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CSR strategies in Greater China: Global, East Asian, American, European Style?[1]

Abstract

The concept of Corporate Social Responsibility emerged in the United States and spread to Europe and Asia while being adapted to national/local characteristics. Since borders between markets and societies are blurring and globalization is promoting MNCs which find themselves acting in hybrid societies, international institutions put efforts into the development and moral acceptance of global CSR standards. The scientific interest in CSR focused on the conflicts between company returns and benefits for society. The resulting concepts of performance-oriented, awareness-oriented and welfare-oriented CSR should facilitate the evaluation of CSR strategies implemented by MNCs. In research on the cultural dimensions of economies, it might be possible to allocate geographically the three concepts. Regarding the newly emerging Chinese MNCs, the paper aims to shed light on which concept they follow. On the one hand, CSR concepts of American and/or European MNCs that are present in China might serve as a role model; on the other hand, by learning from Taiwanese/Hong Kong MNCs, a "greater China CSR approach" might emerge. Empirical studies and own field research suggest that compared to American and European companies, CSR is less deeply rooted in Chinese companies. Furthermore, significant differences between Mainland China, Hong Kong and Taiwanese companies indicate that a Greater Chinese CSR approach does not yet exist. Therefore, it cannot be assumed that American and European CSR concepts will experience a Chinese influence in the near future.

Keywords: Corporate Social Responsibility, Multinational Corporations, Corporate Governance, China

Corporate Social Responsibility (CSR) is the ongoing commitment by businesses to behave ethically and contribute to economic development, while improving the quality of life of its employees and that of the local community within which it operates as well as society at large.

Institute for Corporate Culture Affairs

Introduction

It is common sense in the global academic and business community that the eye-catching term "corporate social responsibility" (CSR) is a concept of doing business that benefits the actors on the market as well as society at large. Common sense does not necessarily mean consensus on a workable definition, not to mention a standardized set of tools. Due to new production, transportation and communication technologies, the number of stakeholders has significantly increased. This results in increasingly blurring borders between market and society. With the internationalization of business, "society" itself is becoming a fuzzy puzzle which cannot be described as a homogenous concept. On the one hand, legal compliance with rules and regulations are constraining multinational corporations (MNCs) in narrow national or even sub-national borders; on the other hand, complex, multicultural, mentally distant societies challenge their creativity in designing CSR strategies that cross all boundaries.

Empirical studies show that the interpretation and implementation of CSR, in terms of legal compliance, differ between MNCs with headquarters in North America, Europe and Asia. Different cultural backgrounds may explain differences in the interpretation and commitment to CSR at the corporate ethics level and the social contribution level. But there is also evidence for adapting to other cultures in a learning-by-doing business process. Depending on the focus – either on the corporate or the social level – CSR activities seem to be primarily performance-oriented, awareness-oriented or welfare-oriented.

The empirical study on CSR strategies in Greater China aims to shed light on the following questions: Is there a Chinese CSR concept which differs more or less from the Asian CSR concept? How American is the CSR concept of Taiwanese MNCs? How European is the CSR concept of Hong Kong MNCs? How strongly are Mainland Chinese MNCs influenced in their CSR strategies by CSR strategies of MNCs from Taiwan and/or Hong Kong or do these companies still lack a traceable strategy? Who is learning from whom? Is CSR in Greater China on the way to overcoming the "North-South CSR Divide"? How accepted and implemented are ISO standards (especially the new ISO 26000)? What will be the result for CSR strategies of European MNCs that are doing business in Greater China?

The paper is organized as follows: In part two we review the controversial discussions on CSR concepts in the literature. Part three clarifies similarities and differences of region/country-specific CSR concepts and tries to find evidence of the emergence of global characteristics of CSR approaches. The empirical studies on CSR in Mainland China, Taiwan and Hong Kong are analyzed in part four. The preliminary results of a primary field study of Chinese MNCs on their internationalization strategies, which also includes CSR-related questions, are briefly outlined in part five. The conclusions will provide an outlook on future research.

The emergence of the debate on CSR

"Within the literature there exists three discernible 'schools' of thought and practice about corporate social responsibility. These schools may be characterised as the neoliberal, neo-Keynesian, and radical political economy approaches."

[Broomhill 2007:6]

CSR can be defined as an umbrella term for interactions between firms, mainly MNCs, and the non-market environment - represented by government institutions on all levels, the community at large, and all types of NGOs - as well as the natural environment. As far back as the second half of the 19th century, the emergence of powerful companies in the US provoked public criticism resulting in regulations such as the antitrust law. Corporations responded by emphasizing corporate responsibility and philanthropy [Jenkins 2005]. In the 1960s/1970s, the growing impact of US-based multinational/transnational companies on the environment through exploiting the resources of developing countries (and in some cases the involvement in armed hostilities in other countries) prompted serious public concern. A number of initiatives to voluntary pledging MNCs to follow guidelines (e.g. Code of Conduct on Transnational Corporations, UN, 1990) in the field of work conditions, environment, human rights, life and industrial relations did not result in action by many MNCs. In order to attract foreign investment, the rapidly growing global competition increased the power of MNCs and escalated the criticism of corporate practices. "The demand for greater social responsibility came from a wide range of sources including international trade unions, development NGOs, human rights organizations and environmental groups. Corporations were again forced to respond to bad publicity surrounding their activities. Corporate social responsibility discourse and programs emerged in part as a direct response to these pressures" [Broomhill 2007:10-11].

While CSR has raised greater public awareness in the last two decades, the concept of CSR has a long and varied history [Carroll 1999:268]. The cradle of academic research was formed in the 1950s in the US (e.g. [Bowen 1953]; [Heald 1957]; [Eells 1957]). The

early literature focused on the relation between social responsibility and the needs of society, stating that "businessmen should oversee the operation of an economic system that fulfills the expectations of the public" [Frederick 1960:60]. The first publication using the term "corporate social responsibility" provided a fundamental definition: "In short, the new concept of social responsibility recognizes the intimacy of the relationships between the corporation and society and realizes that such relationships must be kept in mind by top managers as the corporation and the related groups pursue their perspective goals" [Walton 1967:18]. The academic discussion broadened in the 1970s by specifying the definition of social responsibility (e.g. [Johnson 1971]), differentiating CSR from social responsiveness, social obligation and corporate social performance [Sethis 1975], and acknowledging that CSR could include a variety of activities (e.g. [Eilbert and Parket 1973]). Empirical studies on CSR of Fortune 500 companies aimed to measure CSR based on categorized issues such as environment, equal opportunity, personnel, community involvement, and products [Abbott and Monsen 1979]. Conceptualizing, operationalizing, measuring and implementation of CSR dominated the literature in the 1980s. This turn in a more quantitative direction results from the growing interest on the relationship between CSR and profitability [Aupperle, Carroll and Hatfield 1985]. The efforts to develop a broad theoretical framework that integrates CSR, responsiveness and social issues into a corporate social performance model (e.g. [Wartik and Cochran 1985]) established ties to other fields of business and management such as business ethics (e.g. [Epstein 1987]), stakeholder theory (e.g. [Freeman et al, 1984]), and corporate citizenship (e.g. [Zadek 2001]). The debate resulted in a relatively broad consensus on the ingredients of socially responsible businesses (Figure 1). It is characterized by:

- undertaking ethical practices in employment and labor by improving work places,
- engaging in building local communities,
- investing in building social infrastructures,
- contributing to a cleaner environment, its protection and sustainability,
- contributing by way of its corporate governance to economic development in general [Kanji and Chopra, 2010:120].

It is worth mentioning that in academics, politics, and media, the worldwide interest in CSR was strongly influenced by CSR failures that shocked the world in the 1980s, 1990s and the beginning of the 21st century (e.g. Bhopal tragedy in 1984, Chernobyl disaster in 1986, Exxon Valdez incident in 1989, Enron scandal in 2001, BP oil spill in 2010).

At the end of the 20th century and especially after the beginning of the 21st century, CSR concepts and practices were transferred from the US and Europe to other parts of the world, especially to emerging and developing countries (e.g. [Kannekant and Viney 2008]). The United Nations Millennium Development Goals may have served as a promoter.[2] The current debate on CSR centers mainly around the controversy of volun-

FIGURE 1. **Cyclical Matrix of Corporate Social Responsibility**



Source: [Kanji and Chopra 2010:121].

tary codes of conduct versus legal regulations, the increasing involvement of MNCs in political decision-making processes by public-private partnerships, co-operations and dialogues, and the role of MNCs in emerging/developing countries. The less successful attempts to solve existing problems at the global level may be traced back firstly to the region/country-specific differentiation of CSR concepts, secondly to the permanently broadening issues which are attributed to CSR, thirdly to the heterogeneity of parties involved, and fourthly to the scattered CSR research in management, business, economics, international affairs, and development literature [Broomhill 2007:37].

Similarities and differences of region/country-specific CSR concepts

"The current CSR landscape is complex and multi-faceted."
[OECD 2009:3]

There is evidence that culture matters in understanding, designing, implementing and evaluating CSR. The crucial questions connected with the impact of culture on CSR strategies start with defining culture, carving out national characteristics and measuring economic consequences.[3] The following question refers to the connectivity between national culture and a firm's culture. The next question arises from the ongoing globalization which blurs national boundaries, especially the boundaries of MNCs. Finally, this leads to the question of whether globally acting MNCs follow a homogenous CSR strategy or to put it bluntly, whether MNCs can be simultaneously socially responsible and socially irresponsible.

An in-depth discussion of these questions goes far beyond the limits of this paper. In any case, the latest main trends in research criticize the static typologies of culture by emphasizing the change of national identities which results from globalization on the one hand and the regaining strength of sub-national cultures on the other. This applies first of all to the US-Europe-Japan triad. Emerging countries seem to follow the development pattern. In doing so, "often there exists at least two cultures, an official national culture of the sort created by national elites in the 19th century, and another, sometimes embedded in the working class, for instance in Korea, sometimes defined by ethnicity as in Malaysia, and sometimes with a regional focus as in Indonesia... In addition, religious groupings live in tension with official national cultures, for instance conservative Islamic parties in Malaysia and Indonesia" [Tipton 2009:163]. The ongoing fragmentation of national cultures is mirrored at the firm level by corporate cultures which hardly match with national cultures. Any spatial geographical expansion of MNCs suggests a growing cultural mix of their employees. Cross-border mergers and acquisitions may change technologies, organizational principles, and management strategies of all actors involved and therefore blur the "cleanness" of corporate cultures as well as their integration with national cultures, at least in a short period of time. The mental distance between corporate cultures and national cultures seems to grow, namely in nations where individuals consciously pursue multiple identities [Tipton, 2009:163].

When accepting CSR codes developed by international organizations such as the United Nations or OECD as benchmarks, deviations between CSR strategies of US, European, and Asian MNCs are not necessarily attributed to cultural (and therefore long-term, stable) differences. First of all, this leads to the question of whether international CSR codes are biased in listing the general aims of the organization. Secondly, when successfully providing evidence for the dependence of international CSR codes on changing waves of public assessments and opinions on corporate behaviors, MNCs from all countries come under pressure to respond in the same way. The international initiative and instruments such as the UN Global Compact (UNGC), the ILO Declaration and the OECD Guidelines try to set out universal standards and principles which derive directly from international normative frameworks [OECD 2009:4]. CSR initiatives on governmental or private levels often emerge from international conventions and declarations. The scope of fields that are covered by the three initiatives/guidelines differs (Table 1). There is high demand for realizing synergies. In any case, if the hopes of OECD, ILO, and EU for providing a basis for the global acceptance of their CSR norms were to be fulfilled, the cultural content of MNCs CSR strategies would disappear. Reality suggests that the effectiveness of these international CSR norms is quite limited, even if they try to keep up with the times. In the 1970s, a number of scandals of US MNCs pushed "western" MNCs into a defensive position and activated the group of 77 less-developed countries to push the UN to develop a normative framework for activities of MNCs. The OECD responded quickly by introducing the voluntary Guidelines on Multinational Corpora-

TABLE 1. Coverage of OECD Guidelines

	OECD MNE Guidelines	ILO MNE Declaration	UN Global Compact
General Principles	√	√	√
Desclosure	√		√
Employment	√	√	√
Human Rights	√	√	√
Environment	√		√
Bribery	√		√ (Anti-corruption)
Consumer Interests	√		
Competition	√		
Taxation	√		

Source: [OECD 2009:10].

tions. MNCs responded by implementing public affairs programs using the OECD code as guidance [Kline 1985:161]. To put it bluntly, "all of the decade's major corporate codes were drafted by public-relations firms in the wake of threatening media investigations" [Rowe 2005:148). Klein [2000:430] stated even more dramatically: "Their (Wal-Mart, Disney, Levi) original purpose was not reform but to 'muzzle the offshore watchdog' groups." Finally, it has to be noted that the cultural content of the international CSR codes of the 1970s and 1980s was low, but the drive for establishing CSR rules was powerful because of the impressive coalition between the international trade union movement, Western social activists and developing country governments [Rowe 2005:167].

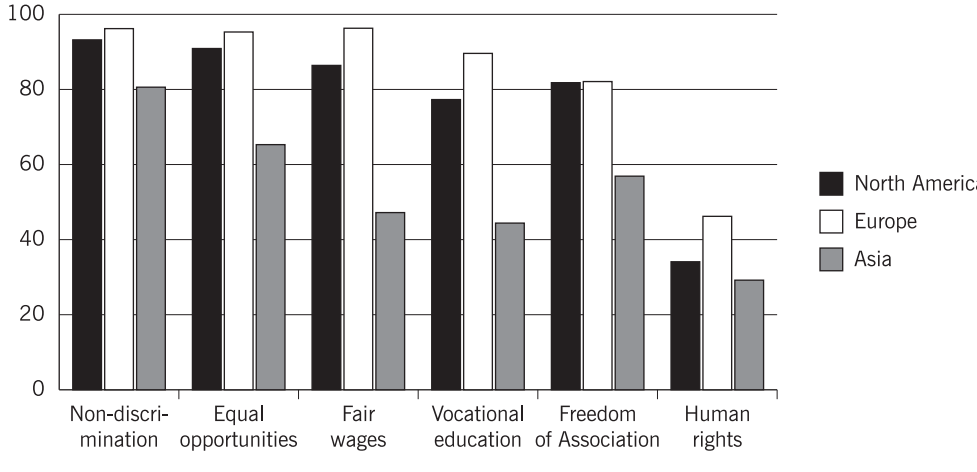
To date there is no universally accepted CSR standard. Without a legally binding transnational framework which includes enforcement, supervision and certification of MNCs' CRS programs, it will be impossible to close the gap with national CSR standards. From a theoretical point of view, it could be argued that "transnational CSR norms ought to be considered legally relevant even before they are actually applied by a norm-applying institution and therefore conferred systemic validity within a positive legal system" [Torrence 2011:98].

It is widely accepted that a solid empirical base to link national culture to corporate responsibility does not yet exist; in fact, most of the debate is fuelled by conceptual arguments or anecdotal evidence from cross-country case studies [Rigov and Zollo 2007:477]. Based on the country scores of both Hofstede's [1980] four dimensions of national culture – power distance, individualism, masculinity, and uncertainty avoidance – and GLOBE's study [House 2004; Waldman 2006] the empirical observation of over 450 firms in 23 North American, European and Asian countries delivers the existence of a moderate, yet important, role of cultural specificity in determining the behaviour of corporations towards social and environmental concerns [Rigov and Zollo 2007:481].

Whereas power distance and masculinity are significantly negative correlated to corporate behavior, there is no significant effect for the other two dimensions (collectivism and uncertainty avoidance). "The data seems to indicate that the most appropriate way for companies to proceed is to develop both a global position on these issues (*social and environmental)*, and a keen sensitivity towards local idiosyncrasies. … Surprisingly, collectivist societies do not seem more likely than individualistic ones to be the home of socially and environmentally responsible businesses. The same 'no difference' results were obtained as regards the impact on responsible corporate behaviour of home country attitudes towards uncertainty avoidance" [Rigov and Zollo 2007:481]. These mixed results do not allow differentiating unambiguously between a culturally based US, European and Asian CSR model. With respect to Europe and Asia, cultural diversity might contribute to explaining this result (see e.g. [Habisch 2005]).

Empirical studies examining written CSR policies of companies in the US, Europe and Asia and/or assessing policy measures by questionnaires/interviews suggest firstly a link between the development of CSR and the country's level of development and secondly a localized orientation of CSR measures shaped by cultural traditions [Welford 2005]. In general, Asian companies seem to be less committed to internal aspects of CSR such as non-discrimination, equal opportunities, and fair wage structures (Figure 2).

FIGURE 2. **Internal Aspects of CSR (% of companies with written policy in the area stated)**

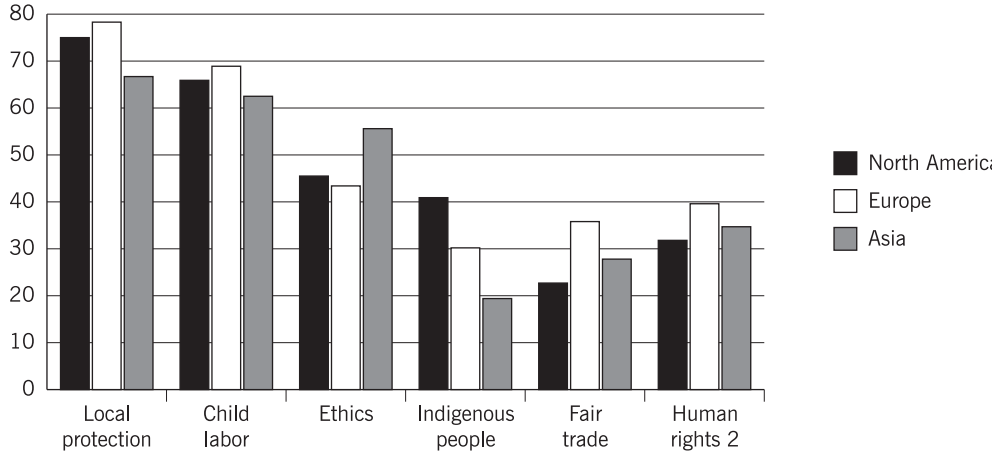


Source: [Welford 2005:40].

With respect to external aspects of CSR, there are no significant differences between the three regions except the aspect of indigenous people (Figure 3). Particularly striking is the lead of Asia in ethics. "It may be more likely that Asian companies have policies

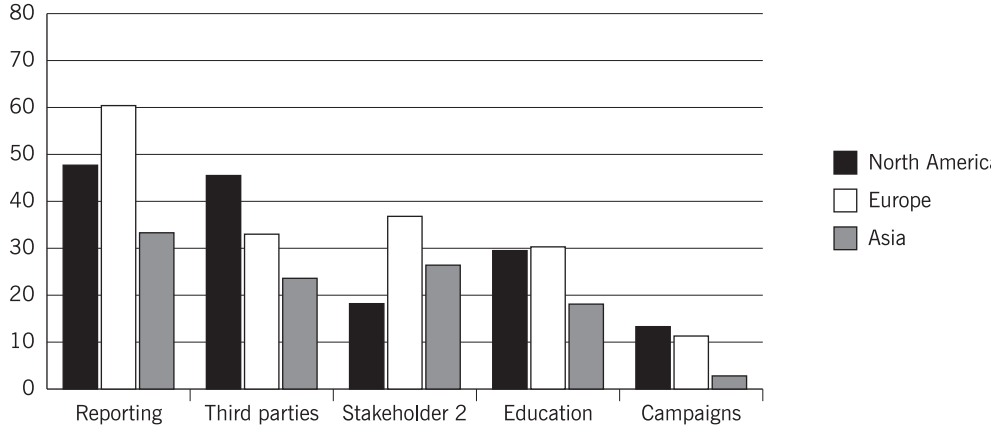
on ethics, bribery and corruption if they experience it around them and identify them as a problem" [Welford 2005:41]. When it comes to accountability and citizenship, the pattern is similar but at a lower level with the exception of European companies reporting (Figure 4).

FIGURE 3. **External Aspects of CSR (% of companies with written policy in the area stated)**



Source: [Welford 2005:41].

FIGURE 4. **Accountability and Citizenship (in % of companies with written policies in the area stated)**



Source: [Welford 2005:42].

In all sub-categories except policies on two-way stakeholder dialogues, Asian companies' written policies on accountability and citizenship are less stringent compared with companies in the US and Europe.

The findings of this survey, which is not necessarily representative, can be summarized as follows:

- The three regions differ in the overall commitment to CSR.
- The differences between North America and Europe are smaller than between these regions and Asia.
- Asian companies do not always trail behind their Western counterparts.
- The level of commitment is declining: The highest commitment is to internal CSR measures followed by external measures; the lowest commitment is to accountability and citizenship measures.

CSR in Mainland China, Taiwan and Hong Kong

The result of the evaluation of CSR in Greater China depends considerably on the basic type of the CSR approach. After the opening up of Mainland China, foreign MNCs imported Western CSR standards and guidelines. There is ample evidence that Chinese companies adapt to Western technical CSR standards. Social and environmental standards seem to be subordinated to the overall aim of creating high economic growth. Companies consider the resulting problems such as illegal labor relations, product safety, and pollution as a legal matter instead of a matter of their voluntary behavior [Wang and Juslin 2009:435]. This leads to the conclusion that a Chinese CSR concept needs a strong ethical driver. The return to the basic pillars of the Chinese ethical tradition could deliver the backbone of a Chinese CSR concept. "Thus the Confucian harmony can explain the primary reason for conducting CSR and its interpersonal harmony principles resemble the social relations and social responsibilities of modern business" [Wang and Juslin 2009:446]. In this spirit, Chinese CSR will contribute to the government's concept of a "Harmonious Society".

Taiwanese companies. The two studies on CSR in Taiwan by Ip [2008] and Chang [2009] show that CSR is still a novel concept among Taiwanese companies. Moreover, it is understood in a very narrow way due to existing laws. Ip points out that implementation of CSR by some Taiwanese companies is a significant sign among the widespread crony capitalism and corruption. Ip discussed the 2005 CSR survey on financial, social and environmental aspects of CSR of 705 publicly traded companies from Taiwan. Chang studied relationships between CSR, corporate image and economic performance of high-tech corporations in Taiwan.

According to the findings of Ip and Chang, Taiwanese companies perceive CSR most importantly as fulfilling shareholders' rights and employees' rights (Table 2, Figure 5).

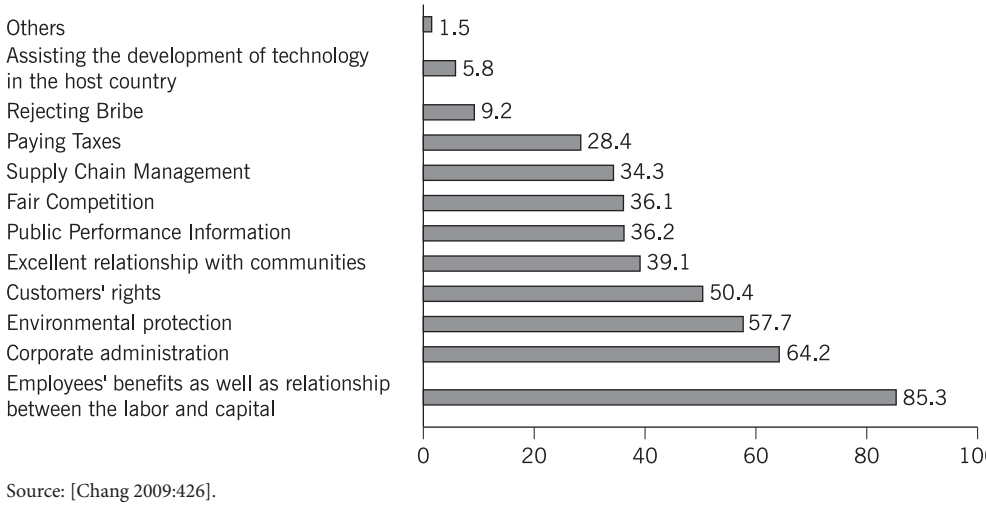
Next in importance are corporate governance, environmental protection, customers' rights and relationships with communities. Paying taxes is lower in the hierarchy, however, according to Ip's study, companies see it equal with "following ethical norms as the way that CSR is being enforced."

TABLE 2. **Ranking CSR criteria according to importance and implementation**

Rank	The most important CSR item	%	Rank	How CSR is implemented	%
1	Shareholders' rights	87.2	1	Paying taxes honestly	77.8
2	Employees' rights	84.9	2	Following/respecting ethical norms	76.7
3	Corporate Governance	68.5	3	Protecting the environment	69.9
4	Financial disclosure	66.8	4	Improving labor relations	69.6
5	The environment	66.5	5	Providing employment	67.9
6	Customers' rights	63.6	6	Donation or philantropic activites	50.6
7	Honestly paying taxes	60.5	7	Protecting customers' rights	49.7
8	Community relationship	34.9	8	Practicing fair competition	30.1
9	Fair competition	30.7			
10	Supply chain management	21.6			

Source: [Ip 2008:168-169].

FIGURE 5. **The most important issues related to CSR**



Source: [Chang 2009:426].

According to Chang's study, Taiwanese high-tech companies when implementing CSR mostly follow "international morality and standards (68.1%); 55.4% assist or hold community activities; 43.2% practice CSR through benevolence; 22.3% state that there is no standard to practice CSR, just take the duty lawfully."

Hong Kong companies. According to The Corporate Social Responsibility Good Practice Survey 2007 introduced by the Hong Kong Industrialist (2007), 70% of surveyed companies stated they were committed to CSR while 67% declared active engagement in promoting CSR internally. About 58% indicated that their leadership actively promoted external CSR while 40% confirmed having a dedicated CSR budget.

External CSR is mostly conducted through community service where cash donations are the most common (69% of companies). About 67% of companies are engaged in volunteering and contribution in kind. Moreover, 67% companies "have programmes aimed at environmental protection, with a further nine per cent planning such programmes in the next 12 months."

Around 54% of companies reported they have already implemented stakeholder engagement policy where they concentrate most on employees and customers. "However, only 51 per cent had active dialogue with investors, while communications with suppliers and community/NGOs were the least. As the survey reported, the fact that most Hong Kong businesses are family operated SMEs may mean that engagement with investors as a formal aspect of CSR is unnecessary." A full 84% of companies have programs for staff training and development. The problem in Hong Kong's companies is long working hours with 61% of employees working overtime and 70% of them spending less than two hours per day on private activities. This poor work-life balance is a major concern for the Hong Kong Council of Social Services, which established the 'Caring Company' award and introduced simplified CSR criteria: employing the vulnerable, being family friendly (flexible working policies), volunteering, partnering, mentoring (sharing of business expertise with social service organizations in areas such as IT, finance, law, public relations, organizational and human resources management), and giving. It shows that in Hong Kong CSR is being adopted to local necessities and thus gaining local characteristics.

Mainland China companies. According to Tsoi's [2009:400] study of the garment industry in the Pearl River Delta, CSR is a "business concern mostly to multinational buyers and their contracted suppliers. Local and regional garment businesses implement some form of CSR in order to satisfy client demand."

Some Chinese industry leaders have responded more pro-actively and in May 2005 the China National Textile and Apparel Council introduced a China-specific standard, China Social Compliance 9000, for the textile and apparel industry (CSC9000T). The standard describes itself as incorporating Chinese legislation and regulations, international standards and practice, and the specific needs of the Chinese textile and apparel industry (http://www.csc9000.org.cn/index_e.html#). However, the self-reporting sys-

tem that CSC9000T relies on remains susceptible to problems related to corruption, transparent reporting and harassment of interviewees [Wong 2009].

According to a 2009 Fortune China survey, the most commonly recognized features of CSR among Chinese managers include producing high-quality products and services (91%), environmental protection and saving resources (91%), observance of business ethics (89%), employee health (88%), workplace safety (85%), and shareholder rights (82%) [Rothlin 2010:4]. These results show that CSR in China is related strongly to the manufacturing sector which first met with the concept of CSR through multinational buyers that forced it to implement some CSR standards.

CSR reporting in China is still quite low [Rothlin 2010:4]. The idea of CSR is still not known among the majority of Chinese SMEs. Often lawfully paying taxes and creating jobs are seen as fulfilling the responsibility requirements of the firm. Rothlin conducted a study among Chinese companies that are listed as Global Compact business partners. However, 58% of them did not want to co-operate and 22% were not familiar with the program. The companies stated they took part in Global Compact because they value its principles but also in order to enhance their image. State-owned enterprises (SOEs) that operate internationally were more likely to adopt CSR than non-SOEs.

Importance of the government. The Chinese government started to acknowledge the importance of CSR after the implementation of its policy of building a harmonious society in 2005. It saw CSR as a tool to engage business in reaching its ambitious societal and environmental goals. Local and national government established minimum ethical codes and support private CSR initiatives. The government's role is reflected in the 2009 Fortune China survey as its respondents listed 'government policy and guidelines' and 'government attitudes' as the two most important factors motivating business to operate in a responsible way [Rothlin 2010:5].

In 2005, Chinese Corporate Law obliged "corporations to accept public supervision and undertake social responsibilities. In 2007, the State-owned Assets Supervision and Administration Commission (SASAC) introduced 'Guiding advice on fulfilling social responsibility by central enterprises' thus obliging SOEs to implement socially responsible actions into their operations and thus form an example for the rest of the companies. In 2008 and 2009, the Ministry of Commerce (MOFCOM) launched guidelines for CSR compliance in foreign-invested enterprises and financial institutions, respectively. Similarly, the Shanghai Stock Exchange, Shenzhen Stock Exchange, and China Banking Association have each enacted guidelines to encourage CSR reporting by business enterprises." [Rothlin 2010:5].

Gao's study of CSR reporting by Chinese listed companies confirms the strong influence of the government on CSR practices in China. Although existing guidelines on CSR published by the Shenzhen Security Exchange follow Western CSR policies, Chinese listed companies in their CSR reporting do not follow international standards but form their own.

The government's impact is reflected more clearly in social issues frequently described as a "scientific development view", "sustainable development of economy and society", "social stability and harmony", "anti-commercial bribery", "energy saving and pollution reduction", etc. Those issues clearly come from political and economic goals of the state and, unsurprisingly, are more often addressed by SOEs than non-SOEs. SOEs focus more on the interests of charity/society while non-SOEs address the interests of shareholders, creditors, employees, customers/consumers and environment [Gao 2011]. The reason for the difference in approach, Gao explains, is that in China, charity is understood as a complementary activity to business and government. Thus, SOEs focus on it as they are politically sensitive and want to create a responsible image in the eyes of the government. However, it is also likely that SOEs' focus on charity is the result of government directives, and not independently created as a response to those directives. In 2007, China signed cooperation on CSR issues with Germany and Sweden, which implies that the Chinese government is more inclined towards the European CSR style [China Ministry of Commerce, 2012; Sino-German Corporate Social Responsibility Project, 2012].

Study of CSR website content of Mainland, Hong Kong and Taiwanese companies

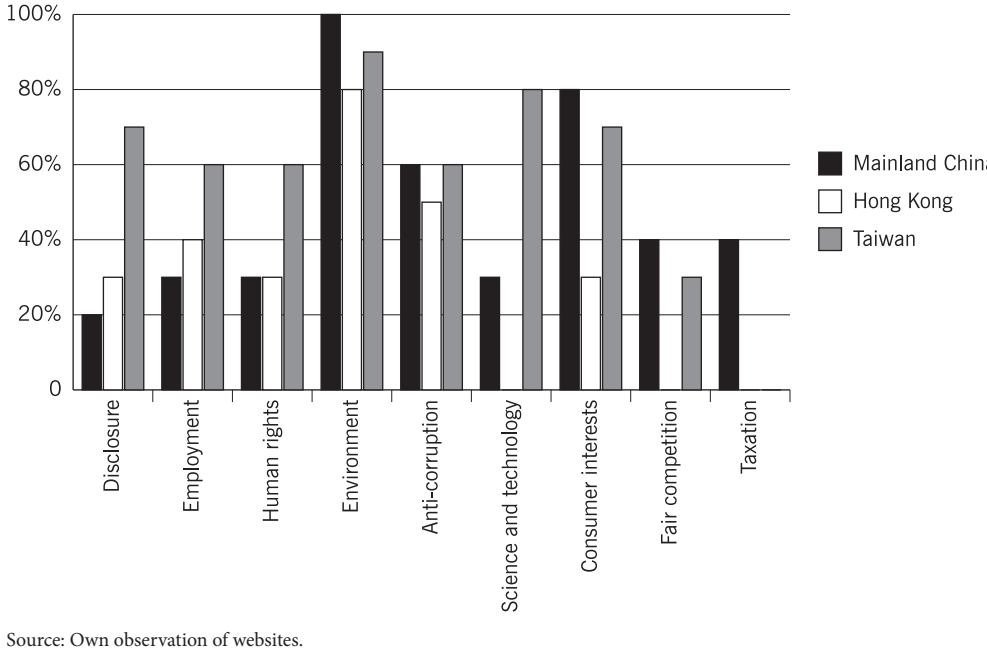
Methodology. CSR elements listed by OECD Guidelines for Multinational Enterprises 2011 and Welford's [2005] internal and external CSR aspects were used to analyze website CSR content of sample companies. In total 30 company websites were analyzed (10 from each region: Mainland China, Hong Kong and Taiwan). The companies from China were chosen among the top 47 firms in the Fortune Global 500 2012 ranking and represent the oil, power, construction, banking, telecommunication, and utility industries. The companies from Taiwan were picked based on the Fortune Global 500 2012 ranking (five of them) and Wikipedia's "List of Companies of Taiwan". They represent the electronics, computer, food, and utilities industries. The Hong Kong companies were picked from the Fortune Global 500 2012 ranking (two of them) and Wikipedia's "List of Companies of Hong Kong". They represent the utilities, real estate, natural resources, engineering and construction, transportation, garments, and electronics industries. The list of analyzed companies is in Annex III. The sample population amounts to 293 companies. The criteria for choosing companies was, apart from the existence of a CSR section on the company website, a store of rich CSR content, preferably containing CSR Reports, which would allow us to explore differences in CSR approaches among the three regions.

Empirical findings. Environment is the main issue to which the investigated companies are committed, with China taking the lead (Figure 6). Consumer interests are

most often addressed by companies from the Mainland and Taiwan while Hong Kong companies show much less concern. Anti-corruption is third in importance and almost equally important for companies from all three regions. Mainland China companies in their CSR communication attach greater importance than their counterparts from Hong Kong and Taiwan to environmental protection issues, consumer interests, fair competition and taxation. Taiwanese companies lead in terms of disclosure, employment, human rights and science and technology (the last is probably caused by the fact that a majority of investigated companies are high-tech companies). Hong Kong companies are least committed to environment, anti-corruption, or consumer interests. Surveyed Hong Kong companies do not address at all science and technology exchange, operating in compliance with fair competition, or paying due taxes. Although not many companies specifically address the issue of lawfully paying taxes, many companies generally state that they abide by laws and regulations. Fighting corruption is most often addressed by companies from the Mainland China, probably due to the government anti-corruption campaign.

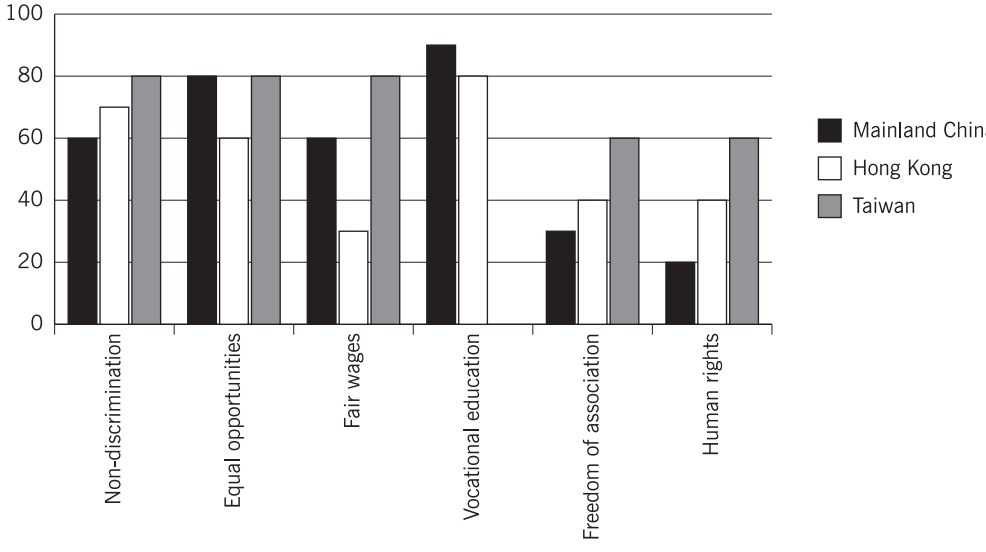
Whatever the region, companies attach more importance to internal CSR aspects than to external ones (Figures 7 and 8). It does not seem so when looking at figure 6 where employment and human rights are reported by 30% of the Mainland, 40% and

FIGURE 6. OECD MNE Guidelines on CSR (share of companies addressing each aspect)



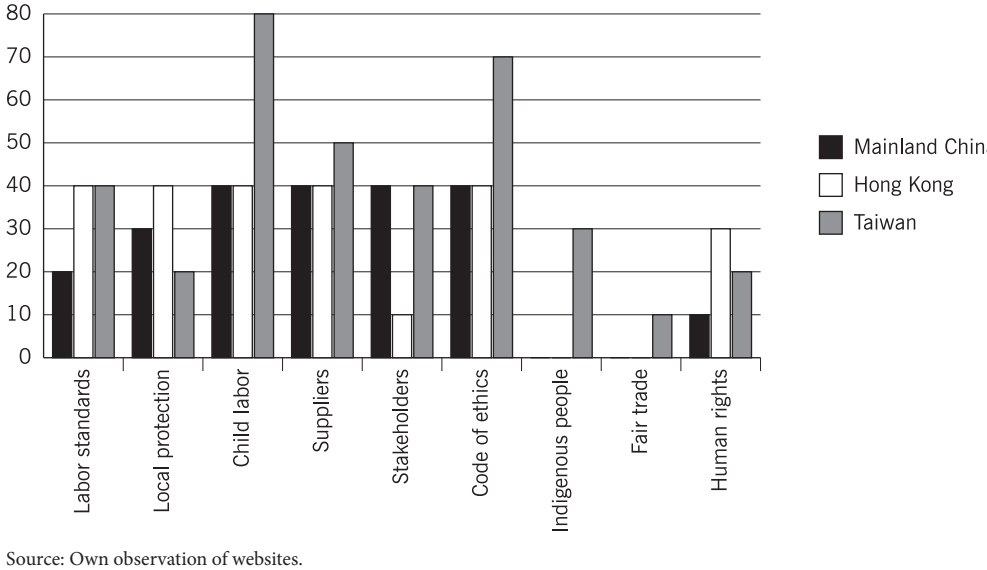
Source: Own observation of websites.

FIGURE 7. **Internal CSR aspects (in % of companies with written declarations on the website or in their CSR reports in the area)**



Source: Own observation of websites.

FIGURE 8. **External CSR aspects (in % of companies with written declarations on the website or in their CSR reports in the area)**



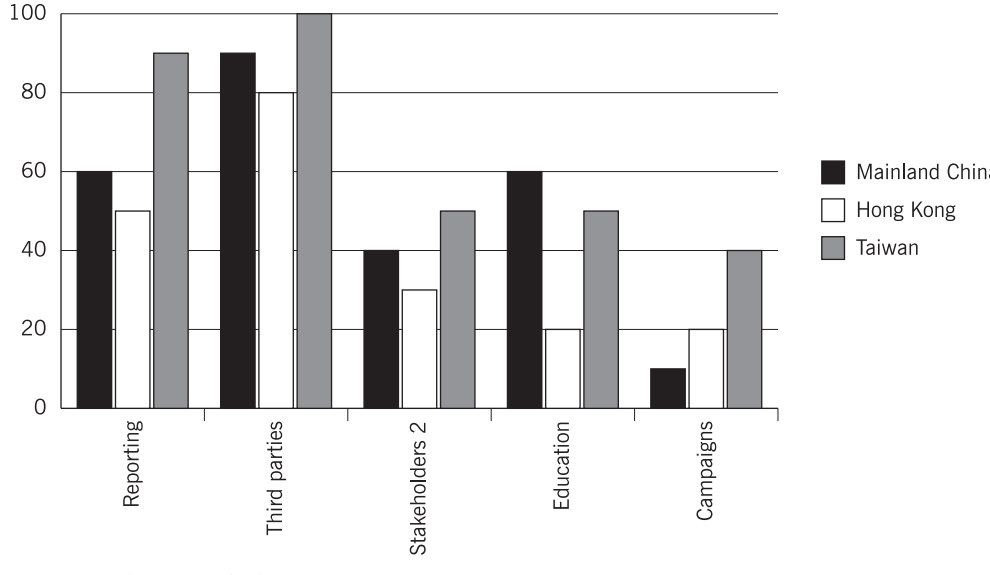
Source: Own observation of websites.

30% respectively of Hong Kong and 60% of Taiwanese companies. It is caused by the fact that employment's integral element is 'freedom of association'. When the latter was not present within a given company's CSR communication, consequently 'employment' was not included. As to internal CSR aspects, the majority of companies provide vocational education. Freedom of association and human rights are least often reported by companies from all three regions. Interestingly, companies from Hong Kong least often commit to guaranteeing fair wages. Taiwanese companies lead in having policies on non-discrimination and equal opportunities.

As to external CSR aspects, in general Taiwanese companies are leading, especially in fighting child labor among their suppliers and issuing company codes of ethics. However, in general all external CSR aspects are addressed by around 40% of companies. No company from Mainland or Hong Kong refers to protecting indigenous people or fair trade.

Taiwanese companies lead in accountability and citizenship activities. Fully 90% of Taiwanese companies issue CSR reports and all of them directly support third-party initiatives (figure 9). The majority of all investigated companies provide direct support for third-party social and sustainable development-related issues. They do it most often through donations, sponsorship and volunteer work. Far fewer companies engage in external campaigns related to raising social and sustainable development issues.

FIGURE 9. Accountability and Citizenship (in % of companies with written declarations on the website or in their CSR reports in the area)



Source: Own observation of websites.

Overall, CSR commitment seems to be the strongest and most developed among Taiwanese companies and the least among Hong Kong companies. The former are also most dedicated to internal and external CSR aspects when compared with Mainland China and Hong Kong enterprises. This may be due to the fact that a majority of investigated Taiwanese companies represent multinationals from the ICT sector with global exposure, such as Hon Hai Precision Industry (owner of Foxconn), Acer, Asus, Quanta Computer, Compal Electronics, and Mediatek. They have been pressed for more socially responsible actions due to the labor scandals at Foxconn in 2010.

A specific feature of Mainland China companies' CSR content is reference to the Chinese government's strategies and the most urgent problems the government aims to solve. This is because most of the investigated Mainland China companies are state-owned enterprises (SOEs). These special issues include: building world class enterprises, contributing to harmonious society and development as well as scientific development, improvement of education, the problem of the growing gap between rich and poor, and protection of a severely damaged environment. These companies also speak about the Party: "Party building", "… promoting ethical Party". Some Mainland China companies when reporting on CSR refer to the UN Global Compact guidelines, ISO 26000 and directives of the Chinese Academy of Social Sciences. Hong Kong companies also refer to the UN Global Compact and additionally some mention the Clinton Global Initiative or the Dow Jones Sustainability Index. Hong Kong companies in their CSR communication also stress their commitment to ensure their workers' work-life balance, which confirms the findings of the Hong Kong Council of Social Services. Interestingly, two of the Taiwanese companies have a special section on shareholders in their CSR reports, which is in line with the American approach to CSR. Additionally, a majority of companies include in their CSR reports the GRI index (Global Reporting Initiative), which is headquartered in the Netherlands.

Obviously, this small sample does not allow for generalization. However, when talking about CSR in Greater China it is valid to refer to Czarniawska's concept of travel of ideas and their translation into local contexts [Czarniawska and Joerges 1996]. The discussion of CSR by a growing number of Western academics and its implementation by more and more companies in the West has also spread to other regions such as Asia. Although many companies refer to the UN Global Compact and GRI Index and thus they incline towards global CSR style, we can see that the concept is implemented in a different way due to cultural differences and specific local problems as well as the government's impact.

Conclusions

CSR has strong empirical and conceptual roots in the USA. Its basic ideas spread to Europe, and later to Asia and developing countries in other parts of the world. The

relevance of location as well as culture has fragmented CSR concepts. From a theoretical point of view, CSR is divided into performance-oriented, awareness-oriented and welfare-oriented concepts. The link to the culture-business nexus allows a return to the geographical dimension of CSR concepts. But the latter is losing its sharpness because of the cultural barriers bridging expansion of MNCs as well as the emergence of hybrid cultures. Last but not least, negative experiences with a growing gap between the CSR ideal and reality have encouraged international organizations to develop catalogs of global CSR standards. Improvements can be observed regarding the commitment to internal aspects of CSR, but external aspects are still lagging behind. This holds especially for companies in China where CSR is still the exception rather than the rule as a management tool. The government has undertaken considerable effort to promote CSR as a part of its policy to build a "harmonious society". SOEs in particular are aiming at following the government's regulations focusing on external aspects of CSR. By contrast, Taiwanese- and Hong Kong-based companies focus on internal aspects such as shareholders-employees and customers-employees balance. In general, all companies follow basic international standards and apply them to local needs. The emergence of a "Greater China" CSR concept is far away from being a realistic project.

Notes

[1] A former version of the paper was presented at the 20th Annual World Business Congress at Poznan University of Economics, 3-7 July 2011, and at the 17th International Euro-Asia Research Conference at the Indian Institute of Management, Noida Campus, 28-29 October 2011.

[2] Goal 1: Eradicate extreme hunger and poverty; Goal 2: Achieve universal primary education; Goal 3: Promote gender equality and empower women; Goal 4: Reduce child mortality; Goal 5: Improve maternal health; Goal 6: Combat HIV/AIDS, malaria and other diseases; Goal 7: Ensure environmental sustainability; Goal 8: Develop a global partnership for development.

[3] See for example the controversy between Hofstede and the editors of the GLOBE study; Hofstede 2006; Javidan et al 2006; House et al 2004.

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