focus group members and the perceptions of a larger number of secondary phase respondents. This secondary phase provided the opportunity to compare individual responses of focus group members with group responses and the responses of non-focus group members with focus group members, thereby improving the depth of understanding and the truthfulness and generalizability of the data. The profiles of the secondary phase participants matched the criteria mentioned above to ensure a level of consistency across all participants.

3.4.2 Gaining access to respondents

This research comprises two phases, focus group interviews and an anonymous online survey based on the focus group interview protocol. Coote and Perry (1994) suggest a sample size of 45 or greater which is suitable for doctoral research. Therefore the focus group interviews will include 50 participants across 10 focus group interviews (excluding two pilot studies) ideally, with five respondents in each. The industry sectors are limited to production and services of which these are the major business sectors in domestic market and overseas markets. The members invited will come from Hong Kong, Macau and China. In order to provide greater depth of data and to triangulate the validity and reliability of the focus group responses, another 150 respondents will be invited to participate in the anonymous online survey.

The researcher has been involved in international business for 28 years and has accumulated a wide business network in China, Hong Kong and overseas. Meanwhile, the researcher is the former vice chairman of Hong Kong Sourcing Network Association which has membership of more than 100,000 firms. Hence, the researcher will seek help from the Association if they are willing, in sending send out an email on behalf of the researcher to invite members to participate in the research.

The first consideration of gaining access to respondents is "to do no harm"(Given, 2008, p. (Patton, 2002, 39)2). In the case of the focus group interviews, the Association will be asked to email members Participation Information Statement and Consent form both in Chinese and English (see appendix B) and invite them to contact the researcher, should they be willing to participate in the research. In the case of the anonymous survey, the
Association will be asked to email a Participant Information Statement both in Chinese and English (see Appendix C) to members and ask them to click on an embedded hyperlink, should they wish to participate in the survey.

This approach should draw a sufficient number of potential respondents from the representative industries and thereby allow the researcher to use their judgment and purposefully select those who most fit the sampling criteria.

3.4.3 Interview protocol and process

Carson, et al. (2002, p.73) point out that in-depth semi-structured interviews produce the major source of data for a qualitative research. Such interviews are used to understand people's mind and their perspective of the world including interpretations, such as perceptions of good corporate citizenship. In the case of this research, relevant information cannot be uncovered using another research method (Patton, 1990). Semi-structured interviews are used because they allow the interviewees to share rich, personal opinions and intricate information (Cavana, et al., 2001) pertaining to their perceptions and experiences. A distinct advantage offered through this method is the opportunity to adjust the questions when needed, to clarify uncertainties and to make affirmative the responses properly understood by rephrasing the question (Cavana, et al., 2001). The interview protocol is developed based on the theoretical framework and to ensure that the interviews are conducted in a similar manner and will produce reliable results (see Appendix A).

In order to help the participants relax and create an intimate environment, it was determined to apply a modified version of Redding's (1993) methodology which involved inviting the respondents to a meal in a private dining room in a restaurant in their respective city. From an ethical perspective, it is quite appropriate to offer a meal as a compensation for the respondents by sacrificing their meal time (Australian Government, 2007). This noted, the researcher would ensure that each respondent fully understood that the intention was to undertake the interview process during and after the meal. Interview participants were asked to respond to a series of semi-structured, open-ended questions. The responses they gave determined the flow of follow-up questions which provided for the opportunity to probe for further information. The same interview questions were used
for all focus group sessions. All focus group sessions were audio-recorded to facilitate accurate post interview data analysis, after having first obtained signed written consent from the interviewees in each focus group session.

Given (2008) and Defazio (2008) both note the importance of conducting a pilot study in order to fine tune the interview protocol and processes before conducting the main interviews. Therefore, a pilot study was implemented to reveal any shortcomings in the interview protocol and to let the researcher adjust the protocol prior to formally implementing the main study. Two pilot focus group sessions were conducted and the duration of each was approximately two hours. Each session was recorded and transcribed using a note-book recorder. As a consequence of the pilot study, it was determined that the interview protocol contained too many questions to be covered in two hours. Therefore, the protocol for the focus group sessions was modified to focus on key questions and focus group members were asked to complete the online survey in addition to attending their focus group session. After finalizing the research instrument, a total of 10 in-depth semi-structured focus group sessions with five people in each were conducted. Each session took approximately for two hours.

The following tables, Table 3.1, 3.2, 3.3 and 3.4 illustrate the questions posed in both the focus group sessions and in the online survey; the variables from the theoretical framework or the prospective research outcomes to which they relate; and the key themes they address. Although the key focus of this study is based around the variables in the theoretical framework, is was also important to probe contemporary Chinese indigenous values related to the adoption of CSR principles, and to explore whether and to what extent other variables may cause changes to Chinese perceptions to the topic. Therefore the demographic questions listed in table 3.1 were presented intending to achieve this objective.
### Table 3.1 Demographic questions and related variables and themes

<table>
<thead>
<tr>
<th>No.</th>
<th>Demographic questions</th>
<th>Variables</th>
<th>Comments/themes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>What is your age?</td>
<td>Generational influence</td>
<td>Impact of age on perception to CSR adoption</td>
</tr>
<tr>
<td>2.</td>
<td>What is your gender?</td>
<td>Gender influence</td>
<td>Impact of gender on perception to CSR adoption</td>
</tr>
<tr>
<td>3.</td>
<td>What is your highest education level?</td>
<td>Acculturation through exposure to ethical values</td>
<td>Impact of education on perception to CSR adoption</td>
</tr>
<tr>
<td>4.</td>
<td>What is your current position in the company?</td>
<td>Acculturation through professional culture</td>
<td>Impact of occupation on perception to CSR adoption</td>
</tr>
<tr>
<td>5.</td>
<td>How many years have you been working in the company?</td>
<td>Acculturation through working experience</td>
<td>Impact of working experience on perception to CSR adoption</td>
</tr>
<tr>
<td>6.</td>
<td>What business is the firm in?</td>
<td>Acculturation through industry culture</td>
<td>Impact of industry fields on perception to CSR adoption</td>
</tr>
<tr>
<td>7.</td>
<td>How many years has the firm been established?</td>
<td>Acculturation through economic reforms</td>
<td>Impact of economic reforms on perception to CSR adoption</td>
</tr>
<tr>
<td>8.</td>
<td>What is your company type?</td>
<td>Reinforcement of values through company structure</td>
<td>Impact of company structure on perception to CSR adoption</td>
</tr>
<tr>
<td>9.</td>
<td>What is your company size?</td>
<td>Reinforcement of values through company size</td>
<td>Impact of company size on perception to CSR adoption</td>
</tr>
</tbody>
</table>

Tables 3.2 and 3.3 illustrate the questions developed for this research to address Carroll’s (1991) four CSR dimensions.

### Table 3.2 Carroll’s CSR components - Economic responsibility and legal responsibility

<table>
<thead>
<tr>
<th>Economic Components (Responsibilities) Required</th>
<th>Legal Components (Responsibilities) Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>It is important to perform in a manner consistent with maximizing earnings per share.</td>
<td>1. It is important to perform in a manner consistent with expectations of government and law.</td>
</tr>
<tr>
<td>It is important to be committed to being as profitable as possible.</td>
<td>2. It is important to comply with various federal, state, and local regulations.</td>
</tr>
<tr>
<td>It is important to maintain a strong competitive position.</td>
<td>3. It is important to be a law-abiding corporate citizen.</td>
</tr>
<tr>
<td>It is important to maintain a high level of operating efficiency.</td>
<td>4. It is important that a successful firm be defined as one that fulfills its legal obligations.</td>
</tr>
<tr>
<td>It is important that a successful firm be defined as one that is consistently profitable.</td>
<td>5. It is important to provide goods and services that at least meet minimal legal requirements.</td>
</tr>
</tbody>
</table>

Developed from Carroll, 1991
Table 3.3 Carroll’s CSR components - Ethical and philanthropic responsibility

<table>
<thead>
<tr>
<th>Ethical Components (Responsibilities) Expected</th>
<th>Philanthropic Components (Responsibilities) Desired</th>
</tr>
</thead>
<tbody>
<tr>
<td>It is important to perform in a manner consistent with expectations of societal mores and ethical norms.</td>
<td>1 It is important to perform in a manner consistent with the philanthropic and charitable expectations of society.</td>
</tr>
<tr>
<td>It is important to recognize and respect new or evolving ethical/moral norms adopted by society.</td>
<td>2 It is important to assist the fine and performing arts.</td>
</tr>
<tr>
<td>It is important to prevent ethical norms from being compromised in order to achieve corporate goals.</td>
<td>3 It is important that managers and employees participate in voluntary and charitable activities within their local communities.</td>
</tr>
<tr>
<td>It is important that good corporate citizenship be defined as doing what is expected morally or ethically.</td>
<td>4 It is important to provide assistance to private and public educational institutions.</td>
</tr>
<tr>
<td>It is important to recognize that corporate integrity and ethical behavior go beyond mere compliance with laws and regulations.</td>
<td>5 It is important to assist voluntarily those projects that enhance a community’s &quot;quality of life.&quot;</td>
</tr>
</tbody>
</table>

Developed from Carroll, 1991

The literature reviewed in Chapter 2 identified a number of themes related to Chinese perceptions of CSR principles because of possible changes in Chinese values. Table 3.4 therefore presents open ended questions developed explore if and how such themes may or may not be changing over time.
<table>
<thead>
<tr>
<th>No</th>
<th>Open-ended questions</th>
<th>Comments</th>
<th>Themes</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.</td>
<td>Explain whether or not you think a company should purely focus on maximizing profits for shareholders?</td>
<td>This question is intended to probe how respondents perceive the importance of economic benefits for a company</td>
<td>Personal perception of how important for economic benefits to a company</td>
</tr>
<tr>
<td>11.</td>
<td>Explain whether or not you think it is important for a company to use all means to maximize its profits?</td>
<td>This question attempts to explore the Chinese values through the respondents’ responses to achieving profit making.</td>
<td>Personal perception of how important for economic benefits to a company</td>
</tr>
<tr>
<td>12.</td>
<td>In order to maximize profits, is it important for a company to maintain a strong competitive position?</td>
<td>This question attempts to explore Chinese values in response to sustaining a strong competitive position for a company</td>
<td>Personal perception of how important for economic benefits to a company</td>
</tr>
<tr>
<td>13.</td>
<td>If yes, what does your company do to maintain a strong competitive position?</td>
<td>This question attempts to explore Chinese attitudes in response to sustaining a strong competitive position for a company</td>
<td>Impacts of Chinese values on Chinese attitudes in response to economic benefits</td>
</tr>
<tr>
<td>14.</td>
<td>Do you think it is important for a firm to maintain a high level of operating efficiency?</td>
<td>This question attempts to explore the Chinese values through the respondents’ response to achieving operating efficiency.</td>
<td>Perception of Chinese traditional values in response to economic benefits</td>
</tr>
<tr>
<td>15.</td>
<td>If yes, how does your company achieve it?</td>
<td>This question attempts to identify the contemporary Chinese values in response to economic benefits.</td>
<td>Perception of Chinese traditional values in response to economic benefits</td>
</tr>
<tr>
<td>16.</td>
<td>Do you see a relationship between &quot;face&quot; and company profitability and if so, would a company lose “face” if it was not profitable?</td>
<td>This question attempts to determine if and to what level of Chinese traditional value “face” is important to maintain high performance for a company</td>
<td>Perception of Chinese traditional values “face” in response to economic benefits</td>
</tr>
<tr>
<td>17.</td>
<td>What personal values/beliefs do you have that you think might influence your thoughts on the previous question?</td>
<td>This question is intended to probe how deep Chinese traditional values embedded in the respondents that influences them on profit making</td>
<td>Perception of Chinese traditional values that has impacts on economic benefits to a company</td>
</tr>
<tr>
<td>No.</td>
<td>Open-ended questions</td>
<td>Comments</td>
<td>Themes</td>
</tr>
<tr>
<td>-----</td>
<td>----------------------</td>
<td>----------</td>
<td>--------</td>
</tr>
<tr>
<td>18.</td>
<td>How important do you believe it is for a company to obey Government laws and why?</td>
<td>Explores respondents’ perceptions of the importance of company legal performance</td>
<td>Personal values of how important for law obedience to a company</td>
</tr>
<tr>
<td>19.</td>
<td>In addition to the law, can you think of any other factors that influence your thoughts on what is right and wrong?</td>
<td>Explores how respondents perceive the importance of company legal performance</td>
<td>Personal values of the importance for social justice</td>
</tr>
<tr>
<td>20.</td>
<td>To what extent do you think it is important to have good “guanxi” with government officials and officers?</td>
<td>This question attempts to identify the Chinese values in response to obedience to the law.</td>
<td>Impact of “guanxi” on obedience to the law</td>
</tr>
<tr>
<td>21.</td>
<td>How important do you believe it is to comply with local, provincial and central government regulations and instructions?</td>
<td>This question attempts to identify the Chinese values in response to obedience to the law.</td>
<td>Impact of Chinese traditional values in on obedience to the law</td>
</tr>
<tr>
<td>22.</td>
<td>Do you think following government regulations and instructions are a kind of &quot;li&quot;? Could you explain why you do or do not think so?</td>
<td>This question attempts to tap the Confucian value “li” that respondents might have to response to obedience to the law.</td>
<td>Perception of Chinese traditional value “li” in response to obedience to the law</td>
</tr>
<tr>
<td>23.</td>
<td>What does the term 'corporate citizen' mean to you?</td>
<td>This question attempts to explore what extent that respondents is aware of and understand CSR</td>
<td>Perception of Chinese traditional values in response to concept of CSR</td>
</tr>
<tr>
<td>24.</td>
<td>How important do you believe it is to be a law-abiding corporate citizen?</td>
<td>This question attempts to identify the Chinese values in response to obedience to the law.</td>
<td>Perception of Chinese traditional values in response to obedience to the law</td>
</tr>
<tr>
<td>25.</td>
<td>Is it important for a successful firm to fulfill all of its legal obligations and if so, why?</td>
<td>Explores to what extent of the Chinese values is related to obedience to the law.</td>
<td>Perception of Chinese traditional values in response to obedience to the law</td>
</tr>
<tr>
<td>26.</td>
<td>How important is it for a firm to provide goods and services that both meet legal requirements and satisfy customer's needs?</td>
<td>This question attempts to tap which Chinese values respondents might have to relation to obedience to the law.</td>
<td>Perception of Chinese traditional values in response to obedience to the law</td>
</tr>
<tr>
<td>27.</td>
<td>Could you please explain whether or not you try to consider balancing between righteousness and profit in business activities and the reason for your answer?</td>
<td>This question attempts to identify if Confucian ethic of &quot;yi-li&quot; (righteousness and profit) is still influencing the Chinese business people.</td>
<td>Perception of Chinese traditional values &quot;yi-li&quot; in response to law obedience</td>
</tr>
<tr>
<td>28.</td>
<td>Could you explain whether or not you think the Confucian ethic of &quot;yi-li&quot; (righteousness and profit) is important to the adoption of CSR principles in China?</td>
<td>Explores how important the Confucian ethic of &quot;yi-li&quot; (righteousness and profit) is in influencing respondents to obey the law</td>
<td>Perception of Chinese traditional values &quot;yi-li&quot; in response to obedience to the law</td>
</tr>
</tbody>
</table>
Table 3.6 Open-ended questions and related ethical variables and themes

<table>
<thead>
<tr>
<th>No.</th>
<th>Open-ended questions</th>
<th>Comments</th>
<th>Themes</th>
</tr>
</thead>
<tbody>
<tr>
<td>29.</td>
<td>To what extent do you believe a firm's performance should be measured on how it acts in relation to societal and ethical norms, in addition to its economic performance?</td>
<td>This question attempts to identify the Chinese values relevant to ethical performance</td>
<td>Perception of Chinese traditional values in response to ethical performance</td>
</tr>
<tr>
<td>30.</td>
<td>Are the Chinese values &quot;yen&quot;, &quot;yi&quot; and &quot;li&quot; important for a company in daily business and if so, why?</td>
<td>This question attempts to determine if and how important of Chinese indigenous values &quot;yen&quot;, &quot;yi&quot; and &quot;li&quot; might influence ethical performance</td>
<td>Perception of Chinese traditional values &quot;yen&quot;, &quot;yi&quot; and &quot;li&quot; in response to ethical performance</td>
</tr>
<tr>
<td>31.</td>
<td>How do you interpret the roles of &quot;yen&quot;, &quot;yi&quot; and &quot;li&quot; in your company?</td>
<td>This question attempts to determine if and how the Chinese indigenous values &quot;yen&quot;, &quot;yi&quot; and &quot;li&quot; might influence ethical performance</td>
<td>Perception of Chinese traditional values of &quot;yen&quot;, &quot;yi&quot; and &quot;li&quot; in response to ethical performance</td>
</tr>
<tr>
<td>32.</td>
<td>Besides accepting traditional Chinese values, could you explain whether or not your firm would also accept values held by other societies such as gender equality and merit based promotion?</td>
<td>Beside Chinese traditional values, this question attempts to explore what other values respondents might have that influence their perceptions in relation to ethical performance</td>
<td>Perception of other values influencing ethical performance of a company</td>
</tr>
<tr>
<td>33.</td>
<td>Do you think it is important to sustain indigenous Chinese values in order to achieve your firm's corporate goals now and into the future, and if so, which values do you believe are the most important to sustain?</td>
<td>This question attempts to identify which Chinese indigenous values still have an essential influence on ethical performance.</td>
<td>Perception of Chinese traditional values in response to ethical performance</td>
</tr>
<tr>
<td>34.</td>
<td>Is it important that a good corporate citizen is doing business morally and ethically?</td>
<td>This question is intended to probe how respondents perceive the importance of ethical performance for a company</td>
<td>Personal perception of how important ethical performance is to a company</td>
</tr>
<tr>
<td>35.</td>
<td>Please explain whether or not you feel it is moral and ethical for a firm to use “guanxi” in doing business and why you feel this way?</td>
<td>This question is intended to probe respondents’ perceptions of the importance of ethical performance for a company</td>
<td>Personal perception of how important ethical performance is to a company</td>
</tr>
<tr>
<td>36.</td>
<td>Is corporate integrity, based on indigenous Chinese values, more important for firm success than just complying with laws and regulations and if so, why?</td>
<td>This question attempts to determine if and how Chinese indigenous values might influence ethical performance</td>
<td>Perception of Chinese traditional values in response to ethical performance</td>
</tr>
</tbody>
</table>
Table 3.7 Open-ended questions and related philanthropic variables and themes

<table>
<thead>
<tr>
<th>No.</th>
<th>Open-ended questions</th>
<th>Comments</th>
<th>Themes</th>
</tr>
</thead>
<tbody>
<tr>
<td>37.</td>
<td>When business is profitable, do you think that a firm should have obligations to undertake philanthropic activities such as donating money to charities?</td>
<td>This question is intended to probe how respondents perceive the importance of philanthropic performance for a company.</td>
<td>Personal perception of the importance of philanthropic performance for a company</td>
</tr>
<tr>
<td>38.</td>
<td>To what extent does your firm voluntarily donate money or goods to charitable activities or organizations?</td>
<td>This question attempts to identify Chinese values in response to philanthropic values.</td>
<td>Personal perception of the importance of philanthropic performance for a company</td>
</tr>
<tr>
<td>39.</td>
<td>As a kind of reciprocity, should a firm fulfill the philanthropic and charitable expectations of society?</td>
<td>This question attempts to identify Chinese values in response to philanthropic values.</td>
<td>Personal perception of the importance of philanthropic performance for a company</td>
</tr>
<tr>
<td>40.</td>
<td>Should Chinese firms provide sponsorship for promoting indigenous Chinese arts and culture such as music and painting and if so, why?</td>
<td>This question is intended to probe how respondents perceive the importance of philanthropic performance for a company in relation to sustain Chinese culture.</td>
<td>Personal perception of the importance of philanthropic performance for a company</td>
</tr>
<tr>
<td>41.</td>
<td>To what extent do you believe it is important to encourage staff at all levels to participate in voluntary and charitable activities within their local communities?</td>
<td>This question attempts to identify how Chinese values relate to philanthropic values.</td>
<td>Personal perception of the importance of philanthropic performance for a company</td>
</tr>
<tr>
<td>42.</td>
<td>How important do you think it is for firms to sponsor projects that can improve a community's &quot;quality of life&quot; such as donations to public library or museum?</td>
<td>This question attempts to identify how Chinese values relate to philanthropic values.</td>
<td>Personal perception of the importance of philanthropic performance for a company</td>
</tr>
</tbody>
</table>

3.4.4 Pilot study

Given (2008) argues that interviews involve considerable preparation and it is necessary to conduct a pilot study as a way to examine if the survey can be conducted and present valid data. Light, Richard, Singer and Willett. (2009) state that pilot study saves both money and time, and prevent making many high-cost mistakes. Further, Given (2008) illustrates the following advantages of pilot test: First, it helps to anticipate the actual conditions of the survey and the most feasible planning; second, it helps to select a sample which is fair enough to generate meaningful results; third, a validity test can ascertain
whether all the main topics have been included and; lastly, a reliability test can inspect the format of questionnaire and clarification of the survey questions.

In this research two pilot focus group interviews were conducted with ten Chinese ethnic business people invited through the Association. The pilot study was deemed necessary in order to verify the reliability, validity, and accuracy of the questionnaire's language. Such a test is essential for increasing reliability; it also assists in ensuring that the interviewees are able to understand and answer all the questions. Theoretically, reliability should be based on an objective measurement. However, many concepts in the in-depth interviews are inexplicit, perceptual, and involved personal feelings (Flick, 2009; Seidman, 2012).

The two pilot focus group interviews were held in Hong Kong and Shenzhen respectively. The tapes of these trials were transcribed and analyzed and where required, the interview technique and question structure were modified slightly. Candidates for pilot and main focus group interviews used similar methods. Both were required to sign consent forms; however, they members of the pilot groups were informed that their responses would not be used in the final report.

### 3.4.5 Main study

As illustrated in Table 3.8, the main study took place from July 13, 2013 to August 25, 2013 and involved conducting focus group interviews in Hong Kong, Macau, Shenzhen, Guangzhou, Changsha, Shanghai, and Beijing. The online survey was open from the July1, 2013, to September 16, 2013.

<table>
<thead>
<tr>
<th>Pilot Group No.</th>
<th>Location of interview</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Shenzhen</td>
<td>29-Jun-2013</td>
</tr>
<tr>
<td>2</td>
<td>Guangzhou</td>
<td>6-Jul-2013</td>
</tr>
</tbody>
</table>
Table 3.9 Formal Focus Group Interview

<table>
<thead>
<tr>
<th>Group No.</th>
<th>Location of interview</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Shenzhen</td>
<td>4-Jul-13</td>
</tr>
<tr>
<td>2</td>
<td>Shenzhen</td>
<td>5-Jul-13</td>
</tr>
<tr>
<td>3</td>
<td>Guangzhou</td>
<td>10-Jul-13</td>
</tr>
<tr>
<td>4</td>
<td>Guangzhou</td>
<td>1-Jul-13</td>
</tr>
<tr>
<td>5</td>
<td>Beijing</td>
<td>20-Jul-13</td>
</tr>
<tr>
<td>6</td>
<td>Beijing</td>
<td>21-Jul-13</td>
</tr>
<tr>
<td>7</td>
<td>Shanghai</td>
<td>25-Jul-13</td>
</tr>
<tr>
<td>8</td>
<td>Changsha</td>
<td>27-Jul-13</td>
</tr>
<tr>
<td>9</td>
<td>Hong Kong</td>
<td>30-Jul-13</td>
</tr>
<tr>
<td>10</td>
<td>Macau</td>
<td>25-Aug-13</td>
</tr>
</tbody>
</table>

3.4.5.1 The focus group interviews

The final composition of the focus group interviews closely mirrored the requirements detailed in Section 3.4. In total 46 people were involved in the ten focus group interviews. All interviews had between four and six participants. According to the requirements of participants, the participants are all ethnic Chinese who are business owners and management personnel. The ages of participants ranged from 21 to 70 years of age and the gender breakdown was 19 females and 27 males. 1 focus group had only male participants (Macau); however the rest of the focus groups had a reasonable balance of gender. In relation to occupation, 37 reported senior management roles (director, general manager, assistant general manager) and 7 reported junior management roles (HR manager, marketing manager).

3.4.5.2 The online survey

As noted in Section 3.2.2, the online survey was based on the interview protocol used in the focus group sessions and was housed in an online survey management system operated by the firm Survey Monkey. In total there were 209 responses to the online survey of which 59 were not usable because they only completed the demographic questions. Of the remaining 150 responses, including the 29 from the focus group
participants, the respondents answered some or all of the demographic and open ended questions. Responses to the survey questions are discussed in Chapter 4.

3.5 Reliability and validity

Trustworthiness is a vital component in qualitative research to ensure reliability. The trustworthiness of a qualitative study depends on whether the discussion of the key issues is based on valid and reliable data and analysis (Guba & Lincoln, 1985; Schwandt, 2007; Seale, 1999). Trustworthiness consists of four components: credibility, transferability, dependability, and confirmability. These four components are used in place of the traditional positivist criteria of internal and external validity, reliability, and objectivity (Denzin & Lincoln, 1994). However, Stenbacka (2001) argues that reliability is about measurements and not relevant to qualitative study. Some qualitative researchers have said that validity is not suitable for qualitative studies, but they have also recognized the need to apply the qualitative method as a qualifying check on their research (Winter, 2000). According to Creswell (2013), validity is affected by the researcher's perception of validity and choice of paradigm assumptions; therefore many authors developed specific models and terms such as quality, rigor and trustworthiness (Brannen, 1992; Cavana, et al., 2001; Giorgi, 1997; Guba & Lincoln, 1985; Stenbacka, 2001; Winter, 2000). In the case of this research, there is a high level of trustworthiness and credibility in the data as it is provided by respondents with intimate industry knowledge.

Good qualitative methods with proper analysis tools can help to obtain the depth and richness of data when seeking an understanding of a phenomenon (Stenbacka, 2001). Reliability and validity are applied to assess the integrity of any research (Silverman, 2000). However, the purpose of validity in qualitative research is not the same as in quantitative research (Gobo, et al., 2004, Stainton-Rogers & Willig, 2007). Stainton-Rogers and Willig (2007, p.362) indicate that quantitative approach is mainly used to maximize internal validity, such as the reliability of measures established and extraneous sources of error controlled; however, the qualitative approach is crucially to maximize external validity, for example, interview schedule encourages unconstrained responses and real-world data collection. Therefore, qualitative measurement often gives better validity of the directness, depth and detail of observations than that of quantitative measurement (Babbie & Rubin, 2012).
This research employs various measures to ensure its validity and reliability. In this study all focus group interviews were captured on a data recorder and the information transcribed verbatim, prior to uploading and analysis to ensure that all respondent comments were accurately reported. Recording can enhance the reliability of the research (Perry, 1998) and avoid potential bias to the outcome (Moore, et al., 2007). Further, all responses to the online survey were downloaded in Excel spreadsheets and directly transcribed to Word documents to ensure all comments were accurately reported. Validity and reliability were also reinforced through gaining the perspectives of respondents from different companies, different industries and different ages.

3.5.1 Credibility

Credibility requires that the respondents’ views match with the inquirer's reconstruction and representation (Guba & Lincoln, 1985). It is important to ensure that researcher’s interpretation of the responses and global view is actually that of the respondents and not that of the researcher (Schwandt, 2007). This study addresses the issue of credibility in the following ways:

1. an in-depth review of the literature was undertaken in order to better understand the convergence and divergence of CSR context between China and Western countries;
2. a theoretical framework was developed from the literature and the questions in the interview protocol were developed to test the variables in the theoretical framework;
3. a pilot focus group interview was undertaken, prior to the main study to evaluate the suitability of the research methodology as a means of tapping into a ‘Chinese’ indigenous values in response to CSR principles.
4. the use of the online survey in addition to the focus group interviews insured a more accurate capture of the perceptions of the respondents than focus groups alone;
5. open-ended written interpretations of the Chinese pictograms in the online survey by respondents ensured that the data gathered was only that of the respondents and not influenced by the researcher;
6. a cross-section of Chinese business people of both genders aged from 21 to 70
from a range of occupations, industry fields and educational backgrounds were engaged in this study to ensure that the results provided a cross-section of views; data was examined to determine any variations in the perceptions of the respondents in relation to the CSR understandings. Therefore, the researcher had no predetermined ideas of what the results would be (Huberman & Miles, 1994); and all digital recordings were independently transcribed by both the researcher and a research assistant to enhance the veracity of the transcripts.

3.5.2 Confirmability

Confirmability is concerned with providing evidence that the researcher’s interpretations of participants’ constructions are accurate in order to reduce researcher subjectivity and restrain ‘idiosyncrasy and personal judgment’ (Schwandt, 2007, p.210). It is a means through which to verify the two basic goals of qualitative research: (1) to understand a phenomenon from the perspective of the research participants and (2) to understand the meanings people give to their experiences. An auditing procedure has been suggested as a means to verify the confirmability of claims made in a qualitative study (Guba & Lincoln, 1985; Halpern & Schwandt, 1988). From the perspective of the focus group sessions this includes comparing the original digital recordings and transcripts, the research assistant’s transcripts and the final transcript revisions. In relation to the online survey, this includes reviewing the original data file downloaded from ‘Survey Monkey’ and a separate subsequent file which was saved each time the data was edited or analyzed. In accordance with Marshall and Rossman (1995), the supervisor critically reviewed samples of the data and analysis.

Dependability denotes the inquirer should ensure that the research process is logical, traceable and documented (Guba & Lincoln, 1985). Dependability can be achieved through the establishment of an audit trail on the process of the research design, the interviews conducted, and the data, findings, interpretations, and recommendations (Guba & Lincoln, 1985). Dependability focuses on the process of the research project. Specifically, that the process is logical, traceable and well documented (Schwandt, 2007). Following Drew's (2010) research tradition, dependability is ensured through the following processes:
Logical interview survey protocol and process: the questions posed in both the focus group interviews and the online survey were developed in order to add greater clarity to topics and issues previously identified in the extant peer reviewed literature;

Traceability using multiple recording methodologies: analyzing the data from the online survey prior to transcription helped to reduce the potential of researcher bias and provided an impersonal benchmark against which to evaluate the responses from the focus group transcripts.

Well-documented procedural schedules and milestones.

3.5.4 Transferability

Transferability implies that the inquirer should provide the reader with sufficient case information so s/he could make generalizations, in terms of case-to-case transfer (Guba & Lincoln, 1985). Qualitative researchers can use two strategies to increase the transferability of a study. The first is through thick description. Thick description means that the researcher provides the reader with a full and purposeful account of the context, participants, and research design so that the readers can make their own determinations about transferability. The other methodology is through purposeful sampling. Here, participants are selected because they mostly represent the research design, limitations, and delimitations of the study. Participants most consistent with the research design will enhance the potential that readers can assess the degree of transferability to their given context.

On the other hand, there is a distinction between the notions of generalizability and transferability. Generalizability is often associated with quantitative research and refers to the quality of the findings that are measurable, testable and verifiable (Denscombe, 2002). Transferability is a more intuitive process and relates to the provision of 'thick description necessary to enable someone interested in making a transfer to reach a conclusion about whether transfer can be contemplated as a possibility' (Guba & Lincoln, 1985, p.316). One main method to achieve transferability for this research is the employment of focus group semi-structure interviews and an online survey. This qualitative research is concerned with selecting respondents who met the specific criteria being investigated and therefore engages in analytic generalizations through the analysis.
of their rich and deep perceptions into the Chinese indigenous values as opposed to a quantitative study focused on drawing empirical generalizations from a population of interest (Schwandt, 2007). However, there is scope to see whether the findings apply to other surroundings. This research has specific advantages in this area:

1. exploring the perceptions of Chinese values in relation to CSR principles across a range of Mainland industries provides the opportunity to identify aspects of Chinese beliefs that are generalizable and aspects that may be less generalizable;
2. the use of the online survey in addition to the focus group sessions further enhances the opportunity to identify aspects of Chinese beliefs that are generalizable and aspects that may be less generalizable.

3.5.5 Triangulation

Triangulation is an important tool in qualitative research generally (Altheide & Johnson, 1994; Huberman & Miles, 1994). The use of triangulation is an attempt to obtain a deeper understanding of the studied phenomenon and may add rigor and breadth (Denzin & Lincoln, 1994; Jick, 1979). In grounded theory research, triangulation provides an important means to reduce the likelihood of misinterpretation, and thus its use is generally recommended as triangulation improves the ability of researchers to draw accurate conclusions from their studies (Scandura & Williams, 2000).

Methodological triangulation was used in this research to increase the reliability and validity of data and to maximize the limited budget and time frame (Patton, 2002). Two methods of data collection, the focus group interviews and the online survey, were adopted. In addition, this research used the extant peer reviewed literature in order to identify questions that required further empirical investigation and clarification.

In summary, the reliability and validity checks used in the pilot focus group interview, the main focus group interviews and the online survey study conform to those prescribed for qualitative research.

3.6 Limitations of research

There are some limitations to the research. First, qualitative social research commonly generates large amounts of data in non-standard format, thus presenting severe problems
of data handling and data analysis (Turner, 1983). However the objective of this research requires the generation of data without leading or self-constructing the data (Murphy, 1995) and this data also contributes to the notions of validity and reliability. Second, critiques of qualitative research claim that such analysis is little more than a form of imaginative linkage and thus considered too subjective (Cavana, et al., 2001). This claim is partly countered in this research by drawing on a broad range of perspectives from 10 focus group interviews in seven cities (Hong Kong, Macau, Shenzhen, Guangzhou, Changsha, Shanghai and Beijing), complimented by an online survey Third, there is the potential of interview bias resulting from having the interviewer as part of the data collection process (Dick, 1990). This study used a single interviewer and an interview protocol as a guide to help to minimize this bias by providing a repeatable process to collect data systemically. In addition transcripts and analysis were critically reviewed by the supervisor to help clarify possible misinterpretation of responses (Perry, 1998). Fourth, due to the limited number of participants, it is unwise to generalize from the findings. However, the findings do provide more specific insights from which hypotheses may be developed in future to measure Chinese perceptions of CSR through quantitative means. Fifth, this research only canvasses the perceptions of business people. Different perceptions may be held by people in different roles and social sectors.

3.7 Researcher's credibility

The researcher holds a bachelor degree in Information Technology and Computer Science from the Metropolitan University of United Kingdom and a Master of Business degree from the University of Newcastle, Australia. The researcher has been engaged in senior business management for 22 years in roles including entrepreneur, CEO, and chairman of a board of directors. The researcher is the former vice-chairman of Hong Kong Sourcing Network Association and has considerable experience in holding meetings with members located in Hong Kong, China and overseas. The membership of the Association consists of managing directors, CEO, owners and managers from industrial and business service sectors operated in China, Hong Kong, Macau and Taiwan. He has also developed a wide network with business people of Chinese ethnic origins. Furthermore, the researcher is ethnic Chinese and received Chinese education for fifteen years in Hong Kong. This background has assisted the researcher to accumulate a depth of knowledge of Chinese history, literature and culture. The researcher's business experience, academic
background, knowledge of Chinese culture and his extensive exposure to ethics in the Chinese environment in Hong Kong and China, provides him with the skills, knowledge and capabilities to undertake this research.

3.8 Ethical considerations

A full verbal rundown on the details of the research project and how to contact the University of Newcastle were given to participants. Ethics approval for this research was obtained from The University of Newcastle, Human Research Ethics Committee (H-2013-0107). All participants were informed in writing of their rights in relation to the focus group interview and/or participation in the online survey, and their freedom to withdraw at any time. Participants in the focus group interviews were also verbally reminded of their rights prior to the commencement of the interview. A consent form was completed by all participants in the focus group interviews, giving written permission to be audio recorded. Participants were also given full details of the project supervisor and details of whom to contact at the University of Newcastle should there be any concerns or questions. A consent form was not required for the respondents who only undertook the online survey as it was a purely voluntary anonymous survey.

In addition, the data is used for academic research. Only the researcher and supervisor have the rights to view and manage the information. Therefore, it involves no conflict of interest to researcher and stakeholders. The data will be encoded and saved in a private server with 64bit encrypted password and will be destructed within a year after completion of the research.

3.9 Conclusion

This chapter has discussed the methodology, research design and research implementation developed for the study. A qualitative research methodology using focus group semi-structured interviews and online survey has been adopted. This chapter discussed alternative methods to qualitative research and reviewed various steps to attain credibility, transferability, dependability and confirmability. Issues of respondent selection, ethical considerations, gaining access to respondents, recording and transcription and data analysis methods have also been examined. Finally, the underlying limitations of the research and ethical issues considerations have been discussed.
CHAPTER 4 - DATA ANALYSIS

4.0 Introduction

Chapter 4 discusses the analysis and results of the data obtained by adopting the research design, methodology and strategies identified in Chapter 3 in order to answer the research question posed in Chapter 1 and Chapter 2:

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

The focus of this research is to explore Chinese business people’s perspectives on what values might affect their own decisions towards CSR implementation, the circumstances in which such values might be used and how the expression of such values might be changing as a consequence of changes in the variables identified in the theoretical framework. As a result, considerable use is made of descriptive tables using verbatim citations and the chapter itself follows a narrative style. Whilst such an approach may be considered as unnecessarily detailed from a positivist perspective (Kriz, 2009), such an approach is in keeping with the non-linear orientation of the Chinese cognitive process which is defined as holistic rather than linear (Choi et al., 2001; Nisbett & Norenzayan, 2002; Nisbett, 2003; Dong & Lee, 2008; Chizari, 2015). The data collected was subjected to comprehensive content analysis and Boolean word and theme searches using Microsoft Excel and NVivo in order to provide insights into the key themes identified in Tables 3.2, to 3.7 in Chapter 3.

4.1 Perceptions of Chinese business people towards the adoption of CSR principles

Table 3.1 of Chapter 3 presented an overview of the respondents’ demographic details in order to provide the reader with clear insights into the gender, age, position and backgrounds of the respondents. This data was drawn from the first nine questions in both the online survey and the focus group interview protocol in order to identify whether and to what extent responses to the questions posed were influenced by a range of demographic variables. The demographic questions are based on variables identified in the literature and discussed in Chapter 2. The variables comprised, age; gender; education; position; working experience; company type; company size; company history and; industry type. Section 4.2 provides an analysis of the interpretation of 33 questions posed
to respondents to gain insights into the perceptions of CSR implementation and whether Chinese indigenous values have any influences on implementing CSR, as is suggested in the literature, or whether cultural values vary within and in relation to the aforementioned demographic variables. Section 4.3, provides a themed analysis of the open ended questions in order to determine if and what significant perceptions interviewees hold and how Chinese values and the culture of business practice are changing within and across regions over time. Content analysis of the data identified four keys reoccurring categories in relation to the questions posed. Consequently, Section 4.2 and Section 4.3 discuss these categories and related questions. The categories and related questions from the interview protocol follow in table 4.1A, 4.1B, 4.1C and 4.1D.

Table 4.1A Categories, themes and related questions on economic responsibility

<table>
<thead>
<tr>
<th>Categories</th>
<th>Related questions</th>
</tr>
</thead>
</table>
| Perceptions of economic earnings  | 10. Explain whether or not you think a company should purely focus on maximizing profits for shareholders?  
                                        11. Explain whether or not you think it is important for a company to use all means to maximise its profits? |
| Perceptions of sustainable development | 12. In order to maximize profits, is it important for a company to maintain a strong competitive position?  
                                        13. If yes, what does your company do to maintain a strong competitive position?  
                                        14. Do you think it is important for a firm to maintain a high level of operating efficiency?  
                                        15. If yes, how does your company achieve it? |
| Personal values on economic responsibility | 16. Do you see a relationship between “face” and company profitably and if so, would a company lose face if it was not profitable?  
                                        17. What personal values/beliefs do you have that you think might influence your thoughts on the previous question? |
Table 4.2B Categories, themes and related questions on legal responsibility

<table>
<thead>
<tr>
<th>Categories</th>
<th>Related questions</th>
</tr>
</thead>
</table>
| Perceptions of law obedience     | 18. How important do you believe it is for a company to obey Government laws and why?  
19. In addition to the law, can you think of any other factors that influence your thoughts on what is right and wrong?  
21. How important do you believe it is to comply with local, provincial and central government regulations and instructions?  
25. Is it important for a successful firm to fulfil all of its legal obligations and if so, why?  
26. How important is it for a firm to provide goods and services that both meet legal requirements and satisfy customer's needs? |
| Perceptions of corporate citizen | 23. What does the term 'corporate citizen' mean to you?  
24. How important do you believe it is to be a law-abiding corporate citizen?                                                                                                                                 |
| Personal values on legal responsibility | 20. To what extent do you think it is important to have good guanxi with government officials and officers?  
22. Do you think following government regulations and instructions are a kind of li? Could you explain why you do or do not think so?  
27. Could you please explain whether or not you try to consider to balance between righteousness and profit in business activities and the reason for your answer?  
28. Could you explain whether or not you think the Confucian ethic of yi-li (righteousness and profit) is important to the adoption of CSR principles in China? |

Table 4.3C Categories, themes and related questions on ethical responsibility

<table>
<thead>
<tr>
<th>Categories</th>
<th>Related questions</th>
</tr>
</thead>
</table>
| Perceptions of ethical performance | 29. To what extent do you believe a firm's performance should be measured on how it acts in relation to societal and ethical norms, in addition to its economic performance?  
32. Besides accepting traditional Chinese values, could you explain whether or not your firm would also accept values held by other societies such as gender equality and merit based promotion?  
34. Is it important that a good corporate citizen is doing business morally and ethically?  
35. Please explain whether or not you feel it is moral and ethical for a firm to use guanxi in doing business and why you feel this way?  
36. Is corporate integrity, based on indigenous Chinese values, more important for firm success than just complying with laws and regulations and if so, why? |
| Personal values on ethical responsibility | 30. Are the Chinese values yen, yi and li important for a company in daily business and if so, why?  
31. How do you interpret the roles of yen, yi and li in your company?  
33. Do you think it is important to sustain indigenous Chinese values in order to achieve your firm's corporate goals now and into the future, and if so, which values do you believe are the most important to sustain? |
Table 4.4D Categories, themes and related questions on philanthropic responsibility

<table>
<thead>
<tr>
<th>Categories</th>
<th>Related questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceptions of philanthropic involvement</td>
<td>37. When business is profitable, do you think that a firm should have obligations to undertake philanthropic activities such as donating money to charities?</td>
</tr>
<tr>
<td></td>
<td>38. To what extent does your firm voluntarily donate money or goods to charitable activities or organizations?</td>
</tr>
<tr>
<td></td>
<td>41. To what extent do you believe it is important to encourage staff at all levels to participate in voluntary and charitable activities within their local communities?</td>
</tr>
<tr>
<td></td>
<td>42. How important do you think it is for firms to sponsor projects that can improve a community's &quot;quality of life&quot; such as donations to public library or museum?</td>
</tr>
<tr>
<td>Personal values on philanthropic responsibility</td>
<td>39. As a kind of reciprocity, should a firm fulfil the philanthropic and charitable expectations of society?</td>
</tr>
<tr>
<td></td>
<td>40. Should Chinese firms provide sponsorship for promoting indigenous Chinese arts and culture such as music and painting and if so, why?</td>
</tr>
</tbody>
</table>

4.1.1 Analysis methodology

The research methodology used in this study facilitates the acquisition of data from two different sources, an online survey and focus group interviews were both using the same interview protocol. The focus group interviews provided the researcher with a richness and depth of insights from the individual and shared perceptions of focus group members and allowed for the use of additional probing questions in relation to responses given to questions from the interview protocol. The online survey, through its use of open ended questions also provided a richness and depth of insights from respondents. The online survey also facilitated greater breadth of perceptions and acted as a triangulation measure to test whether the themes identified in the focus group sessions were also identified by the respondents to the online survey. The number of respondents who undertook the online survey also made it possible to conduct basic statistical analyses in relation to the frequency with which themes were identified by samples of respondents. The purpose for undertaking the statistical analyses was not necessarily to generalise from the findings but rather to tease out subtle nuances in responses in order to identify possible differences in perceptions and to compare them with the findings from the other regions. The approach to analysis adopted for this research is therefore a ‘mixed’ or ‘multi-method’ approach (Castro & Coe, 2007; Castro, et al., 2010; Craig, et al., 2010; Tashakkori & Teddlie, 2010) which follows the integrative mixed methods paradigm (IMM) proposed
by Castro and Coe (2007) and Castro, et al. (2010). The primary aim of the IMM approach is to generate deep structured conclusions from both qualitative and quantitative data that is beyond the exploratory power of either when used as a stand-alone methodology (Castro, et al., 2010).

4.2 Analysis of online survey by demographic variables

A comprehensive analysis of the 33 questions by the 6 demographic variables was undertaken for two specific reasons. First, to identify which demographic variables might have the greatest impact on the perceptions of Chinese business people when implementing the practice of CSR obligations and secondly; to gain insights into whether all Chinese people perceive the same semiotic meanings (Patton, 2002; Silverman, 2000) in relation to Chinese indigenous values or whether there are variations in interpretation of the CSR obligations and what might underpin such variations. From the theoretical framework developed in Chapter 2 and reiterated in table 4.2A and 4.2B, it might be logically deduced that of all the variables captured in this research, what Chinese business practitioners perceive about their CSR obligations in their daily business operation and the Chinese indigenous values they hold, should impact on how they implement CSR principles. However, as the framework is only theoretical and given that this research facilitated the opportunity to capture empirical evidence to test the framework, the following analysis of the demographic variables was also undertaken to test the assumptions and the rigor of the framework.

4.2.1 Demographic interpretation of online survey

Table 4.2A and 4.2B illustrate the demographics of the respondents. Young participants (20-30, 60.7%) represent the majority of respondents in the online survey. Most of the participants (87.3%) received the tertiary education or above. There are 10.6% more females than males but the educational level between the females and males is similar. All participants are management personnel with the majority (61.3%) employed at the junior management level. Eighty-six percent of respondents are employed in SMEs, 88% are employed by the firms founded after 1978 and 42% work for companies involved in international trade. The demographic variables reflect a large cohort of young participants who may therefore have been influenced by both the Chinese and Western culture over the past thirty years.
Table 4.5A Demographic data

<table>
<thead>
<tr>
<th>Variable items</th>
<th>n=150</th>
<th>n=%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Personal variables</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>20-30</td>
<td>91</td>
<td>60.7%</td>
</tr>
<tr>
<td>31-40</td>
<td>29</td>
<td>19.3%</td>
</tr>
<tr>
<td>41-50</td>
<td>16</td>
<td>10.7%</td>
</tr>
<tr>
<td>51-60</td>
<td>13</td>
<td>8.7%</td>
</tr>
<tr>
<td>61-70</td>
<td>1</td>
<td>0.7%</td>
</tr>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>83</td>
<td>55.3%</td>
</tr>
<tr>
<td>Male</td>
<td>67</td>
<td>44.7%</td>
</tr>
<tr>
<td>Education</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Below high school</td>
<td>2</td>
<td>1.3%</td>
</tr>
<tr>
<td>Senior high school</td>
<td>17</td>
<td>11.3%</td>
</tr>
<tr>
<td>University</td>
<td>131</td>
<td>87.3%</td>
</tr>
<tr>
<td>Position</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Junior Management</td>
<td>92</td>
<td>61.3%</td>
</tr>
<tr>
<td>Senior Management</td>
<td>58</td>
<td>38.7%</td>
</tr>
<tr>
<td>Working Experience</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than 1 year</td>
<td>34</td>
<td>22.7%</td>
</tr>
<tr>
<td>Less Than 10 Years</td>
<td>93</td>
<td>62.0%</td>
</tr>
<tr>
<td>Less than 20 years</td>
<td>13</td>
<td>8.7%</td>
</tr>
<tr>
<td>Over 20 Years</td>
<td>10</td>
<td>6.7%</td>
</tr>
</tbody>
</table>

| **Corporate variables** |       |       |
| Company type            |       |       |
| Foreign funded enterprise or Joint-Venture | 17 | 11.3% |
| Private enterprise      | 124   | 82.7% |
| Publicly listed domestic enterprise | 5 | 3.3% |
| State Owned Enterprise  | 4     | 2.7%  |
| Company Size            |       |       |
| Large Firms             | 21    | 14.0% |
| SMEs                   | 129   | 86.0% |
| Company Established     |       |       |
| After China Economic Development | 132 | 88.0% |
| Before China Economic Development | 18 | 12.0% |
| Industry type           |       |       |
| International Trade     | 48    | 32.0% |
| Production              | 33    | 22.0% |
| Production & International Trade | 15 | 10.0% |
| Service                | 54    | 36.0% |

4.2.2 Perceptions of economic responsibility

This section and its sub-sections provide a themed analysis of CSR practice and the values held by respondent’s and discusses the findings in relation to economic responsibility. Questions 10 to 17 were posed to elicit respondent perceptions in relation to economic responsibility. The data was interpreted in terms of themes and follows the approach adopted by Xu and Yan (2010), in which themes are broken down into a Chinese dimension; a common dimension (values held by both Chinese and Westerners) and; a
Western dimension. Xu and Yan (2010) suggest that China’s CSR has common values with Western CSR but possesses unique values as well. Common dimensions are conceptually similar to Western ones, whereas unique dimensions are noticeably different from those found in Western literature.

The table 4.2.2A shows themes identified by percentages of respondents and illustrates the respondents perceptions towards economic responsibility (profit maximization).

Table 4.2.2A illustrates that more respondents identified with common dimension themes than uniquely Chinese or uniquely Western themes. Respondents appear to be particularly concerned about “legitimate and fair competition”. In the Chinese dimension, respondents were most cognizant of the need to comply with business ethics and those in the senior and the most junior age category were particularly cognizant of ensuring social stability and harmony. In the Western dimension, all respondents and particularly the two younger age cohorts were most cognizant of the theme “equal opportunity for business competition”. With the exception of respondents working for state-owned corporations, the three age cohorts were also cognizant of “create profits for shareholders”. This finding is perhaps not surprising as state-owned corporations are normally fully subsidized, managed by the government and undertake business operations according to the government policies that are not normally profit seeking. In summary, the Western values and Chinese values have similar degree of influence on the respondents towards economic obligations. The theme of corporate sustainable development is mostly agreed by the respondents in that economic responsibility improves the capability of a corporate to survive and sustain the business for long term.
Table 4.6.2A Themes related to perceptions of economic earnings

<table>
<thead>
<tr>
<th>Themes</th>
<th>Age 20-30</th>
<th>Age 31-50</th>
<th>Age 51-70</th>
<th>Firm Type</th>
<th>Firm Size</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Private</td>
<td>State</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Enterprise</td>
<td>Owned</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Large</td>
<td>SMEs</td>
</tr>
<tr>
<td>Sample size = 150</td>
<td>91</td>
<td>45</td>
<td>14</td>
<td>146</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>21</td>
<td>129</td>
</tr>
</tbody>
</table>

**Unique Chinese dimension**

- Comply with business ethics: 13.2% 13.3% 7.5%
- Ensure social stability and harmony: 9.9% 2.3% 29.0%
- Good faith: 2.3%
- Social returns: 4.5% 2.3%

**Common dimension**

- Consider customers' benefits: 6.6% 15.7% 7.5%
- Consider employees' benefits: 8.7%
- Consider stakeholders' benefits: 13.2% 29.0%
- Corporate sustainable development: 14.4% 15.7%
- Environment protection: 2.1% 2.3%
- Legitimate and fair competition: 28.5% 29.0% 42.9%
- Mutual gains: 2.1% 2.3%
- Social responsibility: 9.9% 17.7% 35.4%

**Unique Western dimension**

- Create profits for shareholders: 7.80% 2.30% 7.50%
- Equal opportunity for business competition: 26.40% 31.00% 13.90%
- Maintain governance structure: 5.40% 7.00%
- Protect the interest for the corporate: 5.40% 2.30% 7.50%

Table 4.2.2B shows themes identified by percentages of respondents and illustrates the respondents perceptions towards how operation and production efficiency can achieve sustainable development.

As shown in the common dimension of table 4.2.2B, respondents share a number of common perceptions towards sustainable development. Respondents were most cognizant of “management efficiency (69.7%)” and “provide good quality and service (64.1%)”, and somewhat cognizant of “improve competitive power (29.4%)” and “improve corporate values (21.7%)”. Interestingly, more Chinese themes support sustainable development than Western themes.
Table 4.7.2B Themes related to perceptions of maintaining sustainable development

<table>
<thead>
<tr>
<th>Themes</th>
<th>Position</th>
<th>Firm Type</th>
<th>Firm Size</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Junior Management</td>
<td>Senior Management</td>
</tr>
<tr>
<td>Sample size = 150</td>
<td></td>
<td>92</td>
<td>58</td>
</tr>
</tbody>
</table>

**Unique Chinese dimension**

<table>
<thead>
<tr>
<th>Themes</th>
<th>Junior Management</th>
<th>Senior Management</th>
<th>Private Enterprise</th>
<th>State Owned Enterprise</th>
<th>Large Firms</th>
<th>SMEs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emphasize business ethics</td>
<td>1.1%</td>
<td>1.8%</td>
<td>1.3%</td>
<td>9.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Harmony relationships</td>
<td>2.1%</td>
<td>1.4%</td>
<td>0.7%</td>
<td>1.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Humanism (ren)</td>
<td>1.1%</td>
<td></td>
<td>1.8%</td>
<td></td>
<td></td>
<td>0.8%</td>
</tr>
</tbody>
</table>

**Common dimension**

<table>
<thead>
<tr>
<th>Themes</th>
<th>Junior Management</th>
<th>Senior Management</th>
<th>Private Enterprise</th>
<th>State Owned Enterprise</th>
<th>Large Firms</th>
<th>SMEs</th>
</tr>
</thead>
<tbody>
<tr>
<td>continuous learning</td>
<td>5.4%</td>
<td>3.4%</td>
<td>4.1%</td>
<td>26.3%</td>
<td>9.3%</td>
<td>3.8%</td>
</tr>
<tr>
<td>customer relationship management</td>
<td>6.5%</td>
<td>7.0%</td>
<td>6.9%</td>
<td>14.3%</td>
<td>5.5%</td>
<td></td>
</tr>
<tr>
<td>efficient production management</td>
<td>3.3%</td>
<td>8.5%</td>
<td>5.5%</td>
<td>5.0%</td>
<td>5.5%</td>
<td></td>
</tr>
<tr>
<td>employee's commitment</td>
<td>8.6%</td>
<td>12.2%</td>
<td>9.7%</td>
<td>26.3%</td>
<td>5.0%</td>
<td>10.8%</td>
</tr>
<tr>
<td>enhance social responsibility</td>
<td>1.1%</td>
<td>1.8%</td>
<td>1.3%</td>
<td></td>
<td>1.5%</td>
<td></td>
</tr>
<tr>
<td>environment protection</td>
<td>5.4%</td>
<td>5.2%</td>
<td>5.5%</td>
<td></td>
<td>6.2%</td>
<td></td>
</tr>
<tr>
<td>enhance brand image</td>
<td>5.4%</td>
<td>3.4%</td>
<td>4.8%</td>
<td>5.0%</td>
<td>4.7%</td>
<td></td>
</tr>
<tr>
<td>enhance corporate competence</td>
<td>15.2%</td>
<td>12.2%</td>
<td>14.4%</td>
<td></td>
<td>19.3%</td>
<td>13.2%</td>
</tr>
<tr>
<td>good business strategy</td>
<td>4.4%</td>
<td>3.4%</td>
<td>4.1%</td>
<td></td>
<td>5.0%</td>
<td>4.0%</td>
</tr>
<tr>
<td>improve competitive power</td>
<td>29.4%</td>
<td>39.6%</td>
<td>33.5%</td>
<td>26.3%</td>
<td>33.6%</td>
<td>33.4%</td>
</tr>
<tr>
<td>improve corporate values</td>
<td>21.7%</td>
<td>7.0%</td>
<td>16.6%</td>
<td></td>
<td>23.6%</td>
<td>14.8%</td>
</tr>
<tr>
<td>improve technology and innovation</td>
<td>7.7%</td>
<td>8.5%</td>
<td>8.2%</td>
<td></td>
<td>5.0%</td>
<td>8.5%</td>
</tr>
<tr>
<td>incentive system</td>
<td>8.6%</td>
<td>1.8%</td>
<td>6.2%</td>
<td></td>
<td>7.0%</td>
<td></td>
</tr>
<tr>
<td>increase market shares</td>
<td>7.7%</td>
<td>11.9%</td>
<td>9.6%</td>
<td></td>
<td>19.3%</td>
<td>7.7%</td>
</tr>
<tr>
<td>improve credibility</td>
<td>1.1%</td>
<td>3.4%</td>
<td>2.1%</td>
<td></td>
<td>2.3%</td>
<td></td>
</tr>
<tr>
<td>improve employees' welfares</td>
<td>2.1%</td>
<td></td>
<td>1.3%</td>
<td></td>
<td>1.5%</td>
<td></td>
</tr>
<tr>
<td>management efficiency</td>
<td>69.7%</td>
<td>88.0%</td>
<td>78.1%</td>
<td>26.3%</td>
<td>85.8%</td>
<td>75.2%</td>
</tr>
<tr>
<td>promote corporate culture</td>
<td>3.3%</td>
<td></td>
<td>2.1%</td>
<td></td>
<td>2.3%</td>
<td></td>
</tr>
<tr>
<td>provide good quality and services</td>
<td>64.1%</td>
<td>74.3%</td>
<td>70.0%</td>
<td></td>
<td>76.5%</td>
<td>66.7%</td>
</tr>
<tr>
<td>staff training</td>
<td>27.3%</td>
<td>24.1%</td>
<td>26.1%</td>
<td>26.3%</td>
<td>19.3%</td>
<td>27.1%</td>
</tr>
<tr>
<td>talent retention</td>
<td>9.8%</td>
<td>3.4%</td>
<td>7.5%</td>
<td></td>
<td>5.0%</td>
<td>7.8%</td>
</tr>
</tbody>
</table>

**Unique Western dimension**

<table>
<thead>
<tr>
<th>Themes</th>
<th>Junior Management</th>
<th>Senior Management</th>
<th>Private Enterprise</th>
<th>State Owned Enterprise</th>
<th>Large Firms</th>
<th>SMEs</th>
</tr>
</thead>
<tbody>
<tr>
<td>equal opportunity for competition</td>
<td>6.5%</td>
<td>3.4%</td>
<td>5.5%</td>
<td>9.3%</td>
<td>4.7%</td>
<td></td>
</tr>
</tbody>
</table>

Table 4.2.2C shows themes identified by percentages of respondents and illustrates the personal values respondents hold regarding economic responsibility.
Table 4.8.2C Themes related to personal values on economic responsibility

<table>
<thead>
<tr>
<th>Themes</th>
<th>Age</th>
<th>Gender</th>
<th>Education</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>20-30</td>
<td>31-50</td>
<td>51-70</td>
</tr>
<tr>
<td>Sample size = 150</td>
<td>91</td>
<td>45</td>
<td>14</td>
</tr>
<tr>
<td><strong>Unique Chinese dimension</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>good faith</td>
<td>3.3%</td>
<td>4.3%</td>
<td>29.0%</td>
</tr>
<tr>
<td>maintain harmony</td>
<td>4.5%</td>
<td>2.3%</td>
<td></td>
</tr>
<tr>
<td>self-cultivation</td>
<td>15.3%</td>
<td>7.0%</td>
<td></td>
</tr>
<tr>
<td>“face” (social prestige)</td>
<td>18.6%</td>
<td>20.0%</td>
<td>27.9%</td>
</tr>
<tr>
<td>improve social life quality</td>
<td>3.3%</td>
<td>6.7%</td>
<td></td>
</tr>
<tr>
<td>society recognition</td>
<td>1.2%</td>
<td>2.3%</td>
<td></td>
</tr>
<tr>
<td><strong>Common dimension</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>create welfares for employees</td>
<td>1.2%</td>
<td>2.3%</td>
<td>7.5%</td>
</tr>
<tr>
<td>environmental protection</td>
<td></td>
<td>2.3%</td>
<td></td>
</tr>
<tr>
<td>improve corporate image</td>
<td>6.6%</td>
<td>2.3%</td>
<td>15.0%</td>
</tr>
<tr>
<td>increase corporate capability</td>
<td>16.5%</td>
<td>2.3%</td>
<td>7.5%</td>
</tr>
<tr>
<td>increase credibility</td>
<td>1.2%</td>
<td>2.3%</td>
<td>7.5%</td>
</tr>
<tr>
<td>leadership performance</td>
<td>2.1%</td>
<td></td>
<td>7.5%</td>
</tr>
<tr>
<td>maintain sustainable development</td>
<td>11.1%</td>
<td>6.7%</td>
<td>13.9%</td>
</tr>
<tr>
<td>responsibility for a corporate</td>
<td>47.4%</td>
<td>46.7%</td>
<td>44.0%</td>
</tr>
<tr>
<td>social responsibility</td>
<td>9.9%</td>
<td>11.0%</td>
<td>13.9%</td>
</tr>
<tr>
<td><strong>Unique Western dimension</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>create wealth and profit for shareholders</td>
<td>34.2%</td>
<td>60.1%</td>
<td>44.0%</td>
</tr>
</tbody>
</table>

Chinese indigenous values are dominantly shown in table 4.2.2C. The value of “face” reflects its importance towards economic responsibility throughout the age, gender and education cohort. The older respondents took “good faith (29%)” and “face (27.9%)” as their crucial perceptions. It is interesting that the respondents from the young, middle-aged and the university and above categories display more Chinese indigenous values than the older respondents. The Western values of “create wealth and profits for shareholders” and “money pursuit” underpin the economic obligations throughout the age, gender and education cohorts. The common dimension mainly stresses the values of “responsibility for a corporate”, “increase corporate capability” and “maintain sustainable development”.

85
Summary

Tables 4.2.2A, B and C, disclose that there are many common values among the respondents towards economic responsibility and that uniquely Chinese values still have strong influence on the perceptions of the respondents.

4.2.3 Perceptions of legal responsibility

This section uses a themed analysis to identify the perceptions and personal values of the respondents towards legal responsibility. Questions 18 to 28 were posed to explore what the respondents perceived regarding legal compliance and legal responsibility and what personal values held by respondents might determine their perceptions of right and wrong. It also illustrates if guanxi and other Confucian values influence the perceptions of the perceptions of respondents towards legal obligations.

Table 4.2.3A shows the themes identified by percentages of respondents and illustrates what the respondents perceived about legal compliance and their sense of legal responsibility. The data reflects more common values towards legal responsibility. The respondents in all age cohort and position cohorts emphasized themes such as “ensure sustainable business development” and “provide positive social effects”. In Chinese dimension, the respondents regarded legal responsibility as a way to “respect for society”. They agreed that “no rule no standard”. It was noted that the respondents, except the elders, recognized that there is “a grey area in the legal system and government regulations that are not righteous”. In the Western dimension, the respondents strongly indicated that the legal responsibility is to “improve governance structure” and “protect shareholders benefits”. It is interesting that the older respondents perceived both less Chinese values and Western values towards legal obligations than the other age cohorts.

The common dimension represents greater perceptions of the respondents towards legal responsibility. Except for the older respondents, the other respondents have similar weight between Chinese values and Western values underpinning the legal compliance.
Table 4.9.3A Themes related to perceptions of legal responsibility

<table>
<thead>
<tr>
<th>Themes</th>
<th>Age 20-30</th>
<th>Age 31-50</th>
<th>Age 51-70</th>
<th>Position Junior Management</th>
<th>Position Senior Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sample size = 150</td>
<td>91</td>
<td>45</td>
<td>14</td>
<td>92</td>
<td>58</td>
</tr>
<tr>
<td><strong>Unique Chinese dimension</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Confucian discipline doctrines</td>
<td>1.2%</td>
<td>6.7%</td>
<td>1.1%</td>
<td>5.2%</td>
<td></td>
</tr>
<tr>
<td>grey area in the legal system and</td>
<td>8.6%</td>
<td>13.7%</td>
<td>10.0%</td>
<td>8.5%</td>
<td></td>
</tr>
<tr>
<td>government regulations, not righteous</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>harmony relationship with government</td>
<td>2.1%</td>
<td>6.7%</td>
<td>7.5%</td>
<td>2.1%</td>
<td>7.0%</td>
</tr>
<tr>
<td>Chinese moral behaviour</td>
<td>4.5%</td>
<td>2.3%</td>
<td>22.5%</td>
<td>3.3%</td>
<td>8.5%</td>
</tr>
<tr>
<td>Chinese virtue conduct</td>
<td>9.9%</td>
<td>8.7%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>respect for society</td>
<td>36.3%</td>
<td>26.7%</td>
<td>42.9%</td>
<td>29.4%</td>
<td>41.4%</td>
</tr>
<tr>
<td><strong>Common dimension</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>avoid negative business consequence</td>
<td>12.0%</td>
<td>11.3%</td>
<td>7.5%</td>
<td>13.1%</td>
<td>8.5%</td>
</tr>
<tr>
<td>basic business discipline</td>
<td>11.1%</td>
<td>13.3%</td>
<td>22.5%</td>
<td>11.9%</td>
<td>14.0%</td>
</tr>
<tr>
<td>citizen obligation</td>
<td>3.3%</td>
<td>13.0%</td>
<td></td>
<td>5.5%</td>
<td>7.0%</td>
</tr>
<tr>
<td>corporate citizenship</td>
<td>38.4%</td>
<td>37.7%</td>
<td>57.9%</td>
<td>32.6%</td>
<td>51.8%</td>
</tr>
<tr>
<td>ensure fair business practice</td>
<td>2.1%</td>
<td>9.0%</td>
<td>13.9%</td>
<td>2.1%</td>
<td>10.4%</td>
</tr>
<tr>
<td>ensure sustainable business development</td>
<td>50.7%</td>
<td>36.0%</td>
<td>51.5%</td>
<td>47.8%</td>
<td>43.2%</td>
</tr>
<tr>
<td>facilitate business management</td>
<td>1.2%</td>
<td></td>
<td></td>
<td>1.1%</td>
<td></td>
</tr>
<tr>
<td>improve business credibility</td>
<td>21.9%</td>
<td>9.0%</td>
<td>42.9%</td>
<td>17.3%</td>
<td>24.1%</td>
</tr>
<tr>
<td>increase sales channel</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>instructions from senior management</td>
<td>6.6%</td>
<td>4.3%</td>
<td>13.9%</td>
<td>3.3%</td>
<td>12.2%</td>
</tr>
<tr>
<td>maintain social stability</td>
<td>15.3%</td>
<td>4.3%</td>
<td>7.5%</td>
<td>13.1%</td>
<td>8.5%</td>
</tr>
<tr>
<td>provide positive social effects</td>
<td>45.0%</td>
<td>51.4%</td>
<td>93.3%</td>
<td>47.8%</td>
<td>57.0%</td>
</tr>
<tr>
<td>no rules no standards</td>
<td>36.3%</td>
<td>38.0%</td>
<td>64.4%</td>
<td>30.5%</td>
<td>53.6%</td>
</tr>
<tr>
<td>raise living standard</td>
<td>4.5%</td>
<td></td>
<td>7.5%</td>
<td>3.3%</td>
<td>3.4%</td>
</tr>
<tr>
<td>risk mitigation</td>
<td>2.1%</td>
<td>2.3%</td>
<td></td>
<td>1.1%</td>
<td>3.4%</td>
</tr>
<tr>
<td>stakeholders' pressure</td>
<td>1.2%</td>
<td>2.3%</td>
<td></td>
<td>1.1%</td>
<td>1.8%</td>
</tr>
<tr>
<td>social contract</td>
<td>42.9%</td>
<td>35.7%</td>
<td>50.4%</td>
<td>37.0%</td>
<td>48.4%</td>
</tr>
<tr>
<td><strong>Unique Western dimension</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>avoid economic loss</td>
<td>5.4%</td>
<td>20.0%</td>
<td></td>
<td>6.5%</td>
<td>13.7%</td>
</tr>
<tr>
<td>gain protection from government</td>
<td>4.5%</td>
<td>4.3%</td>
<td></td>
<td>5.4%</td>
<td>1.8%</td>
</tr>
<tr>
<td>improve governance structure</td>
<td>67.2%</td>
<td>67.1%</td>
<td>77.2%</td>
<td>68.5%</td>
<td>67.3%</td>
</tr>
<tr>
<td>Improve business guidelines</td>
<td>12.0%</td>
<td>4.7%</td>
<td>7.5%</td>
<td>8.6%</td>
<td>10.4%</td>
</tr>
<tr>
<td>protect business interests</td>
<td>4.5%</td>
<td></td>
<td></td>
<td>3.3%</td>
<td>1.8%</td>
</tr>
<tr>
<td>protect shareholders benefits</td>
<td>27.6%</td>
<td>37.7%</td>
<td>21.5%</td>
<td>27.3%</td>
<td>34.4%</td>
</tr>
<tr>
<td>provide healthy business and transparent</td>
<td>6.6%</td>
<td>11.0%</td>
<td>7.5%</td>
<td>6.5%</td>
<td>10.4%</td>
</tr>
</tbody>
</table>

Table 4.2.3B shows themes identified by percentages of respondents and illustrates the respondent’s understanding of the meaning and significance of corporate citizenship.
Table 4.10.3B Themes related to perceptions of corporate citizen

<table>
<thead>
<tr>
<th>Themes</th>
<th>20-30</th>
<th>31-50</th>
<th>51-70</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sample size = 150</td>
<td>91</td>
<td>45</td>
<td>14</td>
</tr>
<tr>
<td><strong>Related to corporate citizen</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>business sustainability</td>
<td>4.50%</td>
<td></td>
<td>11.00%</td>
</tr>
<tr>
<td>commitment to the corporate</td>
<td>2.10%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>corporate behavior of performance</td>
<td>4.50%</td>
<td>4.30%</td>
<td>7.50%</td>
</tr>
<tr>
<td>corporate obligations</td>
<td>34.20%</td>
<td>26.70%</td>
<td>42.90%</td>
</tr>
<tr>
<td>corporate success</td>
<td></td>
<td>2.30%</td>
<td></td>
</tr>
<tr>
<td>CSR principles</td>
<td>2.10%</td>
<td>2.30%</td>
<td></td>
</tr>
<tr>
<td>customer satisfaction</td>
<td>6.60%</td>
<td>11.00%</td>
<td></td>
</tr>
<tr>
<td>environment protection</td>
<td>1.20%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>law obedience</td>
<td>31.80%</td>
<td>38.00%</td>
<td>44.00%</td>
</tr>
<tr>
<td>legal obligation</td>
<td>19.80%</td>
<td>13.70%</td>
<td>13.90%</td>
</tr>
<tr>
<td>maintain social harmony and stability (Chinese value)</td>
<td>1.20%</td>
<td>2.30%</td>
<td></td>
</tr>
<tr>
<td>making profits for the corporate</td>
<td>2.10%</td>
<td>4.70%</td>
<td></td>
</tr>
<tr>
<td>moral standard (Chinese value)</td>
<td>3.30%</td>
<td>4.30%</td>
<td></td>
</tr>
<tr>
<td>positive social effects (Chinese value)</td>
<td>15.30%</td>
<td>26.70%</td>
<td>15.00%</td>
</tr>
<tr>
<td>provide welfare for the society (Chinese value)</td>
<td>14.40%</td>
<td>15.70%</td>
<td>7.50%</td>
</tr>
<tr>
<td>respect to the society (Chinese value)</td>
<td>2.10%</td>
<td>2.30%</td>
<td>7.50%</td>
</tr>
<tr>
<td>responsible for stakeholders</td>
<td>12.00%</td>
<td>20.00%</td>
<td>7.50%</td>
</tr>
<tr>
<td>return to community (Chinese value)</td>
<td>2.10%</td>
<td>4.30%</td>
<td></td>
</tr>
<tr>
<td>righteousness (Chinese value)</td>
<td>9.90%</td>
<td>2.30%</td>
<td>7.50%</td>
</tr>
<tr>
<td>social contract</td>
<td>4.50%</td>
<td>6.70%</td>
<td>7.50%</td>
</tr>
<tr>
<td>virtue conduct</td>
<td></td>
<td>2.30%</td>
<td></td>
</tr>
<tr>
<td><strong>Unrelated to corporate citizen</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>behaviour performance</td>
<td></td>
<td>2.3%</td>
<td></td>
</tr>
<tr>
<td>benefits for people</td>
<td>5.4%</td>
<td>2.3%</td>
<td></td>
</tr>
<tr>
<td>business group</td>
<td>4.5%</td>
<td>6.7%</td>
<td></td>
</tr>
<tr>
<td>business management</td>
<td>4.5%</td>
<td>2.3%</td>
<td></td>
</tr>
<tr>
<td>company's performance</td>
<td>16.5%</td>
<td>13.3%</td>
<td>13.9%</td>
</tr>
<tr>
<td>corporate</td>
<td>23.1%</td>
<td>26.7%</td>
<td>42.9%</td>
</tr>
<tr>
<td>corporate image</td>
<td>5.4%</td>
<td>11.0%</td>
<td>29.0%</td>
</tr>
<tr>
<td>corporate members</td>
<td>23.1%</td>
<td>36.0%</td>
<td>21.5%</td>
</tr>
<tr>
<td>corporate regulations</td>
<td></td>
<td>2.3%</td>
<td></td>
</tr>
<tr>
<td>country citizen</td>
<td>2.1%</td>
<td>2.3%</td>
<td></td>
</tr>
<tr>
<td>enterprise development</td>
<td>6.6%</td>
<td></td>
<td>7.5%</td>
</tr>
<tr>
<td>impact of personal career</td>
<td>1.2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>law-abiding citizen</td>
<td></td>
<td></td>
<td>7.5%</td>
</tr>
<tr>
<td>responsibility of a citizen</td>
<td>1.2%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The themes in Table 4.2.3B illustrate how respondents understand the term of corporate citizen and this also assists in determining to what degree the respondents understand one of the major the Western implication of CSR. The related themes show that they perceive
corporate citizenship to include economic responsibility (e.g. business sustainability and customer satisfaction), legal responsibility (e.g. legal-obedience) and ethical responsibility (e.g. virtuous conduct). This noted, there was no indication of perceptions of philanthropic responsibility. Further, the themes listed under ‘Unrelated to corporate citizen’ demonstrate that some respondents were unaware some aspects of the Western construct of CSR. They perceived CSR as corporate, corporate members company’s performance…. etc. In addition, the older respondents described fewer related and unrelated themes, possibly implying that the older respondents are also less aware of the Western construct of corporate citizenship. This suggests that the older respondents do not well understand the Western CSR concepts.

Table 4.2.3C shows themes identified by respondents statistically to demonstrate the extent to which guanxi, and other Confucian moral standards influence their perceptions towards legal responsibility. The data illustrates that the number of themes identified across the three different dimensions are similar. The respondents in different age cohorts hold similar weight to Chinese values. They emphasized “righteous”, “harmony relationship with government”, “Chinese moral conduct”, “guanxi with government” and “respect to the society” - these themes support their perceptions towards legal responsibility. The values shown in Western dimension include “create shareholders’ value”, “protect economic benefits” and “understand government policies”. The common dimension mainly emphasizes “CSR promotion”, “legal obligation” and “facilitate business development”. The respondents at different age group also have similar weight between the Chinese and Western values towards legal obligations.
Table 4.11.3C themes related to personal values towards legal responsibility

<table>
<thead>
<tr>
<th>Themes</th>
<th>Age</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>20-30</td>
</tr>
<tr>
<td>Sample size = 150</td>
<td>91</td>
</tr>
<tr>
<td><strong>Unique Chinese dimension</strong></td>
<td></td>
</tr>
<tr>
<td>Chinese moral conduct</td>
<td>18.60%</td>
</tr>
<tr>
<td>Confucian disciplinary doctrines</td>
<td>5.40%</td>
</tr>
<tr>
<td>create harmonious business environment</td>
<td>2.10%</td>
</tr>
<tr>
<td>guanxi with government</td>
<td>10.90%</td>
</tr>
<tr>
<td>harmony relationship with government</td>
<td>14.20%</td>
</tr>
<tr>
<td>respect to the society</td>
<td>11.10%</td>
</tr>
<tr>
<td>righteousness (yi)</td>
<td>86.80%</td>
</tr>
<tr>
<td>support education</td>
<td></td>
</tr>
<tr>
<td><strong>Common dimension</strong></td>
<td></td>
</tr>
<tr>
<td>basic moral practice</td>
<td></td>
</tr>
<tr>
<td>create good impacts on society</td>
<td>9.90%</td>
</tr>
<tr>
<td>facilitates business development</td>
<td>23.10%</td>
</tr>
<tr>
<td>increase customer satisfaction</td>
<td>6.60%</td>
</tr>
<tr>
<td>legal obligation</td>
<td>26.40%</td>
</tr>
<tr>
<td>maintain ethical business practice</td>
<td>2.10%</td>
</tr>
<tr>
<td>mitigate serious consequence</td>
<td>2.10%</td>
</tr>
<tr>
<td>mutual gain</td>
<td>2.10%</td>
</tr>
<tr>
<td>social contract</td>
<td>5.40%</td>
</tr>
<tr>
<td>basic moral practice</td>
<td></td>
</tr>
<tr>
<td>CSR promotion</td>
<td>46.20%</td>
</tr>
<tr>
<td><strong>Unique Western dimension</strong></td>
<td></td>
</tr>
<tr>
<td>mitigate economic risk (shareholders’ interests)</td>
<td>3.30%</td>
</tr>
<tr>
<td>protect economic benefits (shareholders’ interests)</td>
<td>15.50%</td>
</tr>
<tr>
<td>shareholders’ value creation (shareholders’ interests)</td>
<td>19.80%</td>
</tr>
<tr>
<td>understand government policies (transparent government policies)</td>
<td>9.90%</td>
</tr>
</tbody>
</table>

**Summary**

Overall, the respondents perceive legal obligations are mainly to protect economic interests in the Western dimension and improve sustainable development in the common dimension. Conversely, the respondents in all age groups perceive from the Chinese dimension that the legal responsibility has to do with “righteousness” and “morality”, and the data implies that guanxi is required to “improve harmony relationship with government”. Overall, the Chinese values have significant effects on the perceptions of the respondents in relation to legal responsibility.
4.2.4 Perceptions of ethical responsibility

This section applies a themed analysis to identify what perceptions and personal values of the respondents to determine ethical responsibility. Questions 29 to 36 were posed to identify what extent of Chinese values, for example, guanxi, yen, yi, li, zhi, xin and other Confucian values, influences the ethical responsibility held by the respondents.

Table 4.2.4A shows themes identified by percentages of respondents to demonstrate what Chinese values such as guanxi and Confucian moral virtues respondents hold in relation to ethical responsibility.

Table 4.12.4A Themes related to personal perceptions towards ethical responsibility

<table>
<thead>
<tr>
<th>Themes</th>
<th>20-30</th>
<th>31-50</th>
<th>51-70</th>
<th>Female</th>
<th>Male</th>
<th>Below University &amp; Above</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sample size = 150</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unique Chinese dimension</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>humanism (ren)</td>
<td>3.3%</td>
<td>2.3%</td>
<td>7.5%</td>
<td>3.6%</td>
<td>2.9%</td>
<td>3.8%</td>
</tr>
<tr>
<td>integrity (xin)</td>
<td>4.5%</td>
<td>2.3%</td>
<td></td>
<td>3.6%</td>
<td>2.9%</td>
<td>3.8%</td>
</tr>
<tr>
<td>righteousness (yi)</td>
<td>8.7%</td>
<td>4.7%</td>
<td>7.5%</td>
<td>4.9%</td>
<td>10.5%</td>
<td>8.4%</td>
</tr>
<tr>
<td>social respect</td>
<td>4.5%</td>
<td></td>
<td>3.6%</td>
<td>1.6%</td>
<td></td>
<td>5.5% 2.3%</td>
</tr>
<tr>
<td>Common dimension</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>business virtues</td>
<td>26.4%</td>
<td>20.4%</td>
<td>52.6%</td>
<td>30.2%</td>
<td>22.4%</td>
<td>15.8% 28.3%</td>
</tr>
<tr>
<td>commercial moral performance</td>
<td>3.3%</td>
<td>0.0%</td>
<td></td>
<td>1.3%</td>
<td>2.9%</td>
<td>2.3%</td>
</tr>
<tr>
<td>conscience</td>
<td></td>
<td></td>
<td>7.5%</td>
<td></td>
<td>1.6%</td>
<td>0.8%</td>
</tr>
<tr>
<td>customer trust</td>
<td>1.2%</td>
<td>2.3%</td>
<td></td>
<td>1.3%</td>
<td>1.6%</td>
<td>1.5%</td>
</tr>
<tr>
<td>environment protection</td>
<td>6.6%</td>
<td>4.3%</td>
<td>7.5%</td>
<td>4.9%</td>
<td>7.4%</td>
<td>6.9%</td>
</tr>
<tr>
<td>instigation of charity</td>
<td>3.3%</td>
<td>2.3%</td>
<td>13.9%</td>
<td>2.4%</td>
<td>6.1%</td>
<td>4.6%</td>
</tr>
<tr>
<td>social assessment</td>
<td>26.4%</td>
<td>26.7%</td>
<td>7.5%</td>
<td>23.0%</td>
<td>26.9%</td>
<td>15.8% 26.0%</td>
</tr>
<tr>
<td>social responsibility</td>
<td>4.5%</td>
<td></td>
<td>3.6%</td>
<td>1.6%</td>
<td></td>
<td>5.5% 2.3%</td>
</tr>
<tr>
<td>embedded in corporate culture</td>
<td>3.3%</td>
<td>4.3%</td>
<td>0.0%</td>
<td>3.6%</td>
<td>2.9%</td>
<td>3.8%</td>
</tr>
<tr>
<td>improve corporate image</td>
<td>4.5%</td>
<td>4.3%</td>
<td></td>
<td>6.0%</td>
<td>1.6%</td>
<td>5.5% 3.8%</td>
</tr>
<tr>
<td>legitimate corporate</td>
<td>5.4%</td>
<td>2.3%</td>
<td>7.5%</td>
<td>3.6%</td>
<td>6.1%</td>
<td>5.4%</td>
</tr>
<tr>
<td>Unique Western dimension</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>improve economic performance</td>
<td>4.5%</td>
<td>4.3%</td>
<td>7.5%</td>
<td>3.6%</td>
<td>6.1%</td>
<td>5.5% 4.6%</td>
</tr>
</tbody>
</table>

(shareholders’ interests)
As these questions relate specifically to Chinese values underpinning ethical responsibility, it is not surprising that there is little reference to Western values. This noted however, there is an emphasis on the values of “righteousness”, “integrity”, “social respect” and “humanism”. What is interesting is that respondents with below university level education tended to have weaker Chinese ethical values and common ethical values than those who had a university education. It is also interesting that a number of respondents identified ‘common dimension’ including “business virtues”, “social assessment” and “environmental protection” into their ethical consideration.

Table 4.2.4B shows themes identified by percentages of respondents to demonstrate what personal values of the respondents hold towards ethical responsibility. These themes further demonstrate that the respondents have strong Chinese ethical values. The respondents perceived that the five Chinese pillars of ethical values, ren, yi, li, zhi and xin guide them to make judgments on right and wrong. Interestingly, it was also found that older respondents perceived “guanxi maintaining” and “sustainable development” as very important ethical values. In common dimension, young respondents strongly regarded ethical responsibility as a “legitimate behavior”. Whereas, in the Western ethical dimension “create business value”, “equal opportunity” and “improve corporate governance” were deemed somewhat important. Interestingly however the greatest factor from the Western orientation affecting ethical responsibility appears to be that religious beliefs help them behave morally.
### Table 4.13.4B Themes related to personal values towards ethical responsibility

<table>
<thead>
<tr>
<th>Themes</th>
<th>Age 20-30</th>
<th>Age 31-50</th>
<th>Age 51-70</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sample size = 150</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Unique Chinese dimension</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>guanxi maintaining</td>
<td>28.7%</td>
<td>18.4%</td>
<td>59.0%</td>
</tr>
<tr>
<td>daoode (personal morality)</td>
<td>8.7%</td>
<td>6.7%</td>
<td>7.5%</td>
</tr>
<tr>
<td>integrity (xin)</td>
<td>42.7%</td>
<td>24.7%</td>
<td>49.3%</td>
</tr>
<tr>
<td>good faith (xin)</td>
<td>4.5%</td>
<td>4.7%</td>
<td>7.5%</td>
</tr>
<tr>
<td>promote social progress</td>
<td>2.3%</td>
<td>2.3%</td>
<td></td>
</tr>
<tr>
<td>benevolence (ren)</td>
<td>16.5%</td>
<td>16.0%</td>
<td>7.5%</td>
</tr>
<tr>
<td>righteousness (yi)</td>
<td>12.0%</td>
<td>13.3%</td>
<td>7.5%</td>
</tr>
<tr>
<td>social harmony</td>
<td>7.8%</td>
<td>9.0%</td>
<td></td>
</tr>
<tr>
<td>ren (humanism)</td>
<td>14.4%</td>
<td>13.3%</td>
<td>36.5%</td>
</tr>
<tr>
<td>yi (righteousness)</td>
<td>32.0%</td>
<td>17.7%</td>
<td>21.5%</td>
</tr>
<tr>
<td>li (etiquette)</td>
<td>34.2%</td>
<td>24.4%</td>
<td>21.5%</td>
</tr>
<tr>
<td>zhi (wisdom)</td>
<td>8.7%</td>
<td>11.3%</td>
<td></td>
</tr>
<tr>
<td>xin (integrity)</td>
<td>7.8%</td>
<td>9.0%</td>
<td>7.5%</td>
</tr>
<tr>
<td><strong>Common dimension</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a necessary leadership value</td>
<td>1.2%</td>
<td>2.3%</td>
<td></td>
</tr>
<tr>
<td>benefits from ethical performance</td>
<td>7.8%</td>
<td>4.3%</td>
<td></td>
</tr>
<tr>
<td>credibility</td>
<td>11.2%</td>
<td>11.3%</td>
<td>21.5%</td>
</tr>
<tr>
<td>customer retention</td>
<td>3.3%</td>
<td>4.3%</td>
<td></td>
</tr>
<tr>
<td>doing good by doing well</td>
<td>3.3%</td>
<td></td>
<td>7.5%</td>
</tr>
<tr>
<td>enhance corporate reputation</td>
<td>3.3%</td>
<td>6.7%</td>
<td>7.5%</td>
</tr>
<tr>
<td>global values of business</td>
<td>7.8%</td>
<td>11.0%</td>
<td>13.9%</td>
</tr>
<tr>
<td>maintain social legitimacy</td>
<td>15.3%</td>
<td>9.0%</td>
<td>7.5%</td>
</tr>
<tr>
<td>moral conduct</td>
<td>14.2%</td>
<td>20.4%</td>
<td>22.5%</td>
</tr>
<tr>
<td>personal behavioural performance</td>
<td>16.7%</td>
<td>4.3%</td>
<td>13.9%</td>
</tr>
<tr>
<td>sustainable development</td>
<td>13.2%</td>
<td>13.7%</td>
<td>44.0%</td>
</tr>
<tr>
<td>treatment to stakeholders</td>
<td>29.7%</td>
<td>26.7%</td>
<td>21.5%</td>
</tr>
<tr>
<td>trust</td>
<td>5.4%</td>
<td>15.7%</td>
<td>21.5%</td>
</tr>
<tr>
<td>measurement for business performance</td>
<td>6.6%</td>
<td></td>
<td>22.5%</td>
</tr>
<tr>
<td>legitimate behaviour</td>
<td>39.8%</td>
<td>27.0%</td>
<td>37.5%</td>
</tr>
<tr>
<td>business moral standard</td>
<td>9.9%</td>
<td>9.0%</td>
<td>7.5%</td>
</tr>
<tr>
<td>business principle</td>
<td></td>
<td>4.3%</td>
<td>7.5%</td>
</tr>
<tr>
<td>competitive advantage</td>
<td>2.1%</td>
<td>9.0%</td>
<td></td>
</tr>
<tr>
<td>enhance brand image</td>
<td></td>
<td>4.3%</td>
<td>7.5%</td>
</tr>
<tr>
<td>helps business success in China</td>
<td>13.2%</td>
<td>9.0%</td>
<td>13.9%</td>
</tr>
<tr>
<td><strong>Unique Western values</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>contribute to economic benefits (shareholders’ interests)</td>
<td>3.3%</td>
<td>4.3%</td>
<td></td>
</tr>
<tr>
<td>religious beliefs - Christian and Catholics</td>
<td>4.5%</td>
<td>6.7%</td>
<td>29.0%</td>
</tr>
<tr>
<td>gender equality</td>
<td></td>
<td></td>
<td>2.3%</td>
</tr>
<tr>
<td>improve corporate governance</td>
<td>4.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>equal opportunity</td>
<td>5.4%</td>
<td>4.3%</td>
<td></td>
</tr>
<tr>
<td>create business value (shareholders’ interests)</td>
<td>8.7%</td>
<td>4.3%</td>
<td></td>
</tr>
</tbody>
</table>
Summary

The respondents perceived Chinese values and Western religious beliefs as significant factors in their ethical performance, whereas most Western values identified related more economic benefits and the improvement of corporate governance.

4.2.5 Perceptions of philanthropic responsibility

This section provides a themed analysis to demonstrate the perceptions and personal values of the respondents towards philanthropic responsibility. Questions 37 to 42 were posed to identify if the respondents are willing to return the company’s profits to society through donations and promoting Chinese culture and to what extent they encourage employees to participate in social service activities. Table 4.2.5A shows themes identified by percentages of respondents to demonstrate aspects of philanthropic responsibility.

It is argued that Chinese state-owned companies appear indifferent to philanthropic obligation (Chen, et al., 2012). This point became evident in the data analysis as Table 4.2.5A illustrates that as no philanthropic themes were identified in the responses from in state-owned enterprises. In Chinese dimension, respondents generally perceived “improve social life quality” and “reciprocity” as the initiative for philanthropic responsibility. Interestingly, half of the large firms (50.1%) attributed their philanthropic motive to “reciprocity”. It is also argued in the literature that the SMEs limit the scope of philanthropic obligations because of their financial ability. In this research, it was found that private firms (11.6%) and SMEs (11.6%) took “financial ability” into their consideration of philanthropic responsibility, somewhat supporting the literature.

Overall, the respondents have greater common values towards philanthropic responsibility than the other two dimensions. The young age group, private firms and SMEs are more cognizant of social obligation. However, they put a priority on “corporate financial ability” and other economic benefits such as “improve company reputation” and “free advertising”.

94
Table 4.14.5A Themes related to perceptions of philanthropic responsibility

<table>
<thead>
<tr>
<th>Themes</th>
<th>Age</th>
<th>Firm Type</th>
<th>Firm Size</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>20-30</td>
<td>31-50</td>
<td>51-70</td>
</tr>
<tr>
<td>Sample size = 150</td>
<td>91</td>
<td>45</td>
<td>14</td>
</tr>
</tbody>
</table>

**Unique Chinese dimension**
- reciprocity (*bāo*)
  - 7.8% 2.3% 7.5%
  - 6.2% 50.1% 5.5%
- improve social life quality
  - 16.5% 2.3% 15.0%
  - 12.3% 9.3% 12.5%
- repay society
  - 4.5% 2.3%
  - 3.5% 5.0% 3.1%

**Common values**
- charity motive
  - 11.1% 6.7% 13.9%
  - 10.3% 9.3% 10.1%
- citizenship
  - 2.1% 7.5%
  - 2.1% 2.3%
- corporate obligation
  - 7.8% 4.7% 13.9%
  - 7.6% 9.3% 7.0%
- CSR
  - 3.3% 6.7% 21.5%
  - 5.6% 9.3% 5.5%
- help
  - 5.4% 21.5%
  - 5.6% 9.3% 4.7%
- voluntary
  - 2.1% 2.3%
  - 2.1% 2.3%
- corporate capabilities
  - 8.7% 9.0% 29.0%
  - 11.0% 5.0% 11.6%
- corporate support
  - 4.5% 21.5%
  - 4.8% 5.0% 4.7%
- emphasize on employees' welfares
  - 2.3% 2.3%
  - 2.1% 2.3%
- improve company reputation
  - 6.6% 7.5%
  - 4.8% 5.0% 4.7%
- measurement for CSR
  - 3.3%
  - 2.1% 2.3%
- public service
  - 2.1% 4.7%
  - 2.8% 3.1%
- societal activities
  - 3.3% 7.5%
  - 3.5% 5.0% 3.1%
- staff education
  - 16.5% 6.7% 15.0%
  - 13.8% 9.3% 14.0%
- free advertising
  - 4.5%
  - 4.1% 4.7%

**Unique Western dimension**
- finance ability (shareholders' interest)
  - 11.1% 16.0%
  - 11.6% 9.3% 11.6%
- transparent information
  - 2.1%
  - 1.3% 1.5%

Table 4.2.5B shows themes identified by percentages of respondents to demonstrate what personal values of the respondents hold to fulfill the philanthropic and charitable expectations of the society; and what philanthropic activities, the respondents would like to undertake.
Table 4.15.5B Themes related to personal values towards philanthropic responsibility

<table>
<thead>
<tr>
<th>Themes</th>
<th>Age</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>20-30</td>
<td>31-50</td>
<td>51-70</td>
</tr>
<tr>
<td>Sample size = 150</td>
<td>91</td>
<td>45</td>
<td>14</td>
</tr>
<tr>
<td><strong>Unique Chinese dimension</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reciprocity (bao)</td>
<td>23.1%</td>
<td>33.7%</td>
<td>42.9%</td>
</tr>
<tr>
<td><strong>Common dimension</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>help</td>
<td>11.1%</td>
<td>11.3%</td>
<td></td>
</tr>
<tr>
<td>measurement for social performance</td>
<td>3.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>public service</td>
<td>3.3%</td>
<td>4.7%</td>
<td>7.5%</td>
</tr>
<tr>
<td>society expectation</td>
<td>2.1%</td>
<td>2.3%</td>
<td>15.0%</td>
</tr>
<tr>
<td>corporate capabilities</td>
<td>3.3%</td>
<td>2.3%</td>
<td></td>
</tr>
<tr>
<td>emphasize staff welfares</td>
<td>2.1%</td>
<td>2.3%</td>
<td></td>
</tr>
<tr>
<td>improve corporate image</td>
<td>3.3%</td>
<td>2.3%</td>
<td>36.5%</td>
</tr>
<tr>
<td>insignificant obligation</td>
<td>24.3%</td>
<td>33.4%</td>
<td>13.9%</td>
</tr>
<tr>
<td><strong>Unique Western dimension</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>financial ability (shareholders’ interest)</td>
<td>26.4%</td>
<td>18.7%</td>
<td>36.5%</td>
</tr>
<tr>
<td>have good earnings (shareholders’ interest)</td>
<td>12.0%</td>
<td>6.7%</td>
<td>13.9%</td>
</tr>
</tbody>
</table>

The data in Table 4.2.5B, illustrates that the respondents perceived “reciprocity” as an initiative of philanthropic responsibility and particularly in the case of the older respondents (42%). In the Western dimension, the shareholders’ interest is the main focus, whereas in the common dimension, the focus is more on helping others and social expectations. These findings suggest that both Chinese and Western values underpin Chinese business peoples’ perceptions of philanthropic responsibility.

4.2.6 Conclusion to online survey analysis

The themes analysed in section 4.2 illustrate that Chinese values, and particularly reciprocity, significantly underpin and still influence the perceptions of CSR among the respondents. Although the younger respondents have absorbed Western values towards CSR, they also hold Chinese values in relation to each of Carroll’s four CSR dimensions. The older respondents perceptions towards CSR tend to be more conservative and are more strongly aligned with traditional Chinese values. Managers from state-owned enterprises appear indifferent philanthropic obligations, whereas managers from SMEs put priority on financial ability over philanthropic responsibility. In general, the main benefits perceived by respondents in relation to philanthropy are attributed to gaining economic benefits such as free advertising, good corporate image and brand building. In the context of Carroll’s CSR framework, the Western values have greater impact on
economic responsibility, legal responsibility and philanthropic responsibility. Conversely, the Chinese values of ren, yi, li, zhi xin, mianzi and the practice of guanxi still appear to underpin the ethical perceptions and behavior of the respondents.

4.3 Analysis of the open ended questions

As part of the data gathering process for this study, ten focus groups were conducted across China, Hong Kong and Macau. As noted in Chapter 3, the use of focus groups was to source of information relating to CSR perceptions in the Chinese context and as a means of triangulation to identify whether or not there was consistency in the information gathered through both sources. Upon analysis of the data from the two pilot focus groups and ten formal focus groups, it was determined that no new themes evolved and that the themes identified in the focus group sessions generally supported by the findings from the online survey. This noted, what the focus group sessions did do, was allow for greater depth and insight into the themes because discussion of the questions led to respondents thinking more deeply about their own perceptions and then further discuss them with the group. The idea of being prompted to think differently after reflecting on another person’s opinion is natural and is one of the gains to be realized through using focus groups where deep rich discussion develops as new ideas are triggered (Cavana, et al., 2001; Lewis & Ritchie, 2003).

4.3.1 Demographic interpretation of focus group interviews

Ten focus group interviews were conducted in seven Chinese cities. The demographic variables of focus group interviews are illustrated in Table 4.3.1 and were analyzed by city, gender, position, age, region and industry. Table 4.3.1 shows the representation of the demographic variables of the focus group interviews which include the participants of group number, region, city, gender, position, age and industry. The variables assist to tap the differences of personal perceptions and values that may be explored from the verbatim conversation among the interview groups.
As Table 4.3.1 illustrates, the respondents in the focus group interviews tended to be older than those in the online survey (89.1% over 30 compared to 39.1% over 30 in the online survey) and both the gender balance and management level of participants were the reverse to the online survey. Given these demographic differences, the consistency in responses between the focus group interviews and the online survey suggest reliability and consistency in the responses.
4.3.2 Interpretations of focus group interviews

This section discusses the verbatim comments made by focus group participants in order to draw out a deeper and richer understanding of perceptions and practices in the Chinese context.

Economic responsibilities

Mr A from group 10 in Macau suggests that Confucian teaching is conservative and that it promotes the welfare of employees:

In Macau, people are normally conservative and are deeply influenced by Confucian doctrines. They won’t pay much attention how to maximize profits. They care more about staff wellbeing. The population is small in Macau- only 500,000 residents, and more than 50% of workforce come from outside. We are facing a shortage of workers. Our catering business relies a lot on man power, we are trying to solve the staff shortage problem by using a computer system and automatic machines to replace part of labor force. But we also put efforts on internal improvements and improving our employees’ benefits to encourage them to stay in the company.

However, responses from other focus group interviews suggest that more pragmatic economic concerns may influence business people to bypass Confucian values:

Mr. C (Group 1):

I will do according to my conscience, but occasionally some things still go against my conscience because of business development or business survival.

Mr. B (Group 3):

I will keep my principles that are not to do illegal things, not to harm others; sometimes, for some economic interest, I may still sell my soul.

Miss A (Group 7):

When our country has natural disasters, the company would make donations. In fact, the charitable donations are creating the company’s brand, reputation and corporate image. Today the people in China only have a little bit of sense of social responsibility.
Face

Another interesting theme that arose in discussions in the focus group interviews is the perception that “face” can create competitive advantage and has a number of guises:

Mr. D (Group 2):

*It is “Face” when profitable, it tells everyone that the company is competent to make profit; the company is efficient so it makes profits; the company has good business, so it makes profits and; the company has strong competitive advantages, this is why it makes profits.*

Mr. B (Group 2):

"Face" includes a lot of aspects - "personal face", "enterprise face" and "national face". Some companies still feel that the orientation of an enterprise should be expanded, combined with the company’s platform for their upgrade. "Face work" is needed. Chinese people are very particular about face, for example, "your mobile phone is brand-new Apple 4S, but mine is China made". I feel no face.

Mr. C (Group 2):

"Face" is the subject of a negative impact on China’s traditional culture for many years, like the Shanghai triad master, Du Yuesheng, said people living in the world with three types of "face": "ren face 人面" (human network 人脈關係), "qin face 情面" (renqin 人情), "zhan face 場面" (capability), so I think, especially with small business owners in Jiangsu and Zhejiang, this may be a cultural level shackle and this is an obvious manifestation.

Guanxi

In the focus group interview the topic of guanxi with the government was also discussed:

Miss D (Group 8):

*I think the relationship with the government has two aspects. First, we must bear good faith in mind to get the support from the government for our business. When we get government support, our status and response in the community will certainly be larger. On the other hand, some people will use back door to build up relationship*
with the government. For example, if you are a government official, I give you some benefits such as some money enclosed in an envelope, so as to get a tax cut or win a business. In fact, it needs strict government laws and regulations to protect small businesses.

Miss A (Group 8):

In some circumstances we needs to make guanxi with government officials and officers, for example the tax revenue bureau which has a strong power to estimate profit tax and other taxes.

Mr. C (Group 8):

Sometimes your competitor uses guanxi to get business but their capability is poor then you, what would you think will happen? I will lose the business.

**Ren, yi, li, zhi and xin**

Further insights were also given into the role and nature of ren, yi, li, zhi and xin:

Mr. A (Group 6):

There is a Chinese saying, "baishan's filial piety". Baishan’s filial piety is part of li but the difference between li and law is that li is established on moral standards and law is established on administration – it is the basic human principle of li, that we should follow.... Li means more about human virtue, morality and attitude. Government regulations are a kind of mechanism and a rule but li is more human.

In terms of Confucian values, comments from respondents indicated that people from rural areas are deeply influenced by traditional values, especially Confucian doctrines:

Mr. B (Group 8):

We come from the rural areas and should be the more traditional kind. Filial piety is ranked first, filial piety, filial elders, then the justice, it should be filial piety, benevolence, propriety, and righteousness.
Interestingly, in Hong Kong where the legal system is most developed, people are apparently not trusting in the legal system and still put moral standards over legal judgment and concepts of justice:

Mr. A (Group 9):

*The Hong Kong legal system protects the rich people, our judgment is based our moral standard.*

**Other Chinese values**

It was found that traditional Chinese values still have great impact on CSR practice as the following quotes reveal:

Mr. A (Group 9):

*Li, yi, lin and chi (禮, 義, 廉, 耻, 國之四維) are the Chinese four pillars of morality, which is the support of a society.*

Mr. B (Group 8):

*Now days there is little yiqi (loyalty), only friends and family members will talk about yi (righteousness) or yiqi, beyond this range, yi will not be the justice - it concerns about beneficial ...this is a standard and we must do good by ourselves.*

Miss E (Group 7):

*yen, yi and li can be demonstrated by the ways of a company returns their profits to help the needy people, how to protect the environment and how to do business honestly.*

Mr. A (Group 7):

*The value of reciprocity to the community is the motivation to philanthropic and charitable performance*

Mr. A (Group 8):

*We should give back to the community because we are cultivated by Chinese indigenous values. For example, filial piety, our parents gave birth to us, we should*
first filial our parents; the notion is also applied to our society, we always keep the value of reciprocity in our Chinese society.

Although one respondent did have another perspective:

Miss C (Group 7):

*The Chinese values are distorted and people are only for money. They will do anything to make money by all means.*

**Corporate citizenship**

On the topic of corporate citizenship:

Mr. C (Group 6):

*A company can save a lot of money to purchase pirated software; however, it destroys the whole software industry and damages the interests to the public. Whereas, even though buying an original software costs a lot of money, the return may be double or 10 times than the cost. So law-abiding is important and it is also guiding companies to fulfill customer’s satisfaction.*

**Gender equality**

On the topic of gender equality and the lack of it:

Mr. A (Group 2):

*I am the eldest in this interview but I deeply believe that gender inequality is a natural thing in China and inevitable.*

Mr. C (Group 3):

*It is not possible that all things are equal. Like a factory job, it may be only suitable for a male worker or female worker such as heavy metal work or lady under wear production.*

Miss C (Group 7):

*Anyway, there will always be some social inequalities, it is impossible to reach equality between men and women... Since China has a long history for gender
inequality, as before, the woman could not be an officer and could not go outside to work. However, the situation has been improved in the past twenty years.

Summary

As previously noted, the majority of respondents in the focus group interviews were older than those in the online survey and the above quotes indicate that, like the older respondents in the online survey, there perception were significantly influenced by the Chinese values. It is also interesting to note the different interpretations of face and guanxi. The main difference between the data gathered through the two different approaches is that the young participants hold the similar weightings on both the Chinese and Western values towards CSR, while the older participants are more conservative and hold deep intrinsic Chinese values towards CSR.

4.4 Conclusion

Most of the themes identified from the online survey and focus group were the same. There are many common values (Chinese and Western) towards CSR practice. To a greater extent, CSR initiatives appear to be more aligned to the dimensions of economic interests and social responsibility, whereas ethical obligations appear to be more motivated by Chinese traditional moral values. Western values do have impact on economic responsibility, legal responsibility and philanthropic responsibility but Chinese values including mianzi, guanxi, ren, yi, li, zhi, and xin, are also important. The issue on gender inequality was visibly perceived but the gap is becoming narrower over time. Some participants are still not clearly aware of the concept of corporate citizenship, especially the older group. It was evident that state-owned enterprises are indifferent to responding to philanthropic responsibility and that SMEs and private firms are involved in societal activities based on their financial ability to do so. It was also found that the Chinese values emphasize ethical performance; whereas Western values stress transparent governance and the economic benefits of CSR. In summary, in addition to the Western notions of CSR, there are many common and unique Chinese values supporting the four dimensions of Carroll’s CSR framework.
CHAPTER 5 - CONCLUSION

5.0 Introduction

This chapter summarizes the findings of this research in terms of the overall research objective, which was to gain a better understanding of the underpinning values held by Chinese business people that shape their perceptions and practice of CSR. It then discusses the findings in the context of Carroll’s CSR framework and the extant literature. The chapter then discusses the implications of the findings for practice, the limitations of the study and implications for future research.

5.1 Summary and discussion from the results

The analysis of the data in Chapter 4 suggest that a great number of the participants perceived CSR practice as a business strategy used for various business objectives such as sustainable development and brand building and that the older participants hold deeper traditional Chinese values in relation to CSR obligations than the young participants. The findings reveal that profit maximization for shareholders is a short term economic interest and economic obligation positively lead to a long-term business development. Although, "face" has less impact on the profit maximization, it implies the status of credibility which is a significant in the Chinese understanding of CSR.

The Chinese business people held the view that legal obligations, ethical obligations and philanthropic obligations contribute to economic benefits and business success. However, the majority of the participants also recognized that the Chinese indigenous values of mianzi, yen, yi, li, zhi and xin are key pillars of the Chinese ethical system. The findings also illustrate that guanxi has two aspects. First, a type of natural human relationship which has positive effects on business operation and secondly, a negative type of backdoor behavior, which is not a Chinese traditional value, but which may be a legacy of the Chinese Cultural Revolution. The findings also illustrated that gender inequality is still prevalent in modern China, for example, ranking promotion and career options and this, according to the older participants is the result of a tradition concept based on physical differences between men and women. The findings illustrate that Western business values have had an impact on Chinese perceptions of CSR practice. The majority of the participants perceived that CSR practice will gain the firm economic benefits such
as business sustainability, brand image building, customer retention, talent retention, competitive position, risk management and free advertising. However, the findings conclude that CSR not only focuses on corporate governance but that also on ethical performance that is beyond the rules. This is evident from the finding that Confucian virtue values act as important moderators to support the adoption of CSR policies. For example, the concept of harmony and yi encourage Chinese business people to consider CSR principles such as social stability and moral performance, rather than only focusing on economic benefits. In summary, CSR perceptions held by the respondents and their CSR practices are significantly underpinned by Chinese indigenous values.

5.1.1 Discussion

This section discusses the findings in terms of the extant literature and Carroll’s CSR framework. Collins and Porras (1996) found that profit maximization was not an ultimate goal for a Western firm, such firms had core values and cultures and a sense of purpose beyond the economic bottom line (Carter & Rogers, 2008). There are a number of cases where profit maximization does not lead to satisfactory outcomes - technical monopoly, externalities and missing markets are some of these (Koch, 2010). Profit maximization is not the dominant driving force or primary objective through the history of most of the visionary companies. They have tended to produce a cluster of objectives, of which money is only one - and not necessarily the primary one (Collins, 2001; Mercia Selva Malar, 2008). The core belief of CSR is that the corporation incurs responsibilities to society beyond profit maximization. Since large corporations hold the power to control the quality of life of shareholders, employees, customers and the local communities in which they operate, a single corporate decision can irrevocably change the lives of those people – that power necessarily entails responsibility (Kilcullen & Kooistra, 1999).

The findings with regards to legal obligations indicate that more than 80 percent of online respondents agreed that it is important to follow government regulations and rules. Interestingly however, a participant in the focus group interview suggested that “there is a grey area in the local and state government laws in China, and law-obedience is selective”. Further, a focus group participant in Hong Kong cast doubts on the Hong Kong legal system by suggesting "the Hong Kong legal system is to protect the rich people". These responses tend to support the point noted in Chapter 2 that traditional Chinese
philosophy recognizes that a moral system is more valuable than legal system. However, an interviewee from Macau indicated strong confidence in Macau’s legal regulations: “we fully trust our government”, thereby suggesting different levels of confidence in legal systems of the different regions.

Relationships based on *guanxi* are endemic in China. *Guanxi* appears as logical business strategy to the Chinese and historically, networks of *guanxi* have been applied openly (Hwang, 1987; Lockett, 1988). However, the theme of "backdoor" *guanxi* identified in the research is potentially harmful to the principles of CSR. Participants perceived this kind of *guanxi* as distinctively different to the Confucian concept of *guanxi* and more akin to bribery. The traditional concept of *guanxi* identified in the themes from the online survey is to promote the harmonious and constructive relationships between businesses and with government officials and this type of *guanxi* marries well with CSR principles.

The findings with regards to ethical obligations demonstrate that about 70% of participants agreed the importance of ethical obligations and more than eighty percent perceived that Chinese values had a positive effect on the CSR policies. Ethical responsibility potentially underpin a firm's belief structure (Pava, 2008; Stancich, 2008). Businesses are expected to fulfill ethical responsibility, to do what is right, just, and fair, and further to be a good corporate citizens by contributing to the society at large (Kim, Kwak, & Koo, 2010). China's rapid economic growth has brought a concomitant tension between the evident features of market economics (Western values and profit-maximization) and the Chinese classical virtues such as *mianzi*, *ren*, *yi*, *li*, *zhi* and *zin*, all of which underlie traditional Chinese moral values. The findings from this research provide evidence that the Chinese values of *mianzi*, *ren*, *yi*, *li*, *zhi* and *xin* contribute to ethical obligations. Confucius taught that there is no substitute for a virtuous, benevolent, and moral mind and that people can enhance, refine, and cultivate their character by developing the five virtues and achieve harmony by behaving according to where they are placed in the social hierarchy. The attainment of *ren*, *yi*, *li*, *zhi*, and *xin* together with an understanding of *mianzi* and where we are in the social hierarchy enable us to achieve and build harmony with others around us (Goo & Miles, 2013). This research has identified that Chinese values are interactive with the ethical responsibilities and that these ethical responsibilities extend to actions, decisions and practices that are beyond what is required by the law.
In relation to Carroll’s notion of discretionary obligations, that is to say, the choice to undertake extra behaviors and activities that society finds desirable (Trong, 2013), the findings illustrate that the motivation for such behavior is influenced by traditional Chinese values including filial piety, mianzi, reciprocity, yen, yi, li, zhi and xin. This is perhaps not surprising as giving is a universal practice that varies from place to place due to variations in cultural values and traditions. These varying traditions may have ramifications on the perceptions of multicultural stakeholders in a globalizing world. Like all corporate functions, philanthropic practice should be aligned to local values while meeting global strategic business objectives (Genest, 2005).

In summary, the findings indicate that Chinese business people are generally aware of CSR responsibilities and that they contemplate economic benefits when considering CSR initiatives. Chinese indigenous values also have a strong impact on the adoption of CSR principles. During its economic development, modern China appears to be accepting and absorbing foreign CSR values and practices, while restoring and promoting Chinese traditional culture and values at the same time. Together with the compliance of global CSR standards; the promotion of “harmonious society” and, the acceptance of Western culture, China appears to be seeking a compromising context of CSR that is most suitable for the Chinese business landscape. Figure 5.1 is a refinement of Figure 2.1 (Carroll's four-dimensional CSR pyramid – adapted) based on the findings of this research and is entitled CSR with Chinese Characteristics.
5.2 Implications for practice

With respect to the implications for practice, the findings discussed previously in section 5.1 suggest that Chinese business people take priority to the economic interests in adopting CSR policies, the legal obligations are selective when the local legal system is deficient and ethical obligations are greatly supported and consistent by Chinese traditional values. Compared to legal systems in the West, China's legal system has its own peculiar characteristics associated with its political and economic development (Chen, et al., 2010). Different from the well-functioning legal systems in Western countries, China's legal framework is embedded in the leadership of the party, and also the government, as CPC is the only ruling party in China. This framework sometimes results in an awkward situation that is similar to traditional China's legal situation in
ancient history: the frequent interference from ruling groups when enforcing the rules or legal principles. The managers' perception of the adequacy and effectiveness of government regulations has a direct impact on the level of corporate social responsibilities and hence demonstrating the positive role a government could play in fostering a CSR. It appears important for the China governments to recognise the need to strengthen those regulations in relation to such aspects of business as product quality, production process and consumer protection in order to raise the aspirations of the businesses (Qu, 2007).

From a management perspective, expatriate managers in China who are able to detach from their western perceptions of CSR may be able to better interpret the motivation and behavior of their Chinese subordinates (Cheung, 2008). Goodall et al. (2006) do not agree to simply transfer Western practices without pondering if they might be applicable locally through a dissimilar cultural perspective. Therefore, expat managers should understand the importance of developing close personal relationships with the local staff, make sure of effective communication and provide the opportunity for the Chinese staff to build close relationships and networks with the management group. They also suggest to bridge the gap between subordinate dependence on the manager and empowerment through step-by-step delegation accompanied by training and provide close backup from the manager (Goodall et al., 2006). Cheung (2008) suggests that trust provokes motivation in Chinese employees. Therefore, trust them and give them a free hand in their work as a lack of trust may cause a negative impact on their performance.

From a marketing viewpoint, building conscientious corporate brand values is challenging (Bogaards, et al., 2012). Companies must seriously take the demands of customers and other stakeholders; they need to recognise where and when improvements should be invested (Wolf, 2014). The findings inform marketing practice in China that a Chinese perception of CSR can connect with cause-related marketing practice. It is observed that the idea of ren is practice through cause related marketing campaigns, e.g. Nofung Spring Water and the Beijing Olympics 2008 or the ICBC Union Pay card account and the Sichuan earthquake appeal 2006 (Chin et al., 2000). By working closely with the Chinese government to solve important social problems in an innovative way (building mianzi), firms may be able to positively impact Chinese consumer' purchasing decisions (Saul, 2010). Suggestions for internal motivation include making better use of traditional Chinese values as a source of ideas and also as factors to consider in
developing on CSR principles. This approach could potentially enhance the CSR adoption and performance and strengthen the employees awareness of CSR. Suggestions for external improvements included absorbing global CSR standards, for example ISO26000 and SA8000, in the context of Chinese CSR principles. Further, government promotion of CSR standards could encourage the streamlining and harmonizing of private CSR regulations, and streamline systems of monitoring (Bendell, et al., 2011).

CSR management in China should adjust priorities for sustainable development initiatives as reflected by the unique Chinese themes “harmony relationship with the government”, “humanism” and “create a quality social life”. Harmonious relationships with the government are more likely to lead to firms, especially SOEs, to respond to government pressure for CSR reporting to sustain their reputations and legitimacy with government. However, some CSR activity may be window dressing (Marquis & Qian 2013), especially in the area of environmental protection. Environmental pollution and degradation cost the country roughly 10 percent of its gross domestic product, even leading to negative economic growth in some provinces and contributing to social unrest (Huang, 2007; Economy, 2010; Appleton, 2013). ‘Attitudes toward the environment in China are ambiguous’ (Harris, 2004, p.145). To be sure, China already has what we can call a policy toward the environment - many environmental regulations and a national strategy for sustainable development - but arguably it does not yet have a policy for the environment. Chinese firms should be more pro-active in environmental management rather than waiting for the government to develop and enforce environmental protection laws (Appleton, 2013).

Education is pre-requisite to nurture the development of CSR practice. Chinese business schools need to develop Chinese models and theories for Chinese firms, drawing on Indigenous Chinese values, to counterbalance the profit-maximization and Western stakeholder management approaches to strategy (Thompson, 2011). The Chinese government and firms should work together and put more efforts into CSR education to better equip the next generation of Chinese managers for the future. Management education in China should clearly address the controversial issues on Chinese indigenous culture such as power abuse, guanxi-based discrimination and virtuous customer and supplier relations. Managers should cultivate ethical CSR values by example through role-modeling, training and or coaching. Training courses should be organized like an
event to celebrate any ethical CSR values in the participants' life journey rather than lecturing numerous definitions and models. For as Trong (2013) suggests, it is the natural cultivation of ethical CSR values that inspires members to influence upwards with innovative strategies or tactics for the success of organisation.

5.3. Limitations

A number of limitations are evident in the research. First, this is an exploratory study and does not aim to formulate generalizations. The limited number of respondents in the online survey and focus group interviews make it difficult to deduce results applicable to all Chinese firms in China. Second, this research is limited to the influence of Chinese indigenous values on the perceptions of CSR implementation, and excluded other variables that might affect the outcomes of the respondents such as global norms, economic trends, government policies and other relational factors. In addition, this research focused on ethnic Chinese business practitioners in China and drew respondents from a single network, the Hong Kong Sourcing Network Association. The membership of the Association only come from business sectors and their representatives are only the management level. Hence the results of this research are limited to those network stakeholders with a profile similar to those in this study. Replication of this study with non-members of this network and other stakeholders such as government officials, non-management personnel, consumers, suppliers and NGOs is worthy of further research to test whether the findings of this research are generalizable. Thirdly, there is a potential issue with regard to translating the data from Chinese to English. The online survey data and focus group transcripts were all in Chinese and there is the potential that errors or misunderstandings were incurred in the process of translation.

5.4 Implications for future research

As previously noted in the limitations of this research, this study focused on the Chinese business sector in seven cities. Doing a similar study, but using other stakeholders, across a greater number of regions may yield further information useful to understanding Chinese CSR perceptions and practices and the impact of local indigenous values and culture. Further, given the low number of SOE business managers in the sample, a similar study targeting the managers of SOEs would allow for an examination of whether managers of SOEs have different values and behaviours to managers in private enterprises.
This study focused on the perceptions of managers in the Chinese business sector in relation to CSR. It is possible that employees in the Chinese business sector have different CSR perceptions and how well CSR principles are communicated from the management level to lower levels with the company. It would therefore be useful to replicate this study with employees in order to identify if and how CSR policies and practices are understood and enacted throughout the entire organisation.

Finally, the effects of other demographic factors such as ethnicity (such Han and Mongo), religious persuasion, strength of religious beliefs and location (i.e. the Chinese diaspora) were not considered in this study. A study taking into account such factors, result in different findings or provide more fine-grained findings.

5.5 Summary

In summary, this study of the perceptions of Chinese business people regarding their adoption of CSR policies and the influence of underpinning indigenous values, provides information that is both pertinent and useful to the CSR decision-makers in the Chinese context. This research has identified that the China business climate has been heavily impacted by Western values and capitalism over the past three decades and that Chinese people do perceive economic benefit as a strong factor affecting their attitudes towards CSR adoption. However, this research also finds that the CSR perceptions of the respondents are strongly influenced by traditional Chinese values and that such values impact strongly on the four dimensions of Carroll’s CSR framework. It is apparent that various levels of government in China have considerable power and could work effectively with educators and firms to develop and adopt CSR policies and practices, drawing on traditional Chinese values, consistent to the expectations of both Chinese society and the outside world. Finally, this research suggests that Carroll’s CSR Framework is a suitable device to guide the examination of CSR principles and practices in different culture landscapes, as long as it also takes into account culturally specific manifestations of reciprocity, ethics and philanthropy.
REFERENCES


Murphy, L. (1995). Qualitative approach to researching management competencies. Executive Development, 8(6), 32-34


APPENDICES

Appendix A- Interview Protocol, Research Questions and Interview Questions

Briefing to the participants

To facilitate personal introductions and to develop a congenial atmosphere, it is a requirement of the research that the researcher and the local host are the first to arrive at the restaurant in which the focus group session will take place. Upon arrival at the respective restaurant, the local host and the researcher will personally, welcome each respondent, thank them for participating in the research project and introduce them to the other respondents.

Once everyone is present and appears comfortable, the researcher will thank them collectively for attending, toast the local agent for their valuable assistance in bringing everyone together and then remind them of why the study is being undertaken:

The aim of this research is to explore the effects of indigenous values on Chinese business people's adoption of Corporate Social Responsibility (CSR) principles. The purpose of this research is twofold. First, to identify indigenous Chinese values that relation to CSR principles and secondly, to explore the effects of indigenous values on Chinese business people's adoption of Corporate Social Responsibility (CSR) principles. It attempts to provide an insight of the value structures held by Chinese business people and how these influence the adoption of CSR principles.

Where the study is being undertaken: The study includes groups of Chinese business people, just like yourselves, living in Hong Kong, Shenzhen, Guangzhou, Macau, Changsha, Shanghai and Beijing and the interviews are being conducted over a three week period so that the responses from each group are effectively being taken at the same time, to allow for a snapshot of perceptions of Chinese indigenous values at one point in time.

Inform respondents of the ethical considerations of the study in relation to their rights: Ethical considerations that the interviewer will be following:

1. Respondents will be asked to identify their name – they will be notified that this will not be disclosed to any other party and will only be known to the researcher.
2. No names will be mentioned in the study or any publication.

3. All information given will be treated with the strictest confidentiality.

4. The participants will be informed that the interview will be recorded using a voice recorder.

5. The participants will then be notified that they may at any time ask for the voice recorder to be turned off.

6. The participants will be also informed that if they wish to stop at any stage of the interview, they may freely do so without any explanation.

7. At the end of the introductory briefing, the participant will be asked whether they have any questions that need clarification.

After explaining the purpose of the study and the ethical considerations, the researcher will suggest that the order for the meal be placed, prior to commencing the focus group discussion session. Once the order has been placed the researcher will explain to the participants that unless otherwise specified he will then commence posing the questions, taking breaks as required in order to complete the meal.

Preface: Today, Corporate Social Responsibility is increasingly important topic for scholars and business practitioners, especially in China when the country has become of the largest world economy nations; meanwhile, there are also disastrous business malpractices endanger the survival of the nation, for example, poisonous food, poisonous air, poisonous water and poisonous land. An increasing number of literatures discuss CSR implemented in China and its context in relation to Chinese culture and Chinese values. However, what I am interested is your thoughts and views on Chinese traditional values. Could you express your opinions and thinking to the following questions?

10. Explain whether or not you think a company should purely focus on maximizing profits for shareholders?

11. Explain whether or not you think it is important for a company to use all means to maximize its profits?
12. In order to maximize profits, is it important for a company to maintain a strong competitive position?

13. If yes, what does your company do to maintain a strong competitive position?

14. Do you think it is important for a firm to maintain a high level of operating efficiency?

15. If yes, how does your company achieve it?

16. Do you see a relationship between "face" and company profitability and if so, would a company lose face if it was not profitable?

17. What personal values/beliefs do you have that you think might influence your thoughts on the previous question?

18. How important do you believe is for a company to obey Government laws and why?

19. In addition to the law, can you think of any other factors influence your thoughts on what is right and wrong?

20. To what extent do you think it is important to have good guanxi with government officials and officers?

21. How important do you believe it is to comply with local, provincial and central government regulations and instructions?

22. Do you think following government regulations and instructions are a kind of "li"? Could you explain why you do or do not think so?

23. What does the term 'corporate citizen' mean to you?

24. How important do you believe it is to be a law-abiding corporate citizen?

25. Is it important for a successful firm to fulfill all of its legal obligations and if so, why?

26. How important is it for a firm to provide goods and services both meet legal requirements and satisfy customer's needs?

27. Could you please explain whether or not you try to consider balancing between righteousness and profit in business activities and the reason for your answer?
28. Could you explain whether or not you think the Confucian ethic of "yi-li" (righteousness and profit) is important to the adoption of CSR principles in China?

29. To what extent do you believe a firm's performance should be measured on how it acts in relation to societal and ethical norms, in addition to its economic performance?

30. Are the Chinese values "yen", "yi" and "li" important for a company in daily business and if so, why?

31. How do you interpret the roles of "yen", "yi" and "li" in your company?

32. Besides accepting traditional Chinese values, could you explain whether or not your firm would also accept values held by other societies such as gender equality and merit based promotion?

33. Do you think it is important to sustain indigenous Chinese values in order to achieve your firm's corporate goals now and into the future, and if so, which values do you believe are the most important to sustain?

34. Is it important that a good corporate citizen is doing business morally and ethically?

35. Please explain whether or not you feel it is moral and ethical for a firm to use guanxi in doing business and why you feel this way?

36. Is corporate integrity, based on indigenous Chinese values, more important for firm success than just complying with laws and regulations and if so, why?

37. When business is profitable, do you think that a firm should have obligations to undertake philanthropic activities such as donating money to charities?

38. To what extent does your firm voluntarily donate money or goods to charitable activities or organizations?

39. As a kind of reciprocity, should a firm fulfill the philanthropic and charitable expectations of society?

40. Should Chinese firms provide sponsorship for promoting indigenous Chinese arts and culture such as music and painting and if so, why?
41. To what extent do you believe it is important to encourage staff at all levels to participate in voluntary and charitable activities within their local communities?

42. How important do you think it is for firms to sponsor projects that can improve a community's "quality of life" such as donations to public library or museum?

At the conclusion of each focus group session:

- Ask follow up questions and probe further where appropriate and necessary.

- Remind the participants that it would be extremely valuable if they could take 30 minutes or so to complete the voluntary confidential on-line survey within the next three weeks and that they should feel free to add any additional thoughts to the survey that may come to them between now and undertaking the survey.

- Ask the participants if they would be able to provide up to ten other business associates, who are members of their personal network with the Phase 2 Information Statement and ask them to contact the researcher by email, should they be interested in undertaking the online survey. At this point the researcher is to stress to the respondents that informing associates about the online survey is entirely voluntary, but that it would greatly assist the research project.

Finally, the researcher is to ask the respondents if they will agree to being contacted by the researcher by email with possible follow up questions and to verify the transcript of the session.
Appendix B - Participant Information Statement and Consent Form sent to focus group

FACULTY OF BUSINESS AND LAW

Dr Antony Drew
Newcastle Business School,
Faculty of Business and Law, University of Newcastle, Australia
Level 3, University House, Auckland Street, Newcastle, 2300
Tel: +61 2 4921 2099 Fax: +61 2 4921 7398
Antony.Drew@newcastle.edu.au

Information Statement for the Research Project

Chinese indigenous values and CSR:
An exploratory study into the adoption of CSR principles in China
Document Version 1.1; dated 13/06/2013

You are invited to participate in the research project identified above which is being conducted by Mr Cheung Hing Fu and supervised by Dr Antony Drew from Newcastle Business School at the University of Newcastle, Australia. The research is a requirement of Mr Cheung’s Doctor of Business Administration studies. You have been chosen to participate in this research because you meet all or most of the criteria defined in the section of “Who can participate in this research” as below.

Why is the research being done?

The purpose of this research is to explore the effects of indigenous values on Chinese business people's adoption of Corporate Social Responsibility (CSR) principles and to identify the Chinese indigenous values related to CSR principles. It attempts to provide an insight of the value structures of Chinese business people and how these influence the adoption of CSR principles. In particular, this dissertation attempts to answer the following research question: What are the underpinning values held by Chinese business people that shape their perceptions and practice of CSR?
The results of the research may shed lights for researchers and business practitioners on the role of Chinese indigenous values in relation to the adoption of CSR principles in China.

**Who can participate in the research?**

You are eligible to participate in the research if you fit the following requirements:

- Member of the Hong Kong Sourcing Network Association
- Substantial experience in Chinese business practice, either in a management position or as a business owner with good understanding of business practice in China.
- Work in Hong Kong, Macau, Taiwan or Mainland China.
- Chinese ethnicity
- Only participants meeting these criteria will be included in the study

**What choice do you have?**

Participation in this research is entirely voluntary. Only those people who give their informed consent in writing will be included in the project. Whether or not you decide to participate, your decision will not disadvantage you. If you do decide to participate, you may withdraw from the project at any time without giving a reason up until you have confirmed your transcript or been given the time and opportunity to do so.

**What would you be asked to do?**

Once you have read and understood this Information Statement and should you decide to participate, please follow to the details provided as below. Please contact Mr Cheung by email to confirm your willingness to participate in a focus group. Further to your confirmation, Mr Cheung will contact you to arrange a focus group in your local area. Prior to the focus group, you will be asked to sign a consent form giving your permission to participate in the focus group and for it to be audio-taped. Depending on the language group members are most comfortable with, the focus group will be conducted in English, Mandarin and/or Cantonese. During the interview, you will be asked questions related to the research topic. The focus group will follow a guide but will use a conversational style to allow for a free flow of ideas. If you feel strongly on any issue or have more to add,
you should feel free to voice such opinions. Once the audio-recording is transcribed, you will be sent a copy of the transcription to confirm or change where you think is necessary to the email address you used to confirm your willingness to participate.

**How much time will it take?**

The focus group will take place in the evening and will last approximately two hours. The focus group will be held in a private dining room in a restaurant in close to your location.

**What are the risks and benefits of participating?**

There is minimal risk to participants as interviews will be held at a place convenient to you and your privacy and confidentiality will be assured by de-identifying your transcript and avoiding specific questions about your organisation and position. All transcripts and related materials will be stored securely as noted below. Although there are no direct benefits to you as a participant, CSR is an important factor for doing business in China and in relation to foreign direct investment. The results from the research may shed light for researchers in their future studies in this field and help business decision makers to design CSR principles more effectively for the Chinese context.

**How will your privacy be protected?**

The identity of participants will be protected by replacing their name with a code. The names of participants and their organization will not be identified in any way. Each transcript will be given a code name and any identifying information in your transcript will be edited out by the researcher. You will also have the opportunity to further edit the transcript when you review it. An electronic copy of the list of participant names and their codes will be filed separately from the transcripts. All transcripts will be kept in a secure password protected computer accessible only to the researcher. Signed consent forms will be kept in hard copy in a lock cabinet. All other data and materials will be kept on both the computers of supervisor and student researcher in electronic form and password protected. All other data and materials will be kept on both the computers of supervisor and student researcher in electronic form and password protected. In accordance with University of Newcastle policy, all data will be destroyed five years after the survey period concludes (31/08/2018).
How will the information collected be used?

Results from the research will be published as part of Mr. Cheung’s dissertation and subsequently may be published in scholarly journals. Upon successful completion of the dissertation, a summary of the research results will be sent to participants by e-mail upon the receipt of verbal confirmation at the end of their respective focus group interview.

What do you need to do to participate?

Please read this Information Statement and be sure you understand its contents before you consent to participate. If there is anything you do not understand, or you have questions, you can contact the researcher. If you would like to participate, please complete and return attached consent form by e-mail to Mr Cheung at c3055075@uon.edu.au. Mr Cheung will then contact you to arrange a focus group interview at your convenience.

Further information

If you would like further information please contact Mr Cheung at (852) 9437-1993 or through e-mail to c3055075@uon.edu.au. Alternatively you may contact the project Supervisor by e-mail at Antony.Drew@newcastle.edu.au.

Complaints about this research

This project has been approved by the University’s Human Research Ethics Committee, Approval No. H-2013-0107. Should you have concerns about your rights as a participant in this research, or you if have a complaint about the manner in which the research is conducted, it may be given to the researcher or to the University of Newcastle Australia by email at fbl-dba@newcastle.edu.au.

Thank you for considering this invitation.

________________________________________

Dr Antony Drew  Jackie H.F. Cheung
研究項目資訊聲明

中國本土的價值觀和企業社會責任：

中國企業社會責任應用原則的探索性研究

檔版本 1.1; 2013 年 6 月 12 日

你被邀請參加張慶虎先生在紐卡斯爾大學商學院進行以上的研究項目。這項是張慶虎先生在紐卡斯爾大學工商管理碩士學位的研究論文，在安東尼德魯博士監督下進行。你被選定參加這項研究，因為你滿足了以下全部或大部分“誰可以參與這項研究”中的參加者標準要求。

為什麼要做這個研究？

這項研究的目的是探討中國本土價值觀對企業社會責任（CSR）原則，是否對中國商務決策者會產生影響。它嘗試深入瞭解中國商務人士應用企業社會責任原則的看法，以確定他們在這方面的本土價值觀結構。研究中國人有那些本土價值觀會影響他們對企業公民的看法，以及探索儒家價值觀和“關係”問題對現代中國所面臨的挑戰，藉以測試中國傳統價值觀的影響能否激發中國人的道德行為，並有效地應用於企業社會責任的原則。同時，這項研究嘗試探索以下的問題：

有那些基本價值觀會支持中國商務人士對實踐企業社會責任的觀點？
研究結果可提供參考資料給其它研究人員繼續進行這方面研究，同時幫助中國商務人士應用企業社會責任原則的時候，確定中國本土價值觀是否成為重要的考慮因素。

誰可以參與研究？

如果你具備以下的條件，便有資格參與這次研究：

- 香港採購網絡協會會員
- 無論是管理人員或企業擁有者，他們在中國有豐富的業務實踐經驗，並且清楚瞭解中國商業運作解。
- 參加者必須在香港，澳門，台灣或中國大陸工作。
- 中國種族。
- 只有符合以上標準的參加者便合乎資格參加這項研究。

你的選擇

參與這項研究完全是你個人的自願性選擇，只有那些願意參與並提交同意書的人才會被列入這研究項目。無論你是否決定參加，你的決定將不會造成任何對你不利的結果。

如果你決定參加，你仍可在任何時候退出這項研究而無需給予任何理由，包括你已確認的文字轉錄或被給予足夠的時間和機會作出此決定。

你將要做的事情

當你看完及明白這聲明及決定參與這項研究，張先生會安排讓你方便的時間進行重點小組訪談。在重點小組訪談前，你會被要求簽署一份重點小組訪談同意書，同時在進行重點小組訪談前，會先徵詢你的同意，才進行錄音。整個重點小組訪談大約需要一至兩個小時，情況將取決於訪談流程是否順暢。重點小組訪談將會用英語、普通話或廣東話進行。在重點小組訪談過程中，你會被詢問一些關於這項研究的問題，例如你個人有那些價值觀會支持你對實踐企業社會責任的觀點？
整個會談將遵循研究指引，並使用一個自由的談話方式讓大家可以想進思行交流。如果你有任何強烈的異議或意見，或有更多的補充，歡迎自由表達你的意見。當重點小組訪談錄音被轉錄成文字後，這份文字轉錄將會送給你作為確認或按你的需要作出修正。將來你亦可以複審自己重點小組訪談時的錄音，更可編輯或刪除自己的文字轉錄。

需要多少時間？

焦點小組訪談將會在晚上進行，整個訪談時間約兩個小時。焦點小組訪談的地點將會選擇在靠近你的位置的酒樓的獨立房間舉行。

利益和風險

這項研究對參與者的潛在風險非常低，因為重點小組訪談的地點會選擇在對參與者方便的位置，同時參與者的身份和文字轉錄會經過代號加密，以及重點小組訪談的問題會避免觸及參與者的機構和職位，所以參與者的私隱和保密將會得到保障。一切文字轉錄及有關材料將被安全保管，請看以下“您的隱私如何受到保護”。雖然這項研究對你作為參與者沒有直接的利益，但對在中國做生意或外國直接投資的商務人士，社會企業責任是一項重要的考慮因素，從這一研究結果可能對在這一領域的研究人員有所啟發，以及幫助業務決策者有效地制定公司對企業社會責任原則的應用。

您的隱私如何受到保護

參與者的身份及姓名，將被代碼取代。參與者和他們的組織的名稱將不能被識別。每份文字轉錄將被代碼取代，任何文字轉錄裏的識別資訊將被研究人員刪去，你亦有機會進一步編輯你的文字轉錄。參與者的名字和他們的代碼電子清單將與他們的文字轉錄分離歸檔。所有文字轉錄將被保存在有安全密碼保護的計算機內及只供研究員進入。定稿前，參與者有機會檢查及核實他的文字轉錄裏的身份識別訊息已被清除。
簽署同意書的抄本將保存在一個鎖櫃內，所有其他的數據和材料，以電子形式及密
碼保護儲存於監督人和研究員的電腦內。匿名的數據和資料將保留在紐卡斯爾大
學至少 5 年，供大學教職員和學生進行分析和研究。

所收集的資訊將如何使用

研究結果將作為張先生論文的一部分，隨後並可能會在學術刊物上發表。在成功完
成研究論文後，若收到參與者在面訪結束時口頭確認，一份研究結論將以電郵形式
發送给參與者。

你需要做甚麼來參與

請仔細閱讀本資料聲明，你同意參加前一定要先瞭解並它的內容。如果有什麼你不明
白，或有任何疑問，你可以聯繫研究員。

如果你願意參加，請填寫附上的同意書後，致電 852-94371993 或電郵給張先生
e3055075@uon.edu.au。張先生將與你聯繫，安排一個方便你的個人重點小組訪談。

進一步的資訊

如果您想了解進一步資訊，請致電聯繫張先生(852) 9437-1993，或通過電子郵件
e3055075@uon.edu.au。或電郵研究項目主管 Antony.Drew@newcastle.edu.au。

有關本研究的投訴

這研究項目已獲大學人類研究道德委員會的批准，編號 H-2013-0107。如果你對
作為本研究參與者的權利有任何疑問，或你對這研究的進行方式有任何投訴，你可
以直接聯繫本項目研究員或澳洲紐卡斯爾大學，電郵地址：fbl-
dba@newcastle.edu.au

感謝您考慮接受邀請這項研究的重點小組訪談。

安东尼德魯博士

張慶虎先生
Consent Form for the Research Project:

Chinese Indigenous Values and CSR:
An exploratory study into the adoption of CSR principles in China

Dr Antony Drew and Mr Jackie H. F. Cheung

Document Version 1.1; dated 12/6/2013

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 Information Statement, a copy of which I have retained. I understand I can withdraw from the project at any time and do not have to give any reason for withdrawing up until I have confirmed and returned my transcript.

I consent to participating in an interview and having it audio recorded. I also understand that I will be emailed a copy of my transcript to the email address noted below so I may review and edit the transcript of my own comments.

I understand that my personal information will remain confidential to the researchers. I consent that I can be anonymously quoted in reports of the research findings. I have had the opportunity to have questions answered to my satisfaction.

Print Name: __________________________________________________________

Signature:____________________________               Date: ______________

Email address: __________________________________________________________
研究項目同意書

中國本土的價值觀和企業社會責任

中國企業社會責任應用原則的探索性研究

安東尼德魯博士與張慶虎先生

文檔版本1.1，2013年6月12日

我同意參與上述研究項目。據我了解，該項目將跟據信息聲明的內容而進行，而我已保留該聲明的副本。我明白我可以在任何時候退出該項目，並無需給予任何理由，包括在確認及交回我的訪談文字轉錄後。

我同意參與這次面談並接受進行即場錄音。我也明白，我可以查看和編輯自己的訪談文字轉錄。

據我所知，除研究人員外，我的個人資料將被保密。我同意，我的意見會在研究報告中被匿名引用。我有權要求研究人員回答有關問題，讓我有充份及滿意的了解。

姓名：__________________________________________________________

簽名：_________________________  日期：________________________

電郵地址：______________________________________________________
Appendix C – Participant Information Statement and Consent Form sent to online survey participants

FACULTY OF BUSINESS AND LAW

Dr Antony Drew
Newcastle Business School,
Faculty of Business and Law, University of Newcastle, Australia
Level 3, University House, Auckland Street, Newcastle, 2300
Tel: +61 2 4921 2099 Fax: +61 2 4921 7398
Antony.Drew@newcastle.edu.au

Information Statement for the Research Project

Chinese indigenous values and CSR:
An exploratory study into the adoption of CSR principles in China
Document Version 1.1; dated 12/06/2013

You are invited to participate in the research project identified above which is being conducted by Mr Cheung Hing Fu and supervised by Dr Antony Drew from Newcastle Business School at the University of Newcastle, Australia. The research is a requirement of Mr Cheung’s Doctor of Business Administration studies. You have been chosen to participate in this research because you meet all or most of the criteria defined in the section of “Who can participate in this research” as below.

Why is the research being done?

The purpose of this research is to explore the effects of indigenous values on Chinese business people's adoption of Corporate Social Responsibility (CSR) principles and to identify the Chinese indigenous values in relation to CSR principles. It attempts to provide an insight of the value structures of Chinese business people and how these influence the adoption of CSR principles. In particular, this research attempts to answer the following research question:

What are the underpinning values held by Chinese business people that shape their perceptions and practice of CSR?
The results of the research may shed lights for researchers and business practitioners on the role of Chinese indigenous values in relation to the adoption of CSR principles in China.

Who can participate in the research?

You are eligible to participate in the research if you fit the following requirements:

- Member of the Hong Kong Sourcing Network Association
- Substantial experience in Chinese business practice, either in a management position or as a business owner with good understanding of business practice in China.
- Participants must be working in Hong Kong, Macau, Taiwan or Mainland China.
- Chinese ethnicity
- Only participants meeting these criteria will be included in the study

What choice do you have?

Participation in this research is entirely your choice. Whether or not you decide to participate, your decision will not disadvantage you in any way. If you do decide to participate in this research, your final submission of the anonymous online survey will be deemed as your consent to participate. You may choose not to participate by simply not completing and submitting the online survey.

What would you be asked to do?

If you agree to participate after reading this Information Statement, you will be asked to complete an anonymous confidential online survey, located in a secured website, hosted by the firm Survey Monkey. The online survey contains a number of short answer questions relating to the principles of Corporate Social responsibility and Chinese indigenous values and you will be required to provide a short written answer to each question. Once the survey period is completed, the information from the survey will be downloaded to the researcher’s secure university desktop computer.
**How much time will it take?**

It is anticipated that the confidential online survey will take approximately thirty minutes to one hour complete, depending upon how much information you provide for each question.

**What are the risks and benefits of participating?**

The survey requires you to complete written responses in a secure, relaxed and non-invasive environment in your own time and therefore presents no overt risks. Although there are no direct benefits to you as a participant, CSR is an important factor for doing business in China and in relation to foreign direct investment. The results from this research may shed new light to assist researchers in their future studies in this field and help business decision makers to design CSR principles more effectively for the Chinese context.

**How will your privacy be protected?**

Data from the online survey will be downloaded directly from the secure survey host website to the researcher’s computer in an Excel spread-sheet format and will be coded on that computer directly into NVivo (a qualitative analysis software program). Access to the researcher’s university desktop computer is through a password known only to the researcher (note: Sophos virus software and firewalls are also used to protect the data). All transcripts will be kept on the researcher’s secure password protected computer accessible only to the researcher. Signed consent forms will be kept in hard copy in a lock cabinet. All other data and materials will be kept on both the computers of supervisor and student researcher in electronic form and password protected. In accordance with University of Newcastle policy, all data will be destroyed five years after the survey period concludes (31/08/2018).

**How will the information collected be used?**

Results from the research will be published as part of Mr. Cheung’s dissertation and subsequently may be published in scholarly journals.
What do you need to do to participate?

Please read this Information Statement and be sure that you understand its contents before you express an interest in participating. If you are interested in participating, please access the online survey by pasting the following link into your web browser and clicking the ‘Go’ button: https://www.surveymonkey.com/s/DBA-Survey

Further information

If you would like further information please contact Mr Cheung at (852) 9437-1993 or through e-mail to c3055075@uon.edu.au. Alternatively you may contact the project Supervisor by e-mail at Antony.Drew@newcastle.edu.au.

Complaints about this research

This project has been approved by the University’s Human Research Ethics Committee, Approval No. H-2013-0107. Should you have concerns about your rights as a participant in this research, or you if have a complaint about the manner in which the research is conducted, it may be given to the researcher or to the University of Newcastle Australia by email at fbl-dba@newcastle.edu.au.

Thank you for considering this invitation.

__________________________  _________________
Dr Antony Drew  Jackie H.F. Cheung
研究項目資訊聲明

中國本土的價值觀和企業社會責任：
中國企業社會責任應用原則的探索性研究
檔版本 1.1；2013 年 6 月 12 日

你被邀請參加張慶虎先生在紐卡斯爾大學商學院進行以上的研究項目。這項是張慶虎先生在紐卡斯爾大學工商管理博士學位的研究論文，在安東尼德魯博士監督下進行。你被選定參加這項研究，因為你滿足了以下全部或大部分“誰可以參與這項研究”中的參加者標準要求。

為什麼要做這個研究？

這項研究的目的是探討中國本土價值觀對企業社會責任 (CSR) 原則，是否對中國商務決策者會產生影響。它嘗試深入理解中國商務人士應用企業社會責任原則的看法，以便確定他們在這方面的本土價值觀結構。研究中國人有那些本土價值觀會影響他們對企業公民的看法，以及探索儒家價值觀和“關係”問題對現代中國所面
臨的挑戰，藉以測試中國傳統價值觀的影響能否激發中國人的道德行為，並有效地應用於企業社會責任的原则。同時，這項研究嘗試探索以下的問題：

有那些基本價值觀會支持中國商務人士對實踐企業社會責任的觀點？

研究結果可提供參考資料給其它研究人員繼續進行這方面的研究，同時幫助中國商務人士應用企業社會責任原則的時候，確定中國本土價值觀是否成為重要的考慮因素。

誰可以參與研究？

如果你具備以下的條件，便有資格參與這次研究：

- 香港採購網絡協會會員
- 無論是管理人員或企業擁有者，他們在中國有豐富的業務實踐經驗，並且清楚瞭解中國商業運作解。
- 參加者必須在香港、澳門、台灣或中國大陸工作。
- 中國種族。
- 只有符合以上標準的參加者便合乎資格參加這項研究。

你的選擇

參與這項研究完全是你個人的自願性選擇，只有那些願意參與並提交同意書的人才會被列入這研究項目。無論你是否決定參加，你的決定將不會造成任何對你不利的結果。

如果你決定參加，你仍可在任何時候退出這項研究而無需給予任何理由，包括你已確認的文字轉錄或被給予足夠的時間和機會作出此決定。

你將要做的事情

當你看完這個資料聲明後，如果您同意參加，你會被要求完成一個匿名保密的在線調查，這項在線調查是處於一個安全的網站 – 由 Survey Monkey 公司提供服務。網上聯機調查包含簡單答題，答題的內容是關於企業社會責任和中國本土的價值
需要多少時間？

預計這項保密的在線調查將需要約 30 分鐘至一小時完成，時間的長短，將取決於你對每個問題所提供的資料有多少。

利益和風險

這項調查要求你在自己的個人時間及在一個安全，輕鬆和沒有入侵性的環境下進行。雖然這項研究對你作為參與者沒有直接的利益，但對在中國做生意或外國直接投資的商務人士，社會企業責任是一項重要的考慮因素。從這一研究結果可能對在這一領域的研究人員有所啟發，以及幫助業務決策者有效地制定公司對企業社會責任原則的應用。

您的隱私如何受到保護

這項保密在線調查的資料將從保密的調查主機網站直接下載到研究員的電腦。資料以 Excel 電子表格格式下載，然後編碼和直接載入 NVivo（一個定性分析軟件程序）。將資料載入研究員的桌面電腦，是需要通過研究員所設定的密碼（注：電腦系統安裝的成功軟件 Sophos 和防火牆會用於保護資料）。所有副本將保存於研究員受密碼保護的電腦內，而電腦只容許研究員單獨進入。簽署的同意書的紙張文件將被保存在一個上鎖的文件櫃裏面。所有其他數據和材料會以加密的電子方式保存於監督人和研究員的電腦內。根據紐卡斯爾大學的政策，在這項研究期結束五年之後（31/08/2018），所有的數據將會被毀滅。

所收集的資訊將如何使用

研究結果將公佈作為張先生論文的一部分，隨後並可能會在學術刊物上發表。

你需要做甚麼來參與
在你表示有兴趣参加这项线上调查之前，请仔细阅读本资料声明，同时一定要先了解它的内容。如果你有兴趣参加，请将下面的连结粘贴到您的上网浏览器，然后按一下“Go”的按钮：https://www.surveymonkey.com/s/DBA-Survey

进一步的信息

如果您想了解进一步资讯，请致电联系张先生(852) 9437-1993，或通过电子邮件c3055075@uon.edu.au。或电邮研究项目主管Antony.Drew@newcastle.edu.au。

有关本研究的投诉

这项研究项目已获大学人类研究道德委员会的批准，编号H-2013-0107。如果你对作为本研究参与者的权利有任何疑问，或你对这项研究的进行方式有任何投诉，你可以直接联系本项目研究员或澳洲纽卡斯尔大学，电邮地址：fbl-dba@newcastle.edu.au。

感谢您考虑接受这项邀请。

安東尼德魯博士

张慶虎先生
Consent Form for the Research Project

Chinese Indigenous Values and CSR: An exploratory study into the adoption of CSR principles in China

Dr Antony Drew and Mr Jackie H. F. Cheung

Document Version 1.1; dated 12/6/2013

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 Information Statement, a copy of which I have retained. I understand I can withdraw from the project at any time and do not have to give any reason for withdrawing up until I have confirmed and returned my transcript.

I consent to participating in an interview and having it audio recorded. I also understand that I will be emailed a copy of my transcript to the email address noted below so I may review and edit the transcript of my own comments.

I understand that my personal information will remain confidential to the researchers. I consent that I can be anonymously quoted in reports of the research findings. I have had the opportunity to have questions answered to my satisfaction.

Print Name: ____________________________________________________________

Signature: __________________________________________ Date: ______________

Email address: __________________________________________________________
研究項目同意書

中國本土的價值觀和企業社會責任：

中國企業社會責任應用原則的探索性研究

安東尼德魯博士與張慶虎先生

文檔版本1.1，2013年6月12日

我同意參與上述研究項目。據我了解，該項目將根據信息聲明的内容而進行，而我已保留該聲明的副本。我明白我可以在任何時候退出該項目，並無需給予任何理由，包括在確認及交回我的訪談文字轉錄後。

我同意參與這次面談並接受進行即場錄音。我也明白，我可以查看和編輯自己的訪談文字轉錄。

據我所知，除研究人員外，我的個人資料將被保密。我同意，我的意見會在研究報告中被匿名引用。我有權要求研究人員回答有關問題，讓我有充份及滿意的了解。

姓名：________________________________________

簽名：__________________________________________ 日期：________________________

電郵地址：________________________________________