

# Indigenous Characteristics of Chinese Corporate Social Responsibility Conceptual Paradigm

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**ABSTRACT.** The purpose of this study is to identify China's indigenous conceptual dimensions of corporate social responsibility (CSR) and to increase the knowledge and comprehension about CSR in specific context. We conducted an inductive analysis of CSR in China based on an open-ended survey of 630 CEOs and business owners in 12 provinces (municipalities) in China. In the survey, we collected CSR sample responses. After examining the qualitative data, we identified nine dimensions of CSR, among which six dimensions are similar to their western counterparts; however, the other three dimensions were never mentioned in previous literature, which mostly study the cases in the western world. In addition, two of the widely accepted CSR dimensions in the western world have no embodiments in China. A comparative study of CSR between China and western countries also unveiled some unique dimensions of CSR in China. In conclusion, CSR manifested in China is different from that in western countries, and China's CSR is closely related to its social and cultural background.

**KEY WORDS:** corporate social responsibility, conceptual paradigm, inductive analysis, indigenous characteristics

## Statement of the issue

The concept of corporate social responsibility (CSR) was first broached by Oliver Sheldon in 1924, and since then CSR has been construed to express that a corporation not only has economic and legal obligations but also assumes social responsibilities beyond such obligations (Bowen, 1953; McGuire, 1963; Sethi, 1975). Based on the study of his predecessors, Carroll advanced a brand new conceptual framework in 1979. Carroll (1979) took CSR as the sum of

obligations that an enterprise was expected by a society to fulfill, and built a four-dimensional CSR model generally adopted in academia that “the social responsibility of business encompasses the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time.” Subsequently, Wartick and Cochran (1985) showed their integrative study on corporate social performance. Building on Carroll's work (1979) and attempting to construct a general model of corporate social performance, they defined the corporate social performance model as “the underlying interaction among the principles of social responsibility, the process of social responsiveness, and the policies developed to address social issues” and pointed out “the framework of corporate social performance includes economic responsibility, public responsibility and social responsiveness.” Wood (1991) argued that CSR conceptual developments have not been systematically integrated with one another, and integrated much of the previous study in an acknowledged definition of corporate social performance as the “configuration of the principles of social responsiveness, and policies, programs, and observable outcomes as they relate to the firm's societal relationships.” In spite of numerous empirical studies of CSR conception and classification in the academic circle, over recent years, we have seen additional literature coming up to define CSR dimensions or advance new concepts in this field (Swanson, 1995; Wood, 1991; Rowley and Berman, 2000). This suggests that academia have yet to come up with a unified concept of CSR.

After over two decades of hefty economic growth, China has to face the negative effects of economic development. For example, myopic vision has led

enterprises to undermine the environment and cheat their customers for short-term gains, and consequently widen the gap between the rich and the poor, and intensify social conflicts. China's sustainable economic and social development has been impeded due to such problems, and all circles of society have now realized that enterprises must take up their social responsibilities. As a result, the western concept and theory of CSR have become a really hot topic grabbing the utmost attention of government, academia, and enterprises in China. In January 2006, the First International Forum on Chinese CSR was jointly convened by government, enterprise, research institute, and media; in July 2006, a Chinese CSR Survey was launched nationwide. Moreover, a workshop on "the mission of entrepreneurs for social responsibility" was organized by Shenzhen municipal leaders and corporate executives (2006). While western researchers have failed to arrive at a unified concept and dimension of CSR, we have more limited knowledge of CSR under the global backdrop. The existing concepts and measuring indicators of CSR, however, have all been derived by western scholars in their specific cultural background and institutional arrangement using western samples. Therefore, we cannot help but ask: Are western CSR concepts and dimensions suitable for Chinese practice? Does western CSR theory work under China's unique social and cultural background?

In answering these questions, we designed an inductive study based on the corporate development conditions of China and its promotion for CSR. The main objectives of this article are: first, to explore China's CSR dimensions and analyze the main differences of social responsibility behavior between the Chinese and western firms and, second, to build a CSR conceptual framework tailored to China's actual practices to provide a basis for further theoretical and empirical study of CSR and, finally, to increase the knowledge and comprehension about CSR in specific territories.

The remainder of this article is divided into four sections. In the first section, we discuss the theoretical background of CSR diversity. Specifically, we review the China's CSR studies, and found that the CSR concepts and dimensions used by China's domestic scholars are to a great extent built upon the findings of academic studies in western countries. We, therefore, consider indigenous CSR study about

China to be urgent. The second section conducts an inductive analysis of CSR in China based on an open-ended survey of 630 CEOs and business owners, and identifies nine CSR dimensions of China. In the third section, we employ a content analysis to identify the western CSR dimensions firstly. Subsequently, we present a comparative study of CSR between China and western countries and unveil that some unique dimensions of CSR in China and some of the widely seen CSR dimensions in the west have no embodiments in China. The final section concludes with a summary of our analysis and a comment on directions for future research and theory development.

### Study background

In spite of the many definitions of CSR advanced over the past years (Carroll, 1979; Swanson, 1995; Wood, 1991), much debate appears on this complex concept (Rowley & Berman, 2000). As Matten and Moon (2008) pointed out, it is axiomatic for our analysis that we do not define CSR in detail because the meanings and practices of business responsibility in different countries constitute part of the research question. At the same time, they argued that despite a vast and growing body of literature on CSR and on related concepts, defining CSR is not easy. Maignan and Ralston (2002) conducted a comparative study of CSR between different countries in North America and Europe, and the research outcomes showed that there is little evidence to determine that (1) the proposed conceptualization of CSR can be embraced outside of North America, (2) corporate social involvement is driven by the same principles across borders, and (3) CSR principles translate into similar initiatives in various countries. Welford (2005) undertook a survey of CSR in Europe, North America, and Asia and found that individuals and organizations had different conceptual understanding and dimensional classification of CSR under different social and cultural backgrounds and institutional arrangements. Boxenbaum (2006) also put forward similar points of view in this regard and pointed out that there are many and very different CSR constructions, some of which are local or national, although others are more international. Matten and Moon (2008) addressed the question of how and why

CSR differed among countries and how and why it changed, and they conducted a theoretical analysis of systems of business responsibility that was founded on their institutional contexts. Luna Sotorrío and Fernández Sánchez (2008) analyzed the main differences in the level and components of social behavior between European and North American firms, and indicated that the analysis of the country or region factor was a new topic, which had to be investigated to increase knowledge about the factors that could explain CSR.

The CSR concepts and dimensions used by China's domestic scholars are to a great extent built upon the findings of academic studies in the United States and Europe, and few Chinese scholars explored to create a novel empirical measurement of CSR relevant to China's peculiar social and cultural background. Thus, indigenous CSR study about China is relatively lacking. In 2006, the Market Economy Academy at the Peking University published *China's CSR Survey Evaluation System and Criteria* under which the key indicators of CSR include: shareholder interests, social and economic interests, employee benefits, legal responsibility, operation in good faith, charitable responsibility, and environmental protection. Based on his survey of 986 enterprises on CSR, Pei (2006) found the three key indicators of China's CSR were productive environmental expenditures, labor and social security outlays, and tax payments. A special survey, *A Questionnaire of China's Enterprisers in 2007*, indicates that most Chinese enterprisers agree that excellent enterprises must have a strong sense of social responsibility. It also suggests that the main indicators of CSR in China are economy, law, ethics, and social welfare. Some Chinese researchers focus on the relationship between the CSR and financial performance (Guo and Yu, 2006; Li Zheng, 2006; Zhou et al., 2007). While such studies represent a fruitful exploration of CSR theory and practice in China, most of them still intend to validate CSR theories built upon the enterprises of developed western countries. Surprisingly, few scholars have studied CSR in light of China's unique circumstances.

A plenty of cross-national evidences recently indicate that CSR performance and recognition are influenced by cultural and social backgrounds, and CSR definition and dimensions vary from time to

time in different social and cultural ambiances. The cultural background and institutional arrangement are completely different between China and western countries, which means individuals and organizations most likely have different conceptual understanding and dimensional classification of CSR in China. Therefore, undertaking indigenous study based on China's peculiar circumstances, exploring and identifying CSR dimensions in the backdrop of China, and building a set of CSR concepts in tandem with China's specific social background are of realistic significance to further CSR study in China.

## Methodology

### *Overview*

The purpose of this study is to identify China's indigenous conceptual dimensions of CSR. Our study employed an inductive approach to identify CSR dimensions. The following classical procedure was undertaken based on the research approach of content analysis (Bardin, 1993; Neuendorf, 2001), case study (Eisenhardt, 1989), and we followed the same procedure of data collection and coding process as that in the Xin et al. (2002) and Tsui et al. (2006) study. In this study, we collected sample responses from interviewees and incorporated them into corresponding categories through content analysis. We also undertook an open survey of sample enterprises to collect the sample responses of CSR in China and conducted an inductive analysis to derive the dimensions of CSR for Chinese enterprises.

### *Samples*

Our data were based on a survey undertaken by the World Bank and the China Center for Economic Research at Peking University. The survey sample includes 1268 industrial enterprises across China. The data of each enterprise were collected by a survey specialist designated by an affiliate of the National Bureau of Statistics of China. The sample consists of 1268 CEOs or business owners of industrial enterprises based in the 12 provinces and municipalities of Beijing, Shandong, Jilin, Guangzhou, Shaanxi, Chongqing, Jiangsu, Zhejiang, Liaoning, Hubei, and

Inner Mongolia. In the open-ended CSR survey, 630 CEOs or business owners made definitive and valid responses. Therefore, we used the 630 respondents as the sample for this study. In particular, the 630 respondents are widely distributed in different industries. The sample characteristics are summarized in Table I below.

#### Procedures

The World Bank and China Center for Economic Research at Peking University undertook a survey of 1268 industrial enterprises across China from June to October in 2006. In this survey, the National Bureau of Statistics of China designated personnel to send and collect the questionnaire filled out by each enterprise to ensure all the questionnaires were answered and received in the authentic and valid form. The survey procedures are as follows:

First, each CEO filled out an open-ended CSR questionnaire with the aid of survey specialist. The question is: what do you think CSR should include? Please specify five specific items. For each item, there are five blank lines underneath. In order to ensure authenticity of response, our survey specialist was required not to make any guiding explanation in this regard. There were 630 CEOs who made definitive

and valid responses to the questionnaire. Therefore, we used the data of the 630 enterprises in this study.

#### Data coding and category identification

Data were coded to facilitate classification of qualitative data per category or subject with reference to the research templates of Xin et al. (2002) and Tsui et al. (2006) and as per the following classical procedure of Bardin (1993) and Neuendorf (2001). Specifically, we used a four-step approach for qualitative data analysis: Step 1: preparing the statistics of events or items provided by 630 respondents; Step 2: coding the original data per identity; Step 3: identifying the subsets or subclasses of each dimension; Step 4: consolidating the items of each subset or subclass, and classifying, combining, and refining consolidated items to avoid repetition or omission.

*Step 1:* Prepare statistics of events or items. The 630 respondents provided 2811 CSR events or items (4.5 per person). We screened all the items according to a set of criteria, and eliminated 146 items (5.1%) from the sample base due to ambiguous meanings, the same responses from the same corporation, or semantic redundancy. We have still 2665 items in our database after the 146 items were dropped. Most of the 2665 items, however, were repetitively mentioned by respondents as well, but remained undeleted because we were also interested in the

TABLE I  
Sample characteristics ( $n = 630$ )

Characteristics	Frequency	Percentage (%)
Enterprise type		
State or collective-owned enterprise	83	13.2
SOE or collectively restructured enterprise	56	8.9
Private enterprise	341	54.1
Foreign funded enterprise or JV	150	23.8
Organization size		
Less than 100 persons	187	29.7
100–500 persons	275	43.7
501–1200 persons	88	14.0
More than 1200 persons	80	12.7
Educational degree		
Junior high school	21	3.3
Senior high school	127	20.2
Bachelor's degree	371	58.9
Master's degree	111	17.6

frequency at which each item was alluded to by respondents. We reckon that the more frequent an item was mentioned, the more universal the meaning of behavior as described by the item. In this case, we enter into Step 2 to classify sub-items per theme or subject.

*Step 2: Coding of major dimensions.* We coded all the representations by respondents based on the basic framework of classification available in the literature. In the first round of coding, all the representations were incorporated by one co-author into 17 dimensions, whereas, they were incorporated into 19 dimensions by the other co-author. There were 13 dimensions in common between the two specialists, resulting in 89% of conformity (i.e., the two authors incorporated 89% of representations into 13 dimensions). The two authors discussed their differences on other representations. After the discussion, they made a reclassification, and agreed to incorporate all the representations into 15 major dimensions, resulting in 93.2% of conformity. Subsequently, we conducted a 1-h training of two Ph.D. candidates on CSR concepts and asked them to examine the coding results and discuss the areas of disaccord between the two authors. For representations on which the two Ph.D. candidates failed to reach consensus were deemed as ambiguous ones disqualified for further analysis. As a result, we eliminated 135 ambiguous items to form the 2665 samples.

*Step 3: Coding of subclass (i.e., identifying the subsets or subclasses of each dimension).* The two authors worked on a stand alone basis to incorporate all representations into subclasses (for example, “employment” is a major dimension, and the subclasses of “employment” include: increase job opportunities, reemploy lay-offs, ease national employment pressure, and provide jobs for the disabled). In this round of coding, the two authors reached 86% of consistency in sub-classification. After discussing their differences in sub-classification, the two authors reclassified the subclasses of disaccord between them, resulting in 92% of conformity. The two Ph.D. candidates then examined the coding results and discussed the areas of disaccord between the two authors. There were 157 representations further eliminated due to ambiguity and inconsistency. As a result of the second round of coding, we derived the subclasses of each CSR dimension.

#### *Consolidation and refinement*

*Step 4: Consolidation and refinement.* Due to the existence of certain repetition or redundancy in the 15 major dimensions, the two authors worked with a Ph.D. candidate to combine or consolidate some dimensions conceptually similar and to incorporate some of the 15 dimensions into the dimensions devised in a broader sense. Subsequently, we discussed the results of work and reached consensus through rigorous deliberation. As a result, we incorporated the 15 dimensions into 12 broader dimensions (good faith, legal responsibility, economic responsibility, employees, customers, employment, environmental protection, charity, shareholders, creditors, suppliers, social stability, and promote social progress). Given the large sample size (2665), we also eliminated dimensions with less than 30 items on the grounds that if a dimension has few items, it indicates that few people have paid attention to or recognized such CSR. We eventually eliminated another three of the 12 dimensions, including accountability for shareholder interests [19], suppliers [5], and creditors [6]). As a result of the foregoing four steps, we derived 2343 sub-items in nine CSR dimensions.

## **Findings**

### *CSR dimensions in western literature*

This section presents a review of the major dimensions of CSR mentioned in western literature. We also employ a content analysis (Bardin, 1993; Neuendorf, 2001) to identify the western CSR dimensions. The literature review is confined to western literature only because we hope to compare western CSR with Chinese CSR. Moreover, literature review is further limited to the CSR dimensions applied and substantiated in western literature. As a result, we have precluded from reviewing the dimensions discussed at the conceptual level but not yet empirically measured.

In the 1970s, CSR research emerged as an academic theory grabbing extensive attention of scholars (Gallo, 2004). Beginning from 1971, the “Big-8” accounting firm of Ernst and Ernst under the direction of partner Beresford (1973, 1974, 1975, 1976) conducted a text analysis and follow-up study of social responsibilities disclosed by Fortune 500 companies. In the study, they summarized the six

major dimensions of CSR: environment, equal opportunity, employee, society, product and others (shareholder and information disclosure, etc.). Based on McGuire's study in 1963, Sethi (1975) pointed out that social responsibility "will soon elevate corporate behavior to a level consistent with currently popular social norms, values and objectives," and advanced a three-dimensional corporate behavioral model to meet social needs (the three dimensions are: social constraints, social responsibility, and social response). Carroll (1979) built a four-dimensional CSR model generally adopted in academia. In this model, "CSR includes (1) economic responsibilities, (2) legal responsibilities, (3) ethical responsibilities, and (4) discretionary responsibilities." Moreover, the model also includes six extra CSR dimensions: (1) consumerism; (2) environment; (3) racial/gender discrimination; (4) product safety; (5) occupational safety; and (6) shareholder. Based on Carroll's research, Maignan and Ferrell (2000) advanced an enterprise-specific CSR framework, while Wood (1991) built a corporate social performance model (five indices: customers, employees, community, responsibility, sustainability).

Gallo (2004) developed a family business CSR dimension model based on empirical study. In this model, CSR includes internal and external social responsibilities. Internal social responsibility includes: (1) providing satisfactory products/services to the society; (2) creating economic wealth; (3) boosting overall development of internal corporate personnel; and (4) ensuring sustainable corporate development. External social responsibility is mainly reflected in endeavor to correct or obstruct behaviors detrimental to good social affairs. Based on the identity classification principle, subsets (1), (2), and (4) verified by Gallo pertain to his scope of economic responsibility. Therefore, in this study, we include them in economic responsibility and take them as a dimension of western CSR. Besides economic responsibility, Gallo also verified that the bare minimum responsibility of corporation is to operate within the scope as permitted by law. Therefore, we also perceive legal responsibility as a CSR dimension in western literature.

Maignan and Ralston (2002) undertook a survey or investigation of CSR in the United States and Europe (including U.K., France, and the Netherlands), and derived 11 dimensions of CSR in five respects: (1) community stakeholders – art and culture, education,

quality of life, safety and environmental protection; (2) customers stakeholders – product/service quality and safety; (3) employee stakeholders – equal opportunity, health and safety; (4) shareholders – profit creation commitment, information disclosure, corporate governance; and (5) suppliers – equitable opportunity. Luna Sotorrío and Fernández Sánchez (2008) conducted a comparative study of CSR between North America and Europe, and founded the same CSR dimension, including (1) Customers; (2) Employees; (3) Community; and (4) Environment. The research findings of Maignan and Ralston (2002) and Luna Sotorrío and Fernández Sánchez (2008) appeared similar to those of Beresford (1976), and their findings were empirically validated. Moreover, according to the survey of World Bank (2005), CSR in European includes eight dimensions: Compliance with the regulations, Addressing concerns, Ethical conduct, Stakeholder partnerships, Environmental protection, Transparency in operations, Public relations, and Social inequalities correction. Basu and Palazzo (2008) proposed a process model of organizational sensemaking to identify the CSR-related activities, and the organizational sensemaking involves a tripartite view of its essential processes: (1) cognitive (its identity orientation and legitimacy approach); (2) linguistic (modes of justification and transparency); (3) conative (the consistency, commitment, and posture it adopts with regard to its engagement with stakeholders and the world at large). As a result of streamlining and consolidation, we derived the six dimensions of CSR: environment, customer, employee, shareholder, equality, and social donation, and considered them as the important dimensions of CSR.

As a summary of literature review, we eliminated those redundant dimensions and derived the eight dimensions alluded to in western literature: economic responsibility, legal responsibility, environmental protection, consumerism, shareholder interests, employment development, equality, and social donation/charitable causes. Such dimensions and their sources are listed in Table II.

#### *Comparison of sino-western CSR dimensions*

Based on the above inductive analysis, we derived the nine dimensions of CSR in China, and compared them with western CSR dimensions. Our comparative

TABLE II  
CSR dimensions extracted from western literature

Dimension	Description	Sources
Economic responsibility	Create wealth and profit Provide valuable products/services to society Economic growth and efficiency Ensure corporate sustainable development	Bowen (1953), Carroll (1979), Gallo (1980), Eells and Walton (1961), McGuire and Backman (1963), Sethi (1975). Similar dimensions also include “traditional economic role” (Davis and Blomstrom, 1975). Almost all scholars agree on the economic responsibility to be assumed by corporation
Legal responsibility	Abide by law and regulation, operate by law Operate within the scope permitted by law	Carroll (1979), Gallo (1980), Davis and Blomstrom (1975), McGuire (1963), Maignan and Ralston (2002), etc.
Environmental protection	Not act at the expense of environmental degradation and ecological damage Assume responsibility for environmental and ecological problems Environmental protection and safety	Carroll (1979), Gallo (1980), Davis and Blomstrom (1975), Maignan and Ralston (2002)
Consumerism	Product/service quality Consumer safety in using products Refrain from providing false ads Make information public	Davis and Blomstrom (1975), Carroll (1979), Gallo (1980), Tuzzolino and Armandi (1981), Maignan and Ralston (2002)
Shareholder interests	Create profits for shareholders Information transparency, prevent trade corruption Protect small and medium shareholder’s interests Improve corporate governance structure	Eells and Walton (1961), Friedman (1962), McGuire (1963), Sethi (1975), Davis and Blomstrom (1975), Carroll (1979); other dimensions also include “information disclosure” and “wealth creation commitment” (Maignan and Ralston, 2002). The dimension of shareholder’s interests has basically been recognized by all scholars
Staff development	Staff health and work safety Staff skill development and training Physical and mental health and work satisfaction Equal development and promotion opportunities Assurance system and stable income	Gallo (1980); other similar dimensions also include “occupation health” (Carroll, 1979); “equitable opportunity”; and “safety” (Maignan and Ralston, 2002), etc.
Equality	Racial equality (racial discrimination) Gender equality (gender discrimination) Equal opportunity for underprivileged people Equal opportunity for regional development (monopoly)	Beresford (1974), Carroll (1979), Grunig (1979), Maignan and Ralston (2002)
Social donation/charity	Actively conduct charitable activities Actively participate in charitable causes Pay attention to underprivileged social groups Support education, culture, and arts	Carroll (1979); other similar dimensions include “support cultural and art undertakings” and “support and develop education” (Maignan and Ralston, 2002)

study indicates that China's CSR has common dimensions with western CSR and possesses its unique dimensions as well. Common dimensions are conceptually similar to western ones, whereas unique dimensions are noticeably different from those found in western literature. A comparison of Chinese and western CSR dimensions is presented in Table III, including six common dimensions and three unique dimensions (underlined).

As shown in Table III, China's CSR does not include the two major western CSR dimensions of shareholder interests and equality except for common dimensions, whereas good faith and social stability and progress are China's unique CSR dimensions. This table is intended to highlight the characterization of each CSR dimension in light of China's unique background, and to emphasize Chinese unique characteristics (underlined) even of common CSR dimensions (i.e., those common with western CSR dimension).

#### *Common dimensions*

The first common dimension is economic responsibility which requires a corporation to provide valuable products and services to the society, create wealth, and realize profits. The statements of this dimension from the respondents includes "Boost economic benefit, create wealth," "Efficiently provide quality products and services," and "Corporate sustainable development." It is worth noting that the two characteristics of "Promote national and local economic development" and "Technology and innovation" are not covered in western economic responsibility. Economic responsibility encompasses 202 sub-items, accounting for 8.6% of the population.

The second common dimension is legal responsibility which requires corporation to operate within the bounds permitted by law, abide by, and maintain law and order. This dimension has also been generally recognized in western countries. The obligation of tax payment, however, has not been singled out as a western CSR dimension. Statistics show that Chinese corporations have taken tax payment as a very important dimension of CSR. The number of items or samples for tax payment (261) is well above the number of items for "Conduct operation by law" (80), which in aggregate (341) accounts for 14.6% of the CSR population.

The third common dimension is environmental protection for which corporation is obligated to

protect and treat the environment and pursues growth not to the detriment of environment and ecology. Most statements of this dimension just as "Strengthen environmental protection," "Reduce pollution," "Boost effort to harness environmental pollution," and "Conserve resources and boost resource utilization rate." This dimension has also been generally recognized as CSR in western countries. A caveat is that Chinese corporations not only pay attention to environmental protection and treatment but also attach top priority to conservation and reasonable utilization of resources. This point, however, has not been reflected in western CSR. In our survey, we found 382 items for environmental protection, accounting for 16.3% of the population.

The fourth common dimension is that people focus on which corporation is required to pay attention to staff safety and occupational health as well as employees' legitimate interests. Most statements of this dimension involve "Safe production and occupational health," "Staff learning and education," "Ban on child labor," "Staff's legitimate interests, welfare and insurance," "Minimum wage rates and timely wage payment," and "Union and human rights." This is in line with staff interests in western countries. In addition to the western dimension of "Staff health and safety," "Skills training," and "Income," China's dimension of "People focused" also includes "Ban on child labor and forced labor," "Union and human rights." The key western dimensions of "Staff promotion" and "Meaning and satisfaction of work" are not reflected in China's CSR. People focus is the single largest dimension with 565 items, accounting for 24.1% of the population.

The fifth common dimension is customer focus for which corporation is obligated to ensure product quality and consumer usage safety. Most statements of customer focus include "Product quality and safety," "Quality is the life of corporation," "Consumer rights and interests," and "Genuine goods at fair prices." This dimension has also been generally recognized by western corporations. It is worth noting that the characteristics of "Provide no false ads and make information publicly known" have not been reflected in China's CSR. Customer focus includes 156 items, accounting for 6.7% of the population.

The sixth common dimension is charity undertaking, including charitable activities, public dona-

TABLE III

A comparison of sino-western CSR dimensions (China's unique dimension underlined)

Common dimensions	
Western CSR dimensions	China's CSR dimensions
Economic responsibility	Economic responsibility
Create wealth and profit	Boost economic benefit, create wealth
Provide valuable products and services to society	Efficiently provide quality products and services
Economic growth and efficiency	<u>Promote national and local economic development</u>
Ensure corporate sustainability	Corporate sustainable development
Legal responsibility	<u>Emphasize technology and innovation</u>
Operate within the bounds permitted by law	Legal responsibility
Environmental protection	Abide by laws and regulation/conduct operation by law
Not act at the expense of environmental deterioration and ecological damage	<u>Pay taxes</u>
Assume responsibility for solving environmental and ecological problems	Environmental protection
Environmental protection	Strengthen environmental protection, reduce pollution
Customers	Boost effort to harness environmental pollution
Product and service quality	<u>Conserve resources and boost resource utilization rate</u>
Consumer safety in using products	Customer orientation
Provide no false ads, make information disclosure	Product quality and safety
Employees	<u>Quality is the life of corporation</u>
Staff health and work safety	Consumer rights and interests
Staff skill development and training	<u>Genuine goods at fair prices</u>
Physical and mental health and work satisfaction	People focused
Equal development and promotion opportunities	Safe production and occupational health
Assurance system and stable income	Staff learning and education
Social donation and charity	<u>Ban on child labor</u>
Actively conduct charitable activities	<u>Staff's legitimate interests, welfare, and insurance</u>
Actively participate in charitable causes	Minimum wage rates and timely wage payment
Pay attention to underprivileged social groups	<u>Union and human rights</u>
Support education, culture and arts	Charity
	Donation and charity
	Support and participate in social charity
	Pay attention to underprivileged people and schools of hope
Unique dimensions	
Western unique CSR dimensions	China's unique CSR dimensions
Shareholders	<u>Employment</u>
Create profits for shareholders	<u>Increase job opportunities</u>
Information transparency, prevent trade corruption	<u>Reemploy lays-off</u>
Protect the interests of small and medium shareholders	<u>Ease national employment pressure</u>
Improve governance structure	<u>Provide jobs for the disabled</u>

TABLE III

continued

Unique dimensions	
Western unique CSR dimensions	China's unique CSR dimensions
Equality	<u>Good faith</u>
Racial equality (racial discrimination)	<u>Comply with business ethics</u>
Gender equality (gender discrimination)	<u>Operate in good faith, honor contracts</u>
Equal opportunity for underprivileged groups	<u>Social stability and progress</u>
Equal opportunity for regional development (monopoly)	<u>Ensure social stability and harmony</u> <u>Underline</u>
	<u>Serve and repay society, promote social progress</u>
	Support culture, science and education
	<u>Patriotism, promote national prosperity</u>

tion, and paying attention to underprivileged groups. The statement of this dimension from the respondents includes "Donation and charity," "Support and participate in social charity" and "Pay attention to underprivileged people and schools of hope." This is well in line with charity in western countries. Charity undertaking includes 268 items, accounting for 11.4% of the CSR population.

#### *Unique dimensions*

The first unique dimension is good faith which requires corporations to operate in good faith, honor contractual obligations, and provide genuine goods at fair prices. The statement of this dimension from the respondents includes "Comply with business ethics," "Operate in good faith," and "Honor contracts." This dimension is similar to the ethical responsibility put forward by Carroll, but good faith, especially honor contractual obligations has not been identified as a CSR dimension in western countries. As a social responsibility dimension, good faith has received utmost attention from Chinese corporations, suggesting that they have realized the importance of business ethics and cooperative awareness instead of being driven purely by profitability. Good faith includes 128 sub-items, accounting for 5.5% of the population.

The second unique dimension is employment for which corporation is required to provide more job opportunities and ease China's employment pressure. The statement of this dimension from the respondents includes "Increase job opportunities," "Reemploy lay-offs," "Ease national employment pressure," and "Provide jobs for the disabled." Employment is a CSR dimension not generally

recognized in western society, and it is also indicative of China's peculiar historical background and development stage. On the one hand, China has a huge number of jobless people; on the other hand, the massive headcount reduction due to SOE restructuring has received utmost attention of government and business alike. Employment has become a social responsibility generally recognized by Chinese corporations. This dimension includes 149 items, accounting for 6.4% of the population.

The third unique dimension is social stability and progress. This dimension has 152 items, accounting for 6.5% of the population. The statement of this dimension from the respondents includes "Ensure social stability and harmony," "Serve and repay society, promote social progress," "Support culture, science, and education," and "Patriotism, promote national prosperity." The CSR dimension is similar to "Help ease or solve comprehensive social problems" in the words of Davis and Blomstrom (1975) and "Correct or stop behaviors to the detriment of good social affairs" in the words of Gallo (1980), but also has its unique meaning relevant to China. Ensuring social stability and harmony and boosting patriotism (for national prosperity and rejuvenation) is the key characterization of this dimension. This is probably attributable to the Confucius legacy of "Getting rich without paying lip service to state affairs" and "Holding everybody responsible for the rise and fall of our country."

In the meantime, we failed to find trace of the important western dimensions of "shareholder interests" and "equality" in Chinese CSR. There are 19 statements about "shareholder interests" in the sur-

vey, however, they only accounts for 0.7% of the overall sample which includes 2665 statements. Thus, we exclude the dimension of “shareholder interests” in our foregoing analysis since it is still far from being universally accepted by enterprises in China. The phenomenon that the dimension of “shareholder interests” which is widely seen in the west has no embodiments in China seems to surprise us. We believe that this may due to the imperfect market system in China. China’s market economic reform has only undergone three decades. Many problems have come up in Chinese enterprises during the process of transition from a planned economy to a market-oriented economy such as unclear definition of property rights, weak sense of shareholder interests, the absence of systems to protect legitimate rights and interests, and so on. These problems may well account for why “shareholder interests” dimension are not widely accepted in Chinese context. While, The absence of “equality” is probably due to the fact that Chinese enterprises regard such dimensions as internal behaviors, and it is also likely due to more complicated institutional and cultural reasons.

### *Discussion*

These results can be useful for CSR’s western managers as well as for CSR’s Chinese managers. The foregoing results are meaningful. First, the outcomes of our study are helpful for western managers and researchers to understand China’s CSR; moreover, our study urges CSR’s researchers, all around the world to conduct studies, causing them to further understand the local and indigenous CSR’s characteristics of each region, and to increase the knowledge about the factors that explain CSR. Second, the implication of our study for Chinese managers is that an emphasis on unique dimensions of CSR would be better than no emphasis at all as represented by western CSR. However, an emphasis on unique dimensions of CSR may produce the best results in terms of potential CSR performance.

It has been a hot issue in theoretical circles that whether enterprises should take social responsibility or not. China has gone through nearly three decades of rapid economic growth and has made noteworthy achievements in the world history. However, the single profit-maximization-oriented behavior of

myopic-vision enterprises in China has led to a series of social problems. For example, people now are much concerned with food security, illegal operation of the market and stock exchange, ignoring the safety of employees and customs, seriously environment pollution, and so on. All these problems arose by the profit-maximization-oriented corporate behavior will baffle the sustainable development of Chinese enterprises and China’s economy. Thus, it is necessary that enterprises should take up their social responsibility so that they can continue to exist legitimately, which has been realized by the majority of Chinese entrepreneurs. So, what social responsibility should enterprises take up? Our study has made a clear answer to this question, which has an important reference value for enterprise managers and researchers. In detail, corporation should undertake the following six social responsibilities. First, economic responsibility which requires corporation to provide valuable products and services to society, create social wealth, and assure the sustainable development of both the country and enterprises. Secondly, legal responsibility which requires corporation to operate within the bounds permitted by law, abide by and maintain law and order, and tax payment. Thirdly, environmental protection for which corporation is obligated to protect and treat the environment. Fourthly, people focus for which corporation is required to pay attention to staff safety and occupational health as well as employees’ legitimate interests. Fifthly, customer focus, corporation is obligated to ensure product quality and consumer usage safety, and maintain the rights and interests. Finally, charity undertaking, including charitable activities, public donation, and paying attention to underprivileged groups. These six aspects are considered as CSR for not only the Chinese enterprises but also the western enterprises. It is worth noting that, except for the above-mentioned six dimensions of CSR, Chinese enterprises are particularly expected to assume the following three social responsibilities. First, provide job opportunities. Corporation should provide more job opportunities, reemploy those laid off, and ease China’s employment pressure. Secondly, good faith which requires corporation to operate in good faith, honor contractual obligations, and provide genuine goods at fair prices. Finally, ensure social stability and harmony, and promote national development and

prosperity. Our study provides the explicit content of CSR for both the Chinese enterprises and the western firms that tend to invest in China, which will certainly facilitate them to build a more harmonious relationship with the Chinese government, community, and customers.

## Conclusion

CSR got off to a late start in China and has yet to establish a perfect conceptual system. The entire society still has a rather vague understanding of CSR, which has not been generally accepted and recognized by the members of a society. In this survey, we found over one half of or 639 business owners had no idea as to what is CSR or had heard of it and knew nothing about it. Moreover, only 630 business owners described the meaning of CSR, and their understanding was mostly limited to compliance with law, environmental protection, and people focus. Boosting CSR awareness and enabling society, especially entrepreneurs to gain in-depth understanding of their social responsibility is a precondition for CSR construction in China. Such a prerequisite shall also be built upon a whole conceptual framework of CSR. The existing conceptual scope and research templates of CSR are all based on western research and findings. Therefore, it is of top urgency to build a CSR conceptual framework tailored to China's unique situations. As the result of an inductive analysis, we derive the nine dimensions of China's CSR, and define the meaning and key elements of China's CSR, thereby provide a theoretical basis for further study and enforcement of CSR.

We acknowledge several limitations of this study. First, we do not analyze the difference in CSR among three types of firms in China. The economic and market reforms in China have given rise to firms with three distinct type of ownership: state-owned enterprises, domestic private enterprises, and foreign-invested enterprises. As a result of their special institution background and government intervention, these three types of firms (especially state-owned enterprises) have distinct comprehension about CSR. As a next step in this research, it would be important to make a comparative study of CSR for different types of firms. The second limitation lies in the representation of the sample. Although the interviewees of our

survey come from 12 cities from different types of enterprises, they are not obtained by rigorous random sampling method. Therefore, we are not sure whether the dimensions of CSR obtained in our study are applicable to other parts of China or not. As it is pointed out in Tsui (2004), the Chinese sub-groups are quite heterogeneous in many aspects such as the economic and political environment, values, communication style, personality, cognitive style, and so on. These heterogeneities may result in significant differences for different regions. Future research should adopt a more stringent method of random sampling to obtain a more representative sample to verify the CSR dimensions.

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