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CORPORATE SOCIAL RESPONSIBILITIES (CSR) IN

CHINA: EVIDENCE FROM MANUFACTURING IN

GUANGDONG PROVINCE

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2011

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Corporate Social Responsibilities (CSR) in China:

Evidence from Manufacturing in Guangdong Province

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A thesis submitted in partial fulfillment of the requirements for

the degree of Doctor of Philosophy

February, 2010

CERTIFICATE OF ORIGINALITY

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Luo Shaoling

Abstract

Corporate social responsibility (CSR) has attracted attention from not only the competitive business world but also the academia. Meanwhile, China, as a developing country, has aroused global interest with her vigorous economy. This study intends to study how Chinese enterprises look at CSR, how far they have incorporated CSR into their business practices, and benefits brought about by CSR. There are both qualitative and quantitative study involved. The qualitative part draws on in-depth case studies to investigate corporate social responsibility (CSR) in manufacturing in China by addressing three questions, how do Chinese enterprises conceive of CSR, how well have they been doing in CSR, and what are the benefits of undertaking CSR.

Results from the qualitative cases show that the 10 factories studied have taken environmental, employee and community responsibility seriously, while relatively less attention was paid to supplier responsibility. Benefits of undertaking both environmental and employee responsibilities vary from employees' increased pride as members of the organization to better reputation in the community and workplace and better guanxi with local governmental departments, such as the EPB.

The quantitative part examines the relationship between the implementation of corporate social responsibility (CSR) policies and employee attitudes, focusing in particular on whether the implementation of CSR is associated with employee commitment to the company. Drawing on social identity theory, it was hypothesized that CSR is positively associated with employee commitment, and that the relationship is mediated by perceived organizational identity and construed external image. Respondents include managers and manufacturing employees (n=343) from 30 cutlery factories in a city in Guangdong Province, China. CSR was assessed by managers at the organizational level, and employee attitudes were self-reported by individual-level

employees. HLM analysis indicated that CSR was significantly associated with affective and normative commitment, and perceived organizational identity and construed external image fully mediated the impacts of CSR on affective commitment and partially mediated its impacts on normative commitment. The result of the quantitative study is consistent with that of the qualitative one. While empirical evidence on CSR in China is scarce, this study suggests that CSR practices elicit a positive response from employees and provide benefits in terms of reputation building. Implications for the theory and managerial practices are also discussed.

Acknowledgements

First of all, I am deeply obliged to my supervisor, Prof. Carlos Lo Wing Hung. Without his guidance, support and suggestions throughout my PhD study period, the writing of this thesis would not have been possible.

I would also like to thank Prof. Ed Snape, my former co-supervisor, who gave me many stimulating suggestions during his stay at the Polytechnic University.

My gratitude likewise goes to the scholars in the Management and Marketing department, especially Prof. Paul Ellis, Dr. Huang Xu and Wang Chongwei, who made countless constructive suggestions.

I would further like to thank the lovely staff in the general office of the Management and Marketing department, especially Matha, Dora and Uncle On, for their kind help during my study. My thanks should also be extended to all of my fellow students at the Polytechnic University, especially to Steven Ren Jifan and Simon Chan.

Last but not least, I would like to express special thanks to my husband, Lin Shisong, whose support and encouragement was the driving force for me to finish my study.

Table of Contents

Chapter 1: Introduction

1.1 Research Background _ Why this Topic?

Corporate Social Responsibility (CSR) has become an increasingly hot topic around the world. For example, the contaminated San Lu milk powder raised public concern and criticism revolving around firms' dishonesty and irresponsibility; the revelation that underage kids were being employed by suppliers of Nike and Adidas shocked their customers; and many other similar incidents have been uncovered in developing countries.

Scandals in such large companies have not only attracted public attention to corporate social responsibility (CSR) but also resulted in increasing academic interest. CSR has attracted a great deal of management attention in academia in recent years (Shafer et al, 2007; Wanderley et al, 2008; Branco, 2006). Studies have shifted from pure debates on whether/why/when to conduct CSR practices, to the consequences/benefits of undertaking CSR practices. Scholars suggest that unless organizations recognize the importance of CSR, they cannot grow in the long run, since deteriorating relationships can cause devastating troubles such as investor protests, employee strikes, community boycotts and consumer dislikes, which will, to a great extent, damage a firm's image and routine operations (Sims, 2003).

Much of the past work on CSR revolves around the relationship between CSR and financial performance, and most of these studies have examined CSR in developed economies (Alexander and Buchholz, 1982; Aupperle, Carroll and Hatfield, 1985; Ullman, 1985; Shane and Spicer, 1983). However, the findings have been mixed, with studies showing a positive (Waddock and Graves, 1997), a negative (e.g., Vance 1975), and no significant relationship (e.g., Aupperle et al, 1985) between firms' implementation of CSR and their performance.

Recently, studies have begun to address the non-financial consequences of CSR. Many suggest that corporate image/reputation is a distinct dimension related with CSR (Aperia et al, 2004; Dowling, 1986; Mael and Ashforth, 1992; Zeina, 1998; Cone et al, 2003; Ysanne and Faulkner, 2004), and that, from a resource-based perspective, CSR benefits are mostly reflected in corporate reputation (Branco and Rodrigues, 2006). Fombrun and Shanley (1990)'s study of 292 U.S. companies showed that reputation building was directly associated with corporate social responsibility, and McWilliams and Siegel proposed that support for CSR creates a reputation that the organization is "honest and reliable" (McWilliams and Siegel, 2001: 120); many other studies have also attempted to link CSR and corporate reputation (Branco and Rodrigues, 2006; Schnietz and Epstein, 2005; Pfau et al, 2008).

For instance, outcomes such as reputation and prestige have received considerable attention from scholars of marketing (e.g., Brown and Dacin 1997; Sen and Bhattacharya, 2001; Yoon and Gurhan-Canli, 2003). In the management

literature, reputation and image have been found to be directly associated with the extent of a company's social performance. Miles (1987), for example, indicated that image and reputation are one of several criteria for assessing corporate social performance, and others have argued that corporate image and reputation are outcomes of CSR (Aperia et al, 2004; Dowling, 1986; Mael and Ashforth, 1992; Zeina, 1998; Cone et al, 2003; Ysanne and Faulkner, 2004). Additionally, scholars have suggested that good corporate image and reputation can be converted into competitive advantages in terms of human resources management, for instance, recruitment and retention (Turban and Cable, 2003; Turban and Greening, 1996), and employees' attitude and behavior (Albinger and Freeman, 2000; Backhauset al., 2002; Fomhrun & Shanley, 1990).

In this study, we investigate the relationship between CSR and employee commitment in Chinese manufacturing firms. Based on social identity theory, we suggest that the CSR commitment relationship is mediated by two types of corporate image: perceived organizational image (POI) and construed external image (CEI).

1.2.CSR in the Chinese Context_ Why China?

While western countries are facing severe financial problems, China has shown that economic growth remains strong and hits at least 8% every year. China's helping the US out of financial crisis by offering USD 585 billion to rescue the U.S. financial market has definitely confirmed her important place in the world. However, much of the past work mentioned above examined CSR in developed economies, and little attention has yet been paid to CSR in developing countries such as China.

Jamali (2007) suggests that the institutions, standards and systems that are the foundation of CSR development are relatively weak in developing nations. Kemp (2001) also suggested that a lack of government support and promotion, less constant pressure from government and media surveillance are also obstacles to CSR in developing countries. It may be that in developing countries CSR depends to a great extent on voluntary and altruistic motivations by business. Certainly, our knowledge of CSR in developing countries is relatively limited. Is this the case in China?

While there is a lot of argument on whether China's economy is market-driven or centrally planned, another problem is whether China can provide effective regulatory control to stop dishonesty and fraud in the market. Before the open policy was introduced, everything was under the control of the central government and there was no free trade in China, but now anyone can set up a private firm. The dramatic changes excited millions of people but also worried many, since if there is no effective

11

regulatory system, such changes will only benefit those who have power and "guanxi", and thus invite corruption. To deal with this problem, China's government has adopted both regulatory control and media publicity.

On the one hand, the Company Law, amended in 2005, came into force in China on 1st Jan, 2006; it is a key milestone for CSR development because it states that companies must adopt CSR while pursuing profits. Accordingly, the government has placed more and more pressure on the labor and social security departments, the environmental protection bureau and the administration of work safety, emphasizing the development of a balanced society. For instance, the head of the environmental protection bureau of LiuYang City, Hunan, was deposed and is now under judicial judgement following a serious pollution accident, and the director of administration of work safety in Henan province was also recalled due to his ineptitude at preventing serious mishaps. Similarly, in some cities in Guangdong Province, failure to meet the requirements of the provincial government for two consecutive years will lead to dismissal for the director of the environmental protection bureau. Moreover, a more stringent policy has been implemented. In Guangdong Province, a firm needs to submit an environmental appraisal report when it registers with governmental departments. By such regulatory means, irresponsible environmental practices can be effectively prevented from the beginning.

On the other hand, the important roles of the mass media are valued by the Chinese government. In many lines of work in China, the primary task is to survive under stiff competition from domestic and foreign markets. The bankruptcy of a number of state-owned enterprises has lowered workers' expectations from cradle to grave welfare to a stable income. Millions of laid-off workers have low education and skill levels, and their greatest concern is to make a living. Unless the whole society values

CSR, organizations will not feel obliged to adopt it. Under such circumstances, the Chinese government must rely on the mass media to supervise and stimulate enterprises, as well as workers, to recognize CSR. In the last few years, many CSR evaluation and award ceremonies have been held by the mass media (e.g. CCTV), economic journals and relevant committees. In the past, the news media in China have published very little in terms of disclosing the misconduct of companies in CSR, however recently, more and more positive examples have been reported (CSR Report of China by Oxfam, 2006). Multinational companies such as Kraft, Nestle, and Citroen have proactively implemented CSR, while many state-owned enterprises like the China National Offshore Oil Corporation and the Shanghai Pudong Development Bank have issued annual CSR reports; some case studies also show empirical evidence of certain private enterprises' (e.g., Ginwa Group Ltd, Chigo Air Conditioning Company) commitments to CSR. The exposure of best practice to the public may play a role in delivering positive messages to the business sector and inviting new responsible enterprises. Simultaneously, the public can learn more about their rights as employees, suppliers, investors and consumers.

China has also promised to reduce carbon dioxide emissions per unit of GDP in 2020 by 40 to 45 percent compared with the level of 2005, which undeniably shows the Chinese government's determination, efforts and orientation in global environmental responsibilities. With the growing bargaining power of China in international relationships, there is more and more interest in studying CSR in Chinese enterprises.

1.3 CSR Research in China

Public voices clamoring for CSR in China are louder than ever. Given China's increasingly important role in the global economy, more attention should be paid to

CSR in China. China's foreign trade volume is edging the country from sixth position to third on the world trade chart, and the trade surplus is increasing every year, which has annoyed some developed countries such as the US and some European countries. In the last two decades, foreign investors have come up with some new CSR-related standards (e.g: SA 8000 and ISO 14000) as a premise for the continuity of trading business. Such standards have led to heated debates amongst Chinese scholars on whether China should apply these standards. Two main opposing voices exist.

One objecting point of view is that these standards will jeopardize China's advantage in the supply of cheap labor. Liu (2004) estimated that 85% of existing Chinese enterprises will become bankrupt once they are forced to adopt such standards, Chinese firms' major advantage in cheap labor will disappear, and foreign investors will seek substitutes in other Asian countries such as Thailand and Vietnam. Consequently, the whole economy will face great challenges or even collapse. Furthermore, existing CSR are strategy-driven and market-oriented (Ramasamy, 2009; Qu, 2007; Zu and Song, 2008).

By contrast, many Chinese scholars suggest that CSR pressures may gradually inspire Chinese firms to demand better governance, to operate in a more sustainable and humane manner, so that the Chinese government can do a better job of enforcing CSR practices (Xu and Yan, 2007; Li, 2007). Furthermore, many studies have shown that undertaking CSR will not lead to bankruptcy but to sustainable development, and this is true not only for large MNCs, but also for private enterprises. Xu and Yan's 10 case studies among SMEs in China also suggest that CSR practices emerge in many small and medium enterprises (CSR report of China by Oxfam, 2006; Xu and Yan, 2007).

Actually, the fear of losing foreign investments should not be an excuse to escape from undertaking responsibilities. A child can never learn to walk without taking

a first step. Similarly, Chinese enterprises can never get rid of the label of irresponsibility without enacting practical measures, and it is up to Chinese entrepreneurs when to undertake CSR and how to adopt CSR practices according to their own pace.

In the literature, it is not hard to find case studies on CSR practices in Chinese enterprises (Tsoi, 2010; Zhang et al, 2009; Gao, 2009), but quantitative research is much more scarce. Hence, this study will focus on CSR in China, specifically in Chinese enterprises in the city of Yangjiang, a city located on the southwest coast of Guangdong Province, popularly known as 'the Chinese City of Knives and Scissors', with the aim of filling the research gap with both quantitative and qualitative studies.

1.4 Problem Statement

In western literature, few studies have investigated the impact of external CSR strategies on internal stakeholders and in particular on their work attitudes (Peterson, 2004). Brammer et al (2007) were the pioneers linking CSR with organizational commitment; however, they specifically examined the impact of three aspects of socially responsible behavior on organizational commitment: employee perceptions of external CSR and in particular corporate social responsibility in the community, procedural justice in the organization and the provision of employee training. They conducted their study with single company samples, with CSR measured by employees at the individual level. Their variance in CSR is thus entirely perceptual. Our approach is rather different, in that whilst we are interested in the impact of CSR on individual employees, we conceptualize CSR as a company-level construct, measured by managers from 30 different companies. In addition, we utilize a more comprehensive CSR construct, including six stakeholder aspects of CSR. Today, an organization itself is a mini complex society, which is required to cater to the interests of many people within

the vortex. These people have been categorized as six stakeholders to corporations: customers, the environment, suppliers, the community, employees and investors.

The mediating effect of POI and CEI in the relationship between CSR and employee commitment was also broached. Many studies of CSR have looked at corporate image from the perspectives of outsiders (Turban et al, 1996; Pfau et al, 2008) or adopted Fortune Survey ratings (Fombrun and Shanley, 1990). Drawing on social identity theory, our approach is to examine these images at the level of the individual employee.

In this study, we attempted to address these two problems: how far Chinese enterprises have gone beyond legal responsibilities, and whether employee commitment is a benefit of undertaking social responsibility in the Chinese context.

1.5 Objectives of this Study

Given the gaps in the past studies, this research aims to give a better portrait of corporate social responsibility in China and to generate a better understanding of the consequences of adoption of CSR in China. Specifically, this study has these objectives:

First, to investigate how far Chinese enterprises have undertaken corporate social responsibilities. To answer the "how" question, the best way is to employ a qualitative approach. A case study was adopted as a pilot study in order to ensure the existence of CSR in our sampling.

Second, to develop a conceptual model of the relationship between CSR and employee commitment, with the mediating effect of POI and CDI. That is, to investigate CSR impacts on employees' commitment through employee attitudes.

Since the purposes of this study were two-fold, it was conducted in two phases. The qualitative one aimed to address the "how" question, while the quantitative survey

was designed to test the conceptual model.

1.6 Research Design and Methodology

A qualitative study based on case studies and in-depth interviews was employed in part one of the study. Based on cases studies of enterprises in China, the specific objectives were to answer these questions:

a) How do Chinese enterprises conceive of CSR?

b) How well have they been doing in CSR?

c) What are the benefits of undertaking CSR? Will employee commitment be enhanced because of CSR implementations undertaken by companies?

The objectives of this study are to investigate CSR in China and its consequences. To study enterprises in China entails consideration of her complex political and business environments and specific culture, which requires qualitative research and data. Meanwhile, to explore individual behavior within an organizational context requires quantitative study. In addition, the research questions asked in part one (qualitative case studies) mainly focused on managers' perception of CSR and its influences, which will serve as preliminary insights and a qualitative basis for part two. In addition, part one will evaluate the nature of the CSR construct in China and examine its meaning to Chinese corporations and employees, which as a whole will help to ground and justify the model in reality. Based on this foundation, part two (the quantitative study) will explore further into CSR's consequences for corporate image (POI and CEI) and go further to investigate its impacts on employees' organizational image and commitment.

With the aid of the Yangjiang Bureau of Environmental Protection and one of the largest exporting companies in Yangjiang, we gained access to 10 factories that were

performing comparatively well in terms of corporate environmental responsibilities in the city. Another 20 factories were accessed with the assistance of the exporting company, which has a very close relationship with most of the factories in Yangjiang, since most of their production output is exported to Europe and America through this exporting company. Half of the 20 companies are ordinary factories of medium size and with normal performance in corporate social responsibility, while the other half were smaller ones with fewer resources and attention paid to corporate social responsibility, according to the assessment of the director of the exporting company.

Senior plant managers provided ratings of their company's CSR implementation. Employees rated their perceived organizational identity, construed external image, and employee commitment, and provided demographic data in a self-completion questionnaire. Thus, 30 companies with around 15 informants from each organization were surveyed. After listwise deletion of missing values, 343 employees' and 30 employers' questionnaires were involved in the research.

1.7 Significance of this study

This thesis contributes to the literature in several ways. First, it fills the research gap in the literature by examining CSR in China. While China is the world's factory and plays an increasingly important role in the global economic system, this study can help westerners to understand the situation in China concerning CSR. Meanwhile, the positive consequences of CSR in terms of reputation, employees' attitude and behavior may help convince more Chinese enterprises to take up CSR in the near future.

Secondly, for the first time in the literature, we examine the processes through which CSR impacts employee commitment. Organizational reputation and employees' perceived organizational identity and construed external image are distinctive concepts

(Dutton and Dukerich, 2001). Since corporate image refers to the global valuation that outsiders have about a company (Dutton et al, 1994: 19), and perceived organizational identity and construed external image are the views of members of the company (Dutton et al, 1994), our data were collected from individual employees. Drawing on social identity theory, this study provides additional evidence on how POI and CEI mediate the relationship between CSR and employee commitment.

Thirdly, the approach of this study was rather different. We utilized a more comprehensive CSR construct, including six stakeholder aspects of CSR, adopting a multi-level analysis of Hierarchical Linear Modeling. This study covers two levels of data, with CSR from the organizational level and the other constructs (e.g. POI, CEI and employee commitment) from the individual level, thereby expanding the levels of analysis of CSR studies.

1.8 Structure of this Study

This proposal will be divided into five chapters. This chapter includes the research background of the study, its objectives and significance. The next section will be the theoretical background of this study, which will include conceptualization, development and perspectives of CSR, as well as a review of the Chinese current situation in corporate social responsibility, with an introduction to corporate image and employee commitment as non-financial consequences of CSR. In chapter three, hypotheses will be developed on the basis of the rationale presented in the previous section. The method employed will be presented separately in qualitative and quantitative studies in chapter four, involving descriptions of case selections and methods employed to conduct qualitative and quantitative research. Finally, in chapter five, the findings will be presented.

Chapter 2: Literature Review

This chapter comprises four sub-sections. We will begin with a review of CSR in western literature. Western literature on CSR mainly focuses on these 5 questions:

1. Whether to adopt CSR?

2. What are the definitions/approaches/strategies of CSR?

3. What are the antecedents/driving forces of CSR?

4. What CSR practices have prevailed?

5. What are the consequences/benefits of CSR?

Therefore, the first sub-section will revolve around these five questions, including debates, definitions, perspectives, antecedents and consequences of CSR. The second sub-section will focus on corporate image as one of the consequences of CSR, and some extended concepts such as perceived organizational identity (POI), construed external image and reputation (CEI). CSR's influences on employees' attitude (e.g. employee commitment) through corporate image will be presented in the last sub-section, as along with the gaps in the literature,. All these serve to lay a foundation for the hypotheses development in the next chapter.

2.1 Corporate Social Responsibility (CSR)

2.1.1 Roots and development of CSR: Whether to adopt CSR?

The concept of CSR has been a target of scrutiny in western literature. As Hopkin stated, the issue of CSR was first introduced in a debate, "For whom are corporate managers trustees?", between two western scholars early in the 1930s - Merrick Dodd from Harvard Law School and Adolf Berle from Columbia Law School. While Berle believed that managers of corporations are agents of shareholders, whose responsibilities are mainly to exercise their power only for maximizing shareholders' profits, Dodd disagreed and argued that managers should also have a sense of social

responsibility and cater to the interests of consumers, employees and the public (Gamble and Kelly, 2001).

Later, two contrasting approaches emerged. One, led by Milton Friedman, became known by his frequently-quoted assertion that "the social responsibility of business is to increase its profits" (Friedman, 1970: 32). Supporters, like some agency theorists, claimed that managers of a firm were agents who made decisions on behalf of the firm under the control of shareholders, and their primary role was to efficiently seek financial performance and increased profits. Similarly, another Nobel Prize winner, Hayek (see Gamble and Kelly, 2001), described CSR as a kind of coercion. He criticized CSR as shifting the responsibility of government to profit-seeking organizations, such a shift leading to potential crises in which government would impose more on corporations' free will to decide whether or not to implement CSR in the future.

Actually, in the business-society literature, the concept of CSR has experienced challenges from not only traditional agency theorists but also modern liberal economists. Conventional economists were impressed by the belief that the shift of social activity would have a substantial effect on costs and demands, and they worried that any change in business operations might threaten the efficiency and technical competence of a firm (Bowen, 1953). They believed that all these conflicted with the principle of profit maximization that was deemed by modern liberal economists to be a basic logic and analytical instrument.

Furthermore, in the revival of interest in economic history, neither the conventional nor the newer econometric school has emphasized the corporation-society problem (Preston, 2001). They regard social welfare as the aggregation of individual welfare, and consider that the market itself can balance the interests of social welfare

and finally realizing optimal allocation of social resources (Quinn and Jones, 1995). For instance, Adam Smith assumed that the "invisible hand" of the market could transform self-interest into social benefits. Therefore, they suggest that a win-win situation can be gained automatically within an efficient market, and that CSR is unnecessary.

However, these economists and the agency theorists have received criticism from an opposite perspective for their failure to obtain empirical evidence supporting their ideal win-win situation. After all, whether the free market can result in distributive justice is still unclear (Cooper, 2004). The fact is that even in some developed countries such as the UK and the US, governments' intervention is in the market remains considerable, particularly in critical economically turbulent times. For instance, during the financial crisis of 2008, the US government repeatedly interfered when its economy was in recession. Criticisms of this kind are frequently accompanied by numerous organizational and managerial analyses to justify the importance of adopting CSR (Freeman, 1984; Blair, 1995; Freeman, 2001). According to Carroll and Buchholz, serious human and social problems caused by large corporations should be solved by proactive strategies, since it will be more costly in the long term if organizations postpone CSR practices. As Carroll states, although some of the objections to CSR might have been justified at that time, it is doubtful that they carry much weight today (Carroll and Buchholz, 2006:42).

Furthermore, the stakeholder theory, regarded as the "polar opposite" of the agency theory and widely accepted by CSR scholars, focuses on six groups of stakeholders for whom corporations should undertake responsibilities: customers, employees, suppliers, investors, communities and the environment (Clarkson, 1995). The stakeholder perspective and the agency theory conflict with each other regarding the means of achieving benefit to society. While the agency theory insists that the

market could balance and optimize social welfare through wealth maximization, stakeholder theory advocates believe that it is corporations' responsibility to create social benefits.

The debate between these two categories continues. However, certain special events such as the collapse of Enron and the sales of contaminated food have evoked increased public support and awareness of CSR. As a result, citizens are more cynical about their governments and blame their indifference for the need to engage in CSR, consumers distrust manufacturers and their products, and society is increasingly concerned with ecology and human rights. All these together have contributed to the development of CSR (Hopkins, 2003).

More surprisingly, some traditional free market theorists who used to reject the concept of CSR, such as Berle, have shifted their position and come to accept the concept of CSR. In the late '80s, even Friedman (Friedman, 1980) changed his fundamental stance to advocate that profit maximization and CSR can be complementary on condition that CSR can bring about direct economic interest and that managers as agents have received permission from shareholders. Although they still emphasize the principle of profit maximization, to a great extent they have recognized the importance of CSR. Actually, there is no point in setting CSR against profit-making. Large corporations and multinational organizations nowadays have contributed to CSR successively with high profitability, while more and more companies have come to recognize that CSR and profitability can coexist.

Today, voices concerning CSR are louder than ever, and CSR is on the agenda of corporations and governments around the world. Organizations continually encounter pressure from multiple stakeholder groups to implement CSR. In the US, more than US$ 1 trillion is invested in socially and environmentally responsible portfolios, and in

UK pension funds, trustees must declare their socially responsible investment in their statement of investment principles (Crowther and Rayman-Bacchus, 2004). Not only in the practical field, but also in the academic world is CSR gaining currency. Actually, it has attracted a great deal of attention in recent years, both in developed and developing economies (Shafer et al, 2007; Wanderley et al, 2008; Branco, 2006). In the next section, we will review several dominant approaches of CSR.

2.1.2 Definition of CSR - What is CSR?

The concept of CSR is still vague, and it can mean different things to different people (Crowther and Rayman-Bacchus, 2004). According to Crowther and Rayman-Bacchus, there are three levels of CSR definitions. Firstly, the broadest level of definition puts emphasis on the relationship between the global corporation, governments and individual citizens. For instance, some debates on governments' role in markets can be interpreted at this level.

Secondly, a narrower definition focuses on the relationship between a corporation and the local society. McWilliams and Siegel defined CSR as follows: (2001:117)

> *"Actions that appear to further some social good, beyond the interests*
>
> *of the firm and that which is required by law"*

The strengths of this definition lie in its emphasis on the relationship between the corporation and society. However, the nature of CSR, such as its economic, ethical and philanthropic characteristics, has been neglected. In addition, this definition constrains CSR as actions, and ignores the non-behavioral aspects such as its vision, value and plans.

The third level is mainly concerned with the relationship between corporations

and stakeholders. For example, Hopkins relates CSR to stakeholders.

> *"Concerned with treating the stakeholders of the firm ethically or in a responsible manner"* *(Hopkins, 2003:1)*

This statement is attractive since it acknowledges the impacts of stakeholders on CSR. He chose to look at the relationship between corporations and stakeholders and emphasized the objectives of CSR, which are implicit in other definitions. In fact, for organizational studies relating to marketing and management, definitions at the third level are more appealing.

Actually, to better understand the meaning of CSR, one method is to understand its nature. Among various definitions of CSR, Carroll's four-part model is the most widely cited since it incorporates CSR's economic, legal, ethical and philanthropic nature, and offers an encompassing model: First, corporations have the economic responsibility to make a profit. Second, they need to abide by the law. Third, they have to take up the ethical responsibility to ensure justice and fairness, and fourth, they have the philanthropic responsibility to serve society, the community or education (Carroll and Buchholz, 2006).

Clarkson further integrated stakeholder theory with CSR and identified six stakeholders: customers, employees, suppliers, investors, local communities and the natural environment. This approach has been widely accepted by CSR scholars (Clarkson, 1995; Mitchell, Agle and Wood, 1997; Starik, 1995).

To embody the above-mentioned characteristics of CSR and in line with the present study's focus, we define CSR as

> *Beyond the requirement of law and characterized by economic, legal, ethical or philanthropic motivations, the visions, plans and practical implementations initiated by firms to further pursue the interests of*

their customers, employees, suppliers, investors, communities and the

natural environment.

This definition integrates CSR's four natures and six stakeholders as motivations, and interprets CSR as not only practices but also visions and plans, in order to show the strategic aspect of CSR. To better understand and conceptualize CSR, a comparison with similar terms may help.

2.1.2.1 Distinguishing CSR from similar constructs

Carroll's fourth level of CSR also gave rise to another concept – corporate citizenship (CC). Actually, with the popularity of CSR in the academic world, many similar constructs have emerged, such as corporate social performance (CSP), corporate citizenship, corporate responsiveness, corporate governance, social philanthropy, etc.

These terms share some similarities (as shown in Chart 1).

Chart 1

Comparing CSR with relevant constructs

Meanwhile, Corporate Social Responsiveness revolves about strategic aspects of

CSR, and focuses on responding management strategy to social demands. CC, as mentioned above, reflects the fourth responsibility of CSR and emphasizes the

Despite their relevance to CSR, they seem to focus on only part of CSR. Given the plurality of the conceptualization of CSR, its four-part nature may help distinguish CSR from other relevant terms. Corporate governance, for instance, attaches great importance to the economic aspect of CSR (the first responsibility) such as capital flow, transparency and information disclosure. Hence, the concept of corporate governance is most frequently broached in economic and accounting fields. CSP, on the other hand, focuses on the outcomes of CSR (Matter and Crane, 2005). It outlines social responsibility and social issues in order to test its consequences.

Corporate citizenship (CC) mainly emphasizes individual rights. According to Aperia et al's survey findings, employees' treatment of CSR is the most essential aspect as far as corporate citizenship is concerned (Aperia, 2004). As for social philanthropy, it is self-evident that it refers to the charitable and philanthropic nature of CSR. Overall, these constructs can hardly encompass all the concerns of CSR, therefore, in this present paper, the adoption of the term CSR is not only because of its popularity in the management field, but is also attributed to its comprehensive nature and content.

2.1.3 Perspectives on CSR – what are the approaches and strategies?
2.1.3.1 Carroll's CSP model

There are different voices on CSR's definition, and similar terms also enrich the literature. To make it more pragmatic, a model that focuses on the results of CSR has emerged, which is the corporate social performance (CSP) model. As sketched by Preston (1975) and Carroll (1979), the CSP outlined and categorized social responsibilities into three dimensions. First, the four-part definition of CSR mentioned

above. Second, the process of social responsiveness, which is the strategy continuum that includes four stages: proaction, accommodation, defense and reaction. The third dimension revolves around the social and stakeholder issues such as consumerism, the environment, discrimination and safety.

Carroll's CSP model incorporated the content of CSR (the four parts), the objects of CSR (stakeholders), and the different stages of strategy (proaction, accommodation, defense and reaction). Hence, it integrated economic concerns and outcomes into a social performance framework and also provided managers with a tool for planning better social performance. Later on, the CSP model was extended and revised. Wartick and Cochran (1985) expanded this model and depicted CSP's three major components. The first included the principles of CSR, which reflects a philosophical orientation. The second component focused on the process of responsibility, which reflects an institutional orientation, while the third component was social issues management, which reflects organizational orientation. By this means, he broached the concept of social issues management, which gradually raised scholars' interest in the relationship between a firm's social responsibility performance and its financial performance.

A number of studies investigated the relationship between CSR and financial performance. As Carroll concluded, there are mainly three dominant perspectives on this issue. Most research supports a perspective that socially responsible firms are more financially profitable and will lead to better corporate reputations. CSP advocates also support this view. The second perspective is that financial performance is an impetus for social performance, since corporations will be more active in social performance when the financial status is positive. The third perspective is that there is an interactive relationship between social performance, financial performance and corporate

reputation, and it is hard to tell which one is the driving force.

Empirical studies have come up with even more contradictory and ambiguous results (Griffin and Mahon, 1997). While some argued that no relationship can be detected between CSR and financial performance (Aupperle et al, 1985; McWilliams & Siegel, 2000), others showed positive (i.e. Bowman, 1978; Stanwick and Stanwick, 1998; Waddock and Graves, 1997) or negative (Vance, 1975; Ingram and Frazier, 1983) evidence. Inconsistent results may stem from the use of different measures, since while some used net income, others used return to investors, return on equity or growth indices (Griffin and Mahon, 1997). Griffin and Mahon argued that multiple measures, as well as multiple sources (e.g. Fortune survey, KLD index, Toxics Release Inventory) should be taken in account when conducting research in this area. Currently, the majority of studies on the relationship between CSR and financial performance stem from either publications or annual reports, and use content analysis. Any single resource or measure may incorporate deficiency and lead to defective outcomes. In addition, differences exist in operations and methodologies, which may also account for conflicting results (Waddock and Mahon, 1991; Wood, 1991).

Regardless of the disagreements, all of the above advocate the CSP model and accentuate the importance of financial performance. At this time, another perspective has emerged, arguing that the benefits of CSR should not be restricted only to financial performance, and that CSP cannot appreciate CSR's positive consequences unless the stakeholder theory is taken into account. That is, researchers need to consider consumers, employees, the community, the environment, and suppliers' interests and impacts as well, which is collectively called the stakeholder perspective, or the so-called triple bottom line.

2.1.3.2 The stakeholder perspective: the triple bottom line

Based on Freeman's argument that groups can affect and be affected by organization activities (Freeman, 1984), Clarkson developed the concept of the stakeholder. He suggested that there are six main stakeholders for which corporations should be responsible: customers, employees, suppliers, investors, local communities and the natural environment, and they all consistently demand higher levels of CSR (Clarkson, 1995). Examples of these six responsibilities may better illustrate the content and extent of these new terms (Table 2).

Table 2

Examples of the six corporate social responsibilities

Corporate community responsibility, e.g: donation to local charities
Corporate environmental responsibility, e.g: pollution-control practices and investments
Corporate employee responsibility, e.g: supplementary training and personal

development opportunities
Corporate investor responsibilities, e.g: prompt and accurate information disclosure
Corporate supplier responsibilities, e.g: timely payment
Corporate customer responsibilities, e.g: providing safe and ?? products

The stakeholder perspective has attained wide recognition by CSR scholars (Mitchell, Agle and Wood, 1997; Hopkins, 2004; Maignan et al, 2004), since it has complemented the CSP model by emphasizing not only the economic aspect but also the environmental and social bottom lines.

In fact, it has emerged as the most prominent approach along with the ongoing debate on the relationship between CSR and financial performance. Providing researchers and practitioners with a wider group of factors that influence CSR, the stakeholder theory has diverted researchers' attention from purely focusing on the relationship between CSP and financial performance to a new level of questioning:

"How can managers take advantage of CSR practices and realize performance improvement?". While previous studies mainly focused on "what are CSR and its consequences" and "whether/when should we adopt CSR strategies", and the CSP perspective never comes to a conclusion on the relationship between CSP and financial performance, the stakeholder perspective, as an alternative approach, sheds new light on this debate. It is more pragmatic since it not only puts emphasis on financial results but also accentuates the non-financial benefits of CSR.

2.1.4 Antecedents of CSR – what are the driving forces?

Apart from the definition, CSR's antecedents and consequences have also attracted the interest of scholars. Researchers have begun to seek antecedents of CSR in different fields such as trusts, social capital and ethics (Hopkins, 2003), social contracts, free markets, global village, technological innovations and social changes (Crowther and Rayman-Bacchus, 2004). Some preliminary studies indicate that the regulatory, normative and cognitive dimensions of the institutional environment have impacts on CSR practices (Maignan et al, 2004). Researchers have also attempted to look at how CSR is influenced by other factors, such as a firm's size, R&D, advertising, consumers' income, labor market conditions and the life cycle stage (McWiiliams and Siegel, 2001).

2.1.5 Consequences of CSR – what are the potential benefits/consequences?
2.1.5.1 CSR and corporate image

Besides financial performance, recent research has detected some non-financial benefits such as corporate social image/prestige. For instance, Fombrun and Shanley (1990) empirically found that reputation was directly associated to the extent of corporate social welfare activities. Corporate image is the impression that stakeholders have of an

enterprise. Hence, billions of dollars have been invested into advertisements by modern corporations to build up corporate and brand images, which in return can boost sales. Recently, corporate image/reputation has been identified as a distinct dimension related to CSR (Branco and Rodrigues, 2006; Schnietz and Epstein, 2005; Pfau et al, 2008).

As a matter of fact, outcomes such as reputation and prestige have received considerable attention from scholars of marketing (e.g., Brown and Dacin, 1997; Sen and Bhattacharya, 2001; Yoon and Gurhan-Canli, 2003). In the management literature, reputation and image have been found to be directly associated with the extent of a company's social performance. Miles (1987), for instance, indicated that image and reputation are one of several criteria for assessing corporate social performance. Stelios suggested that multinational companies are more inclined to commit to corporate social responsibility in other countries in order to gain a good reputation and stakeholder salience (Stelios, 2002). Griffith (1987) further suggested that some NGOs outperform others because they publicize in the general media when a donation is received, so that the names of the donating companies will be well known. Others have also argued that corporate image and reputation are outcomes of CSR (Aperia et al, 2004; Dowling, 1986; Mael and Ashforth, 1992; Zeina, 1998; Cone et al, 2003; Ysanne and Faulkner, 2004).

2.1.5.2 CSR and employee commitment

Scholars have suggested that good corporate image and reputation can be converted into competitive advantage in terms of human resources management, for instance, recruitment and retention (Turban and Cable, 2003; Turban and Greening, 1996; Scott, 2004), as well as employees' attitude and behavior (Albinger and Freeman, 2000; Backhaus et al, 2002; Fomhrun and Shanley, 1990). Company case studies illustrate the implementation and communication of CSR, as part of the "employer brand", aim at

recruiting and retaining talented people and enhancing employee commitment (e.g., Leeuwen and Pieters, 2005). Forster and Fox (2008)'s study provides evidence that corporate reputation and image generated from CSR will influence the attitude of managers and professionals and their intended behavior towards these organizations.

Besides financial performance and corporate image, a consequence at the individual level has aroused research interest recently: employee commitment. Incorporating stakeholders' views and social responsibility into the human resources system can strengthen employee commitment (Simmons, 2003) and enhance employee loyalty (Cone et al, 2003). Cone and Roper's research in 2001 found that 88% of employees would feel loyal and committed to their employers if the employers showed their commitment to social issues and cause-related programs (Cone et al, 2003). Furthermore, Brammer et al (2007) conducted the very first study linking CSR with organizational commitment, with a sample of 4,712 employees from a financial services company in the UK. Their results showed that external CSR is positively related to organizational commitment and that the contribution of CSR to organizational commitment is at least as great as job satisfaction.

From the stakeholder perspective, employees and other stakeholders expect the rules, procedures and processes of corporate social responsibility to reflect the espoused values and beliefs of the firm (Berry, 2004). When corporations commit to proactive environmental management, and employees understand and appreciate these practices, employee commitment and loyalty can be achieved (Cone et al, 2003). Employees are motivated by the idea of creating a safer workplace and a cleaner world; in return, training and education in these areas can strengthen employees' commitment and initiative (Larson et al, 2000).

In this study, we will focus on corporate image from the perspective of employees,

namely, perceived organizational identity and construed external image. We will also further explore the impacts on attitude and behavior of employees: employee commitment.

2.1.6 Measurements of corporate social responsibility

Early in 1985, Aupperle et al (1985) tried to use a forced-choice methodology to measure corporate social responsibility. It comprised 20 sets of statements in response to Carroll's four components: economic, legal, ethical and discretionary responsibilities. They rearranged the four components into two categories: "concern for society", which consisted of legal, ethical and discretionary components; and "concern for economic performance", encompassing economic components. Unlike corporate social performance, which mainly measures economic aspects such as return on investment and net income increase, corporate social responsibility research should also take non-monetary measurements into account.

Other relevant research also draws on similar survey items to measure CSR. Zaina (1998) used measurements such as "reputation index" (Zaina, 1998), which includes 8 reputation attributes to establish a score. Maignan et al employed a similar survey tool comprised of six categories of CSR practices, according to the six stakeholders (Maignan et al, 2004). For instance, as to employee responsibility, the key question was "Will our organization provide us with further education opportunities and encourage continuing learning", and as regards responsibility for suppliers, relevant statements might be that "late payment to suppliers is not allowed in our organization", etc. Mainly, these statements aim to reveal participants' perceptions of CSR and their assessment of certain organizations (Clarkson, 1988, 1995; Maignan, Ferrel and Hult, 1999) or particular countries (Maignan et al, 2004). Although it has been criticized for its subjectivity, it is

still one of the most popular approaches (Zaina, 1998).

In this study, our crucial research questions are twofold. Firstly, we will investigate how far Chinese enterprises have undertaken corporate social responsibilities. Secondly, with the focus on CSR's consequences, we will go further to investigate its impacts on employees' attitudes and behavior. Therefore, we will illustrate the situation in of terms of corporate image and employee commitment, and seek possible linkage among these constructs.

2.2 Corporate Image, Perceived Organizational Identity, Construed External Image and Reputation

2.2.1 Definition and formation of corporate image

Investors frequently draw on the images of corporations in making investment decisions and product selections. Corporate images, perceived as mental pictures, serve as substitutes for reality when customers lack the capability of gathering information about a corporation. The public also judges corporations according to their concern for society and social responsiveness (Fombrun and Shanley, 1990). For the public, a company is responsible to a number of stakeholders, as "a servant to masters" (Dowling, 1986:109). These masters include customers, shareholders, employees, suppliers, the community, leaders and distributors, who have contact with the corporation either directly or indirectly through the media and press; by these means, an impression and idea of that particular corporation is formed, and this portrait is called the corporate image. To conclude, corporate image is the stakeholders' impression, idea and feeling about a corporation, based on their direct and indirect contacts.

However, how are these impressions formed? Dowling's model identified three types of information as resources contributing to image formation: personal experience, interpersonal communication and mass media communication. Similarly, Fombrun and

35

Shanley believed that the public construct reputations by gaining information from the firms themselves, from the media and from outside monitors (Fombrun and Shanley, 1990).

In this study, we intend to look at corporate image from an employee's point of view and seek the factors that help create a corporate image. Similarly, employees may have direct contact with the corporation they work for, and tend to assess their working environment and conditions according to the treatments they receive from the corporation. This is seen in terms of managerial attitudes, work opportunities, reward systems, etc., which are also kinds of internal communication and personal experiences (Dowling, 1986). They also receive feedback from external stakeholders such as investors, customers and suppliers, and gather information through interpersonal communication from peers. Externally, the mass media and advertising also convey a desirable/undesirable corporate image to employees.

2.2.2 Perceived organizational identity (POI) and Construed external image (CEI)

These three sources together, both internally and externally, influence an employee's feeling, impression and ideas about the corporation and form a corporate image. Accordingly, corporate image, from the perspective of organizational employees, can be divided into internal and external kinds. One is perceived organizational identity (POI), which refers to a "member's beliefs about the distinctive, central and enduring attributes of the organization", and the other is construed external image (CEI), which is a member's assessment of outsiders' perception of the organization (Dutton et al, 1994). Construed external image is also called perceived external prestige by some researchers (Mael and Ashorth, 1992; Smidts et al, 2001). The emergence of these terms serves to clarify whose beliefs they represent, with one focusing on the impressions of inside

members (perceived organizational identity) and the other capturing inside members' beliefs about outsiders (construed external image or so-called perceived external prestige).

However, too many relevant constructs, including organizational prestige, organizational reputation, perceived organizational identity, construed external image and perceived external prestige, may lead to confusion. Therefore, it is worth clarifying and distinguishing these terms.

2.2.3 Other similar constructs

Corporate image, as a whole, represents the impression an organization makes to both insiders and outsiders, and it can mean different things to different people. Its strategic nature is frequently employed by marketers to attract customers, by HR managers to facilitate recruitment, and by managers to change outsiders' viewpoint (Dutton et al, 1994).

Reputation, on the other hand, represents the beliefs of onlookers. An organization's reputation can be defined as an outsider's overall assessment of a firm's assets, financial status, marketing position and future prospects (Teece et al, 1997). However, reputation and construed external image (CEI) may differ since insiders may have different access to information than outsiders. What's more, differences between reputation and construed external image exist when insiders and outsiders misinterpret the behavior of the organization, and they need time to detect and change their beliefs (Carmeli, 2005).

The impression that outsiders have of the organization (organizational reputation) can align with construed external image provided that prompt and accurate information is conveyed efficiently through the press or media. However most organizations are unable to fully align insiders' and outsiders' beliefs, and in most cases estimations are made that

are either too positive or too negative (Dutton et al, 1994). This can be dangerous; for instance, a soft drink company was sued because their products contained materials harmful to children. One year later, the managers reintroduced the same product line after repackaging it as something green, healthy and nutritious. However, they did not realize that the reputation of this product was still notorious and that public disdain was still strong, so the advertising for this product was perceived as ironic and irresponsible. This is a case in point, where differences between reputation and construed external image need careful attention, and ignorance of an existing discrepancy may be devastating.

The following table may further illustrate the various constructs. Organizational image has been defined as the stakeholders' impression, idea and feeling about a corporation, based on their direct and indirect contacts (Dowling, 1986), and the concept has been widely used in marketing studies. Organizational image influences not only external stakeholders but also internal members and employees. Later, from the perspectives of employees, two key types of organizational images were identified by Dutton and Dukerich (1991). One based on what a member believes is distinctive, central, and enduring about his or her organization, which is defined as perceived organizational identity (POI), and the other based on a member's beliefs about what outsiders think about the organization, which is construed external image (CEI). Both POI and CEI are formed by employees themselves, through collecting information and messages from different constituencies and stakeholders. Meanwhile, a very similar construct to CEI, "perceived external prestige" was broached to assess employees' beliefs about how outsiders judge the status and image of their organization (Mael & Ashforth, 1992).

In their model of organizational identification, Dutton et al argued that POI and

CEI influence the strength of an individual's identification and attachment with their organization. Later on, many other scholars also adopted the construct in their researches. For instance, Smidts et al confirmed that the more positive the construed external image, the more strongly members will identify with their organization (Smidts et al, 2001). Construed external image has been shown to be associated with work attitudes such as affective commitment and organizational citizenship behavior (Carmeli and Freund, 2002; Herrbach et al, 2004; Gotsi and Wilson, 2001). The reason that CEI was so widely used may probably because corporate image/organizational image itself is not easy to measure, while CEI can be assessed by employees, which is much easier to obtain. Meanwhile, there aer still some other scholars who adopted "perceived external prestige" rather than CEI in their studies, since they assume perceived external prestige reflects the social value assigned by employees to their employer's identity (Mignonac et al, 2006).

This is a table that shows the several similar constructs:

Perceived Organizational Identity   is what the member believes is distinctive, central, and enduring about the organization.(Dutton & Dukerich, 1991; Dutton, Dukerich, & Harquail, 1994)

Construed External Image   is what a member believes outsiders think about the organization (Dutton & Dukerich, 1991; Dutton, Dukerich, &Harquail, 1994)

Perceived External Prestige is defined as employees' beliefs about how outsiders judge the status and image of their organization (Mael and Ashorth, 1992; Smidts et al, 2001)

Corporate Image is the stakeholders' impression, idea and feeling about a corporation, based on their direct and indirect contacts (Dowling, 1986)

Organizational Image is the externally produced symbols and interpretations made about the company by outsiders (Whetten & Mackey, 2002)

2.2.4 Consequences of corporate image

The advantages of building a good corporate image and reputation, as regards marketing, include boosting sales and profits. It is not likely that customers will have direct contact with a corporation, so the only way they can get information on products or a certain company is through the media or advertisements. Kotler has advocated that the traditional 4 Ps should be enlarged to 6 Ps, including political power and public opinion (Kotler, 1984). As far as financing is concerned, a good corporate image strengthens investors' confidence and trust, and hence facilitates financing. As regards management, quite a few researchers have stated that a good image fosters identification of an employee with his/her organization, and establishes internal harmony and shared values among employees (Carmeli, 2005; Dowling, 1986; Acito, 1980; Dutton and Dukerich, 1991; Smidts et al, 2001).

Further, Riordan et al provided some insight into how the corporate image affects the work activities and attitudes of employees. As they indicated, corporate image directly influences employee's job satisfaction and will indirectly affect their intention to leave the company (Riordan et al, 1997). It will not only augment job satisfaction but also result in organizational commitment, performance and organizational citizenship (McAllister and Bigley, 2002; Dutton et al, 1994; Pierce et al, 1989, 1993; Gardner & Pierce, 1998). Other researchers also confirmed the significant relationship between construed external image and work attitude, such as employee's affective commitment, and workplace attitude, like organizational citizenship behavior (Carmeli and Freund, 2002; Herrbach et al, 2004; Gotsi and Wilson, 2001). In this study, we will mainly seek employee commitment as consequences of POI and CEI.

2.2.5 Measurements of perceived organizational identity (POI) and construed external image (CEI)

Construed external image (perceived external prestige) and perceived organizational identity, as two key types of corporate image, have been more thoroughly investigated and measured (Mael and Ashforth, 1992; Dukerich et al, 2002; Smidts et al, 2001). As for construed external image, measurements are mainly based on Mael and Ashforth's organizational prestige scale, since it is unidimensional and reliable (á=073) (Smidts et al, 2001). Another approach is Dukerich's four items scale, with a reliability of .82 (Dukerich et al, 2002).

2.3 Social identity theory

2.3.1 Social identity theory

Social identity theory was developed by Tajfel and Turner (1978, 1979), who conceptualized a "group" as members of the same social category who share the same emotional involvement and achieve social consensus. As the main theory at that time, it created the concepts of the in-group and out-group, which provided psychological instruments to understand in-group and out-group behavior.

The social identification theory's main assumptions can be summarized as three aspects. First, individuals will strive for self-esteem. Second, an individual's self-concept results from his/her social identity. And third, individuals can enhance their social identity by comparing and evaluating themselves with out-group members. In other words, group-based identity is a process of social categorization, social comparison and social identification (Rolf van Dick et al, 2004), and it may help to define "the individual's place in society" and hence fulfill their intention of self-enhancement (Tajfel, 1981:255). At this stage, Tajfel and Turner mainly utilized the "group" to explain some affiliation phenomena.

Later on, Turner et al extended social identity theory through development of the

self-categorization theory. The self-categorization theory tried to categorize individuals according to different levels: 1) the personal level as a unique human being, 2) the group level as a member of a group, and 3) the superordinate level as a member in contrast with other species. Accordingly, self-categorization was interpreted into the organizational context, in which individuals were categorized according to 1) career, as the personal level, 2) work unit within the organization, as the group level, 3) the organization as a whole (Rolf van Dick et al, 2004). The relationships between identification at the various levels depend on the salience of each identification, which also follows the self-category fit. For instance, when an individual's personal identity is salient, he/she will behave in a way that enables his/her career to develop. Therefore, the basic motives for identification are self-categorization and self-enhancement (Pratt, 1998). To conclude, if social identification is something that concerns employees' cognition, emotions and behavior as a member in society, organizational identification can be viewed as concerns with the "oneness" with his/her organization (Ashforth & Mael, 1989).

The social identity theory and the self-categorization theory are together described as the social identity approach (Hogg et al, 2004; Rolf van Dick et al, 2004), which has been utilized to explain group phenomena in the organizational context, such as cohesion, leadership, group structure and other organizational behavior (Ashforth and Mael, 1989; Rolf van Dick, 2001; Hogg et al, 2000).

Actually, research into organizational identification has a long tradition in the organizational psychological literature. Tracing the origin and formation of organizational identification, we can see the frequent appearance of the corporate image and its impacts on the four dimensions of organizational identification. In general, organizations are structured groups characterized with power, status, prestige and intergroup relations, from which members can seek safety, affiliation and interest. These characteristics attract

many social psychologists to vault the fence and fuel organizational psychologists. Many social psychologists have successfully translated ideas of social identity theory into organizational settings. For instance, Pratt's holistic theory advocated that identification satisfied a host of human needs, and organizations can help individuals find meaning and their own direction in their lives (Pratt, 1998). Furthermore, social identification enables individuals to adapt themselves to the social environment and ultimately perceive themselves as interwined with the fate of the organization, experiencing successes beyond their own power (Katz and Kahn, 1978).

2.3.2 Possible linkage between corporate image and employee commitment

According to social identity theory, employees are more likely to identify with their organization if they recognize it as being socially responsible (Peterson, 2004). Identity and image are regarded as key concepts to describe and explain individual and organizational behavior, and identity should be regarded as dynamic due to its reciprocal interrelationships with a changeable corporate image (Gioia et al, 2000). Organizational identification can be viewed as a process of self-conceptualizing and self-categorizing. When members incorporate organizational characteristics into their self-concepts, organizational identification is built and strengthened. Similarly, as mentioned above, corporate image is a process of forming those organizational characteristics through collecting and analyzing three information resources. If we say that personal experience leads to a positive perceived organizational identity, then interpersonal communication, together with media publications, jointly cultivate employees' positive construed external image. And these two images may serve as a powerful influence on the degree to which the member identifies with the organization (Dutton et al, 1994). Therefore, two similarities can be noted between corporate image and organizational identification: first,

the continuous formulation of organizational identity and corporate image are interwined with each other, since the important recognition process for organizational identity is also construed via similar processes of interaction with outsiders, for instance, customers, the media, investors, the public, rivals and regulatory institutions (Ashforth & Mael, 1992; Fombrun, 1996; Gioia, 1998). Second, while corporate image is a process of forming characteristics, organizational identification is a process of immersing self characteristics into these organizational characteristics.

Although they have similarities in the formulation process, how can corporate image influence organizational identification?

Firstly, Dutton et al argued that three principles of self-definition: "self-continuity, self-distinctiveness, and self-enhancement", account for the attractiveness of an organizational image and explained why corporate image strengthens identification (Dutton et al, 1994:4). The greater the perceived organizational identity and the construed external image, the stronger the organizational identification because: 1) self-continuity shows that people will find perceived organizational identity more attractive when they find similarity in their self-concept. They are more inclined to accept relevant and similar characteristics aligned with their own because they provide more opportunities for self-expression. 2) Self-distinctiveness means that employees will find organizations more attractive and feel more attached to them when the organization's values and practices increase their distinctiveness. For example, students from prestigious universities such as Oxford or Cambridge will feel proud of their identity, since the public believes these universities only recruit excellent students and regards graduates from these universities as elite. Even visitors to these universities will buy polo-shirts with imprinted university logos, like customers keeping shopping bags from fancy super-brand shops. This is explained by the fact that a person's well-being and behavior are affected by attributes

they ascribe to themselves, as well as those ascribed to them by others. When members believe that outsiders see them in a positive way, they are likely to attach themselves to the organization they belong to, and if it holds favorable prestige they will feel such glory as their own (Ciadini et al, 1976: 3). Self-enhancement refers to members' self-esteem being increased when they associate with organizations characterized with high quality in competence, power, virtue and ethics. Overall, organizational identification is not only a process of self-categorization, but also a means by which individuals can show their distinctiveness, enhance their self-esteem, and build up their own image around their acquaintances. If the organization they work for enjoys a good reputation in the community, they will be more inclined to be attached to the organization and then bask in the glory as if it was their own.

Tajfel and Turner listed four positive impacts of social identities: more self-gratifying social opportunities, more social prestige, more social interaction and better social credits. That is, the attractive construed external image of an organization may help employees create a positive social identity and increase their value in society. It is more common nowadays for fresh graduates to seek jobs in large and prestigious organizations, even though these large-scale companies sometimes offer rather tough conditions, such as less pay and longer working hours than SMEs. The reason for this phenomenon is that work experience in a large company will add credit to their future career and give graduates more bargaining power when they change jobs.

To sum up, a perceived organizational identity is attractive to an individual when it satisfies three principles of self-definition: self-continuity, self-distinctivenss and self-enhancement (Tajfel and Turner, 1985; Dutton et al, 1994). When employees perceive their organization as a place in which they can gain self-esteem, enhance their social identity when comparing and evaluating themselves with out-group members, have

opportunities for self-expression, and increase their distinctiveness, then they will be more inclined to become attached to the organization. That is, a perceived organizational identity that helps the individual build up a consistent sense of self, makes them feel that they are distinct from others, and enhances their self-esteem will be regarded as attractive and lead to stronger organizational identification and commitment.

Similarly, when employees see outsiders thinking highly of their organization, for example being philanthropic, socially responsible, and generous, they will be more inclined to equate such good attributes as their own characteristics, and strengthen their identification with the organization (Smidts et al, 2001; Fisher and Wakefield, 1998; Mael and Ashworth, 1992). As with perceived organizational identity, individuals assess the attractiveness of the construed external image in terms of how well the image reinforces their self-concept, provides distinctiveness and enhances self-esteem.

In their model of organizational identification, Dutton et al argued that POI and CEI influence the strength of an individual's identification and attachment with their organization. Similarly, Smidts et al confirmed that the more positive the construed external image, the more strongly members will identify with their organization (Smidts et al, 2001). Others have also proposed that the construed external image affects organizational identification (Mael & Ashforth, 1992; Pratt, 1998).

Similarly, Mael and Ashforth listed a host of antecedents of organizational identification, including categorization of oneself, group distinctiveness, perceived organizational prestige, out-group salience and group formation. Among these factors, organizational distinctiveness and corporate image are the main catalysts for cultivating organizational identification (Mael and Ashforth, 1992). It is self-evident that employees from corporations with good images in their industry will be more proud of their identity than those from anonymous organizations, since they show their own

distinctiveness by attaching themselves to the organization. By doing so, the affective component of the identification itself can be reflected.

Consistent with the above, prior studies have provided some evidence of a positive association between the organization's image and the members' sense of identification and commitment. Hickman et al (2005) found that corporate sports sponsorship strengthens employee commitment and identification, and that employees with a greater affinity with the sponsored team will develop a stronger identification and commitment. It is suggested that such employees may see the sponsorship as a form of organizational support, contributing to their perception that their organization cares for their well-being. There are also other studies suggesting that corporate image is positively linked with organizational commitment, performance and organizational citizenship (McAllister and Bigley, 2002; Dutton et al, 1994; Pierce et al, 1989, 1993; Gardner & Pierce, 1998), and some researchers have found a significant relationship between construed external image (CEI) and an employee's affective commitment (Carmeli and Freund, 2002; Herrbach et al, 2004; Gotsi and Wilson, 2001). Moreover, Boddy et al (2010) suggested that the presence of "corporate psychopaths" in leadership positions, will be associated with employees' negative perception of the organization and lower levels of employee commitment. This study has shed some light to the relationship between corporate level influences on individual level attitude and behavior. A recent study also shows a positive association between CSR and organizational identification (Kim et al, 2010), although the study does not investigate employee commitment, it suggests a potential association between CSR, perceived organizational identity and consequent employee behavior. Another case is a qualitative study of DHL's CSR strategy, again suggesting that CSR activities are associated with increased corporate identification (Chong, 2009).

Several researchers have suggested that a positive corporate image fosters employee identification of the organization and establishes internal harmony and shared values among employees (Carmeli, 2005; Dowling, 1986; Acito, 1980; Dutton and Dukerich, 1991; Smidts et al, 2001). Furthermore, Riordan et al provided some insight into how a corporate image affects work activities and the attitudes of employees, suggesting that corporate image influences employees' job satisfaction and intention to leave (Riordan et al, 1997). Corporate image has also been positively associated with job satisfaction, organizational commitment, performance and organizational citizenship in some studies (McAllister and Bigley, 2002; Dutton et al, 1994; Pierce et al, 1989, 1993; Gardner & Pierce, 1998). Construed external image has been shown to be associated with work attitudes such as affective commitment and organizational citizenship behavior (Carmeli and Freund, 2002; Herrbach et al, 2004; Gotsi and Wilson, 2001). In this study, we focus on employee commitment as a consequence of CSR, mediated by POI and CEI.

2.4 Employee Commitment as Consequence of Corporate Image

There is a long tradition of studying employee commitment in the literature of organizational psychology, since it manifests the linkage between employees and the organization, and its influences on job satisfaction, productivity and effectiveness are salient (Rolf van Dick, 2001; Meyer and Allen, 1997; Mael and Ashworth, 1992). Efforts have been made by many researchers to differentiate various types of commitment (Becker et al, 1992; Clugston et al, 1996; Meyer and Allen, 1997), and three main dimensions have been identified by Meyer and Allen (1997).

In the words of Meyer and Allen (1997, p. 2), affective commitment refers to the degree to which a member "wants'" to remain in the organization, while continuance commitment describes the degree to which the member "needs" to stay, and normative

commitment reflects that a member "ought" to stay. Affective commitment focuses on a member's positive feelings about their involvement in the organization, as well as a desire to help the organization be successful. Continuance commitment, focuses on a member's likelihood of remaining with the organization, considering the cost of leaving and the job opportunities in the market. On the other hand, normative commitment reflects the obligation that employees feel to stay in the company. These three dimensions have been proved to be reliable and have received wide recognition in the literature (Rolf van Dick, 2001). Additionally, van Dick advanced a fourth dimension, "involvement", which refers to identification with the job. However, the difference between identification, commitment and involvement lies in their nature. While identification reflects a cognitive question, "Who am I?", commitment stresses an affective attachment, and involvement is more behavioral.

Hickman et al (2005) have found that corporate sports sponsorship will strengthen employee commitment and identification at the same time. Employees with greater affinity with a sports team will have stronger identification, and this kind of affinity can be converted into commitment to the organization. Organizational support, no matter material or spiritual ones, will give employees perception that their organization cares for their well-being and caters to their interest. In this process, once the idea that "our orgnization" replaces "this organization", employee commitment is stimulated.

Philips, one of the world's largest electronic companies, with 161,500 employees, likewise highlight their "employer brand" to their existing and potential employees. They conceive thatcorporate image building is an effective way to recruit and retain talented people, and that embracing more corporate social responsibility will add credit to the organizational image from the inside out and enhance employees' commitment to Philips (Leeuwen and Pieters, 2005).

However, employee commitment (organizational commitment), being described as a multidimensional construct, is at least comprised of emotional, or affective, and behavioral or calculative components. As continuance commitment is concerned with the cost of leaving, the transferability of skills and the risk of quitting, it does not directly reflect attitudinal loyalty and feelings towards the company (Allen and Meyer, 1990). In addition, it has been confirmed that only affective commitment is associated with construed external image, thus, we limit our focus to the affective and normative forms of employee commitment in Chinese enterprises (Meyer and Allen, l984; Mottaz, 1989; Mowday et al, 1982; O'Reilly and Chatman, 1986).

A clean and comfortable working environment provides employees with pleasant working conditions, which enhance their work safety as well. Employees can be motivated by relevant training and education, which in return can strengthen their commitment and initiative (Larson et al, 2000). When employees and other stakeholders agree on the values, procedures and processes of environmental management, which reflect their own values and beliefs, they will be more committed to the organization (Berry, 2002). When corporations are committed to proactive environmental management, and employees feel the efforts their organization has made for them and for the world at large, employee commitment and loyalty can be achieved (Cone et al, 2003).

There are also studies that suggest that corporate image is positively linked with organizational commitment, performance and organizational citizenship (McAllister and Bigley, 2002; Dutton et al, 1994; Pierce et al, 1989, 1993; Gardner & Pierce, 1998). Furthermore, some researchers have confirmed the significant relationship between construed external image (CEI) and employee affective commitment (Carmeli and Freund, 2002; Herrbach et al, 2004; Gotsi and Wilson, 2001).

Studies suggest that incorporating stakeholders' views and social responsibility

50

into human resources systems can enhance and strengthen employee commitment (Simmons, 2003) and employee loyalty (Cone et al, 2003). Cone and Roper found that 88% of employees feel loyal and committed to their employers when these employers show their commitment to social issues and cause-related programs (Cone et al, 2003). According to Meyer and Herscovitch (2001), a positive corporate image may boost commitment, while a negative image may inhibit commitment because employees cannot gain their self-image through membership and so fail to identify and attach themselves to the organization.

2.5 Gaps in the Literature

Although there is abundant literature on CSR dedicated to investigating its financial consequences, fewer studies have investigated the relationship between CSR and non-financial consequences. This is mainly due to the dominance of the CSP model and many economists' reluctance to accept CSR unless it does lead to tangible profits and benefits. As a result, a search with the keywords "corporate social responsibility" in some top-tier journals will result in papers mainly linking CSR with profitability and financial performance.

Actually, outcomes of CSR, such as reputation and prestige, have received wide recognition in the marketing field (Brown and Dacin, 1997; Sen and Bhattacharya, 2001; Yoon and Gurhan-Canli, 2003). Researchers argued that CSR helped create a good and positive corporate image, which in turn influenced consumers' preferences and purchase decision making. Similarly, in management studies, reputation and image were found to be directly associated with the extent of corporate social welfare activities. Miles (1987), for instance, indicated that image and reputation are criteria for measuring corporate social performance. Jones further concluded that organizations conducting business with stakeholders with trust and honesty will make a sincere commitment to ethical

behavior, which in turn will lead to good relationships with stakeholders and thus to competitive advantage (Jones, 1995). McWilliams and Siegel also proposed that CSR creates a reputation that the organization is "honest and reliable" (McWilliams and Siegel, 2001: 120). Some other researchers argued that corporate image/reputation is an outcome of CSR (Aperia et al, 2004; Dowling, 1986; Mael and Ashforth, 1992; Zeina, 1998; Cone et al, 2003; Ysanne and Faulkner, 2004).

However, these researchers focused on the corporate image at the organizational level, rather than going further to the individual level and providing empirical evidence. One explanation for this phenomenon is that CSR is basically a concept that remains at the organizational level, and these are decisions made by top managers and executives with little involvement from employees. Hence, researchers can easily ignore its potential impacts on employees at the individual level. POI and CEI, as the two main kinds of corporate image, staying at the individual level of analysis, are rarely mentioned. Therefore, although there are some articles implying that corporate image/reputation/prestige may be consequences of CSR, little empirical evidence can be found. Brammer et al (2007) were the pioneers linking CSR with organizational commitment. However, they specifically examined the impact of three aspects of socially responsible behavior on organizational commitment, and the study involved single company samples, with CSR measured by employees at the individual level. Their variance in CSR is thus entirely perceptual.

Moreover, after CSR itself first appeared in the western academic world, most of the relevant work revolved around CSR in developed countries. Some argue that the scale and size of firms affect their CSR practices, therefore, little attention has been paid to CSR in developing countries. To fill this gap in the literature, this study will investigate CSR in the context of Chinese enterprises by answering these questions: how do Chinese

enterprises conceive of environmental and employee responsibility? To what extent have they undertaken environmental responsibility? How far have they been able to achieve CSR benefits? The intention is thus to seek the possible linkage between CSR and employee commitment.

Chapter 3: Research Questions and Hypotheses Development

3 Introduction

After the literature review and illustrating the research gaps in the existing literature, this chapter is concerned with research questions (for the qualitative study) and research hypotheses (for the quantitative research model).

The chapter begins with a review of corporate social responsibility in China, with the aim of introducing the research questions for the first part of this study: how far have Chinese enterprises undertaken CSR, and how far have they been able to achieve benefits?

The second part of this study focuses on the quantitative model. Based on social identity theory, we suggest that the CSR-commitment relationship is mediated by two types of corporate image: perceived organizational image (POI) and construed external image (CEI). Thus, we will attempt to come up with a framework comprised of these constructs and seek the possible linkage.

3.1 CSR in China and Qualitative Research Questions

Actually, studies on CSR in China are not so scarce, however most of them are published in Chinese as books, in the form of case studies (Li, 2007; Xu and Yan, 2007; Oxfam of Hong Kong, 2006). Much less quantitative research and fewer case studies are published in English. There may be regulatory, normative and cognitive reasons behind this. Worries arise that without effective regulatory control, normative inspection and cognitive expectations, CSR may not be welcomed by Chinese enterprises, thus much

fewer efforts have been made by western scholars in this aspect.   Actually, as economic reform is deepening and enterprises are allowed more autonomy, the issue of CSR has come to play a vital role in facilitating social welfare in China.   China's environmental problems have become an issue of international attention (Pickles, 2002) and pose urgent challenges (Fryxell and Lo, 2003). Furthermore, the accruing economic and social costs, the need to meet the UN's requirements, the pressure to improve China's global image, and the necessity of improving the environment for the Chinese people are together driving China's policymakers to give top priority to pollution problems (Fryxell and Lo, 2003).

As a matter of fact, billions of Yuan have been invested in relieving the various crises, and China's eleventh five-year plan (2006-10) called on environmental protection bureaus all over the country to make efforts to tackle CSR problems. China has also sought to impose regulations and tax disincentives on industrial pollution. For instance, requests for environmental impact assessments and revised company laws on CSR have been made (Lo and Leung, 1998; Oxfam in Hong Kong, 2006; Xu and Yan, 2007). Regardless of more and more regulations being issued, environmental pollution accidents, employee protests and the circulation of contaminated food continue to be reported by the mass media from time to time. Meanwhile, the public's awareness of environmental protection, employees' rights and food safety are increasing, and complaints related to these issues appear repeatedly in the newspapers. The public is clamoring for a cleaner place to live, safer products to consume and a fair return for their hard work. Therefore, there is an urgent need for China to improve its global image and to increase public awareness of environmental problems and CSR issues. Our qualitative study intends to fill in the gaps in the literature by seeking the answers to these three questions:

a) How do Chinese enterprises conceive of CSR?

b) How well have they been doing in CSR?

c) What are the benefits of undertaking CSR? Will employee commitment be enhanced because of CSR implementations undertaken by companies?

3.2 Model and Hypothesis Development

In this section, based on the western theory of CSR, we will develop a hypothesis with an extension to investigate CSR's impact on an individual employee's perception and work attitude. The model and hypothesis will be tested in the context of Chinese enterprises, with the intention of seeking the compatibility of western CSR theory with a Chinese profile. There are six questions in total, as follows:

3.2.1 CSR and image formation: Hypotheses one & two

According to Dowling's (1986) model, there are three resources for image formation: personal experience, interpersonal communication and mass media communication (Fombrun and Shanley, 1990). Employees generally have direct personal experience of the corporations they work for. In addition, they may receive feedback from external stakeholders, gathering information through interpersonal communication from peers, mass media and advertisements. In total, these sources influence an employee's feelings, impressions and ideas, and convey a perception of the corporation's image.

Accordingly, corporate image, from the employee perspective, can be divided into two aspects. First, perceived organizational identity (POI) refers to a "member's beliefs about the distinctive, central and enduring attributes of the organization" (Dutton et al, 1994: 244). It suggests that both the identity they ascribe to the company and how others

think about it will influence employees' evaluation of their company. Such images will influence the degree to which employees are willing to identify with the company (Dutton et al, 1994). A second aspect, construed external image (CEI), refers to a member's assessment of outsiders' perceptions of the organization (Dutton et al, 1994: 248). Construed external image is also referred to as perceived external prestige by some researchers (e.g., Mael and Ashorth, 1992; Smidts et al, 2001). Unlike perceived organizational identity, CEI is employees' assessment of their company, answering the question "what do outsiders think of me due to my association with this company?" Hence, it provides more social information (Dutton et al, 1994:248). In this study, we include employees' own impressions of the company's image (POI) as well as their assessments of how outsiders view the company (CEI).

Our suggestion is that CSR will contribute to both aspects of image, POI and CEI. For instance, when an organization provides a comfortable working environment, additional training opportunities, extra allowances, flexible reward systems, etc., employees will perceive the organization as considerate, philanthropic and generous, and these attributes will create a positive perceived organizational identity (POI). Meanwhile, feedback from external stakeholders such as investors, customers and suppliers, the mass media and advertisements also provide relevant information, and all these together will have impacts on an employee's feelings; the impression thus formed is the construed external image (CEI). The more they believe that this organization has socially valued characteristics (Dutton et al, 1994), the more the employees think of the organization they work for.

Essentially, this enhances the construed external image when employees also see that outsiders view the organization in a positive light (Smidts et al, 2001). Actually, past studies have suggested that corporate image is related to CSR (Aperia et al, 2004;

Dowling, 1986; Mael and Ashforth, 1992; Zeina, 1998; Cone et al, 2003; Ysanne and Faulkner, 2004). Empirical evidence also indicates that the corporate reputation and image generated from CSR will influence managers' and professionals' attitudes and behavior towards these organizations (Forster and Fox, 2008). Perceived organizational identity and external corporate image, as assessments of the company's attributes and evaluations of outsiders' assessments, are hypothesized as outcomes of CSR.

Actually, our qualitative study in part one also provides a solid foundation for these relationships. After interviewing the first five subjects, a consensus was reached that CSR will lead to employees' pride in their organization, as will be further illustrated in the later part of this thesis.

Based on the above arguments, we developed the following hypotheses:

Hypothesis 1: There is a positive relationship between CSR and employees' perceived organizational identity (POI).

Hypothesis 2: There is a positive relationship between CSR and employees' construed external image (CEI).

3.2.2 CSR and employee commitment

According to social identity theory, employees are more likely to identify themselves with their organization if they recognize it as being socially responsible (Peterson, 2004).

In their model of organizational identification, Dutton et al also argued that POI and CEI influence the strength of an individual's identification with their organization. Organizational identity is attractive to an individual when it satisfies the three principles of self-definition: self-continuity, self-distinctivenss and self-enhancement (Tajfel and Turner, 1985; Dutton et al, 1994). For example, when employees perceive their

57

organization as a place in which they can gain self-esteem, they can enhance their social identity in comparing and evaluating themselves with out-group members. They can have opportunities for self-expression and increase their distinctiveness, then they will be more inclined to be attached to the organization.

Similarly, when employees see outsiders as thinking highly of their organization, for example as being philanthropic, socially responsible, and generous, then they will be more inclined to equate such good attributes with their own characteristics, strengthening their identification with the organization (Smidts et al, 2001; Fisher and Wakefield, 1998; Mael and Ashworth, 1992).

Consistent with the above, prior studies have provided some evidence for a positive association between the organization's image and the members' sense of identification and commitment. Hickman et al (2005) found that corporate sports sponsorship strengthens employee commitment and identification, and that employees with a greater affinity with the sponsored team will develop a stronger identification and commitment. There are other studies suggesting that corporate image is positively linked with organizational commitment, performance and organizational citizenship (McAllister and Bigley, 2002; Dutton et al, 1994; Pierce et al, 1989, 1993; Gardner & Pierce, 1998). A significant relationship between construed external image (CEI) and employee's affective commitment has been found (Carmeli and Freund, 2002; Herrbach et al, 2004; Gotsi and Wilson, 2001), and others have suggested that a positive corporate image fosters employee identification of the organization and establishes internal harmony and shared values among employees (Carmeli, 2005; Dowling, 1986; Acito, 1980; Dutton and Dukerich, 1991; Smidts et al, 2001). In this study, we focus on employee commitment as a consequence of CSR, mediated by POI and CEI.

In the words of Meyer and Allen, affective commitment refers to the degree to

which a member "wants" to remain in the organization, while continuance commitment describes the degree to which the member "needs" to stay, and normative commitment reflects that a member "ought" to stay. These three dimensions have been proven to be reliable and have received wide recognition in the literature (e.g., Rolf van Dick, 2001).

Studies suggest that incorporating stakeholders' views and social responsibility human resources systems can enhance and strengthen employee commitment (Simmons, 2003) and enhance employee loyalty (Cone et al, 2003). According to Meyer and Herscovitch (2001), a positive corporate image may boost commitment, while a negative image may inhibit commitment because employees cannot gain their self-image through membership, and so fail to identify and attach themselves to the organization.

As continuance commitment is concerned with the cost of leaving, the transferability of skills and the risk of quitting, it does not directly reflect attitudinal loyalty and feelings towards the company (Allen and Meyer, 1990). It has also been confirmed that only affective commitment is associated with construed external image (Meyer and Allen, l984; Mottaz, 1989; Mowday et al, 1982; O'Reilly and Chatman, 1986), thus, this study focuses on both affective and normative forms of employee commitment in Chinese enterprises.

Therefore, we hypothesize as follows:

Hypothesis 3: Perceived organizational identity (POI) will mediate the positive relationship between corporate social responsibility and employee affective commitment

Hypothesis 4: Perceived organizational identity (POI) will mediate the positive relationship between corporate social responsibility and employee normative commitment

Hypothesis 5: Construed external image (CEI) will mediate the positive relationship between corporate social responsibility and employee affective commitment

Hypothesis 6: Construed external image (CEI) will mediate the positive relationship between corporate social responsibility and employee normative commitment

The hypothesized model is shown in figure 1.

Figure 1 - Hypothesized Model

Level 2
Organizational
Level

Corporate Social Responsibility (CSR)
   Environmental responsibility
   Employee responsibility
   Investor responsibility
   Community responsibility
   Customer responsibility
   Supplier responsibility

Perceived
Organizational
Identity (POI)

Construed
External Image
(CEI)

Affective commitment

Normative commitment

Level 1
Individual Level

Chapter 4: Methodology

This chapter will separately describe the research methodology used in two parts. In part one, a case study will be employed, based on a series of semi-structured interviews designed to investigate the current state of CSR in Chinese enterprises, from the perspective of managers. The methods used in part two will be quantitative surveys that seek the employees' points of view about CSR, POI, CEI and other constructs, and explore the linkage among these factors. This chapter begins with restating the research questions.

4.1 Part one – case study

4.1.1 Research questions for part one

As mentioned in previous sections, the research questions for part one are:

a) How do Chinese enterprises conceive of CSR?

b) How well have they been doing in CSR?

c) What are the benefits of undertaking CSR? Will employee commitment be enhanced because of CSR implementations undertaken by companies?

4.1.2 Research design: case study and interviews

To answer the "how" questions, we employ qualitative methods: a case study with in-depth interviews. As Amaratunga and Baldry (2001) advocate, a particularly important advantage of a case study lies in the richness of its detailed understanding of reality, and the resultant theory from a case study is likely to be empirically valid (Eisenhardt, 1989). Another case study strength may be its examination of the emergent theory or identified theoretical principle of an event, which the researcher believes repeats the theory and can explain the causal links in contemporary real life, which is too

complex to survey (Yin, 1994; Eisenhardt, 1989). This study intends to investigate CSR in a country with a long history, unique political and market structure, and profound culture. We also wish to check the compatibility of western literature with the Chinese experience; therefore, a case study approach is adopted.

Empirical data in this study were collected from Chinese enterprises by in-depth, semi-structured interviews with management informants, since interviews are tools through which researchers can gather new ideas, reasons and insights. Documentary information, such as company archival records, catalogs, newspapers, and their websites were also sourced. The overall case study design for this study is a cross case analysis of 10 organizations. According to Yin's example (1984:20), an illustrative study focusing on the key policy employed 9 cases, and for the exploratory case studies, 12 samples were involved, of which 7 were included after screening. Since the primary respondents were top and middle managers/officers, an interview protocol was designed to standardize the comparative basis, and a comparative case study approach was used to analyze the data.

4.1.3 Case study protocol

A case study protocol can serve as a basis for data collection and comparative analysis, which will increase the reliability of a case study (Yin, 1989). Therefore, an interview protocol aiming at corporate social responsibilities was drafted. It incorporates the nature of the business, including the business background, vision and values in CSR, the practices of corporate social management, environmental management and employee management investment, community involvement, sustainable development, R&D in environmental management, reputation, performance and benefits (see Appendix 1).

In the environmental practices part, we formulated this framework after

consulting the body of literature on corporate environmental management. In terms of internal employee management and interaction with external stakeholders, such as suppliers and the community, questions were modified on the basis of Welford's study (2005).

4.1.4 Sample selection of multiple case studies

Judgment sampling with deliberate case-selection will provide more valid information (Sekaran, 1992). Based on the research questions, the sample selection of this study focused on enterprises that excel in handling environmental pollution, enjoy a reputation for good treatment of their employees, and are located in a prosperous region in China.

According to China's pollution report (2008), the steel manufacturing industry has discharged what amounts to 15% of the nation's total dust pollutants, 13% of the solid waste and 7% of the sulphur dioxide, which amounts to 75% of the acid rain of the national total in the "two controlling areas" (Researinchina, 2008). Therefore, it has been regarded for decades as one of the most seriously polluting industries in China. Its main emissions pose an enormous threat to health. The cutlery industry, on the other hand, involves metal plating, electroplating and heat treatment processes, which also consume various kinds of chemicals and emit hazardous substances and dust. The electroplating itself is a process of coating finished manufactured goods and depositing a metal on a surface, that contains dissolved metal salts and other chemical additives. Electroplating wastewater is toxic and seriously polluting. Currently, there are 20000 electroplating enterprises in China, and 80% of the state-owned electroplating factories are equipped with the pollution preventing facilities (Robroad City Life, 2009; Huang, 2000). However, majority of township electroplating enterprises or private-owned ones do not take any pollution control measure, and annual emissions of electroplating

enterprises wastewater amounted to as much as 400 million tons. Therefore, it is worth studying an industry that involves electroplating, and this is also why this study chose the cutlery industry.

Hence, one steel manufacturing and nine cutlery manufacturing companies were selected in order to find out how they deal with these headaches.

ISO 14001 certification has been a label that signifies undertaking environmental responsibility, since ISO 14001 symbolizes international recognition of a firm's commitment to environmental practices; the first movers towards ISO 14001 are always perceived as socially responsible (Bansal and Hunter, 2003). In contrast, some manufacturers who managed to handle environmental problems without ISO 14001 certification were also selected for comparative study.

Guangdong Province has been recognized as the region that has developed the fastest in China, and all samples in this study are located in a city in Guangdong province, Yangjiang, which is famous for cutlery manufacturing. Yangjiang is located on the southwest coast of Guangdong Province, with an area of 7813 square kilometers and a population of 2.6 million. With convenient land and air links to the major cities in China, it is well known as 'a Top Tourist City of China', 'the Chinese City of Knives and Scissors', and 'the Hometown of Kites'.

Yangjiang cutting tools have a long history in manufacturing and marketing. The industry enjoys a good reputation and its products are sold widely in national and international markets due to their unique and sophisticated craftsmanship and outstanding quality. Three renowned enterprises in Yangjiang City have been nominated as 'the Chinese Center of Kitchen Knives', 'the Chinese Center of Scissors' and 'the Chinese Center of Pocket Knives' respectively, and Yangjiang is the biggest manufacturing base of kitchen knives, scissors and pocket knives in China.

There are around 2000 private cutlery manufacturing factories in Yangjiang, some of which are quite well known, such as Shibazi, Inwin and Hengli. Accompanying the prosperity of cutlery manufacturing, many steel companies have come into the public eye and are regarded as seriously polluting. Ten enterprises that have either obtained ISO 14001 or do well in employee responsibility were selected, including Shibazi, Inwin, Hengli, Hongxin, Huashun, Shengda, etc. They were either cutlery or steel manufacturers. The city of Yangjiang was selected also because of convenience of access, since I myself was born and educated in Yangjiang and my connections in that city facilitated the data collection.

4.1.5 Data collection

Attention was paid to the importance of accuracy and validity in the data collection process, since most of the information required translation. For instance, most of the secondary data, such as the archival data, websites and annual reports were in Chinese, so there was a need to confirm the validity of these data and the reliability of translation. All face-to-face interviews were conducted in Chinese as well, and the length ranged from one to two hours, including a visit to the factory's facilities, for instance, the water tank, waste water station, workshops and dormitory. Interviewees included the general managers, the founder of the factory or his successor (daughter or son), and the environmental managers.

The means of arranging these interviews varied. With the help of a local officer from the environmental protection bureau, it was easy to gain access to corporations with better environmental management performance. Letters, e-mails and calls were also sent to seek permission and confirm interview times.

The disadvantages of convenience sampling lie mainly in the uncertainty of samples' representation of the whole population, and the unmeasured bias. The solution

here is that two criteria were set for the selection of our samples: first, half of the samples were larger-scale organizations with substantial investment in environmental management, while the other half had less resources input in this aspect; secondly, sample selection was based on the judgment of an officer from the environmental protection bureau, who we assumed to have a clearer picture of those manufacturers' performance in environmental management.   Given that there is no CSR index in China, it is assumed that environmental management, as one core aspect of corporate social responsibility, more or less reflects the manufacturer's perception of CSR.

The interview protocol was translated into Chinese and interviewees were asked the same questions to facilitate the comparative analysis. Five companies were interviewed as a pilot study, and after we confirmed that these companies did have CSR practices, we proceeded to the model development. Under such circumstances, the chances of finding no relationship between constructs was reduced.

4.1.6. Data analysis

Cases studies were conducted with 10 Chinese enterprises in regard to their commitment to environmental responsibility. A framework was designed for illustrating and analyzing corporate social responsibilities in Chinese enterprises, which are:

Corporate social responsibility, which includes the related vision, mission and values and investments with regard to environmental management; employee responsibility practices, which are comprised of training and development, maximum overtime and fair wages, freedom of association and complaints, care for healthcare and safety, etc.; related environmental management, with related environmental audits, policy, supporting human resources, etc.; and community involvement and relationships with suppliers, as well as the performance and benefits they perceive. We interviewed the managers (officers) and established findings by case analysis. We looked at how they

conceived of CSR and how their management has reflected their commitment in environmental responsibilities, employee responsibilities, and other aspects of CSR.

Overview of Research Methodology

Steps
Methods

Pilot study In-depth interviews with 5 companies' high level executives, ground and justify the quantitative model	Archive documents Browsing websites In-depth interviews, with protocol
↓	
Part one: qualitative In-depth interviews with 5 more manufacturers	***Comparative analysis among these 10 cases***
↓	
Part two: quantitative 30 manufacturers from the cutlery industry in the same city 15 respondents from each manufacturer Questionnaires	***Confirmatory Factor Analysis, HLM***

4.2 Part Two – Quantitative Methods

4.2.1 Sampling and data collection procedures

In order to remove the influence of unmeasured sectorial or regional differences on our findings, we chose to collect a single-sector sample in a single locality. Therefore, our 30 sampled companies were cutlery or steel-processing manufacturing factories. All were based in the city of Yangjiang, on the southwest coast of Guangdong Province. Companies were selected by convenience and judgment sampling. Research subjects were contacted with the aid of the Yangjiang Bureau of Environmental Protection and one of the largest export companies in Yangjiang. The Yangjiang Bureau of Environmental Protection helped us contact 10 factories that perform comparatively well in terms of corporate environmental responsibilities in the city. The remaining 20 factories were accessed with the assistance of the export company, which has a very close relationship with most factories in Yangjiang, since the majority of their production output is exported to Europe and America through this company. Half of the 20 manufacturers were ordinary factories of medium size with average performance in corporate social responsibility, while the other half were smaller ones with fewer resources, drawing less attention to corporate social responsibility according to the assessment of the director of the exporting company. One strength of such convenience sampling is that we were able to generate significant variance in CSR across the companies sampled. It is more likely that managers will not bother to overrate their CSR performance since they assume that we have a general idea of their operation already. Of course, the major limitation is that this is not a generalizable sample.

Actually, we chose to interviewed the ten enterprises because the officer from the environmental protection bureau indicated that these enterprises are doing better in CSR, thus there may be more information could be collected. As far as the quantitative survey is concerned, we planed to select ten enterprises from enterprises with different scales.

That is, some with larger scales and better reputation in terms of CSR, another ten medium size enterprises with no particular outstanding CSR performance and the remaining ten enterprises that are less committed to CSR. According to such criteria set for the sample selection, several large and prestigious enterprises fell into both scope. Actually, several big enterprises altogether have taken much of the market share, and inevitably they need to be involved in both phases of studies, otherwise, the study will lose some important representative respondents. Moreover, some enterprises may require interviewers to go through very complicated declare procedures and not approachable at all if there is no assistance from local bureau of environmental protection, so we have to make good use of from the officer's help at that time. Certainly this is not desirable as the separate sampling, but that is the best approach at that time.

It is a matter of fact that the three groups of enterprises were chosen based upon firm size and perceived level of CSR performance. Actually, in the cutlery industry, as most of their products are for exportation, the customers and clients has to great extent determine the degree that they commit to CSR. According to the boss of the exporting company, European and Japanese customers have more requirements on raw material, such as a better and more environmentally friendly steel and better looking package. They gave their own code of conducts to their suppliers to follow, and even hire some professional auditors to randomly check the workshops and living environment of the employees to ensure CSR. As a return, prices that these European and Japanese customers offer are also higher than customers from other countries. To fulfill such requirements and to retain these european customers, enterprises need to invest much more on equipments, raw materials and machines, thus only some large scale enterprises can afford . As a result, the large scale enterprises may have more ability, motivation and incentives to implement CSR. Based on judgement from the boss of the exporting

company, it seems more reasonable to select the twenty enterprises by the criteria of size in the cutlery industry in this study.

Senior managers provided ratings of their company's CSR implementation. Respondents included the general managers, the founder of the factory or his successor (daughter or son), and environmental management managers. Questionnaires were completed in face-to-face meetings.

Employees rated their perceived organizational identity, construed external image and employee commitment, and provided demographic data in a self-completion questionnaire. One of the researchers approached employees individually or in small groups on a random basis during the lunch break in the works canteen.

Initially, when I contacted enterprises, the respondents suggested that I only survey office-based staff, mostly, middle managers, unit managers and leaders. However, it was important to the aims of the study to survey front-line workers. Companies would not agree to stop production to allow me to survey workers, so surveying during the lunch break was the only feasible approach, and logistically the canteen was the only feasible option.

Participation in the survey was entirely voluntary – I approached employees, explained the nature and objectives of my study, and asked if they are willing to spare ten minutes to fill in the questionnaire. A reward was provided, but respondents were not informed in advance that they would receive this, so that it is unlikely that they would rush through just in order to receive the reward. I had planned to give a bottle of shampoo, but these proved to be too heavy and conspicuous, so a cash coupon was used instead. Since I was present when employees completed the questionnaires, I was able to observe them. In fact, they appeared to be paying full attention. Questionnaires contained no identifying marks and they were distributed directly to respondents in a

sealed envelope. When a respondent finished filling in the questionnaire, he/she returned it to me and all the envelopes were put into a bag immediately after collection and I myself could not tell which was which. Actually, the workers were concerned most about whether the questionnaire they fill in will be submitted to their direct supervisors, so I ensured that they did not need to write down their names on the questionnaire.

They were briefed on the purpose of the study, given an assurance of Confidentiality, and thanked for their cooperation. Questionnaires were then distributed directly to them in an envelope, together with a voucher equivalent to RMB 20. I also have dropped some questionnaires with bad response sets or some blanks. Thus, 30 companies with around 15 informants from each organization were surveyed. 480 questionnaires were received, however, surveys with missing values, unclear answers and response sets in more than 20% of question blocks were deleted. Therefore, 343 employees and 30 employers were finally adopted. The usable response rate was 77.4%.

4.2.2 Measurements

The measures of perceived organizational identity, construed external image, affective commitment and normative commitment were in the employee questionnaire, while CSR was included in the employer questionnaire. These variables were measured using multi-item indicators adopted from previously published work and written as text statements. Although these are western-developed measures, they have all been adopted in researches in Chinese context. For instance, CSR measures have been previously used in a Chinese context. Egri et al (2007) assessed the factor structure and scale reliabilities in a Hong Kong (N = 202) sample. Sub-scale reliabilities (Cronbach alpha) were as follows: Customers (.85), Employees (.85), Investors (.84), Suppliers(.81), Communities (.86), Environment (.86). And CFAs were conducted for individual scales with CFIs ranging from .86 to .99.

Moreover, the affective and normative commitment scales have also been used in previous studies in China (e.g., Chen and Francesco, 2003; Cheng and Stockdale, 2003). Such analyses provide some assurances that these measures are applicable in the Chinese context.

4.2.2.1 Dependent variable: Affective commitment and normative commitment

Affective commitment and normative commitment were measured using Meyer and Allen's (1997) scale. These are currently the most widely used organizational commitment scales, with recognized validity and reliability (e.g., Foreman and Whetten, 2002; Carmeli and Freund, 2002). The six-item scale was adopted for affective commitment and another six-item scale was adopted for normative commitment (1=totally disagree; 5=totally disagree). A sample question for affective commitment is "I would be very happy to spend the rest of my career with this organization", and a sample item for normative commitment is "I would feel guilty if I left this organization now".

4.2.2.2 Mediating variable: construed external image and perceived organizational identity

For construed external image, an eight-item scale based on Mael and Ashworth's organizational prestige scale was adopted (Smidts et al, 2001). Items (1=totally disagree; 5=totally agree) included questions such as "people in my community think highly of the factory I work for", and "when other organizations in the same industry are recruiting new staff, staff from our organization will not be preferred" as a reverse-worded item. A six-item scale was used to measure employees' perceived organizational identity, based on the work of Dutton and Dukerich (1991), which defined organizational image from

the perspective of employees (1=totally disagree; 5=totally agree); this scale has also been employed by other researchers (Riordan et al, 1997:408). The scale distinguishes itself from that of construed external image because it emphasizes, "I think…" rather than "the people outside my organization (i.e.: the industry, the community, my family) think…"

4.2.2.3. Independent variable: CSR

The survey of Maignan et al, which is comprised of six categories of CSR practices according to the six stakeholders (Maignan and Ferrel, 2000, 2004; Maignan et al, 2004) was used, with some small revisions to allow the questions to be answered by managers rather than by employees. For example, the item "our organization provides us with further education opportunities and encourages continuing learning", was amended to read: "our organization provides our employees with further education opportunities and encourages continuing learning". The various items are shown in appendix 1. Responses were on a five-point scale from "strongly disagree"(=1) to "strongly agree"(=5). The six dimensions of CSR behavior, corresponding to the six stakeholders, were community, environment, employee, investor, customer, and supplier responsibilities (Maignan and Ferrel, 2000; Maignan et al, 2004). For instance, for employee responsibility, items included "our organization provides us with further education opportunities and encourages continuing learning". Responsibility for suppliers included "late payment to suppliers will not happen in our organization". The items were designed to reveal the perceptions of participants on CSR and their assessment of the CSR performance of the specific company. This scale has been used in previous studies, with evidence of discriminant validity for the sub-dimensions and of internal reliability (Maignan, 2000; Maignan and Ferrel, 2001), although given the small

size of our company sample (N=30), we were not able to conduct a factor analysis using the manager data.

4.2.3 Data analysis

The data analysis of this study was conducted using AMOS, SPSS and hierarchical linear modeling (HLM). With AMOS, confirmatory factor analysis was performed to confirm the dimensions of the various variables and the model's validity and reliability.

4.2.3.1 Questionnaire translation, validity and reliability

The item content of each construct was adopted from previous work, which is the most frequently utilized approach?. To ensure the validity of the text expressions, back translation procedures were implemented, with the texts reviewed by three scholars in this field.

A measurement model with all constructs from the employee questionnaire was estimated and offered a reasonable fit ($\chi 2$ =315.7; GFI=.915; AGFI=.892; CFI=.914; RMSEA=.052), although only after reverse-scored items were excluded. It is perhaps to be expected that front-line factory employees would be confused by negatively-worded items, which are especially ambiguous in the Chinese language. Thus, our measurement model consisted of 5 items for perceived organizational identity, 7 items for construed external image, 3 items for affective commitment and 5 items for normative commitment. All indicators loaded significantly ($\chi 2$ =315.7, p<0.001) on their latent variables. Significant deteriorations in chi-square relative to the hypothesized model were found for a 3-factor model that combined POI and CEI ($\chi 2$ =380.1, p<0.001), and for a single-factor model ($\chi 2$ = 655.3, p<0.001). These findings show support for the discriminant validity of the constructs.

The level 1 control variables were tenure and age measured in years, as drawn from the employee questionnaire. These variables were included because empirical studies show that older people and those with longer tenure are generally more committed to organizations (Hartline and Witt, 2004; Clercq and Rius, 2007). We did not control for job level since all the respondents were front-line manufacturing workers.

4.2.3.2. Confidentiality of data

Data was collected only for the purpose of academic research, and confidentiality was ensured.

4.2.4 Hierarchical linear modeling (HLM)

Hierarchical linear modeling (HLM) is a relatively new statistical method and is considered by organizational researchers to be the most appropriate method to tackle some of the common problems associated with multilevel data in organizations (Todd et al, 2005). Nowadays, every individual is assigned to work in a certain subunit in the umbrella of the organization, and research into organizational context must not ignore the similarity shared within a subunit, nor should it neglect the differences existing in different levels of analysis. Actually, some prominent scholars have suggested that group effects might be overlooked in a single-level linear model analysis (e.g., Goldstein, 1995; Rouse & Daellenbach, 1999). Hierarchical linear modeling (HLM) can resolve these problems through the use of interdependent regression equations estimated simultaneously (Raudenbush & Bryk, 2002). With HLM, the ambiguity among variables measured at different levels, and relationships that might previously have gone undetected, can be identified and clarified. Further, HLM allows researchers to alleviate the problem of unbalanced designs (e.g., unequal sample sizes). Given these methodological advances and in view of the purpose of this study, hierarchical linear

modeling (HLM) was preferred.

Moreover, HLM was used because of the "nested" nature of the data – employees within companies. Such nested or grouped data cannot be analyzed simply at the individual level (e.g., using OLS regression) (Luke, 2004). First, individuals within the same group are not independent due to grouping effects, and these unmodelled group context effects would lead to correlated errors, a violation of one of the classical assumptions of OLS. This tends to reduce the standard errors of estimates, resulting in an increased risk of type 1 errors. Second, by using OLS regression, we would be assuming that the estimated parameters apply equally to all groups. This may be incorrect, and if there are real underlying group differences, our OLS parameters would represent an average across groups, which may be very misleading. HLM addresses these issues directly, by estimating parameters at the group level and examining cross-group factors that might influence those parameters, and by estimating unbiased standard errors.

In assessing whether or not HLM is appropriate for a particular a data set, the first question is whether or not the data is "nested". This is clearly the case with our data, with 343 employees, working in 30 different companies. The next step is to assess whether a significant proportion of the variance in the dependent variable occurs between groups, since it is this variance that the group-level model seeks to explain. This is assessed using an ICC, as is explained in the discussion of the null models (page 99 in the thesis). Again our analysis shows that there is significant inter-company variance in the dependent variables. Between-group variance in perceived organizational identity and construed external image was significant ($F=2.88$, $p=0.000$ and $F=3.30$, $p=0.000$ respectively). Hence, it was appropriate to examine level 2 predictors (Gavin & Hoffmann, 2002).

As regards sample size, there are many examples in the literature with similar sample

sizes. Hirst et al (2009) analyzed 25 teams comprised of 198 employees, ranging from 3 to 25 per team, and Seibert et al's study surveyed 50 project teams with 301 employees, 3 to 14 per team with an average of 6. Vandenberghe et al's (2007) study was based on 133 employees from 12 restaurants. They pointed out that a relatively small sample reduces statistical power and makes for a more conservative test of hypotheses. This is likely to be so in my case, so the fact that there are significant findings is all the more reassuring.

4.2.5 Common Method Variance

Although we are acutely aware that self-reports may invite problems, such as common method variance, we still had to employ it since we decided to randomly select our subjects (employees in manufacturing) rather than accepting employees assigned by employers. Since we were randomly selecting correspondents, it was not feasible to ask for their direct supervisor to participate: this would have compromised the anonymity of the respondents and led to altered responses and greater bias and invalidity. Therefore, although we knew that different sources would help reduce the common method bias, we still had to focus on the data collected from employees. Since CSR is rated by managerial staff, there is no common method problem for the CSR measure in relations to the employee-related measures. However, there is the possibility of common method bias between the employee-related mediator and outcomes. Therefore, we followed the three steps as done by Podsakoff, MacKenzie, Lee, and Podsakoff (2003).

Step 1: Harman's single-factor test. There is no dominating single factor when we examine the unrotated factor structure for all the individual level items including POI, CEI, AC and NC. Taking all factors with eigenvalues greater than 1, 4 factors collectively accounted for 49.4% of the variance explained, with Factor 1 accounting for only 27.8% of the variance (as shown in the table attached below), while the other five

factors accounted for an additional 21.527% of the variance. This result reduces the concern over CMV, in that there was no dominating first factor.

Step 2: Assessment of the measurement model. A measurement model with all constructs from the employee questionnaire was estimated and offered a reasonable fit ($\chi 2$ =315.7; GFI=.915; AGFI=.892; CFI=.914; RMSEA=.052), as showed in page 76.

Step 3: The effect of a single unmeasured latent method factor. An additional latent factor was added to assess CMV. We estimated two models: M1, where items were allowed to load on their theoretical constructs ($\chi 2$ =315.7; GFI=.915; AGFI=.892; CFI=.914; RMSEA=.052); and M2, with a latent CMV factor linking to all measurement items added into M1 ($\chi 2$ =238.8; GFI=.936; AGFI=.907; CFI=.946; RMSEA=0.047). While the change of fit index was significant, only a small minority of common method loadings were significant and the hypothesized measurement model loadings were little affected by the inclusion of the common method factor.

RMR, GFI & CFI

Model	$\chi 2$	GFI	AGFI	RMSEA	CFI
M1	315.7	.915	.892	.052	.914
M2	238.8	.936	.907	.044	.946

Chapter 5: Findings and analysis from qualitative data

5. Introduction

Based on the methods and procedures mentioned in Chapter 4, this chapter presents the findings from the case studies. A comparative analysis method was used to analyze the data collected from the 10 manufacturers.

5.1 Corporate social responsibility-related values and investments

Table 1 shows some of the characteristics and specialization of the informants. All 10 factories were privately-owned enterprises in the steel, knives and tools manufacturing industry. As to CSR policy, the table shows that five of the 10 enterprises value environmental responsibilities as the most important aspect of CSR, four attach more importance to employee responsibilities, while one focuses on community responsibility as their main CSR program.

Similarities amongst these 10 plants are that they all agree that employee responsibilities are becoming more and more important as a means of attracting skilled and experienced workers, who are in great demand in the labor market of this particular industry.

Nevertheless, some significant differences do exist in terms of environmental responsibility practices, such as investment in environmental equipment. It has been found that the scale of the enterprises, the location of the plants, and potential customers are the main reasons. For instance, larger factories may invest more in environmental equipment, and factories located inside the industrial zone do not need to install noise abatement equipment and wastewater treatment facilities since their plants are far away from residential zones and they share one wastewater pipe. In addition, if their products are mainly exported to European countries, they are more inclined to use more environmentally friendly steel as raw materials.

Looking into their management mottos and visions, it seems that policies on suppliers

and investor responsibilities are lacking, while quality control, satisfying customers' needs, environmental and employee responsibilities are rather popular slogans, which is similar to the findings of Welford's study in 2004.

Table 1: Visions and investments

Company	Description	CSR vision and values	Investment in environmental management	Number of employees
Company 1	Manufacturing of all kinds of steel	To build a garden-like factory, to encourage clean manufacturing	A waste water station and a furnace tower (RMB 1,000,000)	Around 1100
Company 2	Manufacturing of knives and kitchen tools	Employees are the most important assets	A rolling processing equipment for purifying waste water (MB)	Around 1500
Company 3	Manufacturing of gardening scissors	Reputation in the community outperforms anything	A water curtain A water tank Gardening (RMB 300,000)	Around 1000
Company 4	Metal stamping and tweezer manufacturing	We can and must count on our employees	A dust collection room with a water curtain (RMB 200,000)	Around 380
Company 5	Manufacturing of steel and knives	Keeping the environment clean is our responsibility	A room to collect and control dust and equipment to purify water (RMB 100, 000)	Over 800
Company 6	Producing buckles and cosmetic manicures	Protect our environment for the next generation	A dust collection room with a water curtain to control dust (RMB 60,000)	Around 500
Company 7	Making tools, molding, knives	Your voice, we care	Water tank (RMB 70,000)	Around 400
Company 8	Producing knives and scissors	Care for the environment, we can do that	Water screen cabinet Noise isolation door, window, waste water station (RMB 2,000,000)	Around 1800
Company 9	Manufacturing of knives and pliers	Reduce pollution, save energy	Water tank (RMB 300,000)	Around 600
Company 10	Manufacturing of scissors	Employees first	Waste water station, blocked room and water curtain (RMB 500,000)	Around 1100

5.1.2 Corporate Environmental Responsibilities

As shown in Table 2, three of the 10 subjects have obtained ISO 14001, and others have adopted self-developed environmental management systems. However, among the three certificate holders, one still frequently receives complaints from neighboring residents despite the millions of RMB being invested. This is because the factory is located in the city center and is extremely close to a residential district, some workshops even being located adjacent to a housing estate. As they explained, it is a legacy of the old problematic city planning, and the only way to solve the problem is to move the whole factory to the suburbs.

Similar to the results of Table 1, only five companies have detailed and comprehensive environmental policies and have put them down in black and white. The remaining five factories seem to integrate environmental policy in their management policy and have not broached a separate CSR policy.

In terms of green procurement, most of them indicate that they will purchase raw material according to customers' requirements. For instance, products sold to European countries and Japan are usually made of much more environmentally friendly materials. However, assuming that customers do not have specific requirements, only four factories insist that they will still adopt more environmentally friendly materials, while the remaining six confess that they need to balance cost and return, and probably purchase cheaper materials.

The main pollution caused by steel and knife manufacturing includes waste gas, waste water, solid waste and noise. Respondents suggested that they could easily get to know the latest green technology because salesmen contact them from time to time. However, only four of these 10 factories expressed their willingness to update their technology, while the others showed their concern and worry about the associated

financial burden. They admit that buying new equipment can be very costly, so that they may not update it frequently and only do so when it is necessary. In sum, for most of these 10 companies, considerations of cost will affect decision-making in purchasing environmental management equipment.

As for environmental reports, only two of these factories were willing to share their statistics of waste reduction and water consumption with the public and show them on their websites. Three factories mentioned the existence of relevant reports, but such information was not available to the public, while the other five simply did not have such reports.

Only three plants have delegated more than three employees to establishing a separate department or work unit to adopt environmental management practices, while only two are conducting R&D in environmentally friendly products. It seems that little attention is paid to these aspects of environmental responsibilities.

In addition, four of these factories implement environmental management practices stringently.   Coincidently, three of these four factories are ISO 14001 certified, while one is planning to obtain ISO 14001 in the coming year. It is self-evident that ISO 14001 does play an important role in providing systematic and comprehensive guidelines for factories to undertake environmental responsibilities. However, ISO 14001 does not necessarily equate to effective and efficient environmental management. One ISO 14001-certified factory is still frequently being complained about by the local community, while the other five factories are free of these headaches, simply because the latter are located in the industrial development zone. Within the industrial development zone, they can employ self-designed equipment and adopt a tailor-made environmental management system, thus saving quite a lot of money.

TABLE 2: IMPLEMENTATION OF ENVIRONMENTAL PRACTICES

Environmental practices		Number of firms
Environmental management system	ISO 14001 obtained	3
	ISO 14001 in process	1
	Without ISO 14001	6
Environmental policy	Comprehensive and holistic environmental policy	5
	Simple environmental policy and slogan	5
Environmental audits	Both internal and external, at least twice a year	4
	Audits only internally and annually	6
Green procurement policy	Yes (on most materials)	4
	Yes (on only a few materials)	6
Green investment in technologies	Install the most effective equipment	4
	Install equipment to meet basic needs	6
Environmental reports	Yes and published	2
	Yes but not available (published)	3
	No reports at all	5
Independent human resources responsible for environmental management	Yes (more than 3 personnel)	3
	No (with cooperation of HR department/safety and security department/public relations department)	7
Research and development (green design and innovation)	Yes (self-developed)	2
	No	8

5.1.3 Corporate employee responsibility

Yangjiang is a city that is well-known for manufacturing scissors, knives and kitchen tools, and which has attracted workers from all over the nation. Similar to neighboring cities in Guangdong province, more than half of the workers in Yangjiang are non-local, that is from provinces outside Guangdong.

Steel and cutlery manufacturing is an industry that requires skills and experience, therefore such workers and craftsmen are valuable assets for every factory. Under pressure from competitors, employers are willing to provide skilled and experienced workers with a home-like dormitory so that non-local workers can settle down inside the factory with their family members. For instance, in some cases, one whole family can work and live in the same factory, especially if one of the family members is a skilled worker with long tenure. Another reason for this is that skilled craftsmen will only pass on their unique techniques to their sons, daughters or relatives, rather than to strangers. Therefore, to retain such experienced workers, these factories may offer them better wages and working hours, and also family activities during vacations and holidays.

As to working hours, one respondent claimed that the working hours are always 7.5 hours a day, 5 days a week. This factory has its own branded stores in big cities all over the nation, so its production sales are very stable regardless of the season. Eight of them admitted that overtime is necessary in busy seasons such as Christmas, since they mainly export to foreign countries.

Eight of the subjects provide a complaint channel for their employees, and nine have trade unions within the organization. Unlike their counterparts in western countries, trade unions in Chinese enterprises mainly deal with organizing off-duty activities and entertainment. Usually, a membership fee will be deducted from their salary, although the amount is rather small (RMB 5-10/month), and its purpose is to help those who need

urgent financial support when accidents take place. One example was given during the interview, in which a worker was robbed and injured, and could not go to work for a few months. In a case like this, the trade union would seek permission from its members. If most of them agreed to help this worker, the trade union leader would give him half a month's salary from the membership funds. In this way, more and more workers, especially non-local ones, are willing to join a trade union.

As regards training and personal development, eight factories provide on-the-job training, and many of them have invited scholars from famous universities or consulting companies to deliver workshops or lectures. In terms of financial support, the majority of the informants said that financial support is available for managers or leaders only, rather than for front line workers. As the interviewees said, most of the techniques and skills needed for front-line workers must be obtained from the apprenticeship model, thus there is no need for the freshmen to take courses outside.

To sum up, it is surprising to find that in the cutlery industry, employees are valued and treasured. Factories are willing to take a degree of responsibility for their employees in terms of offering better wages, living conditions, and working hours in order to attract and retain talented employees. Although trade unions in these factories will not unite workers to negotiate with employers like those in western countries, their function in helping workers in need is quite interesting. The apprenticeship model of learning prevails in this industry, therefore only managerial staff can enjoy financial support when they wish further

pursue education and training in college.

TABLE 3: IMPLEMENTATION OF EMPLOYEE RESPONSIBILITY PRACTICES

Employee Practices		Number of firms
Working hours (overtime)	Frequent overtime	1
	Only in busy seasons	8
	Rarely	1
Complaint system and grievance counseling	Ideas mailbox, with key available only to the general manager/owner	8
	No communication channel	2
Existence of trade union	Yes (strive for the interest of workers)	1
	Yes (only for organizing activities)	9
Opportunity and financial support provided to employees to further education	Yes (financial support available only to managers)	9
	Yes (available to all employees)	1
Activities and programs held to enrich off-work life: e.g., BBQs	Yes (available only to top managers)	7
	Yes (available to all employees)	3

5.1.4 Responsibility for community and suppliers

Compared with supplier responsibilities, community responsibilities seem to receive more recognition. As shown in Table 3, the majority of the informants are willing to donate to and be involved in community programs. One factory even has a separate department called the "social charity department", with two employees responsible for various social activities. For instance, they frequently arrange for their employees to visit orphanages, old folk's homes and rehabilitation centers. They donate money regularly to charitable organizations, welcome public visits and sponsor local entertainment programs, like dragon boat racing.

Nonetheless, supplier responsibilities are somehow less popular among these manufacturing companies. As they explained, most of their suppliers are willing to provide them with steel and other raw materials without full payment, mainly because most of them have established long-term relationships. Another reason is that most of the products, such as knives, are exported goods, thus as long as the factory can show their suppliers a copy of a letter of credit (L/C), suppliers are willing to sell them steel and other raw material on a partial payment basis. According to the interviewees, such general practices exist in many lines of work, which can explain the reason why supplier responsibilities are less prominent in Chinese firms as a whole. It is also interesting to learn that high-level executives do not look forward to the traditional Chinese festivals like "mid-autumn festival" and "traditional Chinese new year". As they explained, all the suppliers come to their plants asking for full payment before these traditional festivals. Late payment has become a general practice in this industry, although most of them have come to a consensus that payments should be settled two or three times a year, especially before these Chinese traditional vacations.

TABLE 4: COMMUNITY RESPONSIBILITY

Community responsibility		Number of firms
Involvement in community environmental programs	Frequent	6
	Occasional	2
	Rare	2
Support other charity programs	Yes	10
	No	0

5.1.5 Benefits of undertaking CSR: employee commitment

As for the benefits of CSR implementation, most of our informants agreed that CSR helps to build up a good corporate image, better employee commitment, and good "guanxi" with governmental bureaus/officers. According to one of our subjects, a general manager, employees will feel proud to wear their uniform even outside their factory, since everyone in the city knows that their factory offers better working conditions and pay, and that their jobs are secure and stable. Apart from the low turnover rate, this manager talked about her own experience as follows:

"I wish to work here in the long run, since I know I can reach my full potential, and I feel satisfied when I achieve something after I have tried my best. Some of our workers, especially technical workers, have been with us for 23 years, that is, they have followed our CEO since the establishment of this factory, because we care for our employees".

While corporate image has been seen as one of the most distinctive benefits of CSR in western literature, the situations in these ten factories were quite similar. Although they are quite sensitive of the negative-sounding word, "gimmick", they indicated that CSR is really a means by which a manufacturer can set up a good relationship with the local community and enjoy a good reputation in the industry. It has been found that several larger size factories have set up a "show room" decorated with all kinds of awards and certificates, and that this show room is usually the first room in which visitors will spend any time. Pictures of their CEOs with local or provincial governmental officers/executives are also posted in such rooms.

When asked if better guanxi with the local EPB were also a benefit of CSR practices, the majority of the interviewees agreed. As one of the respondents said:

"In the past, the local EPB checked our waste water discharge frequently and irregularly, and sometimes we felt so tired of these check-ups. Since we established the online surveillance system, they can check the statistics directly online and the numbers speak for themselves. Hence, there is much less arguing now."

Customer loyalty/commitment was also seen as one of the benefits of CSR practices, although it is not outstanding. A few respondents said that as the competition in this industry is getting more and more fierce, timely delivery of goods and quality of products, as well as price, are still the most important factors leading to customer commitment, since most of their products are exported. However, European customers will place more emphasis on the environmental concerns of raw materials, while Japanese customers value the quality and packaging very much and Americans target reasonable prices. Therefore, CSR may not be attractive to all customers.

TABLE 5: BENEFITS OF CSR IMPLEMENTATION

	Number of firms
Improved company image	7
Customer commitment	6
Employee commitment	8
Better relationship with government departments	7

While reading across the rows gives the analyst a thumbnail profile of each informant (Miles and Huberman, 1984), a conceptually clustered matrix was made to summarize some interesting facts to answer the three research question separately:

 a) How Chinese enterprises conceive of CSR?

b) How well have they been doing in CSR?

c) What are the benefits of undertaking CSR?

We can see that variances exist in understanding CSR. According to Caroll (1984), CSR can be conceptualized into four levels: economic, legal, ethical and philanthropic. It seems that enterprises 3,4,7 and 8 defined CSR as adhering to legal requirements, while others either mentioned stakeholders such as the environment and employees or directly equated CSR to charities and philanthropic ventures. As one of the respondents explained,

Different companies have different histories, and some enjoyed preferential tax policies when they established the factory or when they were in difficulties. Therefore, some are quite willing to donate to a local charity, or sponsor local entertainment programs and sports events (e.g. the dragon boat race, kite festivals).

To conclude, they have different focal points and programs where CSR practices are concerned. While some put more emphasis on employee responsibility, others tend to accentuate the importance of community, environment and customer responsibility.

Table 6: Qualitative data analysis

Questions/ Companies	Q1: What does CSR mean to Chinese entrepreneurs?	Q2: How well are CSR practices performed? - outstanding practices	Q3: Benefits
Company 1	employees and environment	certified ISO 14001, trade union, supporting employee training financially, built a garden-like factory	No accidents; lower turnover rate
Company 2	being philanthropic, not profit driven	established a special alloy steel factory to ensure that the quality of the steel meets EU requirements, ISO 14001-certified; provide home-like dormitory; invite scholars from university to give lectures; separate charity department established, financial support to managers for education	better guanxi with local EPB; better corporate image
Company 3	making profit, abiding by the law, improving employee welfare and donations	ISO 14001 certified; spent RMB 500,000 on planting trees and flowers in the plant; initiated a recycling program for lightbulbs, tyres and packages;donating regularly to "Tonxin" high school in a poor region	better relationship with local EPB, neighbors and employees
Company 4	making profit, paying tax, contributing to a harmonious society	paying higher than average; providing dormitory and children's nursery in the plant	employees' intention to leave is low
Company 5	everyone having jobs and homes	Invested more than RMB 300,000 in gardening 98% of the products supplied to Wal-mart, frequently and irregularly being checked and audited by suppliers, always meet the "green light criteria"	increased customer and employee commitment
Company 6	making profit, protecting the environment, treating employees like family members	a lot of off-work activities; CEO stays in the workshops with the workers from time to time; provides uniform washing service to employees	better corporate image in the industry and better guanxi with neighbors
Company 7	being environment-friendly, stimulating employees' innovation, abiding by the law	pioneer in the industry in building up a "blocked" room to isolate dust; encourage on-the-job training and green purchasing of raw materials	attracts young people and has a better corporate image
Company 8	being environment-friendly, caring for people, following government policies and regulations	environment-friendly building design, with environmental construction materials and imported production equipment	enjoys good reputation in the industry
Company 9	based on people, accounting for people, and valuing virtues, ethics and talents	promises no over-time except in April and October; encourages further education, especially accounting and designing courses, better welfare on insurance	lower turnover rate, better image and easy to get loans from banks
Company 10	caring for the environment and people, and reducing pollution	buying green packing cases and equipment; green procurement policy on taps and lighting, introducing "green" into R&D; donation to local orphanage	better guanxi with local EPB, better image

Chapter 6: Findings and Analysis from Quantitative Data

6. Introduction

This chapter presents the findings for the quantitative study. As mentioned in Chapter 4, HLM will be used to analyze the multi-level data collected from the 10 manufacturers.

6.1 Survey Administration and Responses

Data was collected during the period from December 2005 to August 2006. Two sets of questionnaires were used: one for employers/senior managers, and the other for employees. 480 questionnaires were received, although after listwise deletion of missing values, 343 employees and 30 employers were finally adopted. The usable response rate was 77.4%.

6.2 Testing of the Measurement Models

Confirmatory factor analysis was used to evaluate the discriminant validity of the model using AMOS. A measurement model with all the constructs from the employee questionnaires was estimated, and offered a reasonable fit ($\chi 2$ =315.7; GFI=.915; AGFI=.892; CFI=.914; RMSEA=.052), although only after reverse-scored items were excluded. Front-line factory employees might have been confused by negatively-worded items, since many of them do not have a college qualification and reverse wordings are especially ambiguous in the Chinese language. Thus, our measurement model consisted of 5 items for perceived organizational identity, 7 for construed external image, 3 for affective commitment and 5 for normative commitment. All indicators loaded significantly ($\chi 2$ =315.7, p<0.001) on their latent variables. Significant deteriorations in chi-square relative to the hypothesized model

were found for a 3-factor model that combined POI and CEI ($\chi2$ =380.1, p<0.001), and for a single-factor model ($\chi2$ = 655.3, p<0.001). These findings show support for the discriminant validity of the constructs.

The CSR measures are directly adopted from Egri's study (2007). In her study, there was a large enough sample to conduct a factor analysis since they conducted research in six countries and regions. For the Hong Kong sample (N = 202), and the Cronbach alphas were: Customers (.85), employees (.85), Investors (.84), Suppliers(.81) , Communities (.86) ,   Environment (.86).

It is common to analyse a single overall dimension of a construct even when there are sub-dimensions – the logic being that the single dimension represents a high order factor on which all the dimensions load (e.g., Spreitzer et al, 1997, in the case of psychological empowerment). We found significant and high positive correlations amongst the sub-dimensions for the six aspects of corporate responsibility (CR), as shown below.

In our case, the correlations of sub dimensions ranged from .639 to .885, which suggested that these sub dimensions are highly correlated with each other. We only had 30 questionnaires for the CSR measure, which is normally considered too small a sample for factor analysis (Hair et al, 2010:92). However, we still performed an analysis nonetheless.   An exploratory factor analysis produced a single factor with an eigenvalue of 4.759, and the second factor having an eigenvalue of 0.471. Along with the high, positive correlations among the six sub-dimensions shown in tables below, this provides some evidence of unidimensionality. Overall, we consider it appropriate to analyse a single dimension for CSR.

Table 7: Inter-Item Correlation Matrix

	1	2	3	4	5	6
1. Customer	1.000					
2. Supplier	.639	1.000				
3. Investor	.756	.691	1.000			
4.Community	.781	.643	.746	1.000		
5. Employee	.779	.760	.752	.854	1.000	
6. Environment	.816	.616	.728	.885	.806	1.000

Cronbach's Alpha=0.926

Table 8: Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
Customer	18.0500	3.073	.844	.736	.906
Supplier	18.7722	3.915	.721	.616	.927
Investor	18.9500	3.767	.814	.678	.918
Community	18.1444	2.501	.886	.843	.921
Employee	18.1222	3.508	.892	.818	.905
Environment	18.1556	3.329	.888	.824	.901

Table 9: Total Variance Explained

Comp onent	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.759	79.319	79.319	4.759	79.319	79.319
2	.471	7.844	87.163			
3	.297	4.956	92.119			
4	.223	3.715	95.834			
5	.153	2.552	98.386			
6	.097	1.614	100.000			

Extraction Method: Principal Component Analysis.

Scree Plot
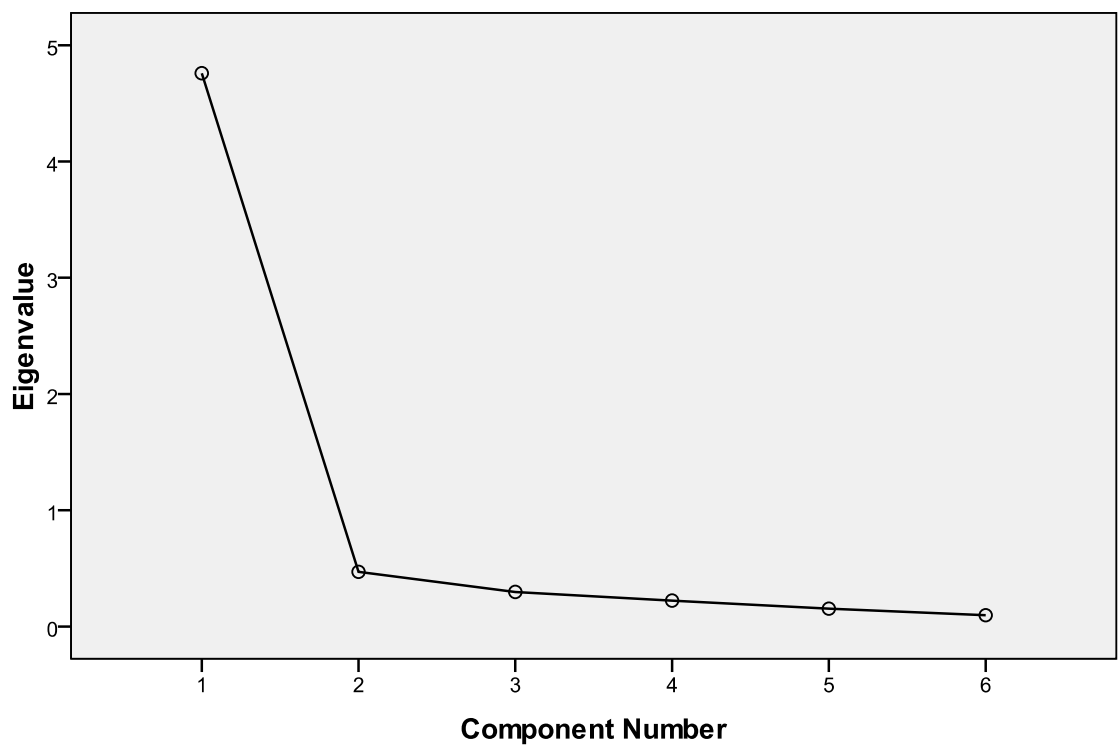
The following tables show the number of employee respondents per factory and their demographic characteristics.

Table 10: The number of employee respondents per factory:

Factory No.	Number. of respondents	Factory No.	Number. of respondents	Factory No.	Number. of respondents
Factory. 1	12	Factory. 11	9	Factory. 21	10
Factory. 2	11	Factory. 12	12	Factory. 22	9
Factory. 3	13	Factory. 13	10	Factory. 23	12
Factory. 4	10	Factory. 14	10	Factory. 24	12
Factory. 5	12	Factory. 15	9	Factory. 25	12
Factory. 6	14	Factory. 16	9	Factory. 26	12
Factory. 7	15	Factory. 17	12	Factory. 27	12
Factory. 8	12	Factory. 18	9	Factory. 28	13
Factory. 9	15	Factory. 19	12	Factory. 29	11
Factory. 10	11	Factory. 20	11	Factory. 30	12

Table 11: Demographic characteristics of employee respondents:

Factory No.	Tenure/Age (mean)	Factory No.	Tenure/Age (mean)	Factory No.	Tenure/Age (mean)
Factory. 1	1.9/24.9	Factory. 11	2.0/29.1	Factory. 21	4.6/30.8
Factory. 2	2.4/26.6	Factory. 12	6.7/35.3	Factory. 22	2.8/28.4
Factory. 3	2.6/26.5	Factory. 13	7.8/31.8	Factory. 23	3.6/28.5
Factory. 4	5.7/29.5	Factory. 14	3.9/33.4	Factory. 24	5.5/30.2
Factory. 5	2.1/26.5	Factory. 15	3.8/36.6	Factory. 25	2.5/26.8
Factory. 6	3.4/32.2	Factory. 16	4.0/29.8	Factory. 26	5.7/30.0
Factory. 7	3.7/28.4	Factory. 17	5.3/31.7	Factory. 27	2.0/26.7
Factory. 8	5.1/29.6	Factory. 18	6.6/28.9	Factory. 28	3.6/27.9
Factory. 9	3.2/27.1	Factory. 19	5.8/32.8	Factory. 29	4.5/29.5
Factory. 10	4.4/30	Factory. 20	5.5/31.1	Factory. 30	2.8/26.5

Tenure/Age	N	Minimum	Maximum	Mean	Std. Deviation
tenure	343	.0	20.0	4.2	3.9
age	341	19.0	54.0	29.4	6.7

Table 12 : Demographics of employer respondents.

	N	Minimum	Maximum	Mean	Std. Deviation
Tenure	30	4.0	33.0	11.3	7.2
Age	30	28.0	58.0	37.8	8.1

Educational Level/Percentage	Percent	Valid Percent
secondary school	9	30.0
college degree	9	30.0
bachelor degree	11	36.7
master degree	1	3.3
Total	30	100.0

Titles	Frequency	Percent
Assistant of owner	2	6.7
Environmental manager	1	3.3
Executive officer	1	3.3
HR manager	1	3.3
Manager	2	6.7
Owner	8	26.7
Co-owner	2	6.7
Plant manager	8	26.7
PR manager	2	6.7
Owner's Successor	3	10.0
Total	30	100.0

Table 13 shows means, standard deviations, correlations and alphas for the individual level variables. Hierarchical linear modeling (HLM) was used to test the model. POI, CEI, affective commitment and normative commitment were treated as employee level variables, while CSR was treated as a company level variable.

Table 13. Means, standard deviations, correlations and reliabilities

	Mean	Std. devn.	1	2	3	4	5	6	7
1 Construed external image	3.74	.57	0.72						
2 Perceived organizational identity	3.79	.66	.66(**)	0.75					
3 Affective commitment	3.74	.59	.40(**)	.43(**)	0.69				
4 Normative commitment	3.58	.78	.30(**)	.36(**)	.48(**)	0.72			
5 CSR	3.66	.35	.14(**)	.15(**)	.12(*)	.20(**)			
6 Age	29.45	6.71	.15(**)	.18(**)	.69	.17	-0.002		
7 Tenure	4.15	3.96	.15(**)	.14(**)	.13(**)	.035	-0.065	.59(**)	

N=343.
* $p < .05$
** $p < .01$
*** $p < .001$

6.3   Results for Hypotheses 1 & 2

To test these hypotheses, we used a staged approach to the HLM analysis (see tables 14 and 15), beginning with a null model where no level 1 or level 2 predictors were added. The ratio of between-group to total variance provided an intra-class correlation coefficient (ICC) of 0.167 for perceived organizational identity and 0.129 for construed external image, indicating that 16.7 and 12.9 percent of the variance in perceived organizational identity and construed external image respectively may be explained by level 2 predictors. Although the ICCs were small, between-group variance in perceived organizational identity and construed external image was significant (F=2.88, p=0.000 and F=3.30, p=0.000 respectively). Hence, we can conclude that it was appropriate to examine level 2 predictors (Gavin & Hoffmann, 2002).

We then proceeded to model 2, including the level 1 control variables only. It also showed that age was positively associated with POI but not CEI, while tenure was significant in neither case. The random error variance on the constant was significant for both dependent variables, so that we proceeded with model 3, which included the level 2 predictors. According to these results, CSR had a significant positive effect on both perceived organizational identity and construed external image. These findings provide support for hypotheses 1 & 2. We are counting tenure as significant as the p value is less than 0.1 rather than 0.05 since our sample size is relatively small for cross level effects in HLM.

We also calculate R^2 at the two levels, which estimates the variance accounted for by the two level constructs (Hoffmann, 1997). R^2 at level 1 represents the percentage of the level 1 variance in POI/CEI explained by tenure and age, while R^2 at level 2 represents the variance accounted for by CSR. Therefore, age and tenure as an individual level predictors, collectively explained 7.8% of the within-group variance in POI, while CSR

as an organizational level predictor, accounted for 20.2% of the between-group variance in POI, and 12.3% in CEI.

R^2 will provide some idea of the percentage of variance accounted for by CSR, and the regression coefficient show how a one point increase in CSR leads to an increase in the outcome. We compared our R^2 value with those presented in other articles using HLM, and found our values are close to conventionally acceptable ones (Liao and Chuang, 2004). Since the sample size of this study is rather small as far as HLM methods are concerned, it is not likely that the statistical significance is from the size of sample.

TABLE 14
Results of HLM analysis for the antecedents of perceived organizational identity

Independent variable	Null model		Model 2		Model 3	
Level 1						
Constant	3.81***	(0.08***)	3.83***	(0.08***)	2.67***	(0.06***)
Tenure			0.01	(0.0003)	0.01	(0.0001)
Age			0.02*	(0.0005†)	0.02*	(0.0005†)
Level 2						
CSR					0.31*	
Within-group residual variance	0.385		0.350		0.355	
Model deviance	695.19		676.64		673.74	
R^2 within group[a]			.078			
R^2 between group [b]					.202	

Note. Unstandardized coefficient estimates with robust standard errors. Estimates of the random error variance components are in parentheses.
N=343 for individual-level variables. N=30 for group-level variables.
† $p < .10$, * $p < .05$, ** $p < .01$, *** $p < .001$.
[a] Proportion of within-group variance explained by level 1 predictors.
[b] Proportion of between-group variance explained by level 2 predictors

TABLE 15
Results of HLM analysis for the antecedents of construed external image

Independent variable	Null model	Model 2	Model 3
Level 1			
Constant	3.72*** (0.05***)	3.73*** (0.05***)	2.99*** (0.05***)
Tenure		0.01 (0.004)	0.01 (0.004)
Age		0.007 (0.004)	0.007 (0.004)
Level 2			
CSR			0.23[†]
Within-group residual variance	0.300	0.280	0.282
Model deviance	596.30	596.23	665.84
R^2 within group [a]			
R^2 between group [b]			.123

Note. Unstandardized coefficient estimates with robust standard errors. Estimates of the random error variance components are in parentheses.

N=343 for individual-level variables. N=30 for group-level variables.

[†] $p < .10$,* $p < .05$, ** $p < .01$, *** $p < .001$.

[a] Proportion of within-group variance explained by level 1 predictors.

[b] Proportion of between-group variance explained by level 2 predictors

6.4   Results for Hypotheses 3 to 6

As shown in tables 16 and 17, similar stages of approach were adopted for the analysis of affective and normative commitment. We began with the null models, with ICCs of 0.059 for affective commitment and 0.075 for normative commitment, indicating that 5.9 and 7.5 percent of the variance in affective commitment (AC) and normative commitment (NC) can be explained by level 2 predictors. Again, although the ICCs were small, there was significant between-group variance in affective (F=1.70, p=0.016) and normative commitment (F=1.73, p=0.013), so that we proceeded to examine level 2 predictors

We then proceeded to model 2, with level 1 control variables only. The findings show that tenure was significant for affective commitment, but had no effect on normative commitment, whilst age was significant in neither case. The random error variance on the constant was significant for both dependent variables, so that we proceeded with model 3, which included the level 2 predictors. According to these results, CSR had a significant positive effect on both affective and normative commitment.

Model four was designed to test the mediation effect of perceived organizational identity and construed external image in the CSR-commitment relationship. For affective commitment (table 16), both perceived organizational identity and construed external image were significant, whilst CSR was no longer significant. Taken along with the earlier results on the positive association between CSR and the two potential mediators, this suggests that perceived organizational identity and construed external image fully mediate the relationship between CSR and affective commitment. In the case of normative commitment (table 17), both POI and CEI were significant in model 4, whilst the CSR coefficient remained significant but was rather smaller than in the

108

unmediated model 3. Taken along with the earlier results on the positive association between CSR and POI, this suggests that POI and CEI partially mediate the relationship between CSR and normative commitment. Thus, hypotheses 3, 4, 5 and 6 were supported.

R^2 at level 1 represents the percentage of the level 1 variance in AC/NC explained by tenure, POI and CEI, while R^2 at level 2 represents the variance accounted for by CSR. Therefore, as a block, tenure, POI and CEI explained 29.0% of the within-group variance in affective commitment, while POI and CEI explained 28.4% of such variance in normative commitment. CSR, as an organizational level predictor, accounted for 14.2 of the between-group variance in affective commitment, and 11.0% of such variance in normative commitment.

TABLE 16
TABLE 16
Results of HLM analysis for the antecedents of affective commitment

Independent variable	Null model		Model 2		Model 3		Model 4	
Level 1								
Constant	3.68***	(0.03*)	3.69***	(0.03*)	2.78***	(0.03*)	3.24***	(0.01)
Tenure			$0.02^{\dagger}$	(0.001)	0.02*	(0.0007)	0.01	(0.006)
AGE			0.002	(0.0006*)	0.001	(0.0006*)	-0.004	(0.001)
POI							0.30**	(0.09*)
CEI							$0.21^{\dagger}$	(0.25**)
Level 2								
CSR					0.24*		0.12	
Within-group residual variance	0.51		0.50		0.48		0.37	
Model deviance	765.89		768.77		766.16		695.34	
R^2 within group [a]					.29			
R^2 between group [b]							.142	

Note. Unstandardized coefficient estimates with robust standard errors. Estimates of the random error variance components are in parentheses.
N=343 for individual-level variables. N=30 for group-level variables.
$^{\dagger} p < .10$, $* p < .05$, $** p < .01$, $*** p < .001$.
[a]   Proportion of within-group variance explained by level 1 predictors.
[b] Proportion of between-group variance explained by level 2 predictors

TABLE 17
Results of HLM analysis for the antecedents of normative commitment

Independent variable	Null model		Model 2		Model 3		Model 4	
Level 1								
Constant	3.62***	(0.04**)	3.62***	(0.19)	1.89***	(0.007)	2.42***	
(0.02)								
Tenure			0.01	(0.002)	0.02	(0.007)	0.01	
(0.003)								
AGE			0.004	(0.0005)	0.002	(0.002)	-0.006	
(0.0001)								
POI							0.38**	(0.19†)
CEI							0.23*	
(0.1)								
Level 2								
CSR					0.47***		0.33**	
Within-group residual variance	0.65		0.62		0.62		0.46	
Model deviance	843.33		849.65		839.65		773.10	
R^2 within group [a]					.284			
R^2 between group [b]							.110	

Note. Unstandardized coefficient estimates with robust standard errors. Estimates of the random error variance components are in parentheses.
$N=343$ for individual-level variables. $N=30$ for group-level variables.
† $p < .10$, * $p < .05$, ** $p < .01$, *** $p < .001$.
[a]   Proportion of within-group variance explained by level 1 predictors
[b] Proportion of between-group variance explained by level 2 predictors

Chapter 7 Discussion and Conclusions

7 Introduction

This final chapter intends to combine the findings of the qualitative and quantitative studies to see whether the interaction between the two will lead to new thoughts. Further discussion revolves around CSR in the Chinese context and how the western theoretical framework can explain the situation in China. The implications and contributions for theory and practice are also discussed. Last but not least, the limitations and future prospects are illustrated.

7.1 Key Findings – Qualitative Study

We can present the findings by answering the three research questions.

Firstly, "How do Chinese enterprises conceive of CSR?" As a matter of fact, some elderly entrepreneurs may not know the precise definition of CSR, but have already incorporated CSR into their routine management practices. The younger owners and senior managers were familiar with the term "CSR", although they mainly showed us examples and practices in environmental, employee and community responsibilities, and little was mentioned with regard to supplier, investor and customer responsibility. This is consistent with the existing literature describing the lack of supplier responsibility in the Chinese business sector (Egri et al, 2007). Since the interviews were related to unlisted companies producing knives and tools, investor and consumer responsibilities may not have been as salient as for listed companies or those in other manufacturing industries (e.g., food, electronic appliances). Also worth noting is the low transparency of audit results. Unlike foreign companies, which explicitly show their CSR practices and performance on their websites, Chinese enterprises are not aware of the importance of publicity in CSR implementation. Most only put their donation news

on their websites, as "Charity participation", or show their certificates and awards. No specific CSR columns or direct links in CSR are available from their websites. The majority of enterprises refuse to make their test results available to the public, even when they have passed all the government tests and checks.

The second question is "How well have they been doing in CSR?" Since we have compared two groups with and without ISO 14001 certificates, we expect that those possessing ISO 14001 certification may outperform the others. However, the result is the opposite. It is interesting to find that an ISO 14001 certificate can't guarantee effective environmental performance because old city planning issues are often obstacles. Chinese enterprises with fewer historical obstacles and more local government support can even outperform those who have obtained ISO 14001 certification. For instance, complaints from residents nearby were barely received especially for those who established their plants within the industrial zone. Among the ten enterprises, the three ISO 14001 certified enterprises are the largest ones in scale, and they are also with longer history. Established decades ago, none of them was located in the newly built industrial development zone. Actually, where their factories located are very close to the downtown, since the city center has been expanded enormously these years. Due to the historical city planning problems, these ISO 14001 enterprises do not enjoy a good reputation among their neighborhood, although the noise or emission they produce meet all the legal requirements.

Meanwhile, ISO 14001 is majoring in environmental management, enterprises with ISO 14001 do not necessarily outperform those non-certified ones in terms of employee management. ISO 14001 does have an impact on environmental management, since in most environmental practices. However, there is not much difference between the two groups when we look at the employee practices. Therefore, we can't conclude

that those with ISO 14001 are doing better in CSR.

For those factories outside the industrial zone, since many of them have much longer history, larger scales and more resources, we propose that improvements can also be made in establishing a separate environmental management department and effectively allocating human resources to avoid confusing job duties.

It has also been found that among those ten firms, only a few have set up an independent department tackling CSR issues. In some western enterprises, there will be a special committee in charge of CSR practices within the organization, and a high-level executive will lead the committee in terms of initiating CSR policy, delivering CSR messages to employees and reviewing CSR performance regularly. However, in Chinese enterprises, generally speaking, CSR schemes are solely determined by the owner/general manager and there is a lack of institutional or systematic processes. Many respondents admitted that CSR is currently driven by leaders' personal values, not by institutional factors. Under such circumstances, there is a potential problem that the continuity of CSR policy can not be assured.

As for employee responsibility, it is encouraging to find that in the cutlery industry, Chinese enterprises do treasure skilled and experienced workers. Although lacking trade union clout, skilled craftsmen have gained bargaining power in the labor market. Another reason may be that the selected factories are mainly exporting products abroad. As suppliers of European or US customers, they probably have more exposure to CSR practices, or face some pressure from their customers.

Nonetheless, supplier responsibility is to a great extent not popular in the cutlery industry in China. By contrast, the overwhelming majority of the respondents expressed their concern and care for the local community.

Thirdly, "What are the benefits of undertaking CSR?" Will employee

commitment be enhanced because of CSR implementation undertaken by companies?

All managers agreed that undertaking corporate social responsibility will receive employees' support and participation, since employees care about their working environment as much as employers. The benefits of undertaking both environmental and employee responsibilities include employees' increased pride as members of the organization, lower turnover of staff, better reputation in the community and workplace, and better guanxi with local governmental departments such as the EPB due to the good reputation. Such findings provided the basis for quantitative research in this study.

7.2 Key Findings – Quantitative Study

Our findings suggest that CSR is positively related with perceived organizational identity, construed external image, affective commitment and normative commitment. Such results provided support for the idea that CSR is constructive for building corporate image among employees, and such positive images can enhance employee commitment. Although the nature of CSR itself may not necessarily be strategic, the benefits it brings about may be converted into comeptitive advantages in terms of human resources management . Such finding are consistent with the majority of the studies in CSR in literature (Turban and Cable, 2003; Turban and Greening, 1996; Scott, 2004). Another possible explanation may be that network and media allow rapid information exchange nowadays, so both good news and bad news can be spread far and wide. Every person in the society act as a consumer, an employee, and a community member at the same time, so the channels through which we collect data and information are much broader than ever. In a socially responsible corporation, if employees can get information from the CSR report, newsletters or the media, all these in return will enhance members' POI, CEI and commitment.

In addition, perceived organizational identity (POI) and construed external image (CEI) were found to fully mediate the relationship between CSR and affective commitment. In the case of normative commitment, POI and CEI partially mediate the CSR-normative commitment relationship. The mediating effects of POI and CEI in the relationship between CSR and employee commitment indicates how CSR practices may influence employee commitment. POI and CEI, as two types of corporate images perceived by internal employees, are formed through triangulations of three information sources: personal experience, interpersonal interaction and mass media. Nowadays, more and more companies are releasing CSR reports, by this means, they are sending positive messages to employees and other stakeholders, and manage the information broadcast within the community. Such results lay a foundation for future studies with the mediating effects have been identified.

7.3 Overall findings and discussion

Both studies show that CSR has positive impacts on employee commitment. However, while the phase one study focused mainly on the employers' perception of CSR practices and the popularity of the various stakeholders (e.g. environment, employees, community), the phase two study attached more importance to the potential consequences of CSR.

Such results can also be explained by social identity theory. When employees perceive an organization as responsible, there is more chance that they will be willing and inclined to identify the organization's characteristics as their own. As a result, commitment and attachment to the organization will be increased, especially when they feel proud of a particular organization. By contrast, working for less responsible

employers can detach employees' positive feelings, such as commitment towards the organization, simply because employees are reluctant to identify themselves as being as irresponsible as the organization. Moreover, comparison with out-group members, especially with those working for responsible performers, may result in hostility towards their own organization.

Another thing worth exploring is the mediating effects of POI and CEI in the relationship between CSR and employee commitment, which explain how CSR practices may influence employee commitment. POI and CEI, as two types of corporate images, reflect an information analysis sourced from personal experience, interpersonal interaction and mass media. In other words, information exposure and internal communication with employees are very important to POI and CEI. A question that may arise here is that, according to the findings of our qualitative study, there is a low level of transparency in information disclosure for Chinese enterprises to the public, which probably inhibits communication between employees and information providers (e.g., mass media). Hence this may restrict the benefits that CSR may bring about, for instance, in a better corporate image and increased employee commitment.

In general, we can also conclude that the western CSR theories fit the Chinese context despite differences existing in politics, the economy and culture. The reason may lie in the Chinese "guanxi". The reciprocal relationship between the employer and employees can be seen as one of these positive guanxi: ganqing and renqing, which are translated in English as the deep feelings and moral obligation to maintain a good relationship, prevail in Chinese culture. Under normal circumstances, when an organization treats its employees well, it is presumed that employees will stay and show their moral obligation or commitment in return. Such social norms and cultural factors explain to some extent why western theories are applicable in China.

7.4 Theoretical Implications

Our findings suggest that CSR has a positive effect on perceived organizational identity, construed external image, affective commitment and normative commitment. The contribution here is that this is the first published study associating perceived organizational identity (POI), construed external image (CEI) and employee commitment with CSR. While many studies of CSR look at corporate image from the perspectives of outsiders (Turban et al, 1996; Pfau et al, 2008) or adopt Fortune Survey ratings (Fombrun and Shanley, 1990), our approach is to examine these images at the level of the individual employee. Drawing on the existing social identity theory, this study examines the processes through which CSR impacts on employee commitment – POI and CEI. In addition, while few studies have investigated the impact of external CSR strategies on internal stakeholders, and in particular on their work attitudes (Peterson, 2004), this study investigates CSR impacts on employee commitment.

Secondly, this study proposes a multi-level conceptual-based model. Existing studies mainly focus on a single level (Brammer et al, 2007) and CSR as rated as perceptual organizational level concepts by individual employees. This research design covers two levels, which has demonstrated the nature of CSR as an organizational level concept and employee commitment as an individual level.

Thirdly, an empirical study is hard to access, especially in Chinese enterprises, since Chinese people will only trust a person with whom they are well acquainted. Although western literature provides rich documentation of CSR studies, far fewer can be found in the Chinese context. Actually, the majority of the existing studies of CSR in China are qualitative (Tsoi, 2010; Zhang et al, 2009; Gao, 2009), and the scarcity of quantitative research shows the difficulty of conducting studies on this aspect.

The possibility of no useful results being found is also excluded because pilot case studies were conducted before the quantitative survey. Based on this research

design, this study provided a foundation for the exploration of CSR in a Chinese context, confirming the relationship between CSR and employee commitment. These results support certain Chinese scholars in the debate on whether Chinese enterprises should adopt corporate social responsibility. This is particularly important since it gives a basis for a fruitful future study area by showing empirical evidence that CSR does exist in Chinese private SMEs. The results of this study also indicate that western CSR theories may be used to explain the managerial phenomenon in China, which may inspire further investigation and exploration into CSR in China and produce other benefits and mediations in the various relationships.

This study also identifies a phenomenon in which front-line workers are not used to reverse-coded items, which may provide lessons for future studies in China.

7. 5 Managerial Implications

The findings of this study can be applied in the business sector in several ways:

First, the positive effects of CSR on corporate image and employees' attitude and behavior may help convince Chinese enterprises to adopt CSR. A cheap labor supply is no longer unique to China, since other Asian countries also possess cheap labor. Thus, to excel among competitors and achieve sustainable development, firms must establish and maintain good relationships with employees and other stakeholders. If Chinese enterprises can build a good environment for employees, the Chinese advantage in having cheap labor will be retained, and foreign investors' negative impressions of Chinese enterprises will be altered. Some may argue that a benefit-driven strategy may divert the original intention of undertaking CSR, and responsibility should not be driven by outcomes but by goodwill. However, at this stage, showing positive evidence is undeniably a workable way to promote CSR among Chinese enterprises.

Secondly, the findings suggest the important role of POI and CEI in the relationships. In manufacturing firms, CSR is related to employee commitment through POI and CEI, which helps practitioners to understand the fact that inter-communication within an organization is very important. Meanwhile, proactively disclosing CSR practices to outsiders is equally important for enhancing employee commitment. Relevant training on CSR for managers and staff may encourage interaction among employees.

Thirdly, there is a need for leaders to sustain CSR values within manufacturing firms by setting up corresponding CSR committees, working units and supporting human resources. CSR should be a long-term commitment that requires continuous investment. However, without an institutional structure, it may be ignored, especially during turbulent times, such as when there is a change of leaders. With a CSR committee/working unit/staff, relevant CSR practices such as CSR planning, policy-making and performance reviewing can be implemented more effectively. Chinese managers may draw on many successful examples in western business firms, to learn specific knowledge from which CSR practices can be better defined within the Chinese context.

7.6 Limitations

The limitations of this study should be noted. Firstly, respondents were from one medium-sized city, Yangjiang in Guangdong province, which restricts the generalizability of the findings. Yangjiang is a city well-known for manufacturing scissors, knives and kitchen tools, which has attracted workers from all over the nation. Similar as neighbor cities in Guangdong province, more than half of the workers in Yangjiang are non-local workers who are from provinces outside Guangdong. Additionally, the process of cutlery manufacturing itself requires techniques and

experience, so skillful workers are valuable assets for every factory. Employees from the cutlery industry may possess higher bargaining power, and this can be a limitation that affect the generalizability. Moreover, under pressure from competitors, employers were willing to offer better working and living conditions to skillful and experienced workers. In some cases, one whole family will work and live in the same factory. All these factors may have some effects on employee commitment. However, the successful experience in some enterprises this industry tells about the importance of innovative CSR practices and that employers should take the lead to do CSR, and this may be an important message that can be delivered to all industries or manufacturing. Recently, the situation is changing slightly there are plenty of job opportunities and a serious shortage of labour in the main industrial and economic region, the Guangdong province in China. Employers from all walks of life are in great need of workers, in order to maintain their production and operation. For employers, they have to increase wages and provide better benefit packages to attract, retain and even raid their competitors for the workers. It is a matter of fact that we are not certain if these employers are doing CSR out of their goodwill, and whether the motivation of these CSR are voluntary or benefit-driven, however, we still would like to inform employers of the benefits that CSR may bring about, and to encourage employers to commit more to CSR. If only that the business sector in China come to realize the importance of CSR to human resources, to the survival and expansion of their business, and eventually to the whole community, then probably implementing CSR will become a trend, a general practice or a necessity for them in the future, as in many enterprises in western countries.

Secondly, CSR was rated by employers themselves, which involves the problem of a common method bias. However, since staff in most of the factories were acquainted and familiar with each other, surveys were conducted face-to-face within the factory, and

121

the sample was based on convenience and the snowball basis, the likelihood of overrating, exaggerating or lying was reduced.

Thirdly, since the data was collected from factories in China, there is a question that if the such model will fit in other political, economic or cultural settings. Chances are different findings or results may be found in other developing or developed countries.

Another point is that, in this study we adopted five point scale, so there is a possibility that the Chinese Confucian culture may affect respondents to eschew the extremes and only use the middle scales. Therefore, we compare our central tendency with other similar studies using seven point likert scales. In the following table, we present the mean, standard deviation and percentile for the CEI, POI, AC and NC constructs. In Chen and Francesco's study, conducted in the Chinese context (2003), when 7 point likert scales were adopted, the mean of affective commitment was 5.5 with a standard deviation of 0.9. Since standard deviation shows how much variation or dispersion there is from the average, we can see that in Chen and Francesco's case, affective commitment ratings fluctuates within a range of 12.8%. (0.9/7=0.128), while in our study, the range is 12% (0.6/5=0.12), which is rather similar. The comparison for the standard deviation as a proportion of the mean is 0.163 (0.9/5.5) for Chen and Francesco and 0.160 (0.6/3.75) for the current study in the case of affective commitment. For normative commitment, the comparison is 14.5% (1.02/7=0.145) in Chen and Francesco's case and 15.6% (0.78/5=0.156) in our case, with the ratio of standard deviation to mean at 14.5% and 15.6% respectively in the two studies. This suggests that, relative to the earlier study, central tendency appears not to be a serious problem in our study. However, this is still an issue we should pay attention to in our future studies.

Table 11: the mean, standard deviation and percentile for the CEI, POI, AC and NC

		CEI	POI	Affective Commitment	Normative Commitment
Mean		3.75	3.80	3.75	3.58
Std. Deviation		.578	.66	.60	.78
Variance		.33	.44	.36	.62
Percentiles	25	3.37	3.50	3.33	3.16
	50	3.75	3.83	3.83	3.66
	75	4.12	4.16	4.16	4.00

Finally, social desirability response bias has not been included in the questionnaires. Actually, according to Bernardi (2006), social desirability response bias (SDRB) will decrease as individualism increases, and it will increase when uncertainty avoidance increase. He suggested that the SDRB score of China is on the average when compared with other 11 countries such as US and Columbia. China is a country with relatively high collectivism and uncertainty avoidance, and according to the research results from Bernardi, such cultural factors may decrease and also increase the SDRB at the same time. In this study, we have tried to ensure the anonymity of the respondents, and the questionnaires were completed outside the workshops, these may help to reduce their anxiety and uncertainty.

7.7 Future research prospects

Regarding the findings provided above, several areas of research can follow the direction of this study.

First, our findings suggest that CSR has a positive effect on perceived organizational identity, construed external image, affective commitment and normative

commitment, which support the view that CSR does provide non-financial benefits at the employee level, and suggests that future studies should further seek its consequences and impacts on individual employees' behavior and attitude, such as job satisfaction, turnover rate, organizational behavior, loyalty and trust.

Secondly, this study only confirms a partial mediator effect of POI and CEI in the relationship between CSR and employee commitment, so other mediators may be involved and are worth examining, for instance, perceived justice in work.

Thirdly, longitudinal studies may provide support for causation. This study was conducted in 2006, when the global economy was still promising and exports were flourishing. The question of the relationship between CSR and its consequences in turbulent times (e.g. during the financial tsunami) is worth exploring.

Another important point is that, this model has been confirmed within the Chinese context and culture, and it is worth exploring that this relationship can also be generalized in other contexts and similar cultures. There is also room for exploration of the application of this model to other types of enterprises, industries and cities, and expanding the generalizability of this model can help practitioners in all lines of work.

Finally, according to Jamali and Mirshak (2007), in a developing country context there is an urgent need for CSR type initiatives, however, it is rather hard and even unlikely to promote CSR within private sector due to economic constraints. Therefore, systematic planning, and strong determination, continuous engagement, as well as government support and guidance are very important for CSR promotion within private sector. Actually, motives of CSR vary from market competition, organizational culture, leaders' value and knowledge, external new-institutional forces, policy modes of government, collective actions from industries, pressure from stakeholders, so on and so forth (Hoffman, 1999; Prakash, 1999; Prakash and Kollman, 2004). Therefore, managers

usually take many factors into consideration when making managerial decision, and they need to cater to the interests of many stakeholders. Apart from government policies and support, other stakeholders such as employees, customers and community can also pose pressure to enterprises on CSR. For many enterprises, CSR entails balancing cost/benefits accrued to firms and a comparison with their competitors, if they seek potential benefits resulting from CSR without jeopardizing firm's financial operation and profitability, it is much more likely they will be willing to adopt CSR practices. Therefore, there are many that government can do. For example, to issue some supporting tax deduction/refund policies or introduce similar incentives, to publicize CSR in the customers, to incorporate CSR into price signal in markets and in exporting markets, to regulate on information disclosure, etc. In this study, it has been found that government support and customer pressure are two effective motives for private enterprises to implement CSR. With government support and guidance, those non ISO 14001 certified enterprises are doing well in environmental management, and with pressure from some customers, the employee relationship in a whole industry is much more harmonious. Based on these findings, studies revolving around the affecting factors may be expanded in the future.

To conclude, this study has addressed three questions on CSR in Chinese enterprises, and has examined the mediating effect of POI and CEI in the relationship between CSR and employee commitment in providing positive results. Based on these findings, this study provides both theoretical and managerial implications, and also sheds some light on future research.

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137

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Appendix 1: Interview protocol for case studies:

Part one: firms' background and conception on CSR

1. Background of the firm: ownership, industry, production capacity, annual sale, employees, markets (domestic, local or export), (obtained from website or catalogues if possible, and reiterate them to the CEO and see if the data is update or not), competition intensity, CEO's qualification and education.

2. How do you think of the current situation of CSR in Chinese enterprises? Under pressure of foreign companies?, should we undertake CSR, or simply focus on winning market share? Why? Which aspects are more easily being ignored by Chinese enterprises? *(Expected answers: A. Chinese enterprises have to sacrifice CSR in order to survive in the stiff competition with foreign companies since it is a burden in terms of cost. b. in order to compete with foreign companies, Chinese enterprises should attach more importance to CSR. C. under no circumstances should Chinese enterprises sacrifice CSR, which is the basis for social development)*

3. CSR related information: your firm's policy on CSR? In your firm's mission and vision, is CSR been included? Howe much have you invested in CSR? Examples?

Part two: six aspects of CSR

1 please give these six aspects of CSR a sequence according to their importance

Consumer, investor, environment, employee, supplier and community. Why put them in this way?

2 when we talk about environmental responsibility, what particular implements will you think about? *(Expected answers: A. abide by the law and regulations. B. take the influence to surroundings and society under consideration, progressively increase investment in these aspects in order to improve the current situation)*

3. existence of the following environmental management practices

1. level of pollution: very polluting to green business

2. existence of a green vision & policy

3. published environmental targets and plans, total investment (in money) in environmental management, existence of green zone in construction area.

4. establishment of environmental management system: ISO 14001 certification, when and why did you get such certificate?

5 environmental audit (internal/external) and report, available to public?

6 adoption of a green procurement policy

7 board member/ a high level executive responsible for environment, total staff number responsible for environmental management, establishment of separate environmental department

8 operation and production technology, rating from use of polluting technology to green technology

9 pollution produced (e.g., water, air, noise, solid waste), ranging from very polluting to pollution free.

10 compliance record: number of violations of regulation, the amount of

penalty paid

11 incidents of non-sustainability, if yes, when and how did it happen?

12 involvement into community environmental programs, examples?

13 support other related programs, examples?

12 engagement in green R&D, any innovations?

15 Receipt of green awards

4. When we talk about employee responsibility, what particularpractices will you think about? How well have you been doing in these aspects? *(Expected answers: A. payment in time and no breach into the labor law. B. development of human resources, teamwork, employee commitment, and concern for people) (see if they go beyond legal requirements)*

5: engagement of the following practical employee management

A general information

1. numbers of employees, local/non-local and propotions, any difference?

B. Vision and values

2. existence of a HR vision &   policy, when was it first come into being

C Employee management

3. health and safety: education, investment, insurance,

4. working hour: overtime working, breaks, holidays

5 complaining system and grievance counseling, ways of communication (opinion box)

6 wages: minimal wage

7 existence of trade union, the function of trade union, involvement of

employees

D Training and Development

8 opportunity provided to employees to further education, e.g., lectures, tutorials

9 funds provided to employees to further education, e.g., allowance for tuition

E Off-work activities

10 activities and programs held to enrich off-work life: e.g., tourism, family gathering, games and contests.

F Benefits of employee responsibility

11 employee commitment, less turnover, more job satisfaction, strengthened organizational identification

Par three: results of CSR

1 What positive results you have gained from undertaking CSR? is it what you expected? (compared with Q 7 in part one)

 a. building positive corporate image

 b. strengthen competitive advantage

 c. boost the sale

 d. increase the profit

 e. gain and enhance employees' recognition and commitment

 f. better guanxi with government department such as EPB.

 g. customer loyalty

Appendix 2: Questionnaire
A 2.1 Questionnaire for managers:
GENERAL INSTRUCTIONS

Thank you for accepting to participate in our survey of stakeholder relationships!

As you will see, the questions in the survey do not ask for any confidential information. You can be assured that the information you provide will remain strictly anonymous: we are in no position to identify who sent back the surveys. Your responses will be combined with those of many others and used only for statistical analysis. In exchange for this anonymity, we appreciate the sincerity and objectivity of your answers.

Please respond to all questions as quickly and carefully as possible. Your first impression is usually your most accurate impression. You should be able to complete the survey in approximately ten minutes. When you have completed the survey, please place it in the enclosed self-addressed envelope. If you would like to receive a copy of the final results, you can either e-mail me or send your business card in a separate envelop (in order to assure your anonymity) to the address listed below. Should you have any question about this survey and our research, please do not hesitate to contact me.

Again, many thanks for your time and effort!

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Polytechnic University

Part 1 Personal information

*Please put a tick " √ " in the underscore.

1. How long have you been working in this organization?___year(s)
2. Your sex: Male____ Female ____
3. Your education level:
    Primary School____
    Junior High School____
    High School____
    College____
    Master____
4 your age range:
    ____ under 20
    ____20-30
    ____30-40
    ____ 40-50
    ____above 50

Part 2:

INSTRUCTIONS: In this section, we would like to know to what extent *your organization* adopts specific practices. In the space before each item, please write the number that indicates the extent to which you agree/disagree with the statement provided. *If you feel that an item does not apply to your organization, please write N/A (non-applicable).*

Strongly Disagree		Moderately Disagree		Neutral		Moderately Agree		Strongly Agree
1		**2**		**3**		**4**		**5**

My organization systematically:

1. _____ conducts surveys to measure customer satisfaction and complaints.

2. _____ incorporates the interests of all our investors in business decisions.

3. _____ communicates with local communities about business decisions that they are affected by.

4. _____ provides procedures that ensure safe and healthy working conditions for all employees.

5. _____ gives money to charities in the communities where we operate.

6. _____ provides all suppliers of products and services with the commitment to a future relationship.

7. _____ voluntarily exceeds legally mandated employee benefits (e.g., contributions to health care, disability, education, retirement).

8. _____ offers all suppliers of products and services some price guarantees for the future.

9. _____ provides all investors with timely and accurate financial information about the organization.

10. _____ incorporates environmental performance objectives in organizational plans.

11. _____ financially supports all employees who want to pursue further education.

12. _____ helps improve the quality of life in the communities where we operate.

13. _____ incorporates the interests of all suppliers of products and services in business decisions.

14. _____ treats all employees equitably and respectfully, regardless of ethnic or racial background.

15. _____ voluntarily exceeds government environmental regulations.

16. _____ provides all investors with a competitive return on investment.

17. _____ provides all customers with a very high quality service.

18. _____ provides all employees with compensation (salaries, wages) that properly and fairly reward them for their work.

19. _____ financially supports community activities (e.g., arts, culture, sports).

20. _____ provides for the training and development of all employees.

21. _____ stimulates the economic development in the communities where we operate.

22. _____ seeks the input of all our investors regarding strategic decisions.

23. _____ provides for equal opportunity in the hiring, training, and

promotion

of women.

24. _____ provides all customers with the information needed to make sound

purchasing decisions.

25. _____ financially supports environmental initiatives.

26. _____ issues a formal report regarding corporate social performance.

27. _____ provides policies and programmes that support employees to better
coordinate their work and personal lives.

My organization systematically:

28. _____ involves all suppliers in new product or service development.

29. _____ financially supports education in the communities where we

operate.

30. _____ meets the information needs and requests of all our investors.

31. _____ issues a formal report regarding corporate environmental

performance.

32. _____ satisfies the complaints of all customers about the company's

products

or services.

33. _____ adapts products or services to enhance the level of customer

satisfaction.

34. _____ measures the organization's environmental performance.

35. _____ informs all suppliers of products and services about organizational
changes affecting purchasing decisions.

36. _____ conducts environmental life-cycle and risk assessments of all
organizational activities.

A 2. 2 Questionnaire for employees
GENERAL INSTRUCTIONS

Thank you for accepting to participate in our survey of stakeholder relationships!

As you will see, the questions in the survey do not ask for any confidential information. You can be assured that the information you provide will remain strictly anonymous: we are in no position to identify who sent back the surveys. Your responses will be combined with those of many others and used only for statistical analysis. In exchange for this anonymity, we appreciate the sincerity and objectivity of your answers.

Please respond to all questions as quickly and carefully as possible. Your first impression is usually your most accurate impression. You should be able to complete the survey in approximately ten minutes. When you have completed the survey, please place it in the enclosed self-addressed envelope. If you would like to receive a copy of the final results, you can either e-mail me or send your business card in a separate envelop (in order to assure your anonymity) to the address listed below. Should you have any question about this survey and our research, please do not hesitate to contact me.

Again, many thanks for your time and effort!

Part 1 Personal information

*Please put a tick " √ " in the underscore.

1. How long have you been working in this organization?___year(s)
2. Your sex: Male____ Female ____
3. Your education level:
    Primary School____
    Junior High School____
    High School____

College____
Master____
4 your age range:
____ under 20
____20-30
____30-40
____40-50
____above 50

Part two: CEI & POI

In this section, we would like to know about your conception of your organiazation. Construed External Image (CEI) means how you think of the assessment of outsiders on your organization, while perceived organizational identity is your own impression of your organization.

There are no right or wrong answers to these questions. In the space in front of each item, please write the number (from 1 to 5) that indicates the extent to which you believe each statement.

Construed External Image & Perceived Organizational Identity:

(1=strongly agree; 5=strongly disagree)

	1	2	3	4	5
1 people in my community think highly of (name of organization)	1	2	3	4	5
2 it is considered prestigious in the religious community to be a member of (name of organization)	1	2	3	4	5
3 (name of organization) considered one of the best organization in the same industry	1	2	3	4	5
4 people from other organization in the same industry look down at (name of organization)	1	2	3	4	5
5 my parents would be proud to that I work in this organization.	1	2	3	4	5
6 (name of organization) does not have a good reputation in my community.	1	2	3	4	5

7 a person seeking to advance his career in this industry should 1 2 3 4 5
downplay his association with (name of organization)

8 when other organizations in the same industry are recruiting new 1 2 3 4 5
staff, staff from our organization will not be preferred.

                                                    1 2 3 4 5

9. I think company (name of organization) has a good reputation
compared with other organizations in the community.

10. I think company (name of organization) has a good reputation 1 2 3 · 4 5
compared with other organizations in the industry.

11. I think company (name of organization)involved actively in th 1 2 3 4 5
community.

12. I think company (name of organization)has a good overall image 1 2 3 4 5

13. I think company (name of organization)is a good place to work. 1 2 3 4 5

14. I think company (name of organization)has built good reputation 1 2 3 4 5
in the market.

PART three : employee commitment

In this section, we would like to know how you evaluate your attachment to this

organization. There are no right or wrong answers to these questions. In the space in

front of each item, please write the number (from 1 to 5) that indicates the extent to which

you believe each statement.

(1=strongly agree; 5=strongly disagree)

Affective Commitment Scale items

1. I would be very happy to spend the rest of my career with this 1 2 3 4 5
organization

2. I really feel as if this organization's problems are my own 1 2 3 4 5

3. I do not feel like 'part of the family' at my organization(R) 1 2 3 4 5

4 I do not feel 'emotionally attached' to this organization(R) 1 2 3 4 5

5. This organization has a great deal of personal meaning for me 1 2 3 4 5

6. I do not feel a strong sense of belonging to my organization(R) 1 2 3 4 5

Normative Commitment Scale items

1. I do not feel any obligation to remain with my current employer.
(R)   1   2   3   4   5

2. . Even if it were to my advantage, I do not feel it would be right to   1   2   3   4   5
leave my organisation now.

3 . I would feel guilty if I left this organisation now.   1   2   3   4   5

4. This organisation deserves my loyalty.   1   2   3   4   5

5. I would not leave my organisation right now because I have a   1   2   3   4   5
sense of obligation to the people in it.

6. I owe a great deal to my organisation.   1   2   3   4   5

Appendix 3: Questionnaire in chinese

A 3.1 Questionnaire for managers:

前言

首先，衷心感谢贵公司接受这次商业机构及其相关的公 成员问卷调查。下列问题决不涉及贵公司的机密资料，我们亦不能从收回的问卷中得知贵公司的身份。所回收的问卷资料在整理后仅仅用作统计分析，绝无其它目的。在此过程中，由于问卷的发放与回收是完全保密的，故我们真诚渴望您能认真及客观地回答所有问题。

请您迅速和谨慎地完成下列问题，因为我们相信第一印象一般是最准确的。您应在 10 分钟内完成整份问卷。完成后，请您把问卷用附上的回邮信封寄回。

假如阁下希望进一步地了解调查的结果，请通过下列电子邮件地址与我联系或为您保密起见另附信封把您的名片寄到下列地址。若您对这次调查和我们的调研有任何疑问，请与本人联络。

最后，再次对您的参与及帮助表示衷心的感谢!

第一部份：机构背景及个人资料

1. 贵公司总共有多少名员工?

____ 少于 100 名

____ 100-499 名

____ 500-999 名

____ 1000-4999 名

____ 多于 5000 名

2. 阁下的职衔是_____

3. 贵机构是属于哪一个行业? _____

4.你在贵机构的工作年限____

5. 性别: ____ 男____ 女

6. 您的文化背景(请选择你所完成最高的教育程度):

____ (1) 小学教育

____ (2) 中学或同等程度的教育

_____ (3) 大专或同等程度的教育

_____ (4) 学士学位或同等程度的教育

_____ (5) 硕士学位或同等程度的教育

_____ (6) 博士学位或同等程度的教育

_____ (7) 其它学位，请注明

7. 年龄: _____

第二部分：机构的文化

填写说明:在这一部分，请您描述您企业社会责任的看法. 这些问题均没有一定的正确答案。请您在每个问题前的空位上填上 1-7¬Û应ªº¥ô¦ô¤@个数 ¦riA¥H¤¦¬MiÓzªº¦PiPNµ{«iÑ(见下表对 1-9 的形容)。请在符合您的想法的原则下，尽量使用所有的数字以作出区别。

极不同意中度不同意中立中度同意 极同意

1------------2------------3------------4----------5

您如何看待企业的社会责任?

机构与其相关的公

填写说明:在本部分，我们希望知道贵机构在下列各种具体的行动上做了多少。请您在每个问题前的空白处写上你的同意/不同意程度。假如你觉得任何一项不适用于贵机构的，请填上 N/A(不适用)的符号。

极不同意中度不同意中立中度同意极同意

1------------2------------3------------4----------5

本机构是有计划地尝试:

1. 做到对所有顾客承诺的服务或产品的质量。	1	2	3	4	5
2. 公平地对待及尊重所有供货商，不论他们的大小及所在地区。	1	2	3	4	5
3. 在作出商业决定时考虑所有投资者的利益。	1	2	3	4	5
4. 在作出商业决定时考虑经营所在地的社区利益。	1	2	3	4	5
5. 提供可以帮助保障所有员工的健康及安全工作程序。	1	2	3	4	5
6. 在作出所有商业决定时考虑环境问题。	1	2	3	4	5
7. 会以金钱捐助在我们经营所在地区的慈善团体。	1	2	3	4	5

8. 承诺与我们所有的产品及服务的供货商发展长远的合作关系。   1   2   3   4   5

9. 给予所有供货商一些未来价格的保证。   1   2   3   4   5

10. 为所有投资者提供公司全面及准确的财务资料。   1   2   3   4   5

11. 把环境表现的目标纳入机构的计划中。   1   2   3   4   5

12. 改善公司营运所在社区的生活素质   1   2   3   4   5

13. 在作出商业决定时考虑产品及服务供货商的利益。   1   2   3   4   5

14. 公平地及尊重地对待所有员工，不管他们的性别及族裔背景。   1   2   3   4   5

15. 自愿地超越政府环境法例的规定。   1   2   3   4   5

16. 为所有投资者提供可观的回报。   1   2   3   4   5

17. 向所有投资者陈述企业政策的改变。   1   2   3   4   5

18. 为所有顾客提供很高质量的服务。   1   2   3   4   5

19. 在作出商业决定时考虑我们所有顾客的利益。   1   2   3   4   5

20. 给予所有员工适当而公平的报酬。   1   2   3   4   5

21. 以金钱资助社区活动(如艺术、文化及体育)。   1   2   3   4   5

22. 支持有志的员工进修。   1   2   3   4   5

23. 刺激在我们营运所在地区的经济发展。   1   2   3   4   5

24. 在作出策略性的决定时会征询所有投资者的意见。   1   2   3   4   5

25. 为所有消费者提供作出精明购买决定的信息。   1   2   3   4   5

26. 以金钱资助环境保护的行动。   1   2   3   4   5

27. 帮助所有员工协调他们的私人及专业生活。   1   2   3   4   5

28. 让所有供货商参与新产品及服务的开拓。   1   2   3   4   5

29. 作商业决定时考虑所有员工的利益。   1   2   3   4   5

30. 以金钱资助机构所在地的教育事业。   1   2   3   4   5

31. 能响应投资者对我们的需要及要求。   1   2   3   4   5

32. 满足顾客关于机构产品或服务的投诉。   1   2   3   4   5

33. 改进产品或服务以提高顾客的满意程度。   1   2   3   4   5

34. 衡量机构的环境表现。   1   2   3   4   5

35. 通知所有产品及服务供货商本机构在采购政策方面的改变。   1   2   3   4   5

36. 将本机构所有活动对环境的影响减至最低。   1   2   3   4   5

企业社会责任的后果

填写说明:在本部分,我们希望知道你对以下说法的同意程度。

极不同意中度不同意中立中度同意极同意

1-----------2-----------3-----------4----------5

1. 总的来说, 我们公司的声誉很好.	1	2	3	4	5
2. 我们是公认的信得过企业.	1	2	3	4	5
3. 总的来说,我们的员工都以在本企业工作为荣.	1	2	3	4	5
4. 我们大部分的销售来源于我们的旧客户.	1	2	3	4	5
5. 我们的员工经常自觉地有责任心去维护本企业利益.	1	2	3	4	5
6. 别人都认为我们企业的管理很有效率.	1	2	3	4	5
7. 企业和员工之间的联系很紧密.	1	2	3	4	5
8. 我们大部分的客户都是不只一次地使用我们的产品.	1	2	3	4	5
9. 我们的员工对企业很忠诚.	1	2	3	4	5
10. 本企业以高质量的产品和服务著称.	1	2	3	4	5
11. 客户的信赖和支持是我们事业的一大重要力量.	1	2	3	4	5

A 3.2 Questionnaire for employees:

<div align="center">前言</div>

首先，衷心感谢贵公司接受这次商业机构及其相关的公 成员问卷调查。
下列问题决不涉及贵公司的机密资料，我们亦不能从收回的问卷中得知贵公司的身份。所回收的问卷资料在整理后仅仅用作统计分析，绝无其它目的。在此过程中，由于问卷的发放与回收是完全保密的，故我们真诚渴望您能认真及客观地回答所有问题。

请您迅速和谨慎地完成下列问题，因为我们相信第一印象一般是最准确的。您应在 10 分钟内完成整份问卷。完成后，请您把问卷用附上的回邮信封寄回。

假如阁下希望进一步地了解调查的结果，请通过下列电子邮件地址与我联系或为您保密起见另附信封把您的名片寄到下列地址。若您对这次调查和我们的调研有任何疑问，请与本人联络。

最后，再次对您的参与及帮助表示衷心的感谢!

第一部份：机构背景及个人资料

1. 贵公司总共有多少名员工?

____ 少于 100 名

____ 100-499 名

____ 500-999 名

____ 1000-4999 名

____ 多于 5000 名

2. 阁下的职衔是_____

3. 贵机构是属于哪一个行业? _____

4.你在贵机构的工作年限____

5. 性别: ____ 男____ 女

6. 您的文化背景(请选择你所完成最高的教育程度):

____ (1) 小学教育

____ (2) 中学或同等程度的教育

____ (3) 大专或同等程度的教育

_____ (4) 学士学位或同等程度的教育

_____ (5) 硕士学位或同等程度的教育

_____ (6) 博士学位或同等程度的教育

_____ (7) 其它学位，请注明

7. 年龄: _____

第二部分: 企业形象

填写说明:在本部分，我们希望知道你对贵机构在社区和外界的形象的看法。请您在每个问题前的空白处写上你的同意/不同意程度。假如你觉得任何一项不适用于贵机构的，请填上 N/A(不适用)的符号。

极不同意 中度不同意 中立 中度同意 极同意

1------------2------------3------------4----------5

1. 本社区的居民对我们企业的评价很高.	1	2	3	4	5
2. 社会上普遍认为在我们企业的工作是很有体面的.	1	2	3	4	5
3. 同行的其他企业和员工其实看不起我们企业.	1	2	3	4	5
4. 我们企业在同行中是被视为最好的一个企业	1	2	3	4	5
5. 我的家人和朋友都为我在这里工作而自豪	1	2	3	4	5
6. 该企业在社区声誉不好	1	2	3	4	5
7. 在该企业的工作经验有利于日后在这个行业找工作	1	2	3	4	5
8. 如果其他同行企业请人, 我们这个企业的员工不是优先考虑的对象	1	2	3	4	5

你对贵企业形象和声誉的看法:

9. 我认为我们公司比同社区内的其他公司的声誉好.	1	2	3	4	5
10. 我认为我们公司比同行业内的其他公司的声誉好.	1	2	3	4	5
11. 我认为我们公司积极参与社区的活动.	1	2	3	4	5
12. 我认为我们公司的总体形象相当好.	1	2	3	4	5
13. 我认为我们公司是一个理想的工作单位.	1	2	3	4	5
14. 我认为我们公司在市场建立很好的声誉.	1	2	3	4	5

第三部分

填写说明:在本部分，我们希望知道您对贵机构的主要特征和自己对贵机构的看法。请您在每个问题前的空白处写上你的同意/不同意程度。假如你觉得任何一项不适用于贵机构的，请填上 N/A(不适用)的符号。

极不同意 中度不同意 中立 中度同意 极同意

1------------2------------3------------4----------5

1. 我很乐意在这家企业工作作为我的终身事业	1	2	3	4	5
2. 我真的感到企业的问题就是我的问题	1	2	3	4	5
3. 我不觉得企业是我家	1	2	3	4	5
4. 我不觉得我对这家企业很有感情	1	2	3	4	5
5. 这家企业对我来说很有私人感情	1	2	3	4	5
6. 我对这家企业没有归属感	1	2	3	4	5

1. 我认为我对企业老板没有责任和义务	1	2	3	4	5
2. 就算现在有一份更好的工作等着我，我也觉得离开这家公司是错的	1	2	3	4	5
3. 如果现在我离开这家企业另找工作我会罪恶感	1	2	3	4	5
4. 这家企业值得我对它忠诚	1	2	3	4	5
5. 我目前不会离开这家企业, 因为我对里面的员工有责任.	1	2	3	4	5
6. 我对企业觉得亏欠.	1	2	3	4	5