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Practices and Prospects of Corporate Social Responsibility: An Empirical Comparative Study of Both Sides of the Taiwan Strait

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Doctor of Management

Supervisors:
PhD Nelson António, Professor, ISCTE
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Abstract

A generally accepted definition of corporate social responsibility (CSR) is that it is the concept through which companies voluntarily address social and environmental concerns as well as stakeholder interactions as operational aspects of their business. Therefore, it is expected that companies should look beyond the profit motive and support the overall wellbeing and sustainability of the communities in which they operate. Before the 21st century, CSR was largely an unexplored concept in Asia. Yet, even businesses that embrace it today focus disproportionately on philanthropic initiatives. Additionally, more of the multinational corporations (MNCs) from the West practice more CSR in Asia than the native Asian companies themselves. The primary aim is to show the Asiatic (with focus on China and Taiwan) perspective of corporate governance, highlighting the HeXie Management Theory. Secondary aims include a discussion of the regulations, implementation and development of CSR across the Strait, exploring the implications of CSR based on Eastern cultures and analysing CSR differences between Mainland China and Taiwan. While CSR is highly advanced and continues to become more sophisticated in Western economies, it is notably underdeveloped in Asia at both corporate and state levels although it is improving gradually. Further, while both China and Taiwan are implementing international approaches towards CSR, there are appreciable differences in their development strategies.

Keywords: CSR, international CSR framework, Asian CSR, Western CSR, HeXie management theory, sustainable development.

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Resumo

Uma definição popular de responsabilidade social corporativa (RSC) é que se trata de um conceito através do qual as empresas abordam voluntariamente as preocupações sociais e ambientais, bem como as interações com as partes interessadas como, por exemplo, os aspectos operacionais de seus negócios. Portanto, esperamos que as empresas olhem para além do lucro e apoiem o bem-estar geral e a sustentabilidade das comunidades em que operam. Antes do século XXI, a RSC era em grande parte um conceito desconhecido na Ásia. No entanto, mesmo as empresas que a adotam hoje, concentram-se de uma forma desproporcional em iniciativas filantrópicas. Além disso, mais corporações multinacionais (MNCs) do Ocidente praticam mais RSC na Ásia do que as próprias empresas asiáticas nativas. O objetivo principal desta tese é analisar a perspectiva asiática da governança corporativa (com foco na China e Taiwan), dando destaque à Teoria da Gestão HeXie. Os objetivos secundários incluem uma discussão sobre os regulamentos, implementação e desenvolvimento da RSC no estreito de Taiwan, explorando as implicações da RSC com base nas culturas orientais e analisando as diferenças de RSC entre a China Continental e Taiwan. Embora a RSC seja um conceito muito desenvolvido e cada vez mais sofisticado nas economias ocidentais, encontra-se subdesenvolvida na Ásia, tanto ao nível corporativo como estadual. Além disso, muito embora a China e Taiwan utilizem abordagens internacionais para a implementação da RSC, existem contudo, diferenças apreciáveis no modocomo implementam.

Palavras-chave: CSR, quadro internacional de CSR, CSR asiático, CSR ocidental, teoria de gestão HeXie, desenvolvimento sustentável.

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GLOSSARY

AI – Artificial Intelligence

BRI – Belt and Road Initiative

CPC – Communist Party of China

CSC9000T – China Social Compliance 9000 for Textile & Apparel Industry

CSR: Corporate Social Responsibility

ESG - Environmental, Social and Governance

GMOs – Genetically Modified Organisms

GRI – Global Reporting Initiative

ICT: Information and Communication Technology

ILO – International Labour Organization

MNCs – Multinational Companies

MNCs: Multinational Corporations

NGOs: Non-Governmental Organisations

OECD – The Organization for Economic Cooperation and Development

SASAC – State-owned Assets Supervision and Administration Commission of the State Council

SDGs – Sustainable Development Goals

SMEs – Small and Medium-Sized Enterprises

SRI – Social Responsibility Investment

UACC – Uncertainty, Ambiguity, Complexity and Changeability

Chapter 1: Research Background and Aim

1.1 Background

Since the beginning of industrialization in the 18th century, science and technology have been developing rapidly. Besides the tremendous advances in transportation technology, the spread of information and communication technology (ICT) in the 20th century has brought about a globalized world (Chien et al., 2021). This era, which also fuelled the growth of globalization, is marked by high and increasing mobility of capital, information, ideas, technology, people, goods, services and culture across international boundaries (Balsalobre-Lorente et al., 2020). Along with ease and convenience and improvements in living standards, globalization has sowed seeds of potentially detrimental risks. Economies, cultures and the environment have been impacted in different ways and to varying degrees by globalization. The most direct and obvious change is the environmental dilemma (Aluko, Opoku & Ibrahim, 2021). In recent years, many economies around the world have suffered from various ‘super’ natural events. The instances of deadly natural disasters are too numerous to list, in addition to climate change, the food crisis and energy depletion. Most scientists agree that these problems, which will seriously shake the foundation of human life in the 21st century, stem from human exploitation and misuse of global natural resources.

On one hand, the exploitation of natural resources has had positive consequences, including the increased international cooperation and less international aggression. On the other hand, however, there have also been negative and significant consequences such as substandard working conditions and increased income inequality in developing nations which produce goods for developed nations (Sharif et al., 2020). As globalization opens up new markets for

businesses across the world, there is an increase in the need to transport raw materials and finished goods to global markets. As a result, and more importantly, the most notable negative environmental impacts include increased emissions, habitat destruction and the spread of invasive species, which are attributed to the increase in the transportation of goods (Ulucak et al., 2020). The further raw materials and finished goods travel, the more fuel is consumed and, in turn, the higher the level of carbon emissions that contribute to pollution, global warming and the acidification of water masses (Chen et al, 2019). Habitat destruction occurs when transportation infrastructure such as roads, railways and bridges are constructed. Additionally, reports show that 70% of global freight is by ship, and this increases the likelihood of major oil leaks or spills that damage the marine ecosystem (Hoque et al., 2018; Usman et al., 2020). Living organisms, including fungus, animals and plants, can deliberately or inadvertently be loaded onto shipping containers and vessels and be transported to new locations where they become invasive and destroy the natural environment because they can grow without checks and balances (Adebayo, et al., 2021). Therefore, while globalization has facilitated faster access to raw materials, products and technologies, it has also had negative impacts on the environment, mainly stemming from unsustainable use of natural resources.

As per the extant literature on the subject, national governments are the first to step forward in the international arena to alleviate the dilemmas brought about by globalization. For example, the Food and Agriculture Organization and the International Maritime Organization, promoted by the United Nations in the 20th century, focused primarily on technical cooperation. The 1972 Stockholm Conference, regarded as the official beginning of international environmental governance, led to the establishment of the United Nations Environment Programme (Andresen, 2013). However, the issue of international governance itself, owing to the lack of an overarching authority, such as that of a world government, often leads to obstacles and difficulties in the formation of consensus. With national governments being at the core of the solution, no

successful international agreement or governance model has been introduced thus far to effectively mitigate global environmental problems. Non-profit and corporate organizations are playing an increasing role in the evolution of international governance. In the past decade, private regulation, or norms dominated by non-state actors, has become a dynamic source of global governance, sometimes even directly replacing traditional multilateral treaties. Its forms include supply chain requirements of firms, regulations developed by multi-stakeholder organizations and third-party verification systems (Auld & Gulbrandsen, 2013). Because of the vigorous development of such private regulation, the concept of corporate social responsibility (CSR) is widely respected on the corporate side and is regarded by many entrepreneurs as a great strategy for promoting sustainable corporate growth and ethical awareness.

CSR is an expansive concept that can adopt many different forms depending on an organization and industry. It is a business model through which organizations make combined efforts to ensure their operations enhance the society and environment rather than degrade them (Nathaniel, Nwulu & Bekun, 2021). According to Zavyalova, Studenikin and Starikova (2018), CSR improves not only brand image but also the social wellbeing of the community and it is instrumental in raising workplace morale. Most of the definitions of CSR describe it as a self-regulating business model that helps an organization be socially responsible and accountable to itself, stakeholders and the general public (Amor-Esteban et al., 2019; Kraus, Rehman & García, 2020). Organizations that practice CSR are conscious of the impact they have on the social, economic and environmental aspects of the communities in which they operate. CSR presents organizations with the opportunity to make a positive difference in the community. Although making profits and increasing shareholders' value is the primary reason businesses exist, they can use the available funds from the profits on CSR initiatives to invest in the non-profit sector and promote positive change in the community (Alabdullah, Ahmed & Muneerali, 2019). For-profit organizations not only have more funding than non-profits but can also lobby legislators

and policymakers to make changes; this makes them practical agents of change (Chuang & Huang, 2018; Lin et al., 2019). Although it is not the only goal of CSR, sustainability often emerges as the most important. Rafindadi and Usman (2019) define sustainability as the ability to maintain environmental, social and economic systems and processes over time. It follows, therefore, that CSR is usually used in reference to an organization's commitment to practice environmental, social and economic sustainability and to be good stewards of not only the economic but also social and environmental landscapes in which they operate.

1.2 Problem Statement and Justification of the Study

Before the turn of the 21st century, the concept of CSR was not entrenched into the organizational culture of most businesses in Asia. According to study findings by Ashrafi et al. (2018); Matten and Moon (2020); Tien, Anh and Ngoc (2020a), this is despite the fact that the continent of Asia arguably concentrates the most pressing issues relating to CSR at the highest level possible. These range from human (workers and the society) rights to the environment and health and action against corruption (Tien et al., 2020a). Presently, although CSR initiatives are now visible in most economies on the continent, the organizations that practice them still focus disproportionately on traditional philanthropic responsibilities (Ashrafi et al., 2018). Equally importantly, it is worth noting that the primary proponents of CSR in Asia are the multinational corporations (MNCs) from the West (Matten & Moon, 2020). However, recent reports (Ahmad et al., 2021; Singh & Misra, 2021) also show that organizations that are native to the Asian continent are adopting the CSR wave and embedding CSR practices and reporting standards in their business strategies. This is supported by public authorities in economies such as India and the Philippines, which are taking initiatives to formulate consistent regulatory policies on CSR and sustainability (Singh & Misra, 2021). However, although Ahmad et al.

(2021) agree with this view, they also found that the views relating to the fundamental nature of CSR, especially in China, remain ambiguous not only among business strategists but also legislators, policymakers, and decision-makers. Similarly, Tran (2019) also found that the criteria for reporting and assessment of CSR at both the policy and practice levels are unclear across the continent, characterized by overlapping points between codes of conduct developed by several private and public operators. This is mainly because Asia is a latecomer into the domain of CSR and the concept may still be relatively underdeveloped compared to CSR in the Western world. Therefore, there is need for studying the issues that organizations in Asia consider in their approach towards the practices and prospects of CSR.

On one hand, some regions of the Asian continent and economies (most notably China) achieved significant economic growth in the last half-century. On the other hand, however, the prospect of further economic growth and reduction of poverty are threatened by the environmental degradation (Tien, Anh & Ngoc, 2020b). The environmental degradation ranges from excessive and/or illegal fishing, deforestation, increasing scarcity of freshwater as well as human health issues occasioned by water and air pollution (Nathaniel, Nwulu & Bekun, 2021). The rapid economic development of the Asian continent is accompanied by new challenges for local and foreign corporations. Not only have the levels of pollution and toxicity increased but health concerns such as obesity and diabetes have increased (Horng, Hsu & Tsai, 2018). Yet, despite the knowledge that CSR has positive impacts on the organization, community, environment and economy in general, there are obstacles to achieving its goals (Taylor, Vithayathil & Yim, 2018). This is especially so in most of Asia's developing economies where organizations, standards and appeals systems that promote CSR in the Western world are relatively weak or completely absent.

In consideration of the consequences of globalization, its economic, social, and environmental impacts, and the concept of globalization, it is expected that the findings of this

study will provide useful information on how to improve CSR practices in Asia. The ultimate beneficiary of the findings is the environment in terms of sustainability while businesses will develop positive brand images by becoming socially responsible.

1.3 Aim, Objectives and Research Questions

The concept of CSR has a fluid definition and may vary from one corporate programme to another. Presently, no unique or single definition of CSR exists in the academic field. Generally, it means that while creating profits, firms should show responsibility toward employees, society and the environment (Anser, Zhang & Kanwal, 2018). This is inferred to mean that CSR is any action undertaken by an organization to benefit the relationship it has with the community, designed to impact positively on the community through ways such as volunteerism, employee engagement and financial support. CSR generally includes aspects such as compliance with business ethics, production safety, occupational health, protection of the legitimate rights and interests of workers and conservation of resources. Table 12 summarises the definitions of CSR by major international organizations. From the perspective of functionality, CSR is an important way for firms to enhance their competitiveness. It can bring business advantages by attracting talent, bringing internal cohesion, boosting morale and helping build brand image and enhancing the firm's reputation. Further, CSR can help coordinate economic, social and environmental development, competition and problem solving. For example, ensuring the recruitment of employees from disadvantaged groups or promoting environmentally conscious industrial strategies or standards are ways in which the power of a multinational company can contribute to solving social problems.

The discussions around CSR are majorly based on idealism. Because the nature of firms is to profit, a school of practitioners believes that the only way for firms to be socially responsible is to focus on profits and market efficiency and that it is immoral for firms not to focus on making profits (Singh & Misra, 2021). However, the effectiveness of CSR can be better understood through an extensive understanding of its overall structure. It is not just to persuade general firms to show their due moral feedback to society while making profits. From a macro perspective, the most valuable function of CSR is that it is a new approach to bring the energy of the corporate sector into the mitigation of various global problems. In the process, the corporate sector may exert influence through participation in international conferences or through cooperation with non-profit organizations and social firms to realize the effects of environmental sustainability, international integration, and community building. However, we know little about this new approach.

In recent years, as the concept of CSR has become more widespread, more and more frameworks and regulations have been formulated globally. Firms with the intention to invest in CSR can have clearer benchmarks by referring to such regulations. Moreover, to a certain extent, the CSR performance of firms can be evaluated according to specific rules. Nevertheless, there is no consensus on the concepts of CSR with the current mainstream definitions. The regulations and frameworks that are subsequently formed focus and emphasize on various kinds of responsibilities, resulting in discrepancies (Tran, 2019). Furthermore, the concept of CSR originated from Western economies. It is unclear whether frameworks and regulations developed based on experiences in Western economies can be applied to economies in other parts of the world. CSR-related theories urgently need to be clarified through empirical academic studies to gain a complete picture of CSR as an approach to realize social values and also to describe the differences in CSR in various contexts of different regions, such as the degree of national economic development and cultural differences.

In light of the aforementioned research objectives, this study will focus on two Asian economies—China and Taiwan—as global CSR hot spots and explore the veins of Eastern culture in the form of Confucianism, Confucian entrepreneurs and Chinese culture. The overarching aim is to show the Asiatic point of view of corporate governance, which will also highlight the HeXie Management Theory. The HeXie Management Theory, which posits that human activities are diverse, uncertain, and involve multiple meanings, is an integration of Eastern and Western cultures to address organisational complexities (Bansal & Song, 2017). The relevance of this theory to this work is that, from a managerial perspective, it (the theory) was developed to help organisations interact with the world and address challenges responsible corporate governance. CSR, according to Bansal and Song, (2017), is concerned with the relationship between the corporate world and the societies in which they operate. Therefore, the HeXie Management Theory provides insights into the development of a symbiotic network of corporations and communities and, equally importantly, guides the policies to gain mutual benefits.

The study also acknowledges that what happens on the Asian corporate platform matters across the world. This can be viewed from the perspective that not only does a significant proportion of the world's economic energy originate from the region but, more importantly, the global challenges of which CSR is specifically designed to address and more conspicuous in Asia than any other region (Alabdullah et al., 2019). Most of the global mega-trends are also found across Asia. For example, Asia has the highest number of mega-cities compared to any other region. The problem, however, is that the mega-cities not only present Asia with economic opportunities but also large-scale environmental challenges. Asia also has a very diverse demographic landscape, with economies such as China, Japan, and South Korea having fast-aging populations while others such as Vietnam having youth as the significantly majority population. This is compounded by massive migration not only across national

borders but also within economies. Others such as South Korea were early adopters of information technology and are undergoing rapidly changing social contracts, which also raise concerns about power shifts and governance gaps across the region (Anser, Zhang & Kanwal, 2018).

From the foregoing, it is argued that the way Asia addresses the challenges presents a worthwhile area of study. Should business leaders in the region establish a way to leverage business solutions to local sustainability challenges, then the region may offer a blueprint for global CSR. This study will discuss the regulations, quantitative indicators, compilation and disclosure and also the future trend of CSR for firms across the Strait to answer the following questions :

1. What are the differences and similarities in CSR practices and prospects between Mainland China and Taiwan?
2. How have CSR regulations developed and been implemented in Mainland China and Taiwan?
3. How is CSR helping Mainland China and Taiwan achieve sustainability goals?
4. How do CSR practices and prospects in Mainland China and Taiwan compare to the Western World?

The research will be guided by the following objectives:

1. Sorting the existing mainstream definitions and regulations that originated from the west and clarifying the differences between two Asian economies (i.e. Mainland China and Taiwan)
2. Discussing the regulations, implementation and development of CSR for firms across the Strait; concluding the connotations of CSR based on Eastern cultures and analysing the differences of CSR between Taiwan and Mainland China and their relations with CSR in Western economies through a comparison between CSR across the Strait
3. Summarising what is worthy of learning regarding CSR across the Strait; based on the above analytical results, putting forth a CSR framework in accordance with the empirical data of Asian economies to discuss the approaches that are suitable for Mainland China and Taiwan; and aspects that should be focused on by the two economies.

Chapter 2: Literature Review

2.1 Introduction

This chapter will review existing literature that focuses on CSR, globalization, and sustainability. While a literature review is not expected to bring in new knowledge, it provides a verifiable background against which the researcher can make their own independent and defensible conclusions and recommendations. Although the focus of the study is on China and Taiwan, the literature review will begin with a broader perspective in a funnel approach to contextualize how CSR is linked to sustainability and how both (CSR and sustainability) are impacted upon by globalization. It will eventually narrow down to Asia and then China and Taiwan. The areas that the literature review will explore are the general concept of CSR; international CSR; cross-strait (between China and Taiwan) CSR; the theory of Confucian entrepreneurs; Theory of Social Harmony; CSR as a new form of soft law; CSR and corporate culture; CSR and the green organizational culture; drivers and barriers of CSR; CSR and sustainability; and the HeXie Management Theory.

2.2 History and Definitions of Corporate Social Responsibility (CSR)

For decades, organizations have undertaken the CSR approach to give back to society and build a reputation. The CSR concept, as it is known today, is a management concept that was developed in the mid-20th century. However, as literature indicates, while there has recently been a spike in CSR's popularity, its history dates back more than two centuries (Sadiq et al., 2021). In the late 19th century, for example, growing criticism of the factory system, poor working conditions, child labour, and the employment of women were viewed as contributing to social problems such as labour unrest and poverty (Okafor et al., 2021). Thus, the notion of a "social contract" between businesses and the communities in which they operate was conceptualized on the basis that businesses exist and function because of public consent. As

Dorfleitner and Grebler (2022) explain, therefore, is that businesses are obligated to contribute to and support the needs of the society.

The concept of CSR grew in popularity in the late 1950s and 1960s as large conglomerate organizations expanded and became a widespread topic in the 1980s. Alabdullah et al. (2019) note that in the wake of the global financial crisis of 2008-2010, CSR became the focus once again for assessing organizational behaviour. CSR represents an enterprise's duty toward its stakeholders in the course of its business activities. While creating profits and taking legal responsibilities for shareholders, firms are also responsible for employees, consumers, communities and the environment (Ahmad et al., 2021). CSR requires firms to go beyond the traditional concept of considering profit as the sole goal. It emphasises the importance of the value of people in the production process, as well as the contribution to the environment, consumers and society. This concept has gradually become a matter of common sense in the business community and an important factor influencing the competitiveness of firms (Lin et al., 2019). However, Singh and Misra (2021) also argue that some organizations and economists reject the notion of CSR because it implies an obligation to the community and future generations. The underlying reason for the rejection is that the obligation goes beyond those contained in a business's binding legal requirements. Nonetheless, it is worth noting that most of the existing literature points to the fact that majority of organizations in both developed and developing economies across the world embrace some notion of CSR to an appreciable degree. Equally importantly, Ahmad et al. (2021) found that approaches to CSR are not universal; rather, they vary according to industry and individual organizations. For example, some organizations invest in CSR as reputation management strategy or to sustain profitability while others invest in CSR out of a sense of accountability and moral obligation to society.

Although responsible organizations were already in existence for over 100 years, the term CSR was formerly coined by the American economist Howard Bowen in 1953. Bowen (1953), known as the father of corporate social responsibility, defined CSR as the obligation of

businesspersons to approach relevant policies, make corresponding decisions and take ideal concrete actions according to the goals and values of society. This is inferred to mean that CSR expresses a fundamental morality in how an organization behaves towards society. According to Lin et al. (2019), a socially responsible organization follows ethical behaviour towards stakeholders and recognizes and acknowledges the essence of the legal and regulatory environment. Bowen's definition of CSR created a foundation on which business managers and scholars could consider the topics of strategic planning and decision-making at the managerial level. Amor-Esteban et al. (2019) explain that although the definition was written in a past era, it has become part of a body of seminal works that is cited regularly because of its relevance to modern ethical issues of business operations in the Western world. McGuire (1963) brought CSR into the context of economic and legal obligations and proposed a new perspective. He argued that the idea of social responsibility supposes that the organization has not only legally and economically obligated but also has responsibilities to society that extend beyond these obligations. This definition, however, does not clearly state what constitutes responsibilities beyond economic and legal obligations. This is complemented by Sethi's (1975) definition of social responsibility, wherein he argues that CSR implies bringing corporate behaviour up to a level where it is congruent with the prevailing social norms, values and expectations.

The CSR movement precipitated and redefined itself in the United States and European economies. Since the 21st century, CSR has been rapidly emerging around the world; it includes environmental protection, as well as labour and human rights. Thus, the focus of consumers has shifted from a single concern for product quality to multiple concerns, such as the environment, occupational health and labour security. Some NGOs involved with Greenpeace, environmental protection, social responsibility, human rights and public opinion have also been calling for a link between social responsibility and trade. Owing to increasing pressures and their own development requirements, many transnational corporations have developed codes of responsibility (including social responsibility) to make the necessary commitments to society,

as well as certification of environmental and occupational health and social responsibilities, to meet the needs of different interest groups.

In addition, with the expansion of the concept of CSR in Asia, connotations differing from the Western idea of CSR have been observed through the development path of CSR in Asia. For example, the CSR reports of large firms in mainland China currently focusing on implementing CSR uniformly show key words such as poverty alleviation, rural development, creating a harmonious society, cultural inheritance and goodwill, among others (Tencent Holdings Limited, 2019). Taiwan's CSR evaluation is similar in its inclusion of traditional Confucian thought, encompassing poverty alleviation, rural development, creating a harmonious society, cultural inheritance and goodwill (Delta Electronics, 2019). These ideas are not found among Western CSR concepts. Further exploration shows two sources for these particular items: government policy and the Eastern cultural context. The present study systematically collected and analysed CSR data from Taiwan and China not only to clarify the differences between the East and the West but also to put forward a framework and strategy suitable for the future development of CSR in the East.

2.3 Corporate Social Responsibility as an Aspect of Business Ethics

The events that culminated in the great financial recession of 2008 and 2009 placed greater emphasis on business ethics. These, according to Adebayo et al. (2021), included dubious financial reporting, exaggerated executive compensation, and valueless public assurances that undermined investor and consumer confidence. Further, the events reignited talks about whose interests businesses should serve. Yet, Sadiq et al. (2021) argue that while the community largely expects positive impacts from business ethics, the same ethics typically restrict the business's liberty to maximize profits. On one hand, some commentators (Advantage, 2020; Boubakri et al., 2021; Tanniru et al., 2020) argue that a business's primary and only responsibility is to maximize profits and increase shareholder value while complying with the law. This argument is supported by claims that a business's pursuit of profits is beneficial

to the community at large (Boubakri et al., 2021). On the other hand, however, some commentators (Nave & Ferreira, 2019; Okafor et al., 2021; Sharif et al., 2020) argue that profitable businesses only benefit the owners and no other stakeholders such as employees and their families, customers, suppliers, and the communities in which they operate.

According to Nathaniel et al. (2021), CSR is one of the most effective ways a business can practice ethics and gain competitive advantage. Generally, customers/consumers learn to trust and remain loyal to ethical brands even in difficult times. However, Dorfleitner and Grebler (2022) argue that the business ethics limit the profit maximization freedom a company may otherwise have. A multinational corporation may, for example, set up a manufacturing site in a developing country to minimize costs. Yet, in the case of an ethical business, practices that are typically accepted in developing countries such as poverty-level wages, child labour, and poor health and safety standards may not be tolerated (Matten & Moon, 2020). The significance of this argument is that while an ethical business focuses on improving working conditions and health and safety standards, it compromises its cost-saving initiative. Nonetheless, Popkova et al. (2021) argue that the restriction on a business's freedom is an essential component of CSR that benefits the community at large.

Most literature support the argument that businesses exist solely to create maximum profits for their owners through legal and ethical means. However, it is also pointed out that besides the owners, businesses also have a responsibility to other groups of stakeholders including the community and environment (Lusteau et al., 2018). Thus, businesses are increasingly acknowledging the need to commit to ethics and quantify their success by more metrics than just profitability. For example, Lopez et al. (2022) point out that while a business's prime goal is to maximize profits, the goal can also be realized through fulfilling social and environmental obligations. As Kraus et al. (2020) explain, this has occasioned the introduction of the concept of the triple bottom line, commonly referred to as "people, planet, and profit." What this means is that businesses not only report their financial performance but social and environmental

performance as well. According to Chien et al. (2021), such performance reporting acknowledges that while businesses must make profits to survive, they must also encourage both ethical and sustainable conduct as in the form of CSR.

2.4 International CSR

When conducting international business, governments in which the businesses operate expect them to act in an internationally responsible manner. According to Popkova et al. (2021), applying principles of international CSR requires business to consider their impacts on people, the environment, and society. Lopez et al. (2022) explain that international CSR affects areas such as human rights, working conditions, corruption, and the environment across the international supply chain and not only the country in which the business is run. With international CSR, businesses conduct all their operations with due diligence, which Halkos and Nomikos (2021) explain is one way of preventing as many risks as possible both in the business and international supply chain. The concept of CSR has expanded rapidly since 2000, especially in advanced, developed economies such as the United States and Australia and also in the European Union, which began requiring domestic companies to write CSR reports. As globalization continues, CSR is increasingly featuring on the international agenda, the implication of which is that organizations that are internationally active also have greater responsibilities (Singh & Misra, 2021). According to Boubakri et al. (2021), businesses that operate internationally are responsible for the entire supply chain of their products/services, from raw materials to complete products, the implication of which is that they must check for possible risks within the business and supply chain. Such responsibility also means taking action to respond to complaints by customers and employees as well as different stakeholder groups.

The obligations of MNCs span a wide range of issues which include respect for the sovereignty of the host country, its culture, and its political system; respect for human rights;

refraining from using the MNC's economic power to damage the economic wellbeing of their host economies; and abstention from corrupt practices (Hoque et al., 2018). The Organization for Economic Cooperation and Development (OECD) also issued the OECD Guidelines for Multinational Enterprises with a specific section on "General Policies." The underlying message of the General Policies is that enterprises that are internationally active must fully take into account the established policies in their host economies and consider the views of other stakeholders. As explained by Tran (2019), this means that MNCs must strive to make positive contributions to the social, economic, and environmental progress of the counties in which they operate with a goal of achieving sustainable development.

According to a survey conducted by Anghou Sustainability Consultants in 2015, an average of 73% of the top 100 companies across all economies have continued to publish CSR reports (see Figure 2 for details). In addition, the prevalence of CSR varies widely across industries. According to the database analysis of the Global Reporting Initiative (GRI), the top five industries are financial services (21%), energy (11%), food and catering (8%), communications (6%) and mining (6%). In line with general expectations, most of these are services related to consumers, society and the environmental and energy industries, which are matters of global concern. Therefore, there is a need to focus on CSR industries. Moreover, these industries account for 52% of the total and can be seen as being more important to CSR reporting than other sectors (GRI, 2015).

Although the current high trend of CSR development in the international context can be observed from quantitative data, firms may often selectively ignore certain standards and principles when faced with different norms. For example, they may choose to establish factories in developing economies for low wages or environmental costs to achieve low costs, thus not conforming with the concept of CSR. According to Anser et al. (2018), this only results in the rapid development of private norms at the expense of universally acceptable standards. This is an important point to note because, as Taylor et al. (2018) point out, it violates the OECD

Guidelines for Multinational Enterprises that requires them to respect the human rights of all the stakeholders that are affected by their activities.

On one hand, the OECD Guidelines on international CSR emphasize on good corporate governance as a general policy that MNCs must respect. On the other hand, however, it has been criticized for its focus on the organization of ownership, decision-making, participation, and disclosure on organizations rather than on the relationships between the organization and various social actors (Horng et al., 2018). Critics of the OECD Guidelines argue that UN Global Compact is more comprehensive as it provides a more specific set of standards. The UN Global Compact contains the Ten Principles that cover the domains of the environment, human rights, labour, and anti-corruption. The domain of human rights has:

Principle 1: Organizations must support and respect the protection of internationally proclaimed human rights

Principle 2: Organizations must ensure they are not complicit in abuses of human rights.

The labour domain has:

Principle 3: Organizations must uphold the liberty of association and effectively recognize the right to collective bargaining

Principle 4: Organizations must uphold the elimination of all forms of compulsory/forced labour

Principle 5: Organizations must uphold the effective abolition of child labour

Principle 6: Organizations must uphold the elimination of discrimination in employment and occupation

The environment domain has:

Principle 7: Organizations must support a precautionary approach towards environmental issues

Principle 8: Organizations must engage in initiatives that promote greater environmental

responsibility

Principle 9: Organizations must facilitate the development and diffusion of environmentally friendly technologies

The anti-corruption domain has:

Principle 10: Organizations must fight corruption in all its forms, including bribery and extortion.

Those in support of the UN Global Compact acknowledge that it is supported by universal consensus and that the Ten Principles are derived from other significant international instruments (Ashrafi et al., 2018). These include the Universal Declaration of Human Rights, the UN Convention Against Corruption, the International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work; and the Rio Declaration on Environment and Development.

By definition, an international business transacts on the global stage, the implication of which is that its CSR obligations may be subject to the national laws of the countries in which it operates (Sun et al., 2022). However, the essence of CSR at the international level entails self-regulation with the goal of embracing responsibility for the business's actions and creating positive impacts on customers, employees, the environment, and community. According to Khan et al. (2021), an international business can incorporate elements that promote specific goals such as recycling into its mission, strategy, and operations. International CSR has also been used as an eligibility condition for government funding, loans, and subsidies. In Europe, for example, businesses that intend to participate in international trade missions and qualify for government funding are required to demonstrate that they explicitly endorse the guidelines provided by the Organization for Economic Co-operations and Development (OECD) (Rohmatika & Amilahaq, 2021). In a country like the Netherlands, for example, if it is established that there are preventable abuses in an organization's production chain, the organization risks reputational injury or even legal liability (Wu et al., 2021).

2.5 Corporate Social Responsibility (CSR) as a New Form of Soft Law

The current society is prioritizing accountability in most aspects of life, ranging from the way people grow food to the way men treat women and how employees are treated by their employers. People are tired of applying the common business approaches, especially those embedded on the culture and demanding new social norms that consider the marginalized and voiceless (Advantage, 2020). Some of the major corporations in various industries including oil and gas can recognize this trend towards social accountability and those that ignore it will become weak in future (Ashrafi et al., 2018). Currently, organizations that have a weak corporate social responsibility are widely recognized as transnational tort liability.

In the current world, CSR is a new form of soft law which is not required by the legal statute such as the constitution or the law but remains nonetheless seen as obligatory (Bhardwaj et al., 2018). Most national and international corporations view CSR as an obligation because of the expectations of the consumers and the internal initiatives. It is imperative to indicate that an organization that in its internal policies has included reducing carbon footprints as a measure for reducing climate change is held accountable across the world (Farrington et al., 2017). The world holds corporations accountable for their internal policies including improving labour terms, embracing fair trade and making conscious environmental and social investments. The significance of CSR soft law, according to Bhardwaj et al. (2018), is in how such law influence the behaviour of businesses rather than control it. It is in this sense, therefore, that soft law is differentiated from traditional national hard law, also known as legislative instruments, such as statutes and acts that are legally binding on businesses. As Ashrafi et al. (2018) further point out, it is on this so-called “soft touch” that the promise of a more customized and efficient way of guaranteeing corporate respect for human rights is premised.

A starting point to the deliberations of CSR as new form of soft law is that best practice corporate governance must decisively move past a compliance mentality to one that recognizes

and acknowledges that effective corporate governance must be founded on an ethical background (Sadiq et al., 2021). In agreement with this view, Dorfleitner and Grebler (2022) explain that effective corporate governance must recognize, support, and facilitate the development of the dimensions of transparency, responsibility, and accountability. Another way of looking at this, as described by Sun et al. (2022), is that good corporate governance must ultimately embrace and integrate not just rules but, more importantly, values. Therefore, as a practical way of setting standards, values-driven CSR is hereby inferred to mean one that recognizes and encourages businesses to be mindful of the impacts of their activities on all stakeholders, not only shareholders, as well as their larger operating environment.

The markets for labour and capital in the US are fairly unregulated since there are low levels of welfare state provisions. This means that in the American context, social issues such as community investment, healthcare and education have been at the core of CSR. Most of these initiatives edge within the areas of stewardship, philanthropy, volunteerism and environmental affairs, often treated as regulatory compliance in the USA (Jamali & Karam, 2018). CSR in America is characterised by voluntary societal agreements by organizations since they are not obliged to undertake social and environmental responsibility practices. Some of these behaviours are commonly referred to as corporate citizenship (Ashrafi et al., 2018). Corporate citizenship and social responsibility encompass responsible behaviours that are beyond financial reporting terms. Such behaviours are evidences in cause-related marketing, philanthropy, stewardship initiatives and charitable contributions. It is imperative to establish that the American corporations are donating ten times as much as the British establishments. However, reports indicate that the US establishments are consuming 207% of its ecological capacity with an average US citizen using 11 times more resources than Chinese nationals and 32 times more than Kenyan citizens (Galant & Cadez, 2017). According to the Geological Survey of America, the country imported 67 non-fuel minerals and metals out of 92.

Other than being the highest consumers of natural products and resources, the American policy makers are more concerned with the global warming than any other key market players. These policies are directed towards managing issues around global warming, genetically modified organisms in food production and issues around climate change. In other parts of the world, the government is fully responsible for climate change and all issues surrounding global warming and healthcare (Jamali & Karam, 2018). The large organizations are leading the business world as actors and drivers of CSR engagement with suitable behaviours.

Corporate Social Responsibility is a significant issue for both the public and the private business community. Global crisis experienced across the world has ignited the public concerns with CSR (Verk, Golob & Podnar, 2021). Some issues have been publicly questioned and condemned including excessive risk-taking, moral hazards of financial deviations, executive overpay and greed at the Wall Street. Attention has shifted towards understanding how different organizations in different economies understand CSR and apply it. Since economies differ in their dedication and perception of CSR, it is important to indicate that the absence of CSR could hurt organizations, especially in the current times (Farrington et al., 2017). Different businesses in different economies are employing varying measures in communicating their CSR principles, stakeholder issues and processes. The American businesses for instance, acknowledge their social and ethical obligations. They accept the idea that businesses ought to bear legal, economic, ethical and discretionary responsibilities. Discretionary responsibility is the presumption that an organization will voluntarily serve the society (Crowther & Seifi, 2018). The service in question, goes beyond legal, economic or even ethical responsibilities. For instance, some organizations are fighting against hunger yet they are not in the agricultural line of business (Advantage, 2020). Such goals are facilitated by the US Sentencing Commission's Guidelines for Organizations. Almost all businesses are covered in this commission including partnerships, unincorporated organizations, labour unions, pension funds, non-profits, trusts, incorporated organizations and joint stock companies. The European Commission in July 2019

2001 presented the Green Paper which laid the foundation for CSR in Europe (Grayson & Hodges, 2017). According to the Green Paper, CSR is a concept in which companies integrated social and environmental concerns while interacting with their stakeholders voluntarily.

Organizations have the ability to show CSR in different ways including through employee volunteering, donations to charities, ethical labour practices, environmentally conscious production processes and others. The CSR's efforts to send a message to the community recognizes that it is in a position to help the society and act upon this acknowledgement (Verk, Golob & Podnar, 2021). This process of doing good work is helping not only the community but the company to reap a few benefits. For instance, an organization is likely to attract and retain engaged employees because of the way it treats the community. It is imperative to indicate that a company that respects and treats the community with good will is likely to treat its employees with respect and honour hence making them feel more comfortable bringing their authentic self to work (Bhardwaj et al., 2018). A survey conducted in 2017 indicates that employees are volunteering through pro bono work during their paid working hours motivates them to feel the respect the company has for their growth and general wellness. The employees feel energized by the opportunity to be creative and apply their skillset for a good cause.

Over the past few years, CSR has grown to become an increasingly important metric in business space with more than 90% of Fortune 500 companies issuing their annual sustainability reports as part of their CSR initiatives (Tran, 2019). This is an initiative that is giving organizations a positive public attention since consumers incline to the good in the company and more so the efforts it puts in serving the community selflessly (Galant & Cadez, 2017). CSR activities in the community are a new way of companies standing with the communities and the people. Promoting good in the community is a foundation for growth and an initiative for ensuring the public is happy with the company's intentions and actions (Ashrafi et al., 2018). In a world where the media is continually reporting extremely terrible and

depressing news every day, CSR initiatives are news that rejuvenate the spirits of the people and encourage them to live another day in hope for the good that still exists. People live for themselves but getting a chance to do something for others brings a new feeling altogether.

The CSR is a new way for organizations to show that customers matter and this attracts and retains customers. The business world is becoming highly competitive due to globalization and companies have to compete on a global scale (Verk, Golob & Podnar, 2021). Amid this competition, organizations that embrace socially responsible policies show interest in the general wellbeing of the people. This is a long-term initiative which pays off in the long run as consumers willingly pay a premium for goods with the knowledge that profits are channeled towards social causes (Grayson & Hodges, 2017). Organizations can increase foot traffic when they enhance the local community. Some of the companies that have started CSR initiatives which prove that their customers matter includes Coca Cola Company, and Visa Inc. Coca Cola Company initiated the 5by20 initiative in 2010, with the aim of empowering women across the world. The 5by20 program was launched across the world to equip women entrepreneurs with skills and funds to overcome the incessant economic and social barriers that provide business skills training and access to financial services and connections with mentors and peers (Advantage, 2020). Visa Inc. developed a way through its Financial Inclusion program to transfer digital cash to places where financial infrastructure is not in place. With this financial inclusion, Visa has successfully helped these communities to gain a path out of poverty, empowered them and fostered business enterprises.

All business owners understand that the days for operating solely for profits are long gone and though profitability is important, organizations are focusing on corporate social responsibility. CSR is compelling companies to operate in an ethical and sustainable manner and deal with some of its social and environmental impacts. With CSR organizations are carefully considering human rights, the environment, community and society in which it

operates (Crowther & Seifi, 2018). CSR is not a legal requirement but it is a good practice for people to take into account the social and environmental issues arising. A study conducted in 2015 indicated that 92% of consumers across the world expect organizations to operate responsibly by addressing both the environmental and social factors. 85% of the respondents indicated that they sought for products from the responsible companies as much as possible (Farrington et al., 2017). These statistics act as proof that consumers are increasingly aware of the need for CSR and active involvement in seeking businesses that operate ethically.

CSR proves that an organization is increasingly aware of the need for social responsibility and actively seeking products from organizations that are within these parameters. According to scholars, CSR is an illustration of a business that takes keen interest in the wider social issues and not just concentrating on the profit margins (Verk, Golob & Podnar, 2021). Other than improving public image, CSR increases brand recognition and awareness. If a business is committed to ethical practices, more people across the world will hear about the brand and grow interest in its products. When an organization embraces CSR, it stands out from the rest of the competition and enables the business to further commit into considering environmental and social elements (Verk, Golob & Podnar, 2021). Competition is stiff and this makes it challenging for an organization to set itself apart among customers. However, research indicates that companies which are taking social responsibility seriously are able to win customers and develop a platform that sells the brand to their audience (Zaman et al., 2020). Corporate social responsibility makes the consumers view an organization as being a positive force. Branding and customer loyalty are crucial elements of a business and they can be enforced by a CSR strategy. Consumer loyalty is crucial in enabling an organization to become successful in a highly competitive market.

Socially responsible businesses are more attractive to investors because of these people have a common goal, having greater returns for their invested funds. Most organizations

engaging in CSR have a transparency and accountability policy (Crowther & Seifi, 2018). A report published in 2016 indicated that investors were comfortable investing their funds in organizations that were engaging in CSR projects because they can take pride in the good the things is engaging in across the world (Nave & Ferreira, 2019). Most of these organizations have an ethical corporate behaviour which investors like since it reduces the investment risk.

The arguments presented thus far in this sub-section point towards the fact that CSR has both key and supplementary roles in regulatory and corporate governance matters. For example, Zaman et al. (2020) asserts that if properly implemented, CSR can become an integral part of both governments and businesses and ensure that they not only “check boxes” in an effort to remain compliant with rules; rather, they build an ethical foundation for their operations. Further, Galant and Cadez (2017) point out that judicious regulation and good governance are essentially concerned with norms and values as opposed to rules *per se*. The significance of this observation is that most players in the corporate environment still insist on the centrality of rules, and not norms and values, as a measure to curb corporate excesses. Yet, evidence (Halkos & Nomikos, 2021; Khan et al., 2021; Zeng, 2015) indicates that values-driven CSR privileges substance over form by recognizing and urging businesses to be mindful not only to their owners, as is traditionally the case, but also to all stakeholder groups and society.

2.6 CSR and Corporate Culture

CSR programs are beneficial for companies as it helps them to maintain the goodwill of their stakeholders. It also helps them to develop new business opportunities that may not have been possible without CSR (Verk, Golob & Podnar, 2021). CSR initiatives are now an integral part of many firms' strategic marketing plans. As consumers have become more aware of the ramifications their purchases have on society, employees have started to be concerned about the company's values, and political leaders have come under pressure to consider environmental

factors in making decisions. Companies are now implementing socially responsible initiatives in order to benefit their communities (Galant & Cadez, 2017). Companies are not only providing jobs for the community, but also making an effort to give back by recycling, donating food among others. This is a great way for companies to show that they care about their neighbours and community members.

Corporate responsibility is the responsibility of corporations to make a positive contribution to society. This includes taking care of their employees, customers, and the environment. Social Responsibility is the responsibility of citizens to take care of themselves and others in society (Verk, Golob & Podnar, 2021). This includes taking care of their own health, safety, and welfare. Social responsibility is a responsibility that every individual in society has. This includes taking care of their own health, and safety (Advantage, 2020). The personal health aspect of social responsibility refers to making good decisions about physical activity, food intake, and mental health. Personal safety refers to avoiding risky behaviour that may potentially put oneself at risk for injury or death. Social welfare refers to how one behaves when interacting with other people in an organization (Farrington et al., 2017). The two are interconnected because corporations are responsible for providing goods that are safe for consumers while citizens are responsible for not harming themselves or others in society. Corporations are responsible for providing safe goods to consumers (Agudelo, Jóhannsdóttir & Davídsdóttir, 2019). Citizens are responsible for not harming themselves or others in society. Together these two entities are interconnected because the success of one is dependent on the success of the other. Corporate social responsibility programs are designed to have a positive impact on the society in which a company operates (Crowther & Seifi, 2018). Specifically, these programs help companies with their external relationships and create a culture of goodwill. They can also boost engagement, problem solving and creativity among employees.

2.7 CSR and The Green Organizational Culture

Environmental concerns, such as global warming and climate change, are justified and defined as the key concern for motivating corporations and people to contemplate environment sustainability actions. Environmental concerns with marketing and consumer perceptions of quality of product arose as a result of the difficulties that the ecosystem posed (Zaman et al., 2020). It is critical to state that green consumerism encourages businesses to focus mostly on marketing and advertising environmentally friendly items with thematic content such as recyclable, healthy, refillable, and eco-friendly (Nave & Ferreira, 2019). Green consumerism covers a wide but outward scope, such as advertising and marketing, with less regard for inner implications like sustainable culture and its effects. Researchers have shown that the green organizational structure has an impact on the food sector's CSR and its safety issues (Galant & Cadez, 2017). It is prudent to indicate that food safety is the consequence of different stakeholders' shared views and activities in environmentally sustainable and stockholder co-creations.

CSR initiatives are communal efforts, and green culture symbolizes group conviction. There are several perspectives on corporate citizenship including CSR as a concept or CSR as an activity that contributes to an organization's, social, financial, and even ideological necessities (Grayson & Hodges, 2017). The former is much more closely related to the idea of ethos, we would want to underline that effective CSR endeavours may be independent from, and impacted by, organizational culture. A sustainable culture of an organization highlights the need for a cultural revolution among individuals and companies with the aim of raising collective awareness of their collective efforts toward community and environment (Verk, Golob & Podnar, 2021). Customers' choices of meals to buy, are influenced by advertising features of food businesses, such as publicity, which may be related to high characteristics like green cultures, which encourages external, stakeholder-friendly activities like CSR adoption.

Corporate social responsibility (CSR) refers to a collection of self-stimulating and self-regulating institutional activities that will help a business image and eventually realise capacity to be respected and accountable by its stakeholders and thus possibly contribute to the formation of moral attitudes to start generating comments for the organization's own worth (Ashrafi et al., 2018). Green purchasing, volunteerism, decent labour standards, outreach programs, and ecological conservatism are all examples of corporate social responsibility (CSR). CSR may take a variety of forms in reality, including gifts to those in need, community outreach facilitation, social issue solutions, and so forth. Companies provide financial benefit as well as community and ecological health via CSR initiatives (Zaman et al., 2020). CSR, which is somewhat akin to the green organizational behaviour, may be sparked when organizations are held responsible for the coming green revolution or when they address sustainability initiatives.

A responsible company would promote plastic trash recycling, plastic garbage removal from wetlands, and solar farms for homes which depend on fossil fuels for illumination. Peoples' everyday lives are guided by sociocultural matrices, which integrate people with environment in a society (Agudelo, Jóhannsdóttir & Davídsdóttir, 2019). A disconnection of civilization from the ecosystem and its inhabitants is difficult to debunk. A sustainable corporate culture ensures that all company processes, especially HR procedures, are in line with the environmental sustainability movement (Nave & Ferreira, 2019). Meat intake, for example, largely impact the environment since the biosynthesis emits a considerable quantity of carbon dioxide. Ingesting large quantities of bacteria and leftovers may cause pain, health problems, and even mortality (Jamali & Karam, 2018). The public healthcare system suffers loss and incurs healthcare expenditures as a consequence of food-borne diseases. It is critical to implement better sustainable dietary patterns in order to facilitate preservation, longevity, and public health. It is extremely vital for workers in firms to be concerned about food safety, not simply for customers as a driving force of food safety (Galant & Cadez, 2017). The impacts of an organization's food standards strategy and its consumers' food hygiene needs would be

undermined if workers, who are often regarded as internal clients, did not add to food hygiene. Worker psychology and buying habits are influenced by a variety of variables, such as the existing objectives and the activities made inside that culture (Tran, 2019). In this context, CSR has evolved into a tool for influencing workers' beliefs and dedication to food standards, thanks to the green workplace strategy. Customers may see or feel staff' ideals and dedication to food safety, and this influences their buy motivations.

CSR activities demonstrate what a firm stand for and what it stands against and the sacrifices it is prepared to make. The majority of food manufacturing industries depend on sweeteners, and the most often utilized form of sugars is GMO-sugar, which is widely accessible (Verk, Golob & Podnar, 2021). Companies looking for non-GMO sugar must look for alternate sources, which are usually farther away, and transportation takes more time. It is only reasonable for corporations to adopt an exact strategy for coping with its CSR efforts in this age of the internet, when everything is published immediately (Grayson & Hodges, 2017). Customers are increasingly cognizant of which items are beneficial to them and which are not. Businesses that have clearly made unpleasant remarks to consumers have suffered harsh penalties, include attempts to discourage people from buying from their booths. According to a 2018 study, the majority of food customers were influenced by the firm's ecological and ethical actions while making purchases (Verk, Golob & Podnar, 2021). Customers would spread the information to their classmates, families, and co-workers if an item helped to solve a problem that only a small portion of population cared about.

As people become more aware of how the food manufacturing system damages the planet and creates human misery, customers have become more cautious and knowledgeable. Oxfam, which documented the challenges faced by populations farming sugar plantations, brought Pepsi and Coca Cola into the limelight (Tran, 2019). These businesses bought property without taking into account the fundamental freedoms of the locals. Both firms declared that their

purchasing procedures will be improved. They would have to make public the sustainability issues expressed by the people whose property they were purchasing (Jamali & Karam, 2018). Corporations must be aware of various social problems that impact people all around the globe, such as equal liberation, in addition to ecological and medical concerns. Several corporations have been obliged to make public statements pledging their care for females and aligning their objectives with theirs.

According to the findings, millennials are the most likely generation to notify their friends and family about CSR activities and to provide direct feedback to a firm. It would be prudent for a firm that targets the millennial client as part of their business plan to become socially and ecologically responsible (Crowther & Seifi, 2018). Another finding from their research is that promoting environmental awareness is an excellent technique for increasing your consumers' purchasing power, gaining trust, and maintaining loyalty. In order to build a long-term business, you must use this expertise in your marketing department (Nave & Ferreira, 2019). Building success and investing interpersonally with your customers requires expressing your unique narrative to people who are interested. Understanding how to brand your company as environmentally friendly sets you for success (Zaman et al., 2020). The creation or design of your marketing identity is the first step in this promotion. In today's shifting society, designing your brand identity may have a significant impact on your company's long-term viability.

It will assist you in deciding who your ideal consumers are, how important your products and services are to them, and how to reach out to them in a marketing environment. This strategic hook revitalizes businesses by identifying new marketing and sales possibilities in an environmentally responsible setting (Jamali, Lund-Thomsen & Jeppesen, 2017). The creation of a trust connection between the product and the consumer is at the heart of marketing. As a firm or organization, identity means that we want to be viewed in a certain way. Many businesses are altering their image in order to be seen as socially responsible and ecologically

conscious. Green marketing is a term used to describe this type of marketing (Jamali & Karam, 2018). The method of selling items and services based on their environmental benefits is referred to as green marketing.

The term 'sustainable' is more important to young professionals and entrepreneurs. They are always aware of the influence of their actions on the environment world in general. In contrast, Women are shown to be more worried about the environment (Nave & Ferreira, 2019). According to a number of polls, women feel that businesses play an important role in any society, and that CSR in the United States has a direct influence on customers' purchasing decisions (Tran, 2019). Customers are also more likely to buy from a brand that is associated with a corporation that is concerned about the environment and social issues.

2.8 Corporate Social Responsibility, its Drivers and Barriers

CSR implementation is a difficult task since it necessitates crucial administrative structure modifications, practices, and employee behaviour. It is moulded by socio-political forces, which are aided by integrating the macro-level, socio-political aspects of CSR with the micro- and macro, organizational consequences (Agudelo, Jóhannsdóttir & Davídsdóttir, 2019). CSR adoption may be aided or hampered by organizational cultural values. In a corporate style that prioritizes a fair system, leadership may, for example, devote energy and finances to operations that take place that are linked to competitiveness.

An organization is not generally static with regards to their stage of corporate citizenship, which is also defined by their engagement in CRS initiatives. Rather, according to Kraus et al. (2020), an organization may be ahead in some dimensions (such as leadership) while lagging behind in others (such as organizational structure) as determined by different factors that affect the respective dimensions. Researchers have broadly categorized these factors into external and internal forces. External factors (or drivers) include the social, political, and economic forces

that influence the organization, whereby an example of the external forces is the community's government's expectations (Alabdullah et al., 2019). Oil companies, for example, are influenced by both government and NGOs that monitor their operations and environmental performance. Chuang and Huang (2018) pointed out that laws, regulations, and the national origin of a MNC also determine how they develop their corporate citizenship and, hence, CSR approach. Customers and end consumers also influence an organization's development of CSR because they have the power to influence how its products and services are produce and disseminated through the supply chain as well as determine which goods and services will be produced (Tien et al., 2020a). This is inferred to mean that an organization must serve the specific needs and demands of its target market rather than focusing on its own profit needs. Internal drivers encompass traditions and values. According to Matten and Moon (2020), national origin is an important factor especially when considering MNCs whereby, for example, American businesses will focus on a capitalism-style approach. Internal drivers can come from the top, middle, or bottom of the organizational hierarchy and these may affect aspects such as how to develop the brand image and reputation which provide strategic competitive forces (Ashrafi et al., 2018). The drivers can further be categorized into push or pull factors. Pull factors include legislation, crises, scandals, reputation rankings, and criticism from groups that monitor an organization's operations (Matten & Moon, 2020). Push factors include traditions and values.

The most notable barrier to implementing CSR as determined by number of appearances in literature is the lack of commitment by the management, followed by investor reluctance, inadequacy of economic resources, and employee incompetence. The finding by Singh and Misra (2021) that lack of management commitment is the most important barrier to CSR implementation contradicts previous findings (Horng et al., 2018) that reported suppliers as the most important barrier. Other notable barriers to CSR include external control and the cost-benefit ratio. As Amor-Esteban et al. (2019) explain, the cost-benefit ratio barrier occurs when

the organization does not have the financial resources required for CSR development. It can also occur when there are trade-offs between choice in profit and ethics. Findings (Lin et al., 2019) suggest that the outcome usually tends towards profit maximization at the expense of ethical choices, and this is justified by business leaders who argue that the purpose of modern enterprises is the creation of financial wealth for the owners. Ahmad et al. (2021) also found that consumers and other stakeholders influence corporate policies and governance by demanding goods and services produced by businesses who do not consider CSR. However, Ahmad et al. (2021) also caution that this is not always deliberate. Rather, such consumers and stakeholders are not concerned on whether the businesses consider CSR or not; all they are interested in is the product/service. With regards to the external control barrier, Taylor et al. (2018) found that some organizations either lack proper knowledge or resources to integrate CSR into their business strategies or are unable to monitor the market environment effectively. Further, the internal control barrier reflects the absence of effective leadership and management within the organization to integrate CSR.

The table 1.0 below presents the main enablers and barriers of CSR and some of the authorsthat have provided literature about them.

Table 1.0: Enables and Barriers of CSR

Drivers	Authors	Barriers	Authors
Requirements from top management; Requirements from investors; Requirements from customers; Improve organizational performance; To innovate; Risk management; Ethical/moral commitment; Improvement of corporate image Islamic Religion; Charity; Attention from community groups	Arevalo and Aravind (2011); Arlbjørn et al., 2008); Bocquet et al.,(2017); Yin (2017); Aloitabi et al.(2019) ; Al-Abdin et al.(2018); Arvidsson (2010); Berman et al. (1999); Vimala and Suresh (2017); Jamali (2008); Laudal, 2011; Maon et al., 2017; Zu & Song (2009); Agudo-Valiente et al. (2017), Orlitzky et al. (2017); Sweeney (2007); Valmohammadi (2011); Dubai Chamber,(2009).	Lack of human resources; Lack of economic resources; Lack of government requirements and incentives; Lack of management commitment; The suppliers, in general, are not ready for CSR; Our company is not important enough for the supplier (lack of power); We have other priorities at the moment; Our company is too small	Arevalo and Aravind (2011), Arlbjørn et al. (2008); Bocquet et al. (2017); Al-Abdin et al. (2018); Arvidsson (2010); Berman et al. (1999); Vimala and Suresh (2017); Jamali (2008); Laudal, 2011; Maon et al., (2017); Zu & Song (2009); Agudo-Valiente et al. (2017), Orlitzky et al. (2017); Sweeney (2007); Valmohammadi (2011); Dubai Chamber (2009).

Source: Author

Engaging in CSR on any level can result in significant fees and expenditures. Handling this fiscal adjustment, requires organizations to rearrange their finances. They will need money to educate personnel, conduct advertising, and work with outside agencies to implement initiatives (Bhardwaj et al., 2018). It is dependent on the characteristics of CSR program, but most of them require some work to guarantee that everything goes according to plan (Jamali, Lund-Thomsen & Jeppesen, 2017). In a research of Spanish enterprises scholars discovered that CSR obstacles and enablers may be divided into two groups of those that are impacted by administrators' ethical convictions and those that are not, often categorised as subjective and objective.

Managers frequently cite investor pressure, established framework, and reputation administration as objective enablers, while subjective enablers include the incorporation of green building concepts and ethical incorporation into daily operations. Managers consider philanthropy, charity, and public relations as subjective hurdles, but objective CSR constraints include money availability, people properties, and time to adopt CSR initiatives (Jamali & Karam, 2018). They also discovered that CSR is dependent on the size and industry of the company. Small businesses are less likely than bigger businesses to engage in CSR activities

because their managers' understanding of CSR is limited, and their businesses tend to provide more impediments (Jamali, Lund-Thomsen & Jeppesen, 2017). The increased CSR engagement can be explained by the fact that bigger company executives have a better understanding of CSR.

Investors' loss of enthusiasm in CSR might be related to the statistic that certain CSR activities come at a cost to businesses. The lack of financial capabilities and investment expenses associated with CSR employment may be solved if the regime establishes financing schemes to assist businesses in implementing CSR (Ashrafi et al., 2018). In order to boost CSR in economies such as Saudi Arabia and solve socio-environmental challenges, the administration should deliver inducements, regulations, and perhaps laws as part of Saudi Vision 2030 and the economic divergence. Furthermore, workers' CSR abilities must be increased, since there is a shortage of qualified personnel who can build and apply structured models for their companies (Verk, Golob & Podnar, 2021). The improvement of skilled labour may be able to overcome these obstacles and lead to the development of best performs for CSR application (Agudelo, Jóhannsdóttir & Davídsdóttir, 2019). There appears to be a necessity for better regulation, law enforcement, and more government CSR knowledge to assist corporations in implementing CSR efficiently.

Tran (2019) found that there is a gap in the checks and balances in the operation of businesses in terms of the available CSR approaches. For example, the tools and strategies employed to hold organizations accountable for the effects of CSR (or lack thereof) in the West by European and North American standards are not available to poorer, developing economies (Anser et al., 2018). It is also worth noting that these standards are typically developed by trade unions and NGOs, which are significantly more developed in the West than they are in developing economies. For the developing economies such as those in Asia, Tien et al. (2020b)

recommend that third-parties be involved in verifying the industry level standards and codes of conduct. It has also been recommended that businesses not only develop global corporate codes of conduct but also subscribe to those that have already been established by independent international bodies such as the OECD Guidelines for Multinational Enterprises and the UN Global Impact (Chuang & Huang, 2018). This should be done with the ultimate goal of integrating ethical principles into organizational strategy and decision-making. It is premised on the belief that human activities are not only uncertain but also diverse.

An example of a company that is essentially built on a platform of helping the people through CSR is TOMS shoes company. TOMS was founded in 2006 with the social aim of providing a pair of new footwear for every pair of shoes bought by a customer who is in need. Blake Mycoskie, the company's founder, has worked hard from the outset to incorporate sustainable and socially responsible methods into everything the company does. The TOMS shoes company sold 10,000 pairs of shoes in its first year of operation (Zaman et al., 2020). As of now, TOMS distributes shoes in more than 50 nations and collaborates with humanitarian organizations that include shoes into their education and health initiatives as well as their sanitation and community development initiatives.

TOMS' initiatives are linked to ecological and social consequences of every area of their business, from the materials used to manufacture the shoes to the packaging in which they are transported. TOMS Shoes are made from natural hemp, organic cotton, and polyester that is recycled, while the company's packaging is made from 80 percent reclaimed post-consumer garbage and imprinted with soy print (Jamali, Lund-Thomsen & Jeppesen, 2017). TOMS needs direct vendors to attest on a yearly basis that the resources included into their goods were acquired in conformity with enslavement and people smuggling laws, and that staff actively endeavour to eliminate modern slavery across the distribution chain.

2.9 CSR and Sustainability

The term sustainability is used in reference to the ability to maintain systems and processes over time in regard to the economy, society, and environment (Popkova et al., 2021). According to Sun et al. (2022), the concept of sustainability was first developed in the context of natural resource economics; however, it has grown in use and expanded to sustainable development and, equally importantly, social equality. Conversely, the popularity of CSR has grown as organizations are seeking to produce high-quality products and services that not only meet the needs of their customers but also satisfy the needs of society (Crowther & Seifi, 2018). Literature (Boubakri et al., 2021; Lopez et al., 2022) also confirms that while CSR was initially rejected as an idea that could not work in business because its obligation to society was in direct conflict with the profit motive, most businesses especially in the Western economies now embrace it as it makes them responsible stewards of the social landscape and environment. Organizations are now becoming responsible for everything they do whether it is legal or illegal. The reason for it is that companies have become a part of society, and their actions have an impact on society. This impact is either positive or negative. So, to remain in society and to survive, organizations are now taking the responsibility of being good corporate citizens.

A number of companies across the world are now conducting various activities which make them good corporate citizens. Corporate Social Responsibility and Sustainability are now being discussed by every organization, from small businesses to huge multinationals. There has been a growing recognition of the importance of CSR activities on the part of business leaders as well as policymakers (Jamali, Lund-Thomsen & Jeppesen, 2017). However, CSR is not just limited to big organizations with deep pockets. Small and medium-sized enterprises (SMEs) can also effectively contribute to achieving a sustainable society. Additionally, there are many different approaches to CSR. For example, while some businesses invest in CSR purely as a

way of reputation management, others do it for sustain profitability and others out of a sense of being morally obligated to society (Halkos & Nomikos, 2021). Overall, though, businesses that endeavour to measure success beyond bottom maximum revenue generation adopt CSR strategies that target environmental responsibility, reinforced by philanthropic, ethical, and fiscal responsibilities that go beyond the products and/or services they sell.

Corporate social responsibility (CSR) is an organization's participation in improving the community it's part of. The concept of CSR is not new, and most companies already have a CSR program in place (Liang & Renneboog, 2017). However, many of these companies do not understand the impact it can have on the business. With proper budget and planning, a CSR program can increase brand awareness and reputation. It can also reduce the cost of customer acquisition, increase word-of-mouth marketing and improve employee retention. Companies have come to realize that they are more than just organizations that make money and products (Nave & Ferreira, 2019). The communities they operate in also expect them to contribute to the community they are part of. And when they do so, they can be rewarded with increased sales and profits.

The purpose of CSR is to improve relationships with stakeholders, which are the people who have a financial or personal interest in the business. Some companies implement CSR policies without considering their stakeholders, which can lead to negative impacts on society (Jamali, Lund-Thomsen & Jeppesen, 2017). CSR facilitates positive public attention for the organization. Corporate Social Responsibility is important for any business. It helps organizations to maintain their goodwill and reputation. It allows the organization to be socially responsible and helps them to maintain positive public attention (Verk, Golob & Podnar, 2021). Corporate social responsibility helps in getting positive public attention because it creates awareness about the company's policies and helps in creating opportunities for reducing risks involved in different projects. It helps in maintaining its image as well as that of the stakeholders

(Zaman et al., 2020). It also provides an opportunity for increasing brand value through public relations campaigns, which is generally beneficial for companies.

CSR is not a mere philanthropic act. It is about providing a service or benefit to the organization. One of the best examples would be the CSR activities undertaken by the Godrej Group, which have helped it grow in multiple ways. Godrej is one of India's oldest and largest diversified business groups. It has been involved in CSR activities that involve creating awareness about cleanliness, solid waste management, and sanitation (Tran, 2019). These activities are aimed at improving people's lives and making them healthier and safer. The group also works with underprivileged women to help them earn a living.

Corporate social responsibility is the practice of a company investing its resources to improve the quality of life for all stakeholders including employees, consumers, suppliers, and the community. CSR has been an important aspect for many companies for decades but with an increase in brand value, businesses are looking towards CSR as a way to attract both customers and investors. This is especially true for millennial consumers (Liang & Renneboog, 2017). In fact, millennials expect brands to be socially responsible. According to Nielsen's Global Corporate Citizenship study, 87% of millennials would switch brands to one associated with positive social change.

Customer needs are changing, and that is making it more important than ever for companies to make a good impression on their customers. As the world has become more transparent and globalized, consumers have become more aware of how the companies they buy from operate, and they want to do business with companies that share their values. That desire combined with consumers seeing a company as an investment rather than a product is driving customer satisfaction to levels never seen before (Jamali, Lund-Thomsen & Jeppesen, 2017). Customers have become more concerned about the company's values, and the use of their personal data. The reason is that customers are victims of the overuse of their data, which has been promoted

by businesses that want to collect and profit from the information they share. As a result, people are starting to reject websites that do not respect their privacy (Liang & Renneboog, 2017). They are also more likely to buy a product or service if the company appears to be socially responsible. There are many reasons why people buy from a business. Some, of course, care about the quality of your product or service. Others do it because of their preferences. However, there are others who decide to buy from a certain business, not because of the product or service itself, but because of your company's values (Crowther & Seifi, 2018). Furthermore, research shows that 92% of companies believe a brand should be involved in social and environmental issues, and 63% say they would choose a brand because it is environmentally responsible.

Customers care about the environment and the impact that their habits and corporate operations have on it. Today's consumers are increasingly conscious of companies' environmental impact, from their carbon footprint to the level of recycling services they provide. Companies that are able to demonstrate a commitment to sustainability in this area like Whole Foods or Patagonia, often see increased sales as a result (Nave & Ferreira, 2019). Sustainability is a business trend that involves making decisions in favour of the environment, society, and/or the economy, rather than choosing the most immediate financial returns. Businesses are increasingly recognizing that they need to be more sustainable if they want to remain successful. The World Wildlife Fund (WWF) is one of the leading organizations working to improve sustainability across business sectors. WWF helps businesses see how they can do better by connecting them with experts who can provide valuable insights into the key issues that impact their industry.

There is a growing recognition of the interplay between Corporate Social Responsibility (CSR) and Sustainable Development. CSR has been set up mainly to ensure that companies are socially responsible, in terms of their impact on the environment, society and the economy. Sustainable Development, on the other hand, aims at ensuring that development is economically

viable and ecologically sustainable (Zaman et al., 2020). While there is no formal link between CSR and Sustainable Development, they have a common goal: social responsibility. CSR has its own definition, but it overlaps with Sustainable Development. The issue of sustainability is becoming increasingly important as the world faces persistent economic challenges.

Social responsibility, sustainable development and corporate social responsibility are all part of the same idea. They are all meant to promote the idea that businesses, as well as other entities, can have a positive impact on society. In this digital world we live in today, many companies like Adobe and Nike use social media as a way to promote their CSR and sustainability initiatives (Tran, 2019). Through social media, companies can receive feedback from stakeholders and their customers alike, in a timely manner. That helps them to learn more about the concerns of their customers and make course corrections as needed. According to a study that was conducted by Nielsen, 72% of consumers actually prefer to be communicated with via social media by brands that are interested in their opinions.

2.10 Asiatic View of Corporate Governance and Corporate SocialResponsibility

The origins of CSR are largely attributed to the initiatives of business managers and scholars in North America and Western Europe. However, Xiao and Park (2021) note that because of the concept of globalization, the increased interactions between businesses and nations in general across the world have facilitated the spread of CSR to other parts of the world. Asia, however, is viewed as a latecomer in the field of CSR. Further, Fourati and Dammak (2021) demonstrated that CSR in Asia is not homogenous; rather, it varies significantly between different countries. According to Fourati and Dammak (2021), the variations are a function of different national business systems in the countries and, to a very small extent, the developmental level of the respective countries. Surya and Rokhim (2021) also found that multinational corporations were

more likely to embrace CSR than those that solely operate in their home country; however, the CSR profiles of the multinational corporations mirror the profile of the country of operation more than they do the country of origin.

Different researchers and authors have tested different hypotheses around arguments that Asian CSR is familial, religious, informal, non-global, governmental, practical, in comparison to the Western CSR. While some of the hypotheses were confirmed, others were rejected. For example, Tien et al. (2020b) established that Asia has more businesses that are privately owned by families compared to the West which has more businesses owned by professional entrepreneurs/investors/shareholders. This finding has significant implications for corporate governance and CSR in the Asian context. For instance, since the family business owners are not obligated to external shareholders, they transfer their own interests and values to their businesses, including social and environmental performance priorities (Tien et al., 2020b). Although this can offer greater options for possible ethical approaches and unusual innovation on social and environmental performance, Matten and Moon (2020) argue that it also raises ethical issues about class stratification and nepotism. According to Matten and Moon (2020), while professional business leaders attempt to influence good governance and CSR practice in Asia, they encounter major barriers in the form of the significance of traditional social (familial) networks. Although most of the family-owned businesses are either small or medium-sized, Chuang and Huang (2018) argue that the role families play in controlling some large MNCs implies that professional business leaders who pursue high-leverage influence points to promote globally acceptable CSR must first engage the high-society networks through the traditional channels.

It has also been argued that CSR in Asia is significantly underdeveloped especially with respect to the social aspects, which include employment practices and human rights, compared to the highly-developed practices in the West. According to Indriastuti and Chariri (2021), Asian businesses are particularly more reactive than proactive and feature inadequate stakeholder

engagement to define and monitor the implementation and development of CSR. In a similar study, Achmad and Yulianah (2022) also found that only a few businesses on the continent have invested appreciably in going beyond the externalization of welfare-related activities that are largely disconnected from their core business activities. Karwowski and Raulinajtys-Grzybek (2021) argue that, agreeably, there have been noteworthy changes in the last decade. However, they also argue that there is still a long way to go in adoption of CSR practices that reflect significant improvements in its conceptualization such that to demonstrate an internalization of specific ways of conducting business. Such underdevelopment, according to Karwowski and Raulinajtys-Grzybek (2021), is particularly observed in supply chain management, industrial relations, and human resource management.

A commonly featured explanation of Asia's CSR situation in literature is that CSR is necessarily a function of wealth creation. Businesses, individuals, and public authorities in the West, unlike in Asia, are associated with higher per capital economic wealth and can, therefore, afford to use surplus revenues and deploy resources in activities that do not directly relate to profitability (Indriastuti & Chariri, 2021). However, Indriastuti and Chariri (2021) also note that this is with the exception of Japan, whereby there is also an association with higher per capita economic wealth relative to many other Asian countries. Based on that, North American and Western European states are described as having greater capacity to implement CSR by virtue of their comparatively earlier growth of large multinational corporations, which are the ones most often associated with CSR and the dissemination of its values (Fourati & Dammak, 2021). According to Wu et al. (2021), Western multinational corporations combine organizational expertise and are typically faced with more broadly based risks, for example in terms of brand value and reputation, than their Asian counterparts. Additionally, Khan et al. (2021) found that with the exception of Japan and, more recently South Korea, international brand ranking shows that very few businesses in other Asian countries have developed truly global brands. Consequently, the spread of CSR often arises from Western business with

operations on the Asian continent, importing their CSR practices, which they adapt to local conditions.

It has also been asserted that higher degrees of civil society awareness to CSR in the West motivated the CSR activities much earlier than in Asian societies. According to Boubakri et al. (2021), this worked (in the West) by generating higher levels of societal demands and expectations and organizational responsibility. In particular, the concerns became increasingly important in the last decade of the 20th century with the development of consumerist social movements in the Northern European and Anglo-Saxon countries. For example, with the support of NGOs such as Amnesty International, Greenpeace, and Oxfam, consumers, organized boycotts or symbolic actions against some businesses to promote the agendas of fair trade, environmental defence, and human rights (Boubakri et al., 2021).

Another hypothesis that was tested is that Asian CSR is largely influenced by religious affiliations. Alabdullah et al. (2019) reported that responsible enterprise in the West is typically defined along the lines of secular and/or universal humanist values. This is in contrast to the Asian context whereby responsible enterprise is defined in terms of specific religious beliefs. Equally importantly, Kraus et al. (2020) found that even with the penetration of Western businesses into the Asian market, religion on the continent is still becoming more conspicuous within businesses and this is especially so in the post-Communist societies. Buddhism speaks of the principle of interconnectivity between the community and environment, according to which the monks live and this means the monks are one with their stakeholders. In similar manner, each individual belongs to an organization and, by extension, to the society (Zavyalova et al., 2018). What this means is that any working and earning individual who enjoys the rewards of belonging to the community is inter-dependent not only on the business community but society in general. This view is also reflected in Islam in terms of its emphasis on oneness rather than duality between the self and other, heaven and earth, and matter and consciousness (Nathaniel et al., 2021). This is understood from the perspective that in the Buddhist context,

businesses and their stakeholders are part of a whole and must observe good corporate governance and CSR practices.

Not only was the emphasis on connectedness in Asia as influenced by religion expected to drive the growth of socially responsible businesses, but the changes occasioned by economic development have also played an important role in the adoption of contemporary CSR. To that end, some corporate governance scholars portray Asia as progressively pursuing Western CSR initiatives and objectives but with Asia-specific intentions (Rafindadi & Usman, 2019). However, since such an approach is not simplistic, it can and often does lead to problematic and unsustainable results at the personal and social levels (Aliko et al., 2021). Additionally, while some corporate governance scholars perceive Asian CSR effort as geared towards the realization and promotion of social harmony, others argue that it is superficial because it only pursues conformity and is therefore less noble (Chien et al., 2021). The religiosity was inferred by some to mean that the notion of conducting business in harmony with other organizations, stakeholders, and the planet is promising within the Asian context.

For the larger part of the time that CSR continued gaining momentum, it was primarily viewed as a Western concept; however, especially after the turn of the 21st century, that is no longer the case. According to Adebayo et al. (2021), business leaders across the Asian continent are not only increasingly adapting the concept but are also giving it unique Asian characteristics. Further, the notion of giving the concept of CSR unique Asian characteristics also has significant implications not only for the region but also other parts of the world, especially considering the influences of globalization. For example, according to Usman et al. (2020), sustainability remains a priority agenda for CSR and corporate governance. For governments, businesses, and the public in general, this means the subjects of energy, climate change, global labour standards, product safety, and access to clean water continuously assume a new urgency and, for Asia, it means that CSR can no longer be perceived as a subject that has meaning only in Europe and North America. As Chen et al. (2019) explain, this argument can best be

understood through the recognition that, owing to globalization, it is impossible to build a sustainable world without a sustainable Asia.

Business leaders in Asia are increasingly acknowledging the need to integrate governance, social, and environmental factors into business strategies and operations. While some of the initiatives might be compelled through international treaties and/or sanctions, Ulucak et al. (2020) also argue that business strategists in Asia are increasingly appreciating CSR as business framework that contributes positively to the development of a truly sustainable global economy. This is also in recognition of the argument presented by Ashraft et al. (2018) in the problem statement of thesis study that most Asian organizations that practice CSR still focus disproportionately on traditional philanthropic responsibilities. Sharif et al. (2020) argues that Asian CSR may still be lagging behind that of Europe and North America because of the misconception of CSR as philanthropy. As Sharif et al. (2020) explain, it is imperative that business strategies in Asia recognize CSR in the context of how the organization earns its money (sustainably) in the first place as opposed to how it eventually spends (on charity) the money.

On one hand, sustainability is fundamentally a global concept and effort but, on the other hand, CSR has necessarily developed along different paths and patterns in different economies and regions of the world. According to Balsalobre-Lorente et al. (2020), this is not a strange phenomenon because CSR has to conform to the social contracts of the specific country/region in which it is implemented for it to be successful. The significance of social contracts in the context of CSR is that they define the specific relationship and organization has with the community in which it operates, and this vary not only by industry and organization but also but region and country (Balsalobre-Lorente et al., 2020). In agreement, Ulucak et al. (2020) add that the social contracts derive from the distinct governance, economic, and cultural models of economies/regions and organizations. Therefore, the advent and development of a native Asian version of CSR had both differences and similarities to that practiced across the rest of the

globalized business platform.

Comparing the CSR landscape of Asia with those of Europe and North America, one appreciates that there are some realities unique to Asia that are critical in influencing the continental approach to responsible and sustainable business models and governance. For example, Li et al. (2022) found that Asia is economically, culturally, and linguistically more diverse than Europe and North America. Compared to any other regions of the world, Asia arguably has the most dynamic mix of least developed, developing, and developed economies (Ahmad et al. (2021). It follows, therefore, that it is inaccurate to attempt to refer to a single model of Asian CSR because it has different definitions and outlooks across the region. Equally importantly, Amor-Esteban et al. (2019) note that Asia has undergone the most rapid economic growth in the last 50 years than any other region of the world. This is in sharp contrast with European and North American perspectives that, over the same 50-year period, placed more focus on maintaining high standards of living (Hoque et al., 2018). For policymakers and strategists in Asia, this complicates the task of balancing the need to raise living standards, improve corporate governance, and participate fully in the global sustainability drive. Lopez et al. (2022) reported that Asia has unique obstacles to implementing CSR and achieving its goals, especially in the developing countries. Unlike in North America and Europe, developing countries in Asia have relatively weaker institutions, standards, and appeals systems, which are essential to the effective conduct of CSR initiatives (Sadiq et al., 2021). However, Dorfleitner and Grebler (2022) also argue that among Asian countries that are appreciably taking up CSR, and especially Japan, there is a traditionally strong focus on environmental aspects.

2.11 The Emergence of Diverse CSR Models in Asia

On one hand, it may be difficult to deny completely the arguments that indicate Asia in general lags behind in the development of CSR initiatives. However, there are also studies that allude to the fact that Asia is not necessarily the “anti-CSR” continent as it has often been viewed;

rather, the situation is just not explicitly defined because it has not been study for as long and deeply as it has in the West (Okafor et al., 2021). This is especially true considering developed economies such as Japan and South Korea as well as others, to a lesser extent, such as India. Similarly, the absence of democratic institutions and the legacy of state-owned corporations in a country like China appear to have precluded the implementation and support for growth of the concept of CSR. Therefore, although China may be viewed as an outlier in this respect, Popkova et al. (2021) argue that such may not be the situation in the long-term.

Local Chinese businesses continue to play a minor role, unlike their multinational corporation counterparts that play a notable change agent role. According to Halkos and Nomikos (2021), the multinational corporations are increasingly inspiring the local businesses to embrace CSR and, more importantly, senior government officials are also seen to raise awareness of the importance of CSR in corporate governance. Several NGOs in China, also referred to as “social organizations” in the country, that have good relationships with public authorities are developing CSR guidelines that encompass both economic and social dimensions (Sun et al., 2022). Rohmatika and Amilahaq (2021) point out that such guidelines range from standards of corporate governance to measures to deal with corruption, environmental justice, and to equal employment opportunities.

Just like its multiple languages, cultures, and religions, it is also difficult to define a single “Asian CSR” model. As Balsalobre-Lorente et al. (2020) explained, corporate practices across Asia are as diverse as its natural environments and this has implications for corporate governance and the practicality of CSR choices. In India, for example, philanthropy and CSR are almost used interchangeably while, at the same time, civil society is also notably active. According to Ulucak et al. (2020), this suggests a “stakeholder model” may eventually be entrenched in the CSR landscape just as it is in Europe and North America. Such a model and the overall approach to CSR in a country like India will be defined and influenced by the tension

between its cultural and spiritual values on one hand and energetic commercial development on the other. According to Usman et al. (2020), these forces are often in contradiction to the focus on simple material progress.

In a country like China, the unprecedented economic growth set off Western interest in CSR in the larger Asia although some commentators observe that it was more as a way of predicting the impacts China would have on the West (Chen et al., 2019). For instance, for the better part of the 21st century, Western society and international bodies such as the United Nations have focused on the concept of “harmonious society” in China and the Chinese government’s attempts to address the growing environmental concerns in the country. Amidst increasing economic disparity, there are concerns about corporate governance, issues of safety, and agitated stock speculation being downplayed, and this raises the likelihood that the role of business in Chinese society could come under greater pressure to act as agents of change.

Japan and South Korea in northeast Asia have undergone their own historical conflicts but they nonetheless share relative economic success. However, they also share concerns the potential political and economic impacts of China in the region. As a result, Japanese and South Korean perceptions of and approaches towards CSR are evolving in similar terms, with both economies expressing increased interest in global CSR. Organizations based in both Japan and South Korea are increasingly becoming more engaged in studying global supply chain practices although the Japanese automotive industry has, agreeably, made greater progress.

In response to criticism from the West, business managers in Asia argue that they have always practices CSR but probably never used the term as coined in North America and Europe. In Japan and South Korea, for example, CSR reporting is increasingly covering wider issues related to the economy, society, and environment that before (Xiao & Park, 2021). However, critics also note that the reporting virtually bypasses issues that touch on the prevalence of social inequality and the maintenance of employment (Surya & Rokhim, 2021). In Japan, for instance, while the Gini coefficient is getting significantly higher, the social disparity remains notably

small relative to developed economies such as Australia and the US. According to a survey by Achmad and Yulianah (2022), top managers in Japan earn an annual pay of approximately 50 million yens, which is close to 10 times what the average worker gets. However, Karwowski and Raulinajtys-Grzybek (2021) also note that Japanese managers are more likely than their Western counterparts to accept considerable pay cuts, like they did in the recession of the 1990s, to embrace their social responsibility in times when the country is facing financial challenges. As already noted earlier in this thesis attitudes relating to CSR in Asia typically have religious connotations and, according to Sadiq et al. (2021), this is still a prevalent notion in India and Thailand today. However, notable business powerhouses on the continent, such as the India Tata conglomerate and other top software businesses such as Infosys indulge not only in philanthropic activities but also high-stake activities such as health, community development, and human safety (Achmad & Yulianah, 2022). This can support the argument that Asian businesses have always practiced CSR but under a different name as coined in North America and Europe. According to Okafor et al. (2021), Asia is by large a patriarchal society in which business success is increasingly being acknowledged for the role it plays in creating social obligations to give back to the community and support the wellbeing of employees beyond the legally documented contractual obligations.

Admittedly, CSR in Asia may not be in the same sense it is in Europe. However, as Indriastuti and Chariri (2021) point out, the creation of foundations is a confirmation that most CSR activities on the continent are externalized. However, this may also be problematic because of the limited commitment it allows to CSR in its wider context. For instance, Dorfleitner and Grebler (2022) explain that the limited commitment also limits focus on pertinent issues such as working conditions including worker safety, working hours, and minimum wage; responsibility in the supply chain; board transparency; employee training and career progression; quality and safety of goods and services; and women and children in the workforce. However, it cannot also be overlooked that some businesses, an example of which has been

given of the India Tata conglomerate, have built characteristics that surpass the traditional small-scale philanthropy activities. These, as pointed out by Khan et al. (2021), include getting into long-term partnerships with local communities for sustainable projects such as poverty alleviation, education scholarships, and building infrastructure. From that perspective, therefore, the emergence of diverse models of CSR in Asia is bringing forth practices that are close to what is practiced by businesses in the West.

2.12 Overview of Cross-Strait (between Taiwan and China) CSR

Asian policymakers and businesses have traditionally and considerably been less inclined to rely on and pursue established international standards and principles of social and environmental matters compared to their Western counterparts (Chien et al, 2021). According to Chein et al. (2021), this is partially the consequence of the perception that the international standards and principles are not in reality universal but were primarily developed by Western economies for their subjective Western interests. In agreement, Rafindadi and Usman (2019)) add that the reluctance is also partially the consequence of the inclination towards prioritizing economic growth of social and environmental justice and other factors such as human rights. Equally importantly, Zavyalova et al. (2018) explain that the reluctance is a reflection of cultural influences and affinities for consensus building. This is in contrast to the more legalistic perspective and approaches that the Western world is conspicuously pursuing.

Despite the reluctance reported in literature, studies (Alabdullah et al., 2019; Tien et al., 2020a; Zavyalova et al., 2018) also show that recently, the Taiwanese government has promoted CSR from the scope of a social foundation. Explicitly, the government has actively promoted the goal of safeguarding the public property of the country and society, encouraged enterprises to support the promotion of corporate ethics in policy, developed a corporate ethics environment in combination with non-governmental organizations and organizations, and developed multiple incentives for the implementation of corporate ethics through authorization and

sponsorship-related measures. Notably, the print magazine foresight has conducted a large-scale CSR survey in Taiwan. The questionnaire's content refers to the International Economic Cooperation Organization guidelines for multinational enterprises and the internationally accepted CSR standards and encapsulates various aspects such as the rights and interests of stakeholders in the enterprise, the relationship between the enterprise and the community, and the scope of environmental protection. Presently, Taiwan enterprises implement CSR per this general international rule. Explicitly, according to Hou (2019), all the large-scale Taiwanese enterprises responded to CSR investment and development through various actions; for instance, Asus has promoted the inclusion of employee morality items in the year-end performance appraisal of employees' first enterprise ethics policy of Taiwan enterprises. Besides emphasizing that the company attaches importance to the professional ability of employees, morality is also an important personal quality, which is not only implemented in China but also implemented in ASUS-related enterprises all over the world. Another example is seen with the China Trust Commercial Bank in the financial industry, which has formulated the "Ten Commandments" employee code in line with the spirit of enterprise ethics for its employees. Similarly, these developments are seen in the communication industry through Taiwan's action "love the earth project", which cooperates with schools in environmental protection competitions and participates in community management. In addition to the exceptions mentioned above, other listed and OTC companies, whether in the science and technology industry, food industry, financial services industry, to mention a few, have also clearly established internal regulations on relevant corporate ethics and implemented them.

In the development of CSR in mainland China, at least two-thirds of the internationally renowned large enterprises have landed and set up factories. Therefore, the mainland is greatly affected by the trend of international CSR. Nevertheless, these companies are extensively subject to the policies of the Chinese mainland government, including the company law, which was revised in 2005, that requires enterprises to abide by social ethics, business ethics, honesty,

and trustworthiness and accept the supervision of the government and the public. CSR promotion in mainland China began to spread when it assumed social responsibility (Lusteau, Barth, & Jaussaud, 2018). Currently, in terms of the overall enterprise development atmosphere, most mainland enterprises agree that CSR is a sharp tool for market brand management, especially in terms of transparency of enterprise management, culminating in more enterprises willing to announce the implementation performance of CSR. Some labour organizations have even formulated norms and codes by themselves. For example, CSC9000T China textile enterprise social responsibility governance system (Braun & Munzinger, 2019), developed by China Textile Industry Association in 2005, is a social responsibility management system based on relevant China mainland laws and regulations and international conventions. As such, these conventions are in line with the international practices as well as the national conditions stipulated in mainland China. Notably, this first time that the mainland has implemented the CSR code of conduct in the industrial field.

On one hand, Zavyalova et al. (2018) opined that exploring and understanding how both Asian and Western organizations apply CSR in Asia is essential to business leaders who intend to venture into Asia. On the other hand, they also argue that the Asiatic view of CSR may in the long run be defined comprehensively according to how Asian MNCs shape and apply CSR outside of Asia. According to Alabdulla et al. (2019), however, it is important to note that such shaping and applying of CSR outside Asia has different dynamics in developed and developing economies. Most of the studies consulted for this literature review acknowledge the growing debates on the role of MNCs that are actively engaged in emerging markets. However, there is also general consensus that Chinese MNCs operating in Africa are more visible than MNCs from any other region, especially with regards to the scale of the projects they are undertaking (Chuang & Huang, 2018). As Chen et al (2019) point out, the Chinese MNCs active in Africa are simultaneously similar to and different from European and North American MNCs that operated in Africa before them. A notable feature of Chinese MNCs in Africa is that they follow

the lead of Chinese foreign policy, which emphasizes on the principle of non-interference in local sovereignty (Ulucak et al., 2020). This approach is the result of not only a different attitude towards influencing local conditions but also from the history of foreign interference in China's domestic affairs. Just like the Chinese MNCs do not interfere in local sovereignty, they do not participate in CSR activities.

2.13 Theory of Confucian Entrepreneurs

The idea of 'Confucian entrepreneurs' developed from the combination of Confucian ethics and culture and business practice. They can be traced back to the early history of China. However, it was not until the period of the Ming and Qing dynasties that the Confucian entrepreneurs group and the concept of the Confucian entrepreneur emerged; they were referred to as Confucian merchants at the time. Wang Daokun, a Confucian scholar of Xin'an School, noted, 'One can be either a Confucian scholar or a merchant in our culture. People respect scholars while disparaging merchants, but I would rather be a Confucian merchant than a merchant who is a Confucian' (translated from the original). The term 'Confucian merchant' originally was based on comments on the existence of Confucian scholars and merchants in society and the relation between the two. However, it resulted in a new model integrating Confucianism and trade as opposed to the traditional social hierarchy (ranking in descending order) of scholars, farmers, workers and merchants. Therefore, it actually recognized a new profession, Confucian merchant, as a part of society and confirmed the existence of Confucian entrepreneurs as a social phenomenon. As to whether the values of Confucian deontology are contradictory or compatible with the utilitarian pursuit for wealth of merchants, there have always been different opinions. The emergence of Confucian entrepreneurs indicates the building of a bridge of communication from one side to the other between morality and utility and also between Confucians and entrepreneurs, realizing harmony between and merging of the values of

entrepreneurs and Confucians. Therefore, Confucian entrepreneurship is, in essence, the outcome of combining the ethics and culture of Confucianism and business practices. In terms of business operating visions, business management philosophy and the building of a personal image, Confucian entrepreneurs have inherited the fundamental spirit of the ethics and culture of Confucianism. The combination of the ethics and culture of Confucianism and business practices was a historical process, marking the evolution of Confucian entrepreneurs from their inception to formation. The pre-Qin period marked the inception phase; the Tang and Song Dynasties saw a certain modicum of development; and the Ming and Qing Dynasties marked the maturation phase of Confucian entrepreneurs.

Confucian entrepreneurs show adherence to traditional Chinese values and business ethics, as well as great social responsibility. The personal characteristics of Confucian entrepreneurs are as follows: obtaining profit by practicing righteousness, putting integrity first, helping the public, protecting the social good while pursuing self-interest, competing in a harmonious manner and benefiting the masses. An important difference between a common businessperson and a Confucian entrepreneur is that the latter is not only an economic actor but also a social and moral individual. In other words, shouldering and performing social responsibilities is an essential characteristic of contemporary Confucian entrepreneurs. Therefore, the concept has some similarities with the Western concept of CSR. The values of Confucian entrepreneurs can be analysed from three dimensions.

2.13.1 A Professional Vision Combining Upholding Morality and Establishing an Enterprise ‘Upholding morality’ is essential to Confucian ethics. To be specific, it refers to becoming a person with wisdom and virtue. On the surface, the values of Confucian deontology stand in contradiction to merchants’ utilitarian pursuit of wealth and the establishment of an enterprise. An old adage says, ‘Confucianism for reputation, merchanting for profit’. However, Confucian entrepreneurs, who have a special identity that integrates

Confucianism and merchanting, are different from conventional business people who pursue only profit or the common Confucian who aims for good reputation. Confucian entrepreneurs integrate the values of Confucians and merchants, understanding and regulating business activities according to Confucian values and, thus, establishing a new professional outlook that realises the unification of Confucianism and entrepreneurship at the values dimension. Wang Wenxian, a Confucian scholar in the Ming Dynasty, also compared people who are skilled at business with people who are good at scholarly research, to illustrate the equal weight given to entrepreneurial and Confucian values. This insight reflects that Confucian entrepreneurs strive to realize the Confucian outlook of ‘Do your duty in an ethical way’ in business activities and to achieve the unified goal of upholding morality and establishing an enterprise by pursuing values and reputation, as well as utilitarianism.

2.13.2 Business Value and ‘Morality Breeds Wealth, Righteousness Generates Profits’

Confucius said, ‘Profit through righteousness’ and ‘Those who do nothing to uphold righteousness lack valour. Making use of your wealth for a righteous purpose shall have ample source of yields, for it conforms to the great virtue’. Confucianism upholds the ideals of ‘The foundation for creating personal benefit is righteous conduct’ and ‘Doing righteousness and creating yields.’ Confucian entrepreneurs implement these ideas throughout their business activities and create an operating vision featuring ‘Morality breeds wealth, righteousness generates profits’. Confucian entrepreneurs believe that business activities should not be restricted to garnering wealth; instead, in the process of obtaining profit, entrepreneurs should demonstrate a pursuit for morality and conform to moral standards, achieving the status of ‘Profiting in accordance with moral righteousness’. During the reign of Daoguang in the Qing Dynasty, the Anhui merchant, Shu Zungang used the metaphors of *spirit* and *flow* to illustrate the connections between wealth and morality, as well as profits and righteousness, which were highly representative among Confucian entrepreneurs. He criticized schemers, misers and extravagant merchants, whom he deemed to be ignorant to the truth of making profits and thus ended their own source of wealth. He then called for business activities to follow the Confucian outlook, that is,

‘Profit through the wealth of righteousness’ to maintain an endless flow of prosperity.

2.13.3 A Business Management Philosophy Focusing on ‘Benevolence, Harmony, Integrity and Diligence’

By engaging in business practices and extrapolating Confucian ethics, Confucian entrepreneurs have created a systematic view and methodology of business management. The first is ‘Management with benevolence’. In Confucianism, *benevolence* refers to the love of your family, other people and nature; as Mencius said, ‘Love your family, love your people, love all beings’. Confucian entrepreneurs transformed this ethical requirement into a business management philosophy. Confucian entrepreneurs show internal and external benevolence. The internal aspect refers to benevolent conduct to enhance the cohesiveness of all partners involved. To be specific, Confucian entrepreneurs highly value blood ties and family, loyalty, filial piety, etiquette and righteousness and care deeply about their partners; thus, an orderly relationship and harmonious environment within a business can be developed. The external aspect focuses on shaping an image of a benevolent entrepreneur. Therefore, a large part of Confucian entrepreneurs’ property is used for social investment, such as building temples, compiling genealogies, acquiring property for the larger family, disaster relief and development of education, among others.

The chapter ‘Xue Er’ of *The Analects of Confucius* advocates attaining a state of equilibrium and harmony, holding that ‘In the application of etiquette, harmony is to be prized’. Confucian entrepreneurs apply such harmony to business practices as a fundamental approach for the handling of internal and external relationships. They treat guests with hospitality and make friends extensively; in this way, their business network is stabilised and expanded. ‘Harmony brings wealth’ is one of the crucial contents of Confucian entrepreneurs’ philosophy. Integrity and sincerity should come first. In the chapter ‘Yan Yuan’ of *The Analects*, the Master said, ‘A man cannot survive without sincerity’. Integrity and sincerity are the basic ethical norms of Confucianism. As per the Doctrine of the Mean, ‘Sincerity is the way of heaven,

and sincerity is the way of man. Nothing can be achieved without sincerity'. *Integrity* refers to staying true to reality; *sincerity* is a specific demonstration of integrity; in other words, 'Keep your integrity. That is the way of sincerity'. In China, integrity and sincerity have long been the basis of business operations. Confucian entrepreneurs have even transformed this tradition into their management philosophy.

The last is to practice diligence and frugality. Confucianism is a philosophy of life that champions an active mentality and opposes passivity. It supports perseverance and a strong will. Confucius lived his life with this fighting spirit: 'Attempt the impossible even if we know it is impossible'. In the *Book of Changes*, one may find this enterprising spirit: 'As heaven maintains vigour through movements, a gentleman should constantly strive for self-perfection'. This statement is the embodiment of an active and enterprising attitude towards life. In terms of consumption, Confucianism advocates, 'It is better to be frugal than extravagant' and upholds the practice of frugality and discipline. In the chapter 'Ba Yi' of *The Analects*, Confucius said, 'The practice of rites should be frugal instead of extravagant.'

2.14 Theory of Social Harmony

As described in the previous sections, the theory of Confucian entrepreneurs provides a key framework for linking the altruistic concepts advocated as part of CSR in the West to the Eastern context and for developing a CSR analysis that seeks commonalities among the differences between Eastern and Western cultures. In addition, this study also lays emphasis on analysis of CSR to identify differences in the commonalities in the Eastern context, with focus on the cross-straits context where CSR is maturely developed, that is, the analysis of the differences in the nature of CSR between mainland China and Taiwan. Based on a preliminary literature analysis, we found that Taiwan in comparison to China has more widely accepted the Western concepts of CSR. Taiwan is also developing a localized CSR by integrating the theory of Confucian

entrepreneurs, according to the concepts of Chinese essence, and Western utility. In the Chinese context, the theory of Confucian entrepreneurs is applied more often, and from the works of Yang et al. (2019), we also see a number of changes effected under the socialist ideology, among which the theory of Confucian entrepreneurs has the greatest influence. This is also the main reason why CSR has developed differently in both economies.

‘Striving to build a harmonious socialist society’ has always been a guiding philosophy of governance for the Communist Party of China (CPC), and it is also the core content of so-called socialism with Chinese characteristics. In the Sixteenth National Year of the Congress, in November 2002, China made ‘greater social harmony’ one of the goals of building the so-called *Xiao Kang*, a moderately affluent society in all respects. In the fourth Plenary Session of the 16th Central Committee, ‘improving the ability to build a harmonious socialist society’ was explicitly stated as an important aspect of the Party’s ability to govern. The concept of harmony is derived from core values of Chinese culture, such as the traditional cultural ideas of ‘Gentlemen seek harmony but not uniformity’ and ‘Harmony is most precious’, which have led to the cultural heritage of the Chinese people advocating for harmony and peace. In fact, in Confucianism, the doctrine of the golden mean and the notion of harmony are also sources of the concept of harmony that profoundly influenced the social development of China during different dynasty periods (González-Díaz et al., 2021). This context has been discussed in regard to the theory of Confucian entrepreneurs, such as applying the principle of being amiable to beget riches to business practices for handling internal and external relationships. The emphasis on the golden mean and the notion of harmony in Confucianism has had a broader influence on Chinese society as a whole, which is reflected in various aspects of culture, economy and law.

It is manifested as a rational and moderate concept of cultural development that opposes sweeping away all traditions, as well as notions such as ‘There is no construction without

destruction’ or ‘An omelette cannot be made without breaking some eggs’ with regard to cultural issues. It proposes the gain–loss dynamic in cultural development, meaning that for traditional culture, we affirm and deny, as well as carry forward and innovate. This approach is neither complacent nor supercilious. Instead, it advocates the gradual development of a nation’s culture advancing with the times, inheriting the good elements of its cultural traditions (Yang et al., 2019). This is similar to the thought of cultural conservatism that is popular in the Western world today.

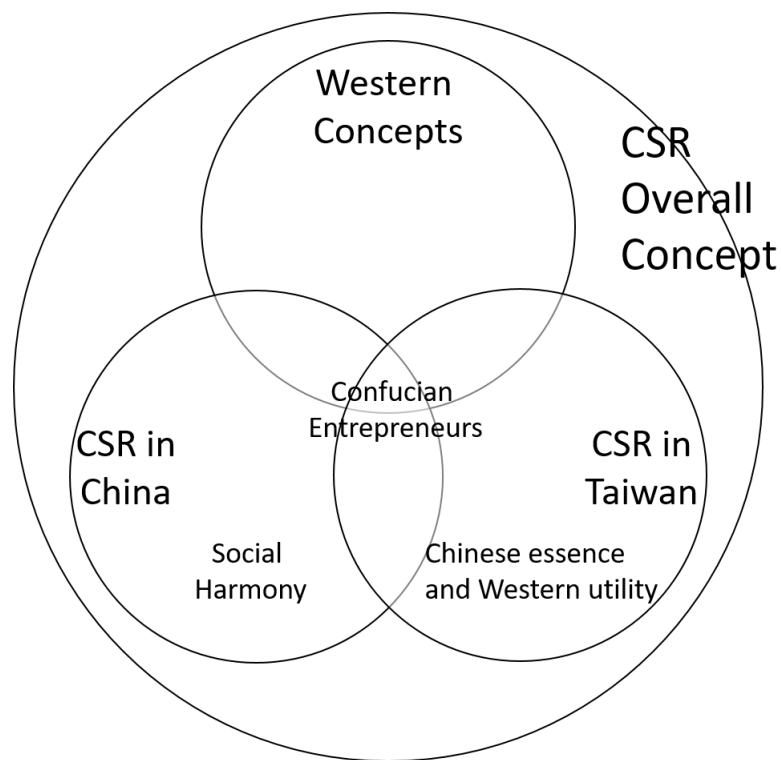
With regard to the economy, Confucian ideals are manifested through policies aimed at ‘enriching the people’. Institutional arrangement that widens the wealth gap among different social classes is not favoured, and the excessive exploitation of the people by the ruling class is also opposed, as these are detrimental to social harmony and stability. Confucius was exceptionally clear that the concept of ‘enriching the people’ should ‘be of no concern lest the people be poor and only when what they have is ill-proportioned’, an ethic which is similar to that of the ancient Greek philosopher Aristotle. The middle class becomes a stable force in society because it has stable material wealth and, therefore, a stable mental makeup (González-Díaz et al., 2021). From this, we can see that important factors of social harmony include smaller wealth gap, reliable material security and stable mental makeup.

With regard to law, Confucian ideals require that attention be paid to balance between different interests in legislation and the interests of the people, which should be given due consideration in legislation from the perspective of safeguarding the long-term and overall interests of the ruling class. Of course, because of historical limitations, the understanding of legislative justice in Confucianism differs greatly from that of today. The doctrine of the golden mean in the legal respect requires judicial justice. Confucius said, ‘If punishments are not

properly applied, then people will have no standard by which to judge their actions', which emphasizes the issue of penal justice. The judicial conceptions of Confucianism embody a simple humanitarian spirit. By today's standards, a legislative and justice system based on justice and humanity is a guarantee for building a harmonious society.

To summarise the above literature, we can use figures to briefly describe the preliminary construction of the framework of comparative analysis of CSR in this study.

Figure 1.0: Framework of Comparative Analysis



As shown in the Figure 1.0 above, the analysis that seeks commonalities among the differences between Eastern and Western cultures is based on the theory of Confucian entrepreneurs. The cross-strait comparative analysis is focused on the Eastern context, including differences such as social harmony and Westernised Chinese culture.

2.15 He Xie Management Theory

He Xie management theory is a Chinese management theory. The core concept of this theory is the combination of "Mao Zedong Thought" and "modern management theories", which point towards the general principle that harmonious compatibility promotes human improvement (Crowther & Seifi, 2018). It is premised on the belief that human activities are not only uncertain but also diverse and entail multiple meaning and evolve with limited intervention (Wei, Wang & Wang, 2019). In 1985, He Xie suggested that scientific and technological advancement has reached a point that both material production and social life have been significantly accelerated. The theory was developed as a platform to help organisations interact with the world and address pertinent issues; therefore, its theoretical framework consists of features such as a vision and mission; the HeXie theme; the He principle; the Xie principle; coupling of He and Xie principles; HeXie expansion; and HeXie leadership (Li et al., 2022). According to Li et al. (2022), the vision and mission are important because they are relatively stable and strategic and provide an organisation's positioning as well as long-term development goals.

Van de Ven, Meyer and Jing (2018) explain the HeXie theme as a medium-term goal for a purposely defined period to address/resolve/adjust certain key issues while the Xie principle outlines the rules and propositions designed to minimise uncertainty in the context of external perspectives such as legal restraints, international standards, media supervision, and governmental and non-governmental organisations. Uncertainty can be reduced by optimising systems, structures and processes (Van de Ven, Meyer & Jing, 2018). Conversely, the He principle outlines the rules and propositions that encourage participants to adapt to the uncertainty from an internal perspective in terms of leadership concepts, employee management, business strategy and corporate culture. As Tanniru and Sandhu (2020) explain, the He principle is primarily applied through incentive mechanisms, culture building, cultivating innovative ecosystems and establishing the workplace environment. The coupling of the He and Xie principles is the mechanism through which processes adjust in response to

uncertainty, ambiguity, complexity and changeability (UACC) by incorporating the He and Xie principles with the specific HeXie theme aligned with the vision and mission (Wei, Wang & Wang, 2019).

Wei et al. (2020) explain that the role of leadership entails identifying the vision, mission and HeXie theme. When managerial challenges arise within a UACC environment, it is imperative to identify the HeXie theme of that particular period based on the vision and mission and then specify the appropriate He and Xie principles and their coupling mechanism in accordance with the HeXie theme (Wei et al., 2020). Considering the challenges related to technological advancements and the increasingly reinforced UACC environment, organisations need a mind-set change to adapt to the reshaping of work, life and society. As Li et al. (2022) explain, the mind-set change should entail a shift from the ‘simple mode’ of the status quo to a new mind-set that is flexible enough to survive in the UACC environment. This new mind-set, which combines the results of comprehensive thinking from the fields of technology, philosophy, science, art and experience, is described as the ‘HeXie mind-set’ (Tanniru & Sandhu, 2020). It is an important mind-set because it facilitates a comprehensive understanding of various issues in different phases and at different levels.

He Xie management theory is a management theory that divided the enterprise into three parts, including the enterprise itself, the entire industrial chain and the entire market. It has also established a complete management system. The key to success in this approach is to build a business system called enterprise + industry+ market which can promote economic growth of enterprises and industry through marketization (Nave & Ferreira, 2019). All the enterprises should be based on “Enterprise + Industry + Market” business system, thus to establish the enterprise management on basis of scientific development concept and business principle in order to better achieve strategic goals.

The concept of “Enterprise + Industry + Market” business system is a systematic and logical way to build enterprise competitive advantage. For example, the market is highly competitive,

enterprises are facing fierce competition, which makes the market value chain more and more perfect, but also makes the enterprise itself gradually become less independent (Bhardwaj et al., 2018). In the old days, enterprises were all based on their own industry, it was very common and successful, like the Nokia mobile phone company. However, with the development of modern society, more and more people realize that the focus of business should not be limited to an industry, market and enterprise itself, but should also include other related industries, markets and enterprises (Zaman et al., 2020). For example, in this era of Internet technology, with the influence of e-commerce, all industries are interdependent. It is based on this reasoning that enterprises are becoming bigger and better.

The dynamic and evolving concept of “dual-principles” allows the He principle and Xie principle under the HeXie theme to adjust to each other at different organisational network levels. According to Hui et al. (2012) and Bhardwaj et al. (2018), the HeXie coupling facilitates the evolution and rational design to achieve organisational dynamic coherence. In that context, HeXie coupling must embrace three rules. The first is that the He principle and Xie principle directed by the HeXie theme ought to interact as opposed to operating separately. Second, the issues that need to be addressed originally by the He principle can also be solved using the Xie principle if the manager is knowledgeable on the law of causation (Hui et al., 2012). As such, the He principle should be adapted with the goal of solving new problems originating from creativity and the activities involved in the use of the Xi principle. What this means is that the He principle and Xie principle should be able to convert and supplement each other under some circumstances. Third, the HeXie concept is characterized by “adaptive walk” in both local and global optimality as well as the complexity to be warrant being taken into account as emerging from the coupling (Hui et al., 2012).

The positive influence of CSR’s HeXie management on corporate governance is conveyed in the following sequence: 1) CSR’s HeXie management, 2) stakeholder relationships, and 3) corporate governance (Zaman et al., 2020). It follows, therefore, that the stakeholder

relationship plays an important role in enhancing the effects of CSR's HeXie management on corporate governance. From the descriptions of the HeXie Management Theory, it may be concluded that it not only provides deeper insight into the establishment of the symbiotic ecosystem but gives guidance on the approach towards gaining eco-dividends. It enables organisations to realise the benefit of sharing and symbiosis of stakeholders, which Wei et al. (2020) refer to as the dividend, by removing barriers, integrating, balancing and sophisticated innovation. The positive consequences of the ecosystem can be enhanced further by encouraging the diffusion of regional effects and giving feedback to achieve exponential amplification.

2.16 Corporate Social Responsibility and Enlightened Self-Interest

Business managers have a profit-making responsibility to shareholders, who in turn, want the business to increase in value so as to maximize returns on investment. However, Halkos and Nomikos (2021) argue that the concept of enlightened self-interest should guide the managers to identify and respond to the needs of the society in their pursuit for profits. Ideally, responding to the needs of society entails the practice of CSR. According to Bhardwaj et al. (2018), enlightened self-interest has the potential to increase the value of a business by securing and maintaining its market share as well as attracting and retaining skilled employees who ensure that raw materials and natural resources are available for the future. In agreement, Boubakri et al. (2021) point out that enlightened self-interest motivates CSR. For example, businesses that have built a reputation through sustainable activities, charitable events, employee volunteerism, and diversity in hiring are viewed by consumers as responsible. Other examples of enlightened self-interest in business include public relations initiatives such as offering scholarships and donations. According to Zavyalova et al. (2018), such initiatives encourage customers/consumers to develop a positive view of the business similar to the way traditional

marketing campaigns build a brand name. Additionally, businesses can make charitable donations to influence public opinion in their favour especially after negative publicity or legal action against them.

Enlightened self-interest also focuses on environmental stewardship by encouraging businesses to minimize their impacts on the environment. According to Sun et al. (2022), businesses that participate in voluntary environmental management initiatives significantly reduce the possibility of enforcement action by regulators, which more often than not results in reputational injury. It is also worth noting that consumers prefer to do business with entities that have a positive record on environmental management, and this has an effect across the entire supply chain (Wang et al., 2016). According to Khan et al. (2021), doing business through environmentally sustainable operations guarantees the long-term future of an organization by conserving natural resources and raw materials.

2.17 Advantages and Disadvantages of Corporate Social Responsibility

The term CSR is so far understood to mean that businesses should be accountable not only to their shareholders but also the communities in which they operate. According to Verk et al. (2021), when a business adopts a CSR policy, the ultimate goal is to uphold ethical values, respect people, and be mindful of the environment. In further explanation, Tran (2019) points out that a responsible business must be committed to monitoring its compliance with its documented CSR policy and report such compliance with the same frequency that they report financial results. Although direct effects of CSR are yet to be proven and there is an abundance of criticism, some obvious benefits have been pointed out. For example, Rohmatika and Amilahaq (2021) note that implementing the values and objective of CSR significantly improves customers' judgment of a business and, in a strong competitive market, it helps the business stand out from its competitors. Additionally, CSR also prompts existing and

potential employees to commit themselves to the business and promote its values in their private lives. However, it is also worth mentioning that the concept of CSR in itself has notable disadvantages. On one hand, CSR is beneficial to business profitability, value, customer relations, reputation, and employee motivation. On the other hand, however, Tien et al. (2020b) argue that it is expensive to implement, potentially enhances investors' resistance, and shifts the profit-making objective of a business. According to Wu et al. (2021), a CSR policy has the potential to improve profitability and value through ways such as the introduction of energy efficient and sustainable energy as well as recycling waste to benefit the environment. However, a major disadvantage is that implementation costs associated with CSR fall disproportionately on start-ups and small businesses. As demonstrated by Schrempf-Stirling et al. (2016), large organizations can budget for CSR reporting much easier than their smaller counterparts with around 10 to 20 employees. Further, while small businesses could use social media platforms to convey their CSR policy to customers and the community at large, Xiao and Park (2021) point out that it may take considerable amounts of time to monitor exchanges are even necessitate employing more staff that the business may not always afford.

In their study of consumer perspectives on CSR, Karwowski and Raulinajtys-Grzybek (2021) found that 78% believe agree with the notion that businesses must be socially responsible. Their conclusion was that customers are attracted to businesses with a reputation of being good corporate citizens, the implication of which is that CSR helps organizations build and maintain better customer relations. In a similar study, Achmad and Yulianah (2022) found that consumers are willing to pay up to 10% higher prices for products they consider to be from socially responsible sellers. However, the researchers also caution that implementing CSR often conflicts with a business's underlying profit motive and this can also be true even for larger corporations. For instance, Lopez et al. (2022) also reported that while the management of a business has a fiduciary duty to its owners, the essence of CSR is in direct opposition to the

goal of profit maximization. Equally importantly, Dorfleitner and Grebler (2022) argue that not all business managers have achieved the optimum balance between practicing CSR activities to add value to the organizational culture and the environment without compromising the business process.

CSR has also been viewed mainly as a technique for large, established businesses that have grown enough to afford to give back to society and the environment. According to Achmad and Yulianah (2022), it is a practical way to grow brand value by adding to the society through means such as philanthropy and volunteering. However, Karwowski and Raulinajtys-Grzybek (2021) also argue that while many investors are drawn towards businesses they deem to be publicly responsible, many still consider investing with the ultimate goal of earning profits. Other studies (Lopez et al., 2022; Sun et al., 2022) also point out that CSR promoted greenwashing. Sun et al. (2022) describe greenwashing as corporate practices that are marketed as being environmentally responsible but in the real sense do not represent how the business actually runs its operations. A product may, for example, be marketed as “all natural” but it was actually manufactured with no consideration of its environmental impacts. The problem, according to Sun et al. (2022), is that some customers/consumers may be misled into reacting positively to such untruthful claims.

2.18 The Future of Corporate Social Responsibility

So far, it is seen that CSR has generally been explored by categorizing it into four types, which include philanthropic, economic, environmental, and ethical responsibility. While environmental initiatives are shown to focus predominantly on preserving natural resources, ethical responsibility emphasizes on the promotion of fairness and honesty in business operations (Karwowski & Raulinajtys-Grzybek, 2021). Conversely, while philanthropic responsibility is concerned with donating to worthwhile agendas that are not necessarily related

to the business, economic responsibility promotes financial support for the three other types (Sun et al., 2022). However, besides definition and categorization, there is an abundance of literature on CSR that attempts to visualize future scenarios. In that context, there is general consensus among commentators (Dorfleitner & Grebler, 2022; Nathaniel et al., 2021; Rafindadi & Usman, 2019) that future CSR will see significant increases in stakeholder engagement, the level of sophistication of non-governmental organizations, power of ethically sensitive customers/consumers, and the workforce as a driving force for CSR. Nathaniel et al. (2021) expects CSR to continue along its transactional path but with limited transformational evolution. On one hand, Rafindadi and Usman (2019) agree that this scenario seems conceivable but, on the other hand, they add that there are also competing frameworks and new concepts that could slow the worldwide implementation and expansion of CSR or even shift public focus to new interests. These concepts include environmental social and governance criteria; corporate sustainability; corporate citizenship; creation of shared value; and corporate social performance (Rafindadi & Usman, 2019). Dorfleitner and Grebler (2022) also note that it is yet to be seen whether the institutionalization of CSR will continue expanding or if interest will move to other concepts.

The future of CSR will also need to take emerging technology into account and the role it plays in business frameworks and strategies. According to Achmad and Yulianah (2022), the uptake and adaptation of digitalization and automation tools and processes, including the incorporation of artificial intelligence (AI) into the workplace still remains a challenge for many businesses in the CSR debates. Therefore, business frameworks will need to evolve and adjust to embrace the latest technology. However, Karwowski and Raulinajtys-Grzybek (2021) explain that such adjustment will have to be done through an all-encompassing framework based on the principles of social responsibility such that they combine the concepts of sustainability, generation of shared values, and the belief that businesses can re-purpose to do what is best for communities and the world.

2.19 Chapter Summary

This chapter has reviewed literature on the concept of CSR. It started with a broad view of CSR as practiced around the world and narrowed down to the Asiatic view before finally comparing CSR in China and Taiwan. There is general consensus in literature that CSR programs are beneficial because they help organizations maintain their stakeholders' goodwill while developing new opportunities that would otherwise not be possible without CSR. However, it has also been noted that CSR as a concept and practice varies significantly between Asia on one hand and Europe and North America on the other. More importantly, it has also been noted that CSR is not a homogenous concept in Asia; it varies according to various factors of diversity. For example, literature show that Asia is economically, culturally, and linguistically more diverse than Europe and North America. Additionally, relative to any other regions of the world, Asia has the most dynamic mix of least developed, developing, and developed economies. From these dynamics, it is important to define a single model of Asian CSR because it has different definitions and outlooks across the region.

On one hand, some studies show that some organizations and economists reject the practice of CSR because it implies an obligation to the community and future generations that goes beyond those contained in a business's binding legal requirements. On the other hand, however, the general outlook is that a significant majority of organizations even in Asia are steadily embracing the concept in acknowledgement of its strategic value to business. Studies have shown that the concept of CSR took root in the West from about the mid 20th century. Since then, the Western economies have primarily focused on maintaining high standards of life.

Conversely, Western interests in Asian CSR was sparked by China's unprecedented economic growth. In contrast to the West's focus on improving standards of living, China and Asia in general focused on economic growth at the expense of other factors, particularly

social and environmental justice and human rights.

In the 21st century, however, Asian CSR has taken shape gradually for several reasons. Most notable are international treaties as well as trade sanctions from Western trade partners. In Taiwan, for example, the government has played a role in promoting CSR by safeguarding public property and natural resources. It further developed a corporate ethics environment as well as incentives for the implementation of corporate ethics in conjunction with NGOs. China's company law was revised in 2005 and now requires businesses to abide by social ethics and accept government supervision. Overall, it is noted that while Asia was a latecomer to the CSR landscape, there are notable efforts to make improvements, especially geared towards sustainability and becoming a responsible contributor towards the global effort. It is noted that it is not possible to achieve global sustainability without a sustainable Asia; hence, CSR is viewed as the new form of "soft law" that will guide rather than compel Asia to adopt a new approach towards sustainability.

This chapter has also reviewed literature that criticizes CSR. On one hand, CSR is generally used in reference to how businesses should ensure accountability not only to their owners as their primary reason for existence but also to the communities in which they operate. As such, proponents of CSR argue that businesses should adopt CSR policies with the goal of integrating ethical values, respect for people, and caring for the environment into their profit motive. Conversely, critics argue that implementing and developing CSR is an avoidable cost that does not serve the underlying purpose of the existence of a business. This argument is premised on the principle that so long as a business is operating within the limits of law, it does not owe the community any other obligation besides making profits for its owners. Nonetheless, this review also found that more business managers and scholars are increasingly embracing CSR by categorizing it into philanthropic, economic, environmental, and ethical responsibility. Thus, the general outlook of the future of CSR is that more businesses will adopt it as an operational aspect, including businesses domiciled on the Asian continent, which is viewed as a latecomer

in the domain of CSR. It is also worth noting that, from the perspective of CSR as a new form of soft law, it is expected that going forward businesses will embrace values-driven CSR as a way of setting standards as opposed to merely being compliant to rules.

Chapter 3: Methodology

3.1 Research Philosophy

Ontology is the essence of what is being investigated; it refers to whether that which exists is singular, dual or plural, giving rise to the quantity problem of one and many. Regarding quantities in ontology, it is generally divided into singularism, dualism and pluralism. In addition, ontological studies posit whether that which exists is material or spiritual in nature, which creates a mind–matter dichotomy. Therefore, in terms of the nature of the entity that exists, ontology is generally divided into materialism and idealism.

In epistemology, the main discussion is about what can be regarded as knowledge or fact, that is, ways in which knowledge, its nature, the distinction between critical and empirical knowledge and the verification criteria of knowledge can be established. Harmon and Mayer (1986) have divided the research scope of epistemology into four levels: the origin of knowledge, the object of understanding, the scope of understanding and the standard for understanding. In terms of the origin of knowledge, this study advocates criticism, which is the reconciliation of rationalism and empiricism. The origin of knowledge is related to reason and experience. Kant, for example, believed that knowledge is made with the mind and that the social influence must have its innate form, but it still needs to be demonstrated through specific paradigms. With regard to subjects of knowledge, this study advocates Idealism, wherein objective facts exist based on subjective concepts, and thus, the being is perceived and not being perceived is not present. Social influence cannot exist independently of subjective ideas, as discussed in the context of the theory of proprioception. Regarding the scope of knowledge, dogmatism holds that the range of intellectual abilities is unlimited and believes in the ability of the human talents to know everything. Scepticism believes that awareness is limited. All we

can understand is relative and space-time, not absolute and universal. This study tends to be sceptical, so the scope is limited to the context of Taiwan. With respect to cognitive standards, there are generally three types of views: (a) the correspondence theory of truth, which means that the perception or proposition must be judged as per the empirical facts of the outside world based on experience as the norm of truth; (b) the coherent theory of truth, wherein the truth states that cognition must conform to the consistency of the system of reasoning and knowledge and (c) the pragmatic theory of truth, which believes that truth is based on its ability to help solve everyday problems. This study leans toward the pragmatic view of truth, which holds that 'what works is true'. The main goal of this study is to construct an assessment method that can truly utilise social impact assessment.

3.2 Research Approach

Research approach is essentially the broad collection of steps, procedures and plans used by researchers to conduct their projects, which include collecting, analysing, and interpreting data (Bajpai, 2011). Research approaches are broadly categorised into three groups, including inductive, deductive, and abductive approaches. The presence of hypotheses with research is basically the main distinctive point between deductive and inductive approaches because the former approach essentially tests the validity of theoretical and hypothetical assumptions (theories/hypothesis), whereas inductive approaches essentially contribute to the emergence of new generalisations and theories (Tsang, 2016). Abductive approaches, on the other hand, normally begin with surprising facts of which the analysis is dedicated to explaining them. For deductive studies, when the premises are true, the conclusions are also perceived to be true. For inductive studies, researchers basically use known premises in order to come up with untested findings. Finally, for abductive studies, researchers use premises to generate testable conclusions (Saunders et al., 2009).

For this study, a deductive approach could not suffice due to the lack of hypotheses that

guided the study. Further, known premises were not used in generation testable conclusions, thus the abductive approach could also not suffice. In their place, known premises were used in generating untested conclusions implying that the research assumed the inductive approach.

Table 2.0 below lists the differences between inductive, deductive, and abductive research approaches:

Table 2.0: Differences Between Inductive, Deductive and Abductive Approaches

	Inductive	Deductive	Abductive
Generalizability	Moves from specific to general	Moves from general to specific	Constantly interacts between the specific and the general
Theory	It generalises theories	It verifies theories	It modifies theories
Use of data	Data is used to identify themes and patterns	Data is used to evaluate theories and hypotheses	Data is used to explore phenomena, identify themes, and uncover conceptual frameworks

Source: Bajpai, 2011

3.3 Research Method

Research methods essentially refer to the tools researchers make use of to carry out their projects, e.g., qualitative methods, quantitative methods, or a mixture of both. Qualitative methods, on the one hand, are non-numerical and focus on developing patterns or themes from

a data set. Tables can be used in rare cases to present qualitative data as researchers mainly focus on discussing the themes that they have uncovered. Quantitative methods, on the other hand, centre on numerical data to establish the relationship between different variables, and normally requires the use of statistical tools to analyse and present data. Quantitative data is normally presented using tables and graphs (Edmonds & Kennedy, 2016). Finally, the mixed method approach centres on using both qualitative and quantitative tools to come up with findings of a research. The benefit of this method over the only qualitative and quantitative methods is that the mixed methods approach gives a researcher enough room to explain unexpected findings in their research (Bergin, 2018). Because of the nature of this research, i.e., its comparative approach, the qualitative approach was applied because it was believed that most data would be qualitative. Table 3.0 below compares the main differences between qualitative methods and quantitative methods:

Table 3.0: Difference Between Qualitative Methods and Quantitative Methods

Qualitative Methods	Quantitative Methods
Explore ideas and formulate theories and hypotheses	Test theories and hypotheses
Analysis is conducted through summary and interpretation	Analysis is statistical-based
The results are mainly expressed in words	The results are mainly expressed numerically, graphically, or using tables
Traditionally based on a few samples	Traditionally based on many samples
Key term: understanding	Key term: testing

Source: Bergin, 2018

3.4 Data Collection

This study was based on primary data, which were collected using semi-structured interviews from 12 experts, entrepreneurs and middle-level executives in companies based in Taiwan because of the focus of the research. To be included in the qualitative interview, the experts had to confirm that they understand CSR and cross-strait development with especially for Taiwanese and Chinese companies. The experts were recruited from the following companies, which had clear statements on their websites that they practice some form of CSR: WangWang Group, SinoPac Holdings, Huang Hsiang Construction Corporation, HAOLIYOU FOOD CO., LIMITED, ShanDong Energy Group CO. LTD. and Ping An Insurance (Group). A list of the semi-structured interview questions was formulated based on practices and prospects of CSR mainly in Taiwan and China. The list of questions can be retrieved from Annex C. The questions were four in total, which asked the interviewees to share their thoughts on such matters as: (1) the obvious differences in the development of CSR in Taiwan and China, (2) the impact of cultural heritage on CSR in Taiwan and China, (3) and the similarities of CSR in Taiwan and China. The experts were sourced through LinkedIn using the search phrase “Corporate Social Responsibility Manager at [NAME OF THE COMPANY].” From the list that was generated at LinkedIn, the experts were assessed for eligibility for inclusion based on their years of experience, availability of contact information, and specification of additional roles that they play for their companies. The interview questions were sent to the participants using Google forms that also included a Consent Agreement Letter to voluntary take part in the study. The interviews were carried out online and it was anticipated that the participants would take around 30-50 minutes to respond to all the four questions.

The small number of participants used in this research are known as a focus group. Focus groups are a widely used research method that involves a small group of individuals who

share similar characteristics or experiences and are brought together to discuss a specific topic or issue. While focus groups typically involve a small number of participants, they can provide valuable insights and rich data that can inform and enhance research studies (Vaismoradi et al., 2013). In particular, focus groups allow for in-depth exploration of a topic, including participants' beliefs, attitudes, and experiences. Additionally, focus groups facilitate the exchange of ideas and opinions among participants, leading to a more comprehensive understanding of the issue at hand. The use of focus groups in research can also help to identify common themes and trends that may not have been evident in individual interviews or surveys (Vaismoradi et al., 2013). Therefore, while the small number of participants in a focus group may seem limited, the richness and depth of the data they provide can be invaluable in informing and enhancing research studies.

The research processes of this study began with the collection of extensive information on relevant topics. The research motivations, background, aim and objectives are presented, followed by a review of the literature of scholars from Taiwan and others; a framework for research questions with regard to the research objects was established; research methods were utilized to understand the situation and differences of the study objects.

3.5 Data Analysis

This study utilises a comparative approach. The British historian Toynbee (1934) pointed out that when it is necessary to construct a relationship between two or more events, it requires an outlining approach that involves the methodology of comparative study. In other words, comparative study addresses different aspects of the same thing or different varieties of things of the same nature—whose common points and differences can be found through comparison—in attempts to conduct in-depth discussions into the nature of things. Therefore, the fundamental principles of the comparative study method are ‘comparing the common points’ and ‘comparing

the differences.’ The purpose of comparing the common points is to study, compare and refer to similar situations for explaining or predicting phenomena in which the same cause yields the same result. The purpose of comparing differences is to prove that different causes produce different effects; therefore, researchers cannot regard their current research object with other control phenomena (Alber, 1995). The comparative study process usually consists of four stages, as shown in Table 2 in conjunction with the aims and objectives of this study.

The primary data was manually analysed by the lead researcher. A thematic analysis approach was deemed as the most appropriate approach to comprehending the responses of the experts because of its ability to produce not only rich, but also complex data (Vaismoradi et al. 2013). Vaismoradi et al. (2013) recommended a 6-step approach to conducting thematic analysis of data, which was applied in this research. They include:

1. Understanding data
2. Writing the codes
3. Identifying themes
4. Reviewing themes
5. Defining themes, and
6. Writing the main report

The MAXQDA software was used in conducting the qualitative data analysis. Table 4.0 below illustrates the processes of a comparative study

Table 4.0: Processes of a Comparative Study

Step	Step
Description	Data collection describes the items, systems, etc. that we intend to study. It requires a systematic statement of information regarding the research subject to have an objective and accurate understanding of it. For detailed discussion, it is necessary to collect extensive and complete information and establish a clear outline of the research plan

Step	Step
	in advance to provide proper guidance regarding the collection of data. This study begins with the topic of corporate social responsibility. It collects relevant literature on the current situation in China and Taiwan and describes the situations and high-level items of data.
Interpretation	Explains the causes, significance and impacts of the content in the narration from different perspectives. Based on the aim and objectives of this study, this phase involves the analysis of CSR-related project planning in mainland China and Taiwan, including its connotations, policies and regulations, indicators and trends.
Juxtaposition	To avoid meaningless or false comparisons, it is necessary to analyse and judge the same issues and facts from the same point of view. The main objective of juxtaposition is to find a basis for comparative study based on appropriate criteria. During this phase, an outline of primary items of comparison will be proposed through the literature analysis of the collected data; the items will be explained in depth; and the data will be classified and juxtaposed based on the outline.
Comparison	A comparative study is conducted on the basis of the objectives of the study to obtain a conclusion. This study will further analyse and discuss the items following the classification and understand differences and commonalities, provide explanations and consolidate the conclusion.

3.6 Threats to Validity

While secondary data was also applied to come up with the main findings of this research, this research was mainly influenced by primary data. The validity of the primary data was assessed through such factors as credibility, confirmability and transferability. Credibility is essentially the level of confidence one can have on the collected data (Clarke et al., 2015). In this study,

credibility was assessed through data triangulation. The primary data was checked against the secondary data in order to confirm whether they would be comparable. Further, the themes, which was derived from the analysis were sent back to the 12 experts for verification before publishing. Transferability, on the other hand, is the extent to which the results of a qualitative study can be generalised or transferred to other contexts or settings (Clarke et al., 2015). In this research, transferability was confirmed by comparing the results to comparable past studies. Confirmability is the extent to which the findings of a qualitative study can be corroborated or confirmed by others (Clarke et al., 2015). This was confirmed by the sole inclusion of CSR experts from Taiwan, who also showed knowledge and understanding of China's CSR.

Finally, in order to ensure that the secondary data used in this research was valid, the Delphi theory approach was used to assess the data sources. This research could not apply some methods are the Cronbach's Alpha to check for the internal consistency of the results because no validated instrument was used to collect the data. The Delphi theory advised researchers to consider a number of issues prior to using certain data in their studies, including data source, source bias, and time scale (Olabode et al., 2019). The secondary sources of this study include: peer-reviewed journal articles, government publications, and official policy documents. The Delphi theory advises researchers to consider using more than one data source so as to compare whether the data are similar (Olabode et al., 2019). It is also important to avoid using outdated data as even most censuses take place at 10 years' intervals. This study sought to use contemporary data that relates to Taiwan's and China's current CSR practices. A majority of the secondary data presented in this research were published as from 2010.

3.7 Ethical Approach

The ethical consideration assumed when carrying out the research were as follows: informed consent, voluntary participation, anonymity and confidentiality, and communication of results. After contacting the likely interviewees, they were notified that participation was not mandatory

and that if they consented to partaking in the study and, at any time, felt like withdrawing, they could do so, and their data would immediately be destroyed. In addition, the interviewees were not requested to provide any other information regarding themselves other than what had been publicly listed in their LinkedIn accounts. All interviewees were assured that their information would not be shared to anyone so as to protect their privacy. Furthermore, each interviewee was given a pseudonym when conducting the data analysis so as to ensure their privacy. When the analysis was finalised, the themes were sent back to the interviewees for their verification.

3.8 Chapter Summary

This chapter has presented the methodological approach of this research. The following sections were discussed in this chapter: research philosophy, research approach, research method, data collection, data analysis, threats to validity and ethical approaches. For the philosophy, study advocated for idealism, wherein objective facts exist based on subjective concepts, and thus, the being is perceived and not being perceived is not present. Also, known premises were used in generating untested conclusions implying that the research assumed the inductive approach. Because of the nature of this research, i.e., its comparative approach, a qualitative methods approach was applied because it was believed that most of the data would be qualitative. This study was based on primary data, which were collected using semi-structured interviews from 12 experts, entrepreneurs and middle-level executives in companies based in Taiwan because of the focus of the research. A thematic analysis approach was deemed as the most appropriate approach to comprehending the responses of the experts because of its ability to produce not only rich, but also complex data. In order to ensure that the secondary data used in this research was valid, the Delphi theory approach was used to assess the data sources. Finally, the ethical consideration assumed when carrying out the research were as follows: informed consent, voluntary participation, anonymity and confidentiality, and communication

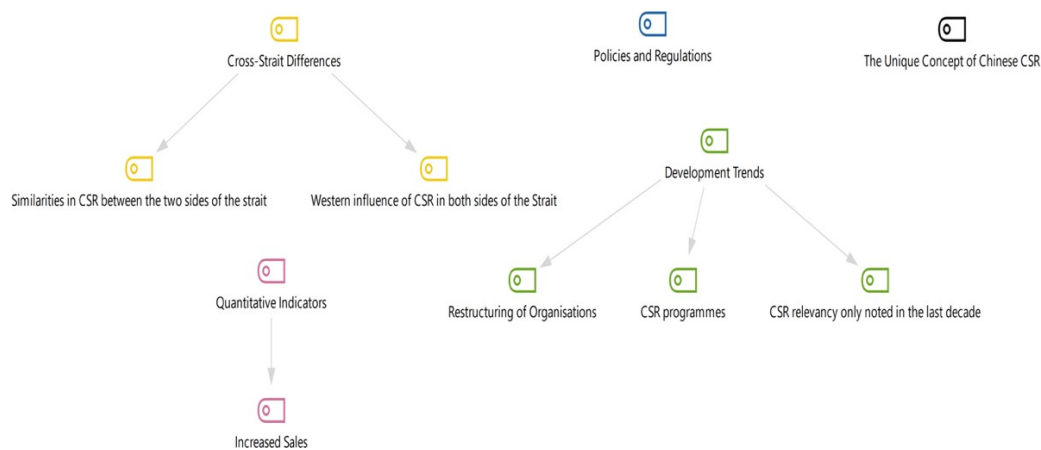
of results. The primary findings of this research are presented in the next chapter.

Chapter 4: Data Analysis and Findings

4.1 Generated Codes / Variables

The following code system as illustrated in Figure 2.0 below was generated using MAXQDA during the start of the data analysis. The main codes include: (1) Cross-Straits Differences, (2) Policies and Regulations, (3) Quantitative Indicators, (4) Development Trends, and (5) The Unique Concept of Chinese CSR. The arrows point towards the sub-codes of the main codes.

Figure 2.0: Code System



Source: Author

Figure 3.0: Code System

Code System	Memo	Frequency
Code System		44
The Unique Concept of Chinese CSR	How China's approach to CSR is different from Taiwan's approach	4
Quantitative Indicators	This code is about the different quantitative indicators of CSR	1
Quantitative Indicators/Increased Sales		1
Cross-Strait Differences	This code deals with CSR differences between mainland China and Taiwan	3
Cross-Strait Differences/Similarities in CSR between the two sides of the strait		2
Cross-Strait Differences/Western influence of CSR in both sides of the Strait		6
Development Trends	This code deals with the development trends of CSR in the two sides of the Strait	1
Development Trends/Restructuring of Organisations		6
Development Trends/CSR programmes		7
Development Trends/CSR relevancy only noted in the last decade		6
Policies and Regulations	This code deals with anything that resonates with government policies and regulations on both sides of the Strait	7

Source: Author

4.2 Cross-Straits CSR Development and Comparative Analysis

4.2.1 CSR Development in Taiwan

The review of CSR in Taiwan began much earlier than that in the field of CSR at the global level. In the early 1970s, Xu (1972) wrote an article on CSR in Taiwan. Ye (1995) observed that under the traditional concept, business and morality are considered opposites because prosperity means sacrificing moral ethics. Chen (1996) analysed the types of CSR, categorising CSR into eight types, covering the entire process of production and service to the community.

Cai (2010) investigated employees' basic awareness of CSR and its impact. Kang (2010) examined the overall perception of CSR by selecting the service industry in Taiwan. Wang et al. (2011) hold that CSR is an early warning mechanism for market investors to detect risk. The emergence of negative benchmarks highlights the comparative advantage of positive benchmarking for firms. Therefore, compared with Western research, CSR in Taiwan can at most be seen as a signal of long-term risk monitoring for investors in specific industries. These

studies show that Taiwanese society has had an early understanding of CSR. Government involvement is a common phenomenon in promoting CSR. Although CSR is crucial, external supervision is also an indispensable part of the process. The experience of CSR development in the EU, the United Kingdom, Sweden, the United States, Japan and other economies shows that the implementation of CSR is a positive driver. In recent years, Taiwan has also actively promoted and encouraged firms to fulfil their CSR through the Investment and Business Office of the Ministry of Economic Affairs, the Bureau of Industry and the Financial Supervision Council.

For the promotion of CSR in Taiwan, in addition to the hard policy rules, the government and the private sector alike have had many soft promotional activities, primarily through inter-firm competition, to facilitate the preparation of CSR reports. Government-sponsored activities, such as the evaluation program, are more comprehensive for the Executive Yuan National Sustainable Development Award corporate category, and the others are mostly handled by relevant ministries. Thus, the evaluation program is single, such as the Ministry of Health and Welfare Health Certification, Environmental Protection Agency's Enterprise Environmental Protection Award and Ministry of Economic Affairs' Green Model Award. The privately sponsored part, with the Vision Magazine's CSR Award and CSR Corporate Citizen, has a high profile.

4.2.2 CSR Development in Mainland China

Although China's exploration of CSR started late, it has rapidly accumulated many useful results. Because the principle of CSR was incorporated into the law when Corporate Law was amended in 2006, the State-owned Assets Supervision and Administration Commission of the State Council (SASAC) and the Ministry of Commerce have successively issued policies (SASAC, 2008; Ministry of Commerce, 2008); local or industrial norms have sprung up and several CSR assessment-based projects have been promoted to varying degrees by local

governments such as Zhejiang, Shanghai, Shenzhen and Changsha; Shanghai and Shenzhen securities and exchange institutions and engineering, textile, financial and electronic industries. For example, the Pudong New Area in Shanghai issued the ‘Regional Responsible Competitiveness Index Report’ (2012), and the Shanghai Academy of Quality Management issued the ‘Core Elements and Evaluation of Social Responsibility of Labour-Intensive Enterprises’ (2012). At the same time, many domestically-funded firms—mainly state-owned enterprises—began to publish CSR reports. In 2006, the State Grid Corporation of China released the first CSR report in mainland China. After that, almost all state-owned enterprises began to publish annual CSR reports and selectively participated in special annual awards, and even the first Social Responsibility Investment (SRI) product appeared.

The reason for the speedy development of CSR in China lies in the rapid development of the mainland’s economic structure, which highly affects its domestic political, economic and social development. Whether in the case of mainland firms or foreign firms, coordination during their growth have caused many legal and political impacts. To achieve effective implementation, some responsible mainland companies have started setting up relevant CSR departments for supervision and management.

In terms of the overall corporate development atmosphere on the mainland, most companies can agree that CSR is a powerful tool for brand management in the current market. Especially in terms of corporate management transparency, more and more companies are willing to announce their implementation performance of CSR and develop CSR systems and specifications with localised characteristics. For example, in 2005, the China National Textile and Apparel Council formulated the ‘China Social Compliance 9000 for Textile & Apparel Industry’ (CSC9000T). CSR is so popular in mainland China that it extends from firms to suppliers and customers, which has really carried forward the value of CSR and made it take root in society.

The academic development and localization of the CSR concept has also been continuously promoted in mainland China. Yuan (1990) was the first Chinese scholar to put forward the concept of localized CSR. ‘Corporate responsibility is the obligation that firms must undertake to safeguard the fundamental interests of the state, society and human beings in the face of various social needs and social problems while striving for their own survival and development’. Liu (2007) described CSR as the sole purpose of a company’s existence is to maximize not only profits or dividends for shareholders but also other social interests beyond shareholders’ interests.’ Chinese economist Ren (2005) established the social responsibility standards for Chinese firms from eight dimensions, which can be regarded as the epitome of the recent development of CSR in China: 1. integrity; 2. scientific foundation; 3. sustainable development; 4. environmental protection; 5. cultural construction; 6. charity development; 7. employee health and 8. scientific and technological research and development (Huang, 2005).

4.2.3 Similarities and Differences in CSR Approaches

A number of similarities and differences were noted with regards to the CSR practices between Taiwan and mainland China in addition to the Western influence of CSR in both sides of the Strait. As noted in Table 5.0 below, the differences between China’s and Taiwan’s approach to CSR was mentioned and discussed by three interviewees:

Table 5.0: The Differences Between China's and Taiwan's approach to CSR

Document name	Memos	Cross-Straight Differences	Summary
IV1 PResident of WangWang	2	2	Differences in context
IV2 WangWang	2	0	
IV3 Chairman of SinoPac Holdings	0	0	
Iv4 SinoPac Holdings	0	0	
Iv6 Huang Hsiang Construction Corporation	0	0	
Iv7 President of HAOLIYOU FOOD CO	0	0	
IV8- HAOLIYOU FOOD CO., LIMITED	0	0	
IV9- Chairman of Shandong Energy Group	0	1	Confucian business thought
IV10- Shandong Energy Group	0	0	
IV11 Chairman of Ping An Insurance	0	0	
Iv12 Ping An Insurance	0	0	

Source: Author

Note: Memo count denotes the separate number of interpretations the researcher made to certain parts of the respondents' answers

The interviewees mainly pointed to a number of minimum requirements of CSR in China as compared to Taiwan. They spoke of the cultural influence in China as what set the country's approach apart to Taiwan in terms of CSR. This includes Confucianism and Taoism.

"If you carefully sort out the context of introducing the CSR concept into China, you will find the differences... In fact, many CSR concepts discussed in China are different from those in the West. Just like the requirements for citizens, enterprises must first become law-abiding citizens, operate legally, pay taxes according to law, protect the environment, and abide by labour and employment laws. This is the minimum requirement for CSR. Specifically, the CSR discussed in China has been mixed with many shadows of Confucianism and Taoism, even though the basic structure still follows the West. On this basis, enterprises create jobs and provide products and services required by the market, which is the greatest "good" to society" (IV1-President of WangWang).

"The other is the incorporation of China's own traditional Confucian business thought. Now the main CSR in China is discussing some discussions related to the harmonious thought,

and the harmonious policy is a very important concept” (IV9-Chairman of Shandong Energy Group).

According to Table 6.0 below, the similarities between China’s and Taiwan’s approach to CSR was mentioned/discussed by two interviewees:

Table 6.0: The Similarities Between China’s and Taiwan’s approach to CSR

Document name	Memos	Similarities in CSR between the two sides of the strait	Summary
IV9- Chairman of Shandong Energy Group	0	0	
IV1 PResident of WangWang	2	1	Cultural literacy
IV2 WangWang	2	0	
IV3 Chairman of SinoPac Holdings	0	1	Cultural literacy
Iv4 SinoPac Holdings	0	0	
Iv6 Huang Hsiang Construction Corporation	0	0	
Iv7 President of HAOLIYOU FOOD CO	0	0	
IV8- HAOLIYOU FOOD CO., LIMITED	0	0	
IV10- Shandong Energy Group	0	0	
IV11 Chairman of Ping An Insurance	0	0	
Iv12 Ping An Insurance	0	0	

Source: Author

Note: Memo count denotes the separate number of interpretations the researcher made to certain parts of the respondents’ answers

Only a few similarities were noted between China’s approach to CSR compared to Taiwan’s. The similarities were widely acknowledged to the region’s rather similar cultural literacy. As the entire region calls from honesty in business and the benefiting of the entire society, this plays a big role in the CSR practices. Consider the responses below:

“Comparatively speaking, our (Taiwan) CSR concept is quite similar to China's because we have similar cultural literacy” (IV-President of WangWang).

“When it comes to the differences in CSR cognition between the two sides of the Strait, due to the different business development models and corporate culture maturity between the two sides of the Taiwan Straits, Taiwanese enterprises on both sides of the Straits recognize the value of CSR promotion. I think there are many Chinese ideas similar to the concept of CSR. In the past, traditional ideas such as honesty and benefiting the people will more or less affect the

current definition of CSR on both sides of the Straits” (IV3-Chairman of SinoPac Holdings).

4.2.4 Western Influence of CSR Approaches in Both Sides of the Taiwan Strait

During the data analysis, it was noted that despite the Confucian and Taoism influence in both sides of the Taiwan Strait, the Western world, mainly due to globalisation, has heavily influenced the development of CSR in both sides of the Strait.

Table 7.0: Western Influence of CSR Approaches in Both Sides of the Taiwan Strait

Document name	Memos	Western influence of CSR in both sides of the Strait	Summary
IV1 PResident of WangWang	2	5	We follow the West
IV2 WangWang	2	0	
IV3 Chairman of SinoPac Holdings	0	0	
Iv4 SinoPac Holdings	0	0	Foreign standards
Iv6 Huang Hsiang Construction Corporation	0	0	
Iv7 President of HAOLIYOU FOOD CO	0	1	
IV8- HAOLIYOU FOOD CO., LIMITED	0	0	
IV9- Chairman of Shandong Energy Group	0	0	
IV10- Shandong Energy Group	0	0	
IV11 Chairman of Ping An Insurance	0	0	
Iv12 Ping An Insurance	0	0	

Source: Author

Note: Memo count denotes the separate number of interpretations the researcher made to certain parts of the respondents’ answers

Table 7.0 above shows that the Western world variable was discussed by just two respondents: they attributed the influence to the overspreading of foreign standards and need to follow the West.

“Specifically, the CSR discussed in China has been mixed with many shadows of Confucianism and Taoism, even though the basic structure still follows the West... as far as my observation is concerned, both sides of the Strait accept the western concept first and supplement our own views... it is apparent that we adopt the international standard practice because the views of politics and business at the meeting agree that this can be connected and communicated... Taiwan has been very good in line with international standards because we directly accept the Western rules of the game” (IV1-President of WangWang).

“Of course, we also refer to some foreign standards. After all, the concept of CSR originated abroad” (IV7-President of HAOLIYOU FOOD CO., LIMITED).

4.3 Policies and Regulations

With regard to Chinese policies and regulations, in March 2001, the China Securities Regulatory Commission issued ‘The First Manual for Public Offering Securities Company Information Disclosure Content and Formatting Standards’, which addressed disclosure requirements for information related to public companies’ social responsibility for the first time. Article 44 stipulates, ‘Where there is a high risk and heavy pollution, the safety of production and pollution control, punishments for safety and environmental protection reasons and related costs for the last three years shall be disclosed. Cost expenditures and future expenditures should indicate compliance with national requirements for safe production and environmental protection’. In 2006, Corporate Law was formally amended to incorporate the principle of CSR into the law. On 4 January 2008, SASAC issued ‘Guidelines to Chinese State-owned Firms on Fulfilling Corporate Social Responsibilities’, clarifying the overall requirements for the implementation of social responsibility by state-owned enterprises. This opinion regulates the main elements of the social responsibility of state-owned enterprises: ‘Adhere to the law to operate honestly and faithfully, continuously improve the quality of products and services and strengthen resources. Save and protect the environment, adhere to independent innovation and technological progress, ensure safe production, protect the legitimate rights and interests of employees and participate in social welfare undertakings.’ This move shows that the Chinese government intends to actively promote CSR through state-owned enterprises.

In Taiwan, under the supervision of the Financial Supervisory Commission of the Executive Yuan, in 2010, the Taiwan Stock Exchange and Taipei Exchange issued the ‘Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies.’ Based on

international norms, it formulated CSR policies, systems or relevant management systems and the basic requirements for fulfilling CSR. It promotes corporate governance and corporate sustainable development and safeguards social welfare and CSR information disclosure. In 2014, it was made mandatory for some domestic listed companies to prepare CSR reports annually with reference to the 'International General Guidelines'. Although the Taiwanese government has introduced corresponding policies, it takes a more conservative approach to the development of regulations. Although some legislators have repeatedly proposed the idea of promulgating Special Articles/Law on Corporate Law for Mutual Benefit, it has never been formally discussed. In 2018, for the first time, a new item 2 was added to Article 1 of Corporate Law, which stipulated that in addition to making profits, companies can also implement measures to promote public welfare. Although it is not mandatory, the formal inclusion of CSR in the law highlights the importance that the Taiwanese government attaches to CSR.

While the above discussion showcases some of the official laws and regulations that have been implemented in China and Taiwan with regards to CSR, it was important to see whether the respondents were aware of such laws. The interview question did not specifically ask them to state any laws and regulations that they were aware of with regards to CSR, but it was important to see if they understood any laws that pertain to CSR or whether they are guided by any laws in the CSR practice.

Table 8.0: Policies and Regulations of CSR in the Taiwan Strait

Document name	Memos	Policies and Regulations	Summary
IV1 PResident of WangWang	2	2	New laws
IV2 WangWang	2	0	Lawsuits
IV3 Chairman of SinoPac Holdings	0	0	
Iv4 SinoPac Holdings	0	0	
Iv6 Huang Hsiang Construction Corporation	0	1	Requirements for listed companies
Iv7 President of HAOLIYOU FOOD CO	0	2	ISO26000
IV8- HAOLIYOU FOOD CO., LIMITED	0	0	
IV9- Chairman of Shandong Energy Group	0	0	
IV10- Shandong Energy Group	0	0	
IV11 Chairman of Ping An Insurance	0	1	UN SGGS
Iv12 Ping An Insurance	0	1	Disclosure of ESG

Source: Author

Note: Memo count denotes the separate number of interpretations the researcher made to certain parts of the respondents' answers

As seen in Table 8.0 above, While the interviewees did not mention specific laws, they were all aware of the fact that the government has strict requirements regarding CSR, which including having annual CSR reports that disclose the companies' efforts not only to remain profitable, but also to ensure that there is social and environmental process during their operations. One of the respondents mentioned that existence of environmental protection laws that companies have to follow; another respondent spoke about the ability of companies to get into lawsuits increase they fail to follow government regulations on such matters as pollution, etc. Consider the responses below:

“After the mainland promoted the ‘new environmental protection law’ on January 1 this year, it will have a lot of direct impact on Taiwan businessmen... Recently, the government has begun to impose continuous penalties on polluters, and public welfare organizations can file lawsuits against manufacturers” (IV1-President of WangWang).

“In order to practice corporate social responsibility and promote economic, environmental and social progress, our group formulated the code of practice for corporate social responsibility in april2015 and passed it by the board of directors. This is what the FSC requires our listed and OTC listed companies to do, and make commitments to the company's relative

stakeholders to implement corporate governance, develop a sustainable environment, safeguard social welfare and strengthen corporate social responsibility information disclosure” (IV6-President of Huang Hsiang Construction Corporation).

“You just mentioned that China currently lacks indicators, but in fact we have our own indicators, such as the ISO26000 social responsibility guide of the international standards organization and the social responsibility guide of China industrial enterprises and industry associations... As for the promotion of enterprises, the government now has very strict requirements. As long as it is a large enterprise, it basically needs to write CSR reports. Some enterprises that are more concerned will set up special departments to take charge of it” (IV7-President of HAOLIYOU FOOD CO., LIMITED).

“Ping An is committed to building a harmonious and fair society and comprehensively achieving the United Nations Sustainable Development Goals (SDGS) through diversified businesses... we also focus on disclosure of ESG” (IV11-Chairman of Ping An Insurance).

4.4 Quantitative Indicators

The CSR assessment in China is based on the frameworks of the ISO 26000 Social Responsibility Guidance and the Guidelines on Social Responsibilities of Chinese Industrial firms and Industrial Associations. It draws particularly from the items of the assessment self-checklist of the Shanghai Municipal Government CSR Standards, which are closest to these two frameworks. These items cover seven dimensions: employee rights and benefits, environmental protection and energy conservation, customer and consumer rights, win-win cooperation, fair operation, community participation and scientific development.

In academia, Chinese economist Ren (2005) suggested that the social responsibility standards for Chinese firms should be established from eight aspects, which can be regarded as

the epitome of the recent CSR development in mainland China: integrity, science, sustainable development, environmental protection, cultural construction, charity development, employee health and scientific and technological research and development. Additionally, social responsibility assessment systems designed by individual industries according to their industry characteristics and local context are beginning to emerge in China; for example, the CSC9000T designed by the Responsible Supply Chain Association (RSCA). Its content includes management systems, discrimination, labour organization and collective bargaining rights, child and underage labour, forced or compulsory labour, labour contracts, working hours, compensation and benefits, harassment and abuse, occupational health and safety, environmental protection and fair competition.

Based on these principles, the study regroups the concepts of CSR assessment in China into the following six main dimensions: 1. ensuring the rights and interests of employees; 2. ensuring the rights and interests of external customers and consumers; 3. environmental protection; 4. social contribution (i.e. charity, community, culture and technology); 5. integrity and sustainability and 6. fair competition and cooperative development. The three core values (i.e. enterprise, society and environment) emphasised by the mainstream CSR corresponds to dimensions 1–4 respectively, and dimensions 5 and 6 can be regarded as the CSR concepts with Eastern characteristics that have emerged in the process of CSR localisation in mainland China. In Taiwan, because the government has not actively intervened, the assessment of CSR is mainly led by the private sector. The print magazine *Global Views Monthly*, a representative private, third-party organization in Taiwan, conducted a nationwide survey on CSR in 2005 and 2006. The content of the questionnaire was referred to the 23 relevant indicators formulated in accordance with the Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational firms and internationally accepted CSR Guidelines: 1. Corporate social policy and performance management system; 2. Disclosure and communication of social

and ethical information; 3. Science and technology development/technology transfer; 4. Working hours and wages and benefits; 5. Workplace safety and health practices; 6. Equal opportunity; 7. Employee education and training/learning; 8. Freedom of association and assembly for employees; 9. Prohibition of child labour/forced labour; 10. Employee severance; 11. Consumer rights and interests; 12. Supplier codes; 13. Social participation; 14. Anti-bribery; 15. Fair competition; 16. Environmental Policy and Performance Management System; 17. Environmental capacity-building; 18. Disclosure of environmental information; 19. Eco-efficiency of products and services; 20. Development of green goods/services; 21. Financial policies/management systems; 22. Corporate financial performance; and 23. Corporate governance practices. Its main connotation includes three directions: the rights and interests of stakeholders within firms, the relationship between firms and communities and the scope of environmental protection.

Another equally representative third-party organization is the *CommonWealth Magazine*, which organizes the Corporate Citizenship Award for CSR with the following selection content: 1. Independence of the board of directors and corporate transparency; 2. Commitment to consumers, training and caring for employees and investment in innovation and research and development; 3. Company's long-term commitment and positive influence to specific issues; and 4. Investigating whether the company has specific objectives and practices in environmental protection and energy conservation.

From the above CSR assessment items in Taiwan, it is obvious that Taiwan still mainly follows the prevailing international CSR standards such as that of ISO26000, UNGC and OECD. However, we can still see some concepts similar to those in China with Eastern CSR characteristics, such as equal opportunity, fair competition, anti-bribery and disclosure and communication of ethical information.

One of the quantitative indicators noted during the data analysis as an implication of

implementing CSR was simply increased sales/income. As noted in Table 9.0 below, this was brought forward by two interviewees who said that their companies have not only increased sales, but also improved their image because of good social responsibility.

Table 9.0: Quantitative Indicators of CSR

Document name	Memos	Increased Sales	Summary
IV1 PResident of WangWang	2	0	
IV2 WangWang	2	1	Increased sales
IV3 Chairman of SinoPac Holdings	0	0	
Iv4 SinoPac Holdings	0	0	
Iv6 Huang Hsiang Construction Corporation	0	0	
Iv7 President of HAOLIYOU FOOD CO	0	0	
IV8- HAOLIYOU FOOD CO., LIMITED	0	1	Increased sales
IV9- Chairman of Shandong Energy Group	0	0	
IV10- Shandong Energy Group	0	0	
IV11 Chairman of Ping An Insurance	0	0	
Iv12 Ping An Insurance	0	0	

Source: Author

Note: Memo count denotes the separate number of interpretations the researcher made to certain parts of the respondents' answers

The responses below relate to the information presented in Table 9 above:

“The company has not only increased sales, but also improved its image due to its good social responsibility” (IV2-WangWang).

“When the sales department receives the order, the logistics department will take regular transportation or cold chain transportation according to the weather conditions and the specific requirements of the product, and deliver the goods on time with quality and quantity guaranteed” (IV8-HAOLIYOU FOOD CO., LIMITED)

4.5 Development Trends

This study summarises the main CSR directions in China and Taiwan, as well as some localised and unique development trends. With regard to CSR-oriented projects, the directions that have recently received more attention in mainland China include environmental protection, health

care, food safety, culture and education and community integration. Since 2017, the mainland has also started to attach importance to the Sustainable Development Goals (SDGs), initiated by the United Nations, with the following development trends.

(a) China's global CSR practice is showing a triple coexistence of catching up, integration and leadership. For overseas investments, China has begun to place greater emphasis on social responsibility, as seen in the case of the Belt and Road Initiative (BRI). Meanwhile, it continues to explore the connotation and structure of CSR that is suitable for China.

(b) From the government to firms and then to social organisations, firms are exploring measures such as industrial poverty alleviation in the field of targeted poverty alleviation to realise the combination of commercial advantages and social needs, participate in rural revitalisation and provide corporate solutions for social governance. Firms in the finance, real estate and e-commerce industries have become a major force in poverty alleviation.

(c) An increasing number of investors and asset management companies are incorporating environmental, social and governance (ESG) investment criteria into their research and investment decision-making frameworks. ESG investment concepts will gradually become the investment philosophy of mainstream investment institutions. The overall ESG Climate Index rose in 2018 and spanned green finance, green bonds, the national carbon market and the power industry.

(d) All trades compete for good: Public welfare has become a business imperative. New technologies such as cloud computing, big data, blockchain, mobile internet and artificial intelligence will be increasingly applied to the field of public welfare, which will further promote the integration of business and public welfare.

In Taiwan, environmental management, environmental protection and energy conservation, climate change, green initiatives and other issues related to environmental protection are the most basic aspects of CSR and are the main direction of CSR implementation in Taiwan. In

addition, the scope of social welfare identified with regard to CSR in Taiwan has also extended to education and science, art and culture, economy and agriculture and medical care and sports, in addition to disadvantaged groups, physical and mental disabilities, welfare for the elderly and children and care for rural areas. The development of CSR in Taiwan has the following trends with local characteristics.

(a) Strengthening internal and external CSR projects for firms: Internal CSR projects are aimed at improving working hours and vacation and retirement system to uphold employees' rights and interests. External CSR projects are aimed at supply chain management, adding CSR assessment and management policies for suppliers and guiding suppliers to undertake CSR-related actions to achieve sustainable cooperation.

(b) Guarantee and assurance projects have been given great importance in Taiwan in recent years. According to the CSR one sustainability report platform, in the past two years, firms have paid more attention to the quality of CSR reports, of which up to 49% are guaranteed or confirmed by the third party, and the number is continually increasing.

(c) In recent years, the number of CSR reports compiled by firms in Taiwan has reached a new record. CSR reports have gradually become an important channel for improving the quality of firms, reviewing their performance and gaining investors' trust. As many as 49% of these reports have been certified by third parties; thus, CSR has become deeply rooted in the heart of corporate operations. Moreover, a growing number of firms in Taiwan are responding to SDGs and disclosing their engagement with SDGs, which also shows that CSR policies in Taiwan are expected to integrate with international practices.

A qualitative analysis of the interview transcripts was also conducted to understand the recent development trends of CSR in the Taiwan Strait. A number of the trends that were noted include: CSR being relevant inside the last decade among companies in China and Taiwan, and increase in CSR programmes, and the restructuring of organisations to accommodate CSR

practices. As noted at the start of the analysis, while Taiwan has evidence of practicing CSR as early as the 1970s (Xu, 1972), CSR started being practiced in China in the early 2000s (Cai, 2010). Five of the respondents as noted in Table 10.0 below shows that five of the interviewees confirmed that their companies only began practicing CSR ‘recently’. One of the respondents mentioned that they began practicing CSR ‘after the financial tsunami,’ which was interpreted to mean after the 2007-09 global financial crisis.

Table 10.0: CSR Relevancy in the Last Decade

Document name	Memos	CSR relevancy only noted in the last decade	Summary
IV1 PResident of WangWang	2	2	7 years
IV2 WangWang	2	1	This year
IV3 Chairman of SinoPac Holdings	0	1	In 2018
Iv4 SinoPac Holdings	0	0	
Iv6 Huang Hsiang Construction Corporation	0	1	In April 2015
Iv7 President of HAOLIYOU FOOD CO	0	0	
IV8- HAOLIYOU FOOD CO., LIMITED	0	0	
IV9- Chairman of Shandong Energy Group	0	1	After the financial tsunami
IV10- Shandong Energy Group	0	0	
IV11 Chairman of Ping An Insurance	0	0	
Iv12 Ping An Insurance	0	0	

Source: Author

Note: Memo count denotes the separate number of interpretations the researcher made to certain parts of the respondents’ answers

As noted in Table 10.0 above, the increased relevancy of CSR in the last decade was discussed by five of the interviewees:

“Wangwang has been concerned about CSR for more than 7 years, and we have business activities on both sides of the Strait... After the mainland promoted the new environmental protection law on January 1 this year, it will have a lot of direct impact on Taiwan businessmen” (IV1-President of WangWang).

“In 2018, we formally established the sustainable development committee, which emphasizes promoting sustainable development in combination with the core financial industry” (IV3: Chairman of SinoPac Holdings)

“In order to practice corporate social responsibility and promote economic, environmental and social progress, our group formulated the code of practice for corporate social responsibility in april2015 and passed it by the board of directors” (Iv6 Huang Hsiang Construction Corporation)

“...after the financial tsunami, it just came to the age when CSR and ESG originated” (IV9: Chairman of Shandong Energy Group).

It is only one of the respondents who confirmed that their organisation has always been practicing CSR:

“Wangwang always attaches importance to corporate social responsibility and adheres to honest operation, steady growth, and sustainable development” (IV2-WangWang).

As noted in Table 11.0 below, a number of programmes exist with regards to CSR in the Taiwan Strait. While these programmes depend on the industry respective companies operate, they can broadly be categorised into environmental programmes, social programmes, consumer welfare programmes, and employee and other stakeholder programmes, and economic programmes.

“I have participated in several CSR symposiums held by the government, which are for entrepreneurs, to discuss the relevant norms of CSR in Taiwan” (IV1-President of WangWang).

“Wangwang also performs corporate social responsibility, organizes various activities to care for rural residents and people with physical and mental disabilities, and supports public welfare with action... In the past, our foundation has promoted various social welfare-related programmes by including three sections of sympathy funds for vulnerable groups, public welfare performance venues, public welfare cinemas, sending love to the countryside by youth, and wishing the best for the elderly” (IV2-WangWang).

“We practice the best employer in Asia award” (IV3: Chairman of SinoPac Holdings)

“In 2021, the green light classroom program will continue to be promoted. In order to

expand its influence, environmental education courses will also be arranged for the students participating in the ceremony at a certain unveiling ceremony, so that corporate CSR activities can be combined with environmental education promotion, 1 plus 1 is greater than 2, and corporate development and the environment can flourish together” (Iv4 SinoPac Holdings).

“In addition, in CSR vision planning, we also attach importance to the healthy growth of young people, the relief of major natural disasters and the sustainable development in harmony with the ecological environment. We start from planting carbon sequestration forests, creating green factories, developing sustainable agricultural projects, supporting biodiversity protection, advocating green office and other aspects to minimize our own impact on the environment, so as to achieve resource conservation and environment-friendly development” (Iv7 President of HAOLIYOU FOOD CO., LIMITED).

Table 11.0: CSR Programmes

Document name	Memos	CSR programmes	Summary
IV1 PResident of WangWang	2	1	CSR Symposiums
IV2 WangWang	2	2	Care for rural residents
IV3 Chairman of SinoPac Holdings	0	1	Award programmes
Iv4 SinoPac Holdings	0	2	Green finance
Iv6 Huang Hsiang Construction Corporation	0	0	
Iv7 President of HAOLIYOU FOOD CO	0	1	Relief of major natural disasters
IV8- HAOLIYOU FOOD CO., LIMITED	0	0	
IV9- Chairman of Shandong Energy Group	0	0	
IV10- Shandong Energy Group	0	0	
IV11 Chairman of Ping An Insurance	0	0	
Iv12 Ping An Insurance	0	0	

Source: Author

Note: Memo count denotes the separate number of interpretations the researcher made to certain parts of the respondents answers

Restructuring of organisations was one of the main implication of introducing CSR practices in the Taiwan Strait. Some organisations had to bring in CSR managers, restructure of boards, change policies, etc. in order to effectively practice CSR as required by the government. As seen in Table 12.0 below, three companies restructured their organisations in line with the push of adopting CSR.

Table 12.0: Restructuring of organisations

Document name	Memos	Restructuring of Organisations	Summary
IV1 PResident of WangWang	2	0	
IV2 WangWang	2	0	
IV3 Chairman of SinoPac Holdings	0	0	
Iv4 SinoPac Holdings	0	3	Green finance education center
Iv6 Huang Hsiang Construction Corporation	0	2	Change of company vision
Iv7 President of HAOLIYOU FOOD CO	0	0	
IV8- HAOLIYOU FOOD CO., LIMITED	0	1	Change of process quality system
IV9- Chairman of Shandong Energy Group	0	0	
IV10- Shandong Energy Group	0	0	
IV11 Chairman of Ping An Insurance	0	0	
Iv12 Ping An Insurance	0	0	

Source: Author

Note: Memo count denotes the separate number of interpretations the researcher made to certain parts of the respondents answers

Some of the interviewees' responses were as follows:

"We follow the corporate goal of "green finance" to promote environmental education, promote people to understand the interdependence between individuals, society and the environment, enhance the environmental ethics and responsibilities of the whole people, and set up a "green finance education center", so as to maintain the ecological balance of the environment, respect life, promote social justice, and cultivate environmental citizens and the environment..." (Iv4 SinoPac Holdings).

"Therefore, in order to enable colleagues to fully understand the CSR objectives of the company, cultivate colleagues to respect and learn cultures of different regions, and establish a vision of understanding and appreciation, our company will provide questionnaires for

newcomer care surveys at the expiration of one week, one month and two months after registration... For other employees, regular education and training will be arranged, and monthly meetings will be held to review, emphasizing important concepts such as corporate social responsibility, asset security and confidentiality, and anti-corruption.” (Iv6 Huang Hsiang Construction Corporation).

“In order to ensure that the product quality is leading and uniform, we adopt the seamless whole process quality management system (QCM) from raw materials to production and then to the market, and introduce the most stringent international food safety management system (AIB) to control the product quality in advance, during and after the event, so as to ensure that the products purchased by consumers are always satisfactory.”

(IV8: HAOLIYOU FOOD CO., LIMITED)

4.6 The Unique Concept of Chinese CSR

As noted, CSR is a rather recent practice in China. Just a decade ago, companies in China believed that their responsibility to society was nothing, but their financial performance. According to a study by Wei et al. (2020), only 22 CSR reports had been published between 2000 and 2005, but it changed when CSR was introduced into the country’s company law in 2006. A study by Wang et al. (2016) reported that the catastrophic Great Sichuan Earthquake of 2008 totally changed the landscape of Chinese Corporate Social Responsibility. The natural disaster claimed more than 70,000 lives and left over 5 million persons homeless. There was a widespread call for donations, which show Chinese companies contributed more than 1.5 billion USD to help victims of the disaster recover. It was expected the large corporations, with large revenues would be the biggest contributors towards such an initiative, but SMEs were the biggest contributors. Chinese has a unique CSR environment even though small companies are

not mandated by law to practice CSR. Van den Ven et al. (2018) write that economies from other parts of the globe can learn from China whereby even small organisations practice CSR so as to ensure the people and the environment are safeguarded. As noted from the persons who were interviewed, the Confucian and Taoism traditions are at the centre of a majority of Chinese businesses whether big or small, which demand respect for humanity and socialism. As noted in Table 13.0 below, four interviewees gave insightful information regarding the unique concept of Chinese CSR:

Table 13.0: The Unique Concept of Chinese CSR

Document name	Memos	The Unique Concept of Chinese CSR	Summary
IV1 President of WangWang	2	1	Confucianism and Taoism
IV2 WangWang	2	0	
IV3 Chairman of SinoPac Holdings	0	0	
Iv4 SinoPac Holdings	0	0	
Iv6 Huang Hsiang Construction Corporation	0	0	Confucianism
Iv7 President of HAOLIYOU FOOD CO	0	1	
IV8- HAOLIYOU FOOD CO., LIMITED	0	0	Confucius thought
IV9- Chairman of Shandong Energy Group	0	1	
IV10- Shandong Energy Group	0	0	
IV11 Chairman of Ping An Insurance	0	0	
Iv12 Ping An Insurance	0	1	Legal provisions

Source: Author

Note: Memo count denotes the separate number of interpretations the researcher made to certain parts of the respondents' answers

The responses of the interviewees were as follows:

“Specifically, the CSR discussed in China has been mixed with many shadows of Confucianism and Taoism” (IV1-President of WangWang).

“According to our long-term observation in the Chinese market, at present, the general cognition of CSR in Chinese business circles is basically similar to Confucianism. After all, Confucianism is still the mainstream in Chinese business circles. Confucianism is an ideological system that spreads from the inside to the outside by sincerity, integrity, self-cultivation, family harmony, governance, peace of the world” (Iv7 President of HAOLIYOU

FOOD CO., LIMITED)

“The idea of maintaining multi-ethnic groups and shaping national ideology has always been a topic that the elite leaders of the ruling party dare not ignore. In fact, this is also closely related to the Confucius thought we talked about earlier, such as the doctrine of the mean and the harmony thought. For enterprises, the focus is not only on how to set their own CSR goals, but also on how to achieve and refine these goals, walk out of the road with Chinese characteristics, and continue to find the focus of the next stage, continue to grow and contribute every year, while maintaining the traditional virtues of China...” (IV9: Chairman of Shandong Energy Group).

It was only one of the participants who thought that mainland China’s laws also help in promoting CSR, not just the Confucius thought.

“In the mainland, the legal provisions are still the most crucial, although Ping An pays special attention to stakeholders” (Iv12-Ping An Insurance).

The main cross-strait CSR differences are highlighted in Table 14.0 below:

Table 14: Comparative Analysis for Cross-Strait CSR Development

	Taiwan	China
Basic Implications	At the definition level, the Western CSR concept is widely accepted. The prevailing international CSR framework is directly applied, such as using SDGS as a reference for target setting and adopting the GRI standards for disclosing CSR reports. However, following the idea of Chinese essence and Western utility, many concepts from the theory of Confucian entrepreneurs are integrated in practice.	In the early stages, the international definition was directly adopted, and then the theory of Confucian entrepreneurs was applied. In addition, the environment of socialist ideology also brought about qualitative changes to CSR. For example, owing to the influence of the concept of social harmony, CSR in mainland China also includes dimensions different from those defined by Western CSR, such as fair operation and win-win cooperation.
Policies and Regulations	In 2002, the Investment and Business Office of the Ministry of Economic Affairs began to	In 2002, the China Securities Regulatory Commission issued the ‘Code of Corporate

	Taiwan	China
	promote CSR. From 2002 to 2004, the Small and Medium Enterprise Administration of the Ministry of Economic Affairs held seminars to promote CSR, develop business ethics counselling, encourage public safety and consumer rights and commend firms that achieved excellence. In 2006, the Executive Yuan established the National Council for Sustainable Development and incorporated CSR into its mission Statement. In 2010, the Taiwan Stock Exchange issued the 'Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies'. In 2014, it was made mandatory for some domestic listed companies to prepare CSR reports annually.	Governance for Listed Companies in China'. In 2003, State Environmental Protection Administration (SEPA) issued the 'Announcement on the Disclosure of Environmental Information by firms', in accordance with the 'Law of the People's Republic of China on Promotion of Cleaner Production'. In 2005, Corporate Law was amended to stipulate that firms must comply with laws and regulations, abide by social morals and business ethics, be honest and trustworthy, accept the supervision of the government and the public and assume social responsibility. In 2008, SASAC issued the 'Guidelines to Chinese State-owned Enterprises on Fulfilling Corporate Social Responsibilities'. In 2009, the Shanghai Stock Exchange published the 'CSR Report Preparation Guide'. In 2017, the General Research Bureau of SASAC published the first 'Research Report on Corporate Social Responsibility of Central Firms' based on the resolution of the 19th Session of National Congress.
Quantitative Indicators	1. Corporate social policy and performance management system 2. Disclosure and communication of social and ethical information 3. Science and technology development/technology transfer 4. Working hours, wages and benefits, workplace safety and health practices, employee education and training, freedom	1. Employee rights and benefits (i.e. discrimination, labour organization and collective bargaining, child and underage labour, forced or compulsory labour, labour contracts, working hours, compensation and benefits, harassment and abuse and occupational health and safety) 2. Environmental protection and energy conservation 3. Customer and consumer

	Taiwan	China
	of association and assembly, prohibition of child labour/forced labour and employee severance 5. Equal opportunity 6. Consumer rights and interests 7. Supplier codes 8. Social participation 9. Anti-bribery 10. Fair competition 11. Environmental policy and performance management system, environmental capacity building, environmental information disclosure, development of green products/services and eco-efficiency of products and services 12. Financial policies/management systems, corporate financial performance and corporate governance practices	rights 4. Win-win cooperation 5. Fair operation 6. Community participation 7. Cultural building 8. Charity development 9. Scientific development and scientific foundation 10. Management systems 11. Environmental protection 12. Fair competition 13. Integrity and sustainable development
Development trends	Issues related to environmental protection are the most basic of CSR and are the main direction of CSR implementation in Taiwan. The scope of social welfare identified by the CSR in Taiwan has also extended to education and science, art and culture, economy and agriculture, medical care and sports. Strengthening internal and external CSR projects for firms to achieve sustainable cooperation Guarantee and assurance are projects that Taiwan actively attaches importance to in recent years. The number of CSR reports compiled by Taiwanese firms in recent years has set new records. The fact that more firms in Taiwan are responding to SDGs and disclosing their engagement	Focusing on environmental protection, health care, food safety, culture and education and community integration and beginning to attach importance to SDGs A triple coexistence of catching up, integration and leadership From the government to firms to social organizations, firms are exploring measures such as industrial poverty alleviation in the field of targeted poverty alleviation. ESG investment concepts will gradually become the investment philosophy of mainstream investment institutions. All trades compete for the greater good. Public welfare has become a business imperative.

Taiwan	China
in SDGs shows that there is a trend for Taiwanese firms to align with international standards.	

4.7 Findings and Discussion

This study primarily finds that while CSR is highly advanced and becoming more sophisticated in the advanced economies of the West, it is still notably low in Asia both at the state and corporate levels. However, it has also been noted that CSR awareness in Asia is growing appreciably although at different speeds, direction, and extent in different economies. For example, in both Taiwan and China, the current CSR situation is reported to be an improvement of what it was at the turn of the 21st century, although there were also dramatic increases in corruption and corporate scandals in the first decade of the century. The concurrent existence of CSR activities and pervasive poor corporate governance has created a phenomenon of contradictions in both economies. However, they have adopted a mixture of different approaches towards addressing the problem, the most notable being a combination of Confucianism and Western ideals of CSR.

The theory of Confucian entrepreneurship provides a key framework for linking the altruistic concepts advocated in the Western ideation of CSR with its Eastern counterpart. This study has found that Confucian entrepreneurs are those who apply traditional Chinese cultural values to business practice. While Confucianism has often been perceived as hostile to entrepreneurship, this study shows that it is worth exploring because it has played a critical role in the study of Confucian entrepreneurs. This is because the term initially referred to intellectuals and is relevant to CSR because it has presented a set of political ideas practiced within a hierarchy of ethical responsibilities to the family and community.

The personal characteristics of Confucian entrepreneurs include obtaining interests by

obedience, emotional control, respect for authority, practicing social justice, putting integrity first, helping the public, protecting the social good while pursuing enlightened self-interest and competing in a harmonious manner while benefiting the masses. While all these serve as seeds for localisation, forming a unique offshoot of the CSR concept in Asia, it has also been argued that they are not naturally compatible elements of common entrepreneurial standards. However, the comparison between CSR policies across the Taiwan Strait reveals that although both sides incorporate the theory of Confucian entrepreneurship, there are significant differences in the development of CSR between the two. Compared to mainland China, Taiwan has apparently more widely accepted the Western CSR concept while Confucian values play a positive role in China's entrepreneurial prosperity. Taiwan is also developing a localised CSR by integrating the theory of Confucian entrepreneurship, based on the concept of Chinese essence, and Western utility. The theory of Confucian entrepreneurship is applied more often in the context of China. Moreover, we also see a number of changes effected under the socialist ideology, among which the theory of Confucian entrepreneurship has the greatest influence. In Confucianism, the doctrine of the golden mean and the notion of harmony are also sources of the concept of harmony. Therefore, the overlapping parts in the concept of social harmony should be extrapolated and combined with the theory of Confucian entrepreneurship to complement the current prevailing international CSR concept and to develop CSR with Eastern characteristics.

In terms of government policies, although both governments started later than the EU, the economic development period and social structure on the two sides of the Strait are very different. Taiwan, under the leadership of its government, has pursued a more diversified policy that accepts a wide range of possibilities and can, therefore, more easily align with international organizations. China is constrained by the socialist framework, and there are many obstacles it faces that are difficult to break through. Such constraints highlight the negative impacts Confucian values may have on entrepreneurship and organizational development, including the

lack of initiative and innovation because of the possible disruption of the threat to social harmony and existing order. In the early days, it only relied on the advocacy of non-governmental organizations, and the progress was slow. Moreover, it mostly imitated the promotion patterns of international communities. The overall development tended to be superficial and lacked substantive discussions. Furthermore, resource inputs in CSR had a limited intensifying effect on society. Although the mainland government is now actively investing in CSR, there is still a long way to go in terms of its localisation of CSR. In comparison, Taiwanese firms have a slight advantage in the recent two developments in terms of integrating into social and international arena for diversified development. Additionally, Taiwanese businesses appear to have found the optimal balance between the values of Confucianism and business goals.

In terms of quantitative indicators, both sides of the Strait are still in the exploratory stage, and both have introduced a large number of international mainstream assessment programs and made localised adjustments. Some of the shared quantitative indicators between Taiwan and China are shareholders' rights; employees' rights; corporate governance; financial disclosure; the environment; customers' rights; paying taxes; community relationship; fair competition; and supply chain management. However, this study found that Taiwan scores considerably higher than China in all the important indicators despite being considered an emerging market. From the assessment of the CSR items, it is apparent that Taiwan mainly follows the prevailing international CSR standards such as that of ISO26000, UNGC, and OECD. However, there are still some concepts similar to those of China with Eastern CSR characteristics, such as equal opportunity, fair competition, anti-bribery and disclosure and communication of ethical information. However, these distinctive indicators are currently still in the conceptual stage and need to be studied and explored through a large amount of literature to form a basic consensus. The area that needs urgent improvement in both economies is environmental reporting. For example, this study has found that while only 17% of Taiwanese organizations regularly publish

their environmental reports on their websites, the statistics from China range between 2% and 10%. Additionally, Taiwan is recognized as a commercially active Asian economy. By 2015, there were more than 1.2 million registered companies, of which more than 75% were small and medium family-owned businesses (Zavyalova et al., 2018). However, despite the country's technological advancement and strong traditional manufacturing foundation and highly commercial environment, the comparatively low awareness of modern CSR has been noted. This has been attributed to the ownership structure of business and the focus on philanthropy. Nonetheless, relative to China, the uptake of the modern sense of CSR is significantly greater. From a broad perspective, the bulk of Taiwanese business ethos incorporate Western and Asian views, while China is yet to embrace Western views as much as it does Confucianism.

In terms of future trends, the study found that governments on both sides of the Strait have been increasing the requirements for CSR disclosures and are moving forward in the direction of environmental protection, green economics, social welfare, supply chain management and talent demand. Furthermore, in terms of the preparation of CSR reports, both sides have included the disclosure indicators of ESG, social responsibility and corporate governance and are setting towards the SDGs. The reports are presented in the form of integrated reporting (IR) to reveal more non-financial information for the reference of the public and investors. However, there are still differences in the propagation policies between the two sides of the Strait. First of all, currently in mainland China, the development is directed by national policies, and implementation is led by state-owned enterprises. It may not be easy to implement policies downward. In Taiwan, more emphasis is placed on the exploration of CSR content, local implementation and report quality and certification to maintain credibility while also taking on local characteristics. Moreover, China is also more ambitious. In addition to the CSR implementation at home, the government also expects to promote the CSR concept with Chinese characteristics internationally through its implementation by overseas companies, including in overseas investment activities such as the Belt and Road Initiative (BRI). CSR in

Taiwan emphasizes international integration; it extends implementation from firms to their subsidiaries and suppliers, thereby expanding its influence.

The findings suggest that an organization's approach towards CSR depends on factors such as region, country/economy, industry, ownership structure, and the specific organization's theoretical approach towards the concept. Therefore, while the broader Asiatic view of CSR fundamentally differs from that of the West, China and Taiwan's views of CSR also necessarily differ from each other by virtue of being different economies within Asia. Equally importantly, compared to China, Taiwan is still considered an emerging market. The findings show that the West has more organizations that are controlled by professional managers and are either collectively- or government-owned than Asia. To that end, Western managers tend to incorporate CSR programs in their business strategies. Conversely, most of the Asian businesses are family-owned and the owners tend to be more reluctant to initiate CSR activities; rather, they extend personal and family values to the business. Ultimately, as supported by the literature review, the findings of this study indicate a positive correlation between CSR and an organization's financial performance; CSR and brand image; and CSR and sustainability.

Tying the findings back to the He Xie theory, the theory emphasizes the importance of maintaining harmonious relationships among individuals and society as a whole. Similarly, CSR focuses on businesses taking responsibility for the impact they have on various stakeholders, including employees, customers, communities, and the environment. Both concepts share a goal of promoting positive relationships and cooperation among stakeholders (Zavyalova et al., 2018).

Furthermore, the principles of He Xie theory, such as mutual respect and collaboration, can be applied to CSR initiatives. For example, a business that is committed to CSR may work with its suppliers to ensure that they adhere to ethical and sustainable practices. This type of collaboration promotes a harmonious relationship between the business and its

suppliers (Zavyalova et al., 2018).

Summarily, it is seen that in light of the growing economic activities in both China and Taiwan, both economies exhibit CSR reporting trends that are comparable to the Western economies. The study found that, just like the practice in Western economies, organizations in China and Taiwan adopt a global CSR reporting template as a tool to align and harmonize various pressures related to business, the society, environment, and politics. However, this alignment describes the quantitative situation. From a qualitative perspective, there are notable discrepancies in the templates' contents, and these are attributed to national and other contextual characteristics such as culture and religion.

Chapter 5: Conclusion

In recent years, as the concept of CSR has become more widespread, more and more frameworks and regulations have been formulated globally. However, observing the existing CSR frameworks and standards, we often find that different aspects of responsibility receive attention and emphasis. There is no completely unified world standard. Therefore, the present study focused on the concepts of CSR in the East. The concept of CSR originated from Western economies; therefore, it is unknown to us whether the frameworks and regulations developed based on the Western experience can be applied to other economies, especially in Asian economies with vastly different cultural and social backgrounds. This study posits that CSR-related theories are in urgent need of clarification through empirical academic studies, to demonstrate the complete picture of CSR as an approach to realise social values and to describe the differences of CSR in various contexts of different regions, such as the degree of national economic development and cultural differences. This study focused on two Asian economies—China and Taiwan—as global CSR hot spots and aspects of Eastern culture, such as Confucianism, Confucian entrepreneurs and Chinese culture, in relation to CSR. This study launches a comparative analysis of the basic implications, policies and regulations, quantitative indicators, compilation and disclosure and also the future trend of CSR for firms across the Strait.

With the completion of the study, the three main research objectives have been achieved:

1. Exploring the development of regulations, implementation and enforcement of CSR across the Strait;
2. Comparing the similarities, differences and future trends of CSR in the two sides of the Strait; and
3. Summarising what is worth learning regarding CSR across the Taiwan Strait.

The contributions with the completion of each research task of the study are summarised as

follows: 1. In this study, through the cross-straits comparison of the CSR implications and policies and regulations, it is found that in terms of policy promotion, although both China and Taiwan use the prevailing international CSR framework as the basis for development, there are still many differences in their development strategies. The central government in China coordinates the planning and promotion of CSR from large state-owned enterprises with a centrally-led strategy, which is more difficult for firms to implement at the grassroots level. In Taiwan, the government provides timely support and further localise international CSR norms mainly through non-governmental discussions. It also emphasises third-party certification and enforcement. In terms of CSR concepts, compared to China's direct inclusion of socialist ideas such as social harmony, Taiwan firstly generally accepted prevailing Western CSR concept and then integrated the traditional theory of Confucian entrepreneurship. Its approach follows the ideas of Chinese essence and Western utility, which is considered to be credible and can fully demonstrate the differences and values of localisation. It is thus considered to be a better model under the Asian experience.

The study believes that the development trend of cross-strait corporate social responsibility should jointly create the Oriental CSR concept as the primary goal. The current mainstream CSR concept is a foundation, and cross-strait exchanges must find an intersection on this basis, and both sides of the Strait must recognize this intersection before it is meaningful. The specific intersection connotation is like the research and analysis results. The concept of harmonious society recognized by mainland China has the same origin as the "golden mean" and "harmony thought" in the Confucian theory. Therefore, it is possible to extract the overlapping parts, combine the Confucian business theory, supplement the current international mainstream CSR concept, and form a CSR framework with oriental characteristics. The proposal of this framework is expected to become the benchmark for the promotion of CSR in Asia, further

respond to the revision of evaluation indicators, and guide the deepening and development of CSR in Asia.

In terms of future trends, the study found that the governments on both sides of the Strait are moving forward in environmental protection, green economy, social welfare, supply chain management, and talent demand. Among them, environmental protection should be the most critical intersection project for Asian economies to promote corporate social responsibility. The study believes that cooperation can be carried out according to the environmental protection projects in SDGs, including 6 clean water resources, 13 climate change countermeasures, 14 marine ecologies, 15 Land Ecology. Specific businesses include green buildings, environment-friendly facilities, carbon neutralization industry, green paper, sustainable information reporting, etc. In addition, the 16th item of SDGs, fairness, justice, and peace, is in line with the "harmony thought," which is one of the characteristics of Oriental CSR found in the study. It is also a core concept of corporate social responsibility suitable for both sides of the Strait to promote the future jointly. In conclusion, both sides of the Strait should patiently conduct frequent and multi-point exchanges and discussions, take the above specific businesses as the first focus of cooperation and regard the formulation of a CSR framework applicable to cross-strait trade as the medium and long-term goal of both sides of the Strait to jointly practice CSR.

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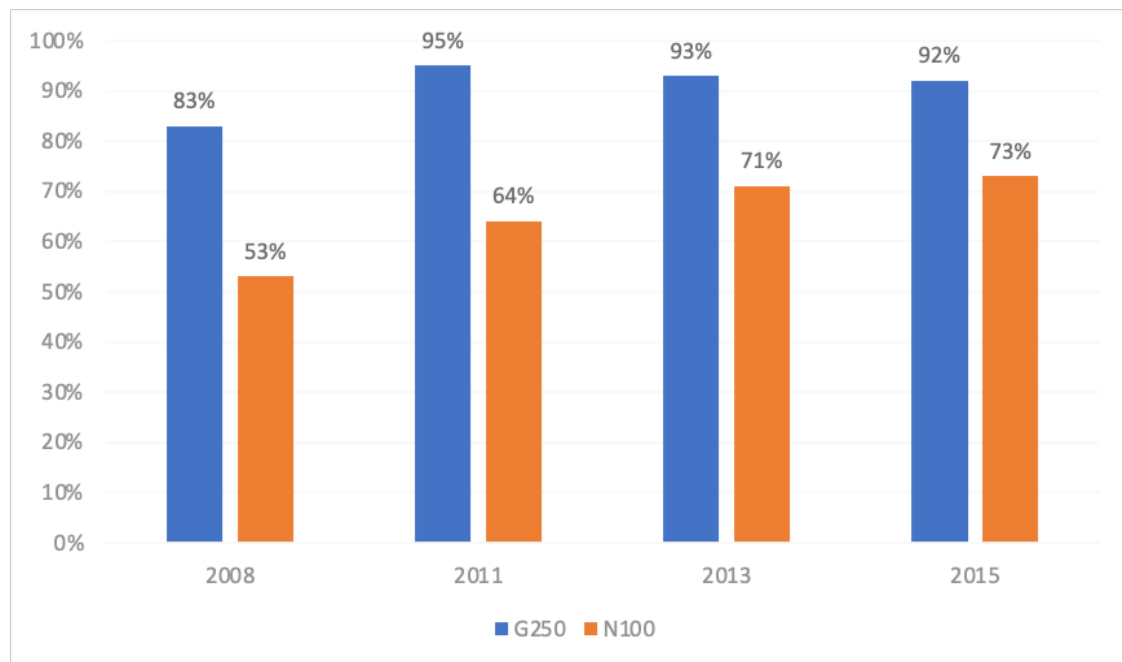
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ANNEX

Annex A

Figure Annex A : Global CSR Report Overview



Note: G250 said the sample came from the 2014 Fortune 500 list; and N100 said the sample was from 100 firms across 45 economies (Source: The KPMG Survey of Corporate Responsibility Reporting 2015)

Annex B

Interview Questions

- Q1. What do you think is the most obvious difference in the development of CSR between the two sides? Why are these differences in your perception?
- Q2. Do you think CSR will be influenced by the cultural heritage of various economies when it is actually extended to all over the world? Is CSR in the East influenced by the traditional Confucian Merchant theory?
- Q3. What do you think is the most obvious difference in the development of CSR between the two sides? Why are these differences in your perception?
- Q4. Please discuss the similarities and differences of CSR on both sides of the Strait in terms of policies and regulations, measurement indicators and development trend.

Interview Abstract

IV1: President of WangWang

Wangwang has been concerned about CSR for more than 7 years, and we have business activities on both sides of the Strait. As such, we have extensive experience in developing CSR on both sides of the Strait (...). If you carefully sort out the context of introducing the CSR concept into China, you will find the differences (...). In fact, many CSR concepts discussed in China are different from those in the West. Specifically, the CSR discussed in China has been mixed with many shadows of Confucianism and Taoism, even though the basic structure still follows the

West (...). As far as my observation is concerned, both sides of the Strait first accept the Western concept and supplement our views. Comparatively speaking, our (Taiwan) CSR concept is quite similar to China's because we have similar cultural literacy. I have participated in several CSR symposiums held by the government, which are for entrepreneurs, to discuss the relevant norms of CSR in Taiwan (...). From these conversations, it is apparent that we adopt the international standard practice because the views of politics and business at the meeting agree that this can be connected and communicated (...); otherwise, we can play by ourselves, but our country is too small to have that capital. Maybe mainland China can play like this. Therefore, in terms of the recent development of CSR, Taiwan has been very good in line with international standards because we directly accept the Western rules of the game (...) However, we still add many local elements to the interpretation of the concept to ensure we can understand and are familiar with the concept. For example, in talent cultivation, we always believe that "people" are the company's most important assets, and only by cultivating each employee as "talents" can the enterprise operate continuously and the culture last forever.

IV2: WangWang

Wangwang always attaches importance to corporate social responsibility and adheres to honest operation, steady growth, and sustainable development (...) while engaging in various business activities. Wangwang also performs corporate social responsibility, organizes various activities to care for rural residents and people with physical and mental disabilities, and supports public welfare with action. In the past, our foundation has promoted various social welfare-related programmes by including three sections of sympathy funds for vulnerable groups, public welfare performance venues, public welfare cinemas, sending love to the countryside by youth, and wishing the best for the elderly. In the past, the perception was that when enterprises set up foundations, their focus is to save taxes (...), and in the process of doing public welfare, they

can also achieve the effect of enterprise public welfare marketing (...). However, the emergence of the CSR trend currently gives us a good development opportunity for this type of foundation (...). After all, enterprises want to make achievements in CSR and will make a corresponding investment (...). However, the problem is that CSR must have a high degree of integration with enterprise operation, and the top director of our foundation may only be the middle-class personnel of the enterprise. In fact, many business promotions are difficult.

IV3: Chairman of SinoPac Holdings

SinoPac Holdings adheres to the vision of "achieving a better life with finance," emphasizing people-centredness, professionalism as the foundation, and integrity as the cornerstone. SinoPac Holdings has been operating for more than 70 years, and all employees are less than the members of the board of directors to abide by this vision. In 2018, we formally established the sustainable development committee, which emphasizes promoting sustainable development in combination with the core financial industry. We promote CSR following the four sustainable missions of "honesty, eternal wealth, sustainable environment, and common social prosperity." When it comes to the differences in CSR cognition between the two sides of the Strait (...) I think there are many Chinese ideas similar to the concept of CSR. In the past, traditional ideas such as integrity-based and benefiting the people will more or less affect the current definition of CSR on both sides of the Strait (...). As a result, enterprises will pay more or less different attention when interpreting or translating the concept of CSR. After all, our cultural heritage is still different from Western economies. Naturally, we will choose the concepts we are familiar with to apply. Yongfeng takes the common good and mutual benefit of stakeholders as the CSR goal and promotes the inclusive growth of society through activities such as goods and services, procurement, employee care, and public welfare. Internally, besides paying attention to employees' career development, salary, and welfare, establishing a complete employee physical

and mental health project to create a friendly and happy workplace environment. At the same time, through sustainable supply chain management, promote sustainable consumption and production mode, and expect enterprise partners and SinoPac Holdings to love our living environment jointly. Externally, adhering to the spirit of "taking it from the society and using it for the society," we take practical actions to promote social welfare plans and support various artistic and cultural activities (...), fulfil corporate social responsibility (...), and share prosperity and mutual benefit with the society.

Iv4 SinoPac Holdings

We follow the corporate goal of "green finance" to promote environmental education (...) to set up a "green finance education centre" (...) and obtained the environmental education facility certification of the environmental protection department in 2019, which is the first and only case in the financial industry. In addition, to achieve the goal of energy conservation and carbon reduction, we and the culture and education foundation have also integrated green energy and carbon reduction into public welfare care and promoted the "green classroom" sustainability plan (...). In 2019, we donated 1184 sets of LED lights to help social welfare institutions improve lighting, and it is estimated that the annual carbon emission will be reduced by about 82 tons. In 2021, we will continue to promote the green light classroom programme. In a certain unveiling ceremony, we also arranged environmental education courses for students participating in the ceremony so that enterprise CSR activities can be combined with environmental education promotion, and 1 plus 1 is greater than 2. Our organization promotes CSR very quickly in the industry (...) I think the main reason depends on the position of the people leading CSR. For example, our company integrates the original ad hoc group into one of its five groups, the "corporate governance group," and promotes the level to the general manager of each company. There was a significant improvement in excluding relevant problems

(solutions) at that time. Then another change was incorporated into the sustainability issue, and the promotion level was raised to the board of directors. Now it is supervised by an independent director, and the promotion speed of the whole policy is completely different.

Iv5 chairman of Huang Hsiang Construction Corporation

Our company mainly relies on its love for the countryside and responds to the government's "homeownership" policy to promote construction, and develops with "honesty and practice." Honesty is not only the general morality of employees but also a kind of persistence. The accurate, fast, and effective implementation of the action network is the only way to achieve efficiency. The professional service level created by all colleagues has created a high-quality social image of the company (...). Therefore, the promotion of the CSR concept is particularly smooth because it is in line with our company's governance policy. As for the localization of the CSR concept you mentioned, Taiwan is still relatively free and democratic (...). In the beginning, everyone held an open attitude to discuss together and finally formed a consensus acceptable to everyone (...). I did this in several consensus meetings before (...), so CSR in Taiwan grew from the mainland. Although it is a foreign seed, its current appearance is localized. Many symposiums in Taiwan are open, and everyone can discuss freely (...), and I think the Taiwan government is at most a guiding role and does not have a strong leading force. However, recently, it has begun to require us to prepare CSR reports (...) actively; for example, my company is forced to prepare annual CSR reports. There are no additional requirements in our country: the GRI standards. As far as I know, those standards have Chinese translation versions and are written. We will follow them.

Iv6 Huang Hsiang Construction Corporation

To practice corporate social responsibility and promote economic, environmental, and social progress, our group formulated the "code of practice on corporate social responsibility" in April

2015. The code was adopted by the board of directors and made commitments to the company's relative stakeholders to implement corporate governance, develop a sustainable environment, maintain public social welfare and strengthen corporate social responsibility information disclosure. For the promotion of CSR, of course, the higher the level, the better but, as long as the company's policies are included, there will be certain results to show (...) When the company's board of directors performs corporate social responsibility, it will also fully consider the interests of stakeholders (...) to implement the policies, systems, or management policies related to corporate social responsibility. However, in terms of reality, I think it is more important to promote and educate the grass-roots concept (...) suppose sustainable development or CSR is the goal of future world development. In that case, it will be difficult to implement or understand the concept of sustainable environment for enterprise development when employees have insufficient environmental education knowledge or CSR concept, and may even hinder the promotion of sustainable policy. Therefore, to enable colleagues to fully understand the company's CSR objectives, we will provide questionnaires for newcomers with an expiration of one week, one month, and two months after check-in. Education and training will also be regularly arranged for other employees, emphasizing important concepts such as corporate social responsibility, asset security, confidentiality, and anti-corruption.

Iv7 President of HAOLIYOU FOOD CO., LIMITED

As a well-known snack food manufacturer, quality and safety are our lifelines and our basic commitment to consumers. Whether in marketing, R&D, production, or sales, we have a high degree of consistency in our understanding of quality and safety. Years of persistence have created a solid product quality and made quality and safety core competitiveness of Haoliyou. In addition, in CSR vision planning, we also pay attention to the healthy growth of teenagers, the relief of major natural disasters, and sustainable development in harmony with the

ecological environment. According to our long-term observation in the Chinese market, at present, the general cognition of CSR in Chinese business circles is similar to Confucianism. After all, Confucianism is still relatively mainstream in Chinese business circles(...) For example, Confucian business people believe that business activities should not only be limited to gathering wealth to get rich but also show the pursuit of virtue while gathering wealth to get rich. Other enterprises should operate under moral principles to "benefit from righteousness and benefit the public," which is very similar to the concept of CSR. You mentioned that China lacks indicators, but we have our indicators (...) Of course, we also refer to some foreign standards. After all, the concept of CSR originated abroad. For example, the concepts of fairness and corruption belong to something that will be compared with the eastern context. As for the promotion of enterprises, the government now has very strict requirements. As long as it is a large enterprise, it needs to write CSR reports, and some more interested enterprises will set up special departments to be responsible.

IV8: HAOLIYOU FOOD CO., LIMITED

Our food industry has always attached great importance to CSR concepts, such as food safety (...). In mainland China, Haoliyou provides consumers with products of 7 categories, 25 brands and more than 70 flavours. We have made clear four commitments of product nutrition labelling and no preservatives, so as to promote the concept of health and make the community healthier, happier and more dynamic. In order to ensure that the product quality is leading and uniform, we adopt the seamless whole process quality management system (QCM) from raw materials to production and then to the market, and introduce the most stringent international food safety management system (AIB) to control the product quality before, during and after the event to ensure that the products purchased by consumers are always satisfactory (...). In addition, we also make great efforts in the direction of sustainable development. We attach great importance

to sustainable development in harmony with the ecological environment, from planting carbon sequestration forests, creating green factories, developing sustainable agricultural projects, supporting biodiversity protection, and advocating and starting with a green office to minimize its impact on the environment to realize resource conservation and environment-friendly development. Haoliyou, China's factories, have actively responded to the national call for energy conservation and emission reduction (...), carried out the "three good" and green factory campaign for many consecutive years (...) made remarkable progress in energy conservation and environmental improvement and made contributions to building environment-friendly factories (...), reducing energy consumption, easing environmental pressure and improving community relations. However, even if we have implemented these concepts for a long time, the CSR promotion within the enterprise must follow the party's policies (...). For example, before 2005, the company law had not been revised. Who in your enterprise dares to say that CSR should be done? In fact, no one is willing to do the same. At most, it is to take stock of the relevant policies within the enterprise. Most of our enterprises are promoting CSR by touching the stone across the river.

IV9: Chairman of Shandong Energy Group

CSR is not only the problem that needs the help of enterprises to solve and achieve but also can develop business opportunities. When the United Nations cries out and governments invest resources one after another, enterprises will invest. Enterprises' investment will drive more organizational units or enterprises themselves to develop a variety of innovative goods or services (...). On the one hand, it will promote CSR and on the other hand, it will drive business behaviour. However, Chinese enterprises have not realized the meaning of this layer (...), and many have not thought deeply or further linked CSR to their business strategies. The other is the incorporation of China's own traditional Confucian and business thought. Now China's main

opportunities. Enterprises implement CSR and promote the height of the level to determine most of the possible results (...). Whether the enterprise action is for business opportunities or because of the requirements of customers, regulations and investors, the senior management of the enterprise can deeply understand CSR, carry out future operation strategy and layout, and actively implement all links of product design, development and operation management. Colleagues in manufacturing and business units consider the risks and opportunities of CSR in work planning and implementation. Moreover, from the development of strategies to the formulation of objectives, the setting of KPIs, the measurement of performance, the proper implementation of the incentive system, continuous improvement (...), to implement the sustainable goal of the enterprise. The attitude promoted by the enterprise's top management and the grass-roots personnel's cognition on CSR also jointly determine whether the enterprise can successfully practice.

IV11 Chairman of Ping An Insurance (Group)

To realize the sustainable development strategy of the group, Ping An Insurance has fully integrated the core theories and standards of ESG (environment, social, governance \ environment, society, and corporate governance) into enterprise management, effectively managed ESG risks, identified corresponding business opportunities and fulfilled its responsibilities to all stakeholders. Why do many people say CSR and others say ESG? In fact, I think the same path. However, my favourite explanation is: "corporate social responsibility is to ignore the compensation of environmental capital and social capital in pursuit of great commercial interests under capitalism; sustainable development is a business operation strategy with long-term interest orientation, which includes social interests, environmental interests, and economic interests." Under this definition, corporate social responsibility becomes a passive compensation behaviour. Of course, when people talk about responsibility, they usually feel

heavy on their shoulders. They are unwilling to talk about it or think that large enterprises have rich resources to do. At present, sustainable development is a commonly used language in the world. Sustainable development emphasizes more active business strategies and behaviours. In promoting sustainable development, the group adheres to professional value creation, relies on the two engines of finance and science and technology, joins hands with all stakeholders, takes the five ecosystems as the soil (...), and helps to achieve the goals of green environment, harmonious society, and sustainable economic construction. Of course, we should comply with the policy planning of the Central Party and government. For example, constructing a harmonious society is a part of the sustainable development model I just mentioned (...). After all, the mainland still leads the government by the party, so it is basic according to the party and government policies (...). As such, CSR was not actively promoted by the government at the beginning because it was later seen that CSR was spoken all over the world. The central government began to take back the leadership actively. I also heard that at present, the government also has the intention to export (CSR concept). Ping An is fully cooperating in this regard.

Iv12 Ping An Insurance (Group)

In terms of ESG management, Ping An has a sound corporate management system and a leading comprehensive risk management system, takes sustainable development as the group's development strategy, and continues to guide all functional centres and professional companies of the group to strengthen enterprise management more scientifically, professionally and systematically in combination with business practice. We are fully supervised by the board of directors and the Group Executive Committee. With the investor relations and ESG Professional Committee as the core and in coordination with other professional committees of the group, it is responsible for identifying ESG risks, formulating plan objectives and management policies,

performance appraisal, etc. The ESG Office of the group cooperates with the functional centres of the group as the promotion group to coordinate the internal and external work of the group's sustainable development. Take the main matrix body of functional group units and business companies as the main force. But in fact, in the mainland, the laws and regulations are the most critical (...), especially for enterprises of our size, every step must comply with the legal norms. Therefore, although promoting CSR is beneficial to social welfare, we are also very careful. Ping An actively communicates with various stakeholders and participates in domestic and foreign organizations to promote the sustainable development agenda (...). After all, China emphasizes the importance of harmony. All relevant policies must be discussed at all levels before they are introduced (...). Naturally, it will affect the speed of promoting the overall plan. Shareholders, customers, employees, community and environment, and partners are our most important stakeholders. To fully understand the expectations of various stakeholders for Ping An, clarify the information requirements, analyze and evaluate the specific impact of the company's business activities on the stakeholder groups, Ping An has established a variety of channels to maintain regular communication with stakeholders.