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The Influence of Power Distance on CSR Programs in Hainan China

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Abstract

The Influence of Power Distance on Corporate Social Responsibility Programs

by

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MA, San Jose State University, 1984

BS, University of Colorado, 1977

Dissertation Submitted in Partial Fulfillment

of the Requirements for the Degree of

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Abstract

As China emerges as one of the world's top 5 economies, it attracts more multinational

corporations (MNCs) that want to expand there and implement corporate social

responsibility (CSR) programs. Despite this emergence, since China entered the World

Trade Organization, it has not perceived or welcomed MNCs in the same manner as in

the 1970s to 1990s. Further, MNCs have had challenges adapting Western-style CSR

programs in China's local communities. There is no widely-accepted multidisciplinary

theory that integrates CSR, organizational culture, and culture. Hofstede's theory of

cultural relativism classified China as a high power distance country where the

population has a strong acceptance of large social differences. The purpose of this case

study was to discover the extent to which Hofstede's cultural dimension of power

distance impacts MNC CSR programs offered in Hainan, China. Five MNC executives

and 1 government sector representative were interviewed, and were reviewed in 5

organizations in Hainan, China. Cross case analyses showed that CSR programs were

mutually accepted by the local communities and government. Some local community

members, however, did not passively accept what those in higher socioeconomic

positions believed about the efficacy and need for CSR programs. Rather, local

community and government appeared to collaborate, regardless of the government

leaders, who are perceived to have more power and influence. These results can inform

policy makers, MNCs, international organizations, and nongovernmental organizations

about cultural relativity and its impact on MNCs doing business in foreign communities.

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Dedication

This dissertation is dedicated to my colleagues and friends in Hawai`i, China, and Hainan Province who introduced me to and helped me learn about a fascinating country and culture. Every time I visited China was a memorable experience that taught me more about the intricacies and importance of relationships that influence all aspects of life, including personal, professional, social, and political. Although China's face and practices are changing, its 5,000-year-old culture and core values are slow to change. It has been fascinating to witness how the old and new coexist with dynamic tension, like Yin and Yang.

I realized that I could spend a lifetime studying China and never fully understand its complexities. Nonetheless, I feel extremely blessed and thankful that I was able to do and to learn what I have, a mere grain of sand in the infinite universe. I am also happy that I made lifelong friendships and witnessed the awakening of the sleeping dragon-- China.

Table of Contents

List of Tables

List of Figures

Chapter 1: Introduction to the Study

Introduction

As China has increased its economic status and became one of the world's top

five economies, it also attracted multinational corporations (MNCs) that wanted to

expand and to implement their corporate social responsibility (CSR) programs. Since the

time that China entered the World Trade Organization (WTO) in 2001 and increased its

focus on CSR, MNCs had not been perceived or accepted in the same manner as they

were between the 1970s and 1990s when China welcomed foreign direct investment and

global corporations. In Chapter 1, I provide background information about the challenges

and benefits that MNCs' employees experience as they expand their operations and

implement CSR programs in less developed countries. Information is also presented in

the background about the development of CSR in China. Further noted are the facts that

CSR program results have been mixed and CSR research in the past has not provided

conclusive findings about what influences the efficacy of CSR programs (Bird &

Velasquez, 2006; Googins, Mirvis, & Rochlin, 2007). Although research exists about

CSR, organizational culture, and cultural dimensions, the literature reviewed did not

reveal a widely accepted multidisciplinary theory that integrated the three areas.

Background of MNC Experiences

MNCs have benefitted from extraordinary opportunities created by globalization;

they have expanded their operations into less developed countries and increased their

wealth and power (Googins et al., 2007). In contrast, some local communities have not

received the same benefit, which has elevated the tension and conflicts between MNCs and local communities (Calvano, 2007).

To improve relations with external stakeholders and to protect their image, an increasing number of MNCs have implemented CSR programs (Googins & Mirvis, 2006; Levine, 2008; World Business Council, 2010). In addition, the number of MNCs publishing CSR reports has also increased (Central American Integration System [SICCA], 2010). However, some researchers have contended that publishing a report does not mean that an MNC's CSR program is continuously improving or has achieved excellence (Googins & Mirvis, 2006).

Currently, there is no consensus among researchers about the definition of CSR or an integrative theory about what influences the results of CSR programs (Garriga & Mele, 2004). There are theories about CSR, organizational culture, and cultural dimensions, but the literature reviewed did not reveal a widely accepted multidisciplinary theory that explains what elements and interrelations are essential to improve the results of CSR programs and their interface with local communities (Calvano, 2007; Gasser & Mills, 2006). Nonetheless, the number of CSR programs has continued to increase since the modern era of CSR emerged in the United States during the 1950s (Carroll, 1999).

Some theories have identified linkages between CSR and other areas such as the stages of corporate citizenship or corporate sustainability and organizational culture or value systems (Ardichvili,, Mitchell, & Jondel, 2009; Marrewijk & Werre, 2003; Mirvis & Googins, 2006). However, CSR research findings have provided only a partial answer to improve CSR programs, and the question remains whether and how cultural

dimensions influence the efficacy of CSR programs. To address that question further, a few recent researchers examined other linkages. Kim and Kim (2009) analyzed the influence of cultural values on perceptions of corporate social responsibility whereas Puspa (2007) conducted a specific assessment of how personal influence and power distance affect the conceptualization of public relations practices in Asian countries. In addition, See (2008) examined the relationship between harmonious society and CSR.

In China, some researchers associated CSR with the time period when China opened its doors to the outside world in the 1970s. During China's reforms in the 1980s and 1990s, higher business standards and new laws were created to encourage businesses to be socially responsible (ChinaCSR.com editors, 2009). Other researchers contended that China's CSR began in 1949 with the formation of the danwei (work units), which reportedly placed the interests of individuals in direct connection with how goods are produced and how individuals are cared for and educated (ChinaCSR.com editors, 2009). In either case, CSR was not commonly understood or emphasized until 2007 when President Hu Jintao urged China's leaders to have a scientific outlook on social development (Levine, 2008, p. 50). Though researchers have different views about the origin of CSR in China, CSR has nevertheless emerged as a high priority after China's central government accepted new CSR ideas to enhance the country's reputation and to help its competitiveness in the global market (Levine, 2008).

As China increased its world economic power status, it also attracted more MNCs seeking to implement or to expand their CSR programs (USCBC, 2006). By the time China entered the WTO in 2001, the Chinese central government and consumers'

perceptions of MNCs began changing, whereby foreign MNCs were no longer as appealing as they were in the past 3 decades (Park & Vanhonacker, 2007). MNCs are examined now for their alignment with national interests, are expected to comply with local standards, and are monitored closely (Park & Vanhonacker, 2007).

A significant challenge that multinational corporations face is trying to adapt Western style CSR programs in China. The problem may be due to differences in the stakeholders to whom they have accountability (ChinaCSR.com editors, 2009). Western businesses are primarily responsible for owners and investors whereas Chinese businesses are responsible to the central government, which is the primary stakeholder of China's CSR (Corporate Compliance Insights [CCI], 2009). MNCs also encounter different cultural dimensions, which influence relationships and interactions in China (Hofstede & Hofstede, 2005).

Problem Statement

Although CSR activities and related research have increased, there are no widely accepted research findings to help MNCs improve their CSR programs (Franklin, 2008; Mirvis & Googins, 2006). While some CSR researchers have mentioned the need for cultural understanding, they have not integrated the influence of cultural dimensions on MNCs, CSR, and local communities. There is also a limited amount of literature that focuses on the interface between MNCs and local communities, yet local communities are emerging as the main opponents to MNC activities (Calvano, 2008). The growing trend for local communities to publicly contest their opposition to MNC activities has negative consequences for MNCs' finances and images (Calvano, 2008). Consequently,

MNCs' commitment to and degree of social responsibility has received increased

attention in recent years (Kolk & Lenfant, 2009). Conflicts between MNCs and local

communities, however, have been studied in a limited way (Fonseca 2010). As a result,

MNCs have had insufficient resource information and their lack of understanding about

the causes of conflicts has hindered their efforts to engage with local communities.

Purpose Statement

The purpose of this exploratory case study is to discover whether and how power

distance influences multinational corporations' CSR programs in Hainan, China. Power

distance is defined as "the extent to which the less powerful members of institutions

(family, society, schools, and community) and organizations (work) within a country

expect and accept that power is distributed unequally" (Hofstede & Hofstede, 2005, p.

46). Contemporary MNCs implement CSR programs in an attempt to do what is right and

add to the assets of the local community (Arena, 2004; Bird & Velasquez, 2006).

Findings from this study will raise awareness among decision makers about the influence

of power distance on the efficacy of CSR programs. In addition, the study will contribute

to the body of knowledge about CSR, the interface between MNCs and local

communities.

Nature of the Study

The method of inquiry was a qualitative-exploratory case study. Interviews were

conducted as well as a literature, document, and artifact analysis. Data collection was

conducted using a snowball (chain) sampling approach that began with a representative

sample of known contacts in Honolulu, Hawai`i. The contacts included individuals from

the business, industry, education, government, and nonprofit sectors. Contacts were asked to identify information-rich cases in China and Hainan. This type of sampling was chosen because the sample group was an unidentified population. Moreover, Chinese cultural practices require introductions by an intermediary known to both parties.

The research findings were used to bridge theory and practice. In addition, the findings provided insight into informant conditions, values, needs, and preferences within their contexts and meanings (Gilgun, 2006). As a result, it was possible to assess the influence of cultural and contextual differences on the efficacy of CSR programs. Additional information about the research methodology is included in Chapter 3. In addition, the study will contribute to the body of knowledge about CSR, the interface between MNCs, and local communities

Research Question

How does power distance influence the efficacy of multinational corporations' CSR programs in Hainan, China?

Theoretical Base

The theoretical base for this study is a combination of dimensions of national cultures, organizational culture, and CSR theories. To that end, a review of the literature provides a theoretical framework of the relationship between a specific cultural dimension, power distance, and its influence on CSR programs in Hainan, China.

Literature analyzing the dimensions of national cultures showed that members of institutions and organizations are influenced by power distance (Hofstede & Hofstede, 2005). Organizational culture literature has revealed that the 21st century requires ethical

and culturally sensitive leaders who can influence an organization's culture (Denhardt, Denhardt, & Aristigueta, 2002; Googins et al., 2007). In addition, corporate social responsibility literature has revealed that some MNCs integrate CSR into their business practices and other MNCs do not (Arena, 2004; Bird & Velasquez, 2006; Googins et al., 2007; Kotler & Lee, 2005). Moreover, Chinese CSR literature has demonstrated that MNCs are being held to higher standards, are examined for their alignment with national standards and compliance with local standards, and are monitored closely (Park & Vanohonacker, 2007).

Definition of Terms

Collectivism: A society in which people from birth onward are integrated into strong, cohesive in-groups, which throughout people's lifetime continue to protect them in exchange for unquestioning loyalty (Hofstede & Hofstede, 2005, p. 399).

Conflict: a disagreement through which the parties involved perceive a threat to their needs, interests or concerns.(Academic Leadership Support Office of Human Resources, 2015).

Corporate social responsibility (CSR): A concept whereby companies integrate social and environmental concerns into their business operations and into their interactions with their stakeholders on a voluntary basis (European Commission, 2010).

Globalization: Some firms have assets that are superior to those in many other countries. Firms exploit their assets by transferring them across national boundaries within their own organizations. Nationally endowed assets have been supplemented by

MNCs acquiring, developing and integrating strategically important assets located in other countries (Blackwell, 2008, p. 7)

Multinational corporation (MNC): An enterprise that operates in several countries but is managed from its home country; a MNC derives a quarter of its revenue outside of its home country (BusinessDictionary.com, 2010).

Organizational culture: The collective programming of the mind that distinguishes the members of one organization from another (Hofstede & Hofstede, 2005, p. 402).

Power distance: A dimension of national culture, defined as the extent to which the less powerful members of institutions (family, society, schools, and community) and organizations (work) within a country expect and accept that power is distributed unequally (Hofstede & Hofstede, 2005, p. 46).

Stakeholders: Those groups without whose support the organization would cease to exist and originally included shareowners, employees, customers, lenders, and society (Freeman, 1984, pp. 32-41).

Assumptions

The following assumptions are made in pursuit of this case study:

1. The selection of known contacts who are qualified professionals will answer truthfully and provide additional information-rich CSR cases in Hainan, China.

2. The selection of CSR cases in Hainan, China will provide information about the interface between MNCs and local communities.

3. Data will accurately represent the influence of power distance on the CSR

    programs.

4. Screening data will accurately depict the success or failure of a MNCs

    corporate social responsibility programs.

Limitations

This case study is limited to analyzing distinguishing qualities and socially

responsible corporations in Hainan, China. This is a multicase and cross case analysis;

however, this study may have limited validity in other cases or parts of the world because

of the small sample and specific culture. As Hofstede and Hofstede (2005) contended,

culture is learned and not innate. Furthermore, culture is learned from society and affects

an individual's everyday values (Kim & Kim, 2009). Finally, cultural change is slow at

the core and the basic values of a society are stable (Hofstede & Hofstede, 2005).

This case study may possibly be affected by changes in Sino – U.S. relations.

Although the United States and China have had differences in the past about Taiwan,

Tibet, and trade, the situation is different today. China's enhanced global clout and the

Chinese Communist Party (CCP) leadership's paradigm shift in geopolitics have

increased their resolve to protect the country's core national interests (Lam, 2011). China

viewed the United States' sale of weaponry to Taiwan and President Obama's meeting

with Tibet's Dalai Lama as a direct affront and provocation (Lam, 2011). The CCP's

decision to take a hard stance against the United States has gone farther than threats and

suspension of military contacts. It has also refused to change the value of the Renminbi

(World Bulletin, 2010) and threatened sanctions against American firms and withdrawal

of cooperation on international issues (The Economist, 2011). According to Mauldin

(2008), China had three geopolitical imperatives at that time: maintaining internal unity

in the Han Chinese regions, maintaining control of the buffer regions, and protecting the

coast from foreign encroachment. Border protection is an imperative for China as well as

any other country. In addition to the CCP's increasing concerns about the United States,

and countering secessionist conspiracies by Taiwan and Tibet, the CCP has also adopted

tactics to counter perceived efforts by foreign governments, companies, and institutions

to subvert Chinese socialist order. Examples of that include their battle with Google and

other multinational Information Technology firms. International organizations have also

undergone closer scrutiny by the CCP if they are perceived to provide support to the

country's dissident community (The Guardian, as cited in Lam, 2011).

Delimitations

The potential for bias is present in any research study. To prevent the Hawthorne

effect, measures were taken to prevent and monitor for researcher, interviewee,

interpreter, and research design biases. The Hawthorne effect is the tendency of some

individuals to respond to the attention from the researcher versus the independent

variables in an experiment (Babbie, 2007, p. 234). Yin (1994) suggested using multiple

sources of evidence to triangulate evidence and to ensure construct validity. Based upon

that suggestion, this study not only used a literature review but also multiple sources of

evidence: interviews, documents, archival materials, artifacts, and observations The

specification of the unit of analysis also provides the internal validity as the theories are

developed and data collection and analysis test those theories (Stake, 2005; Yin, 1994).

Significance of the Study

The findings from this research study will help MNCs, consultants, international organizations, nongovernmental organizations, and scholars understand CSR through a multidisciplinary perspective, which existing CSR related theories have not provided. This study will help MNCs further improve their CSR practices and their relationships with local communities. Likewise, local communities can use the findings to leverage their cultural values and perspectives to influence CSR programs in their communities. Positive social change will occur by improving MNC social responsibility and by improving human and social conditions of local communities. Finally, this study will provide the basis for future research studies and will broaden the theoretical framework of CSR.

Moreover, this study will fill a gap in the literature about the influence of power distance on the efficacy of multinational corporations' CSR programs. In addition, it will contribute to the limited body of literature that currently exists about conflicts between MNCs and local communities. The study will also provide a foundation for future studies and for the development of a multidisciplinary theory that combines elements of and interrelations among CSR, organizational culture, and cultural dimensions theories.

Summary

Chapter 1 provided an introduction to corporate social responsibility and related issues about the efficacy of CSR programs. Because CSR programs have had mixed results, pressure has increased for MNCs to improve the efficacy of their CSR programs (Bird & Velasquez, 2006; Googins & Mirvis, 2006). Similarly, conflicts have increased

between MNCs and local communities, which have now become the major opponent of

MNC activities (Calvano, 2007). Chapter 1 also included the overview and elements of

this research study. Chapter 2 contains a literature review that is relevant to this study.

The literature review also provides a source of validity for the study.

Chapter 2: Literature Review

Four Thematic Segments

The literature analyzed is divided into four thematic segments. In the first segment, I analyzed literature about CSR resulting in the identification of common elements and best practices. The next segment provides an examination of theories about organizational cultures in relation to CSR. The third segment contains a review of research and literature about cultural dimensions and more specifically power distance and its influence on institutions and organizations. In the fourth segment, I explore the potential influence of power distance on CSR programs in Hainan, China by examining the elements and interrelations among CSR, organizational cultures, and cultural dimensions.

To conduct the literature review, different resources were investigated including Walden University's EBSCO, Business Source Premier–Management and Business, Human Services and Social Sciences, Multidisciplinary, ProQuest, and SAGE databases, University of Hawai`i Manoa Library and VOYAGEUR database, ERIC database, City and County of Honolulu Library, and a variety of scholarly journal resources that were retrieved from the Internet. Subject searches were conducted using terms including *corporate social responsibility, social responsibility, corporate responsibility, corporate social performance, multinational corporations, organizational culture theories, dimensions of national cultures, power distance, CSR in China,* and *conflicts between MNCs and local communities*. Boolean operators were used to expand or limit searches using the subjects individually or combining the subjects to expand or limit the search.

Corporate Social Responsibility

The modern era of CSR in the United States emerged in the 1950s (Carroll, 1999).

Subsequently, a rich body of CSR literature was developed between the late 1950s and

2000. Also during that period, in a landmark book Bowen, (1953) established new values

based on a business philosophy that promoted social responsibility (as cited in Yuki,

2010). Rather than businesses focusing only on making money, Bowen emphasized the

importance of aligning business policies and practices with society's objectives and

values. That new philosophy ultimately earned Bowen the title of father of CSR (Carroll,

1999). Adding to the foundation of CSR was Davis (1973), who defined social

responsibility as "the firm's consideration of, and response to, issues beyond the narrow

economic, technical, and legal requirements of the firm" (p. 312). Davis's perspective of

CSR was similar to current theories that focus on social responsibility. Another

noteworthy theorist was Carroll (1991) who wrote The Pyramid of CSR wherein he

contended that there are four dimensions of CSR: economic, legal, ethical, and

philanthropic. According to Carroll, companies with successful programs integrate and

fulfill the four dimensions of CSR. The works of Bowen, Davis, and Carroll established

the foundation for a broader concept of CSR research in the 2000s.

Among the CSR researchers in the 2000s was Arena (2004) who asserted that

companies need to address externalities, investigate new business models, and redesign

their business strategies to align with social responsibility. She found that successful

companies do not have predetermined solutions for local communities. Instead, Arena

asserted that companies benefit by linking their business models directly to a social or

environmental purpose, which enables them to tap into unmet needs. Moreover, Bird and Velasquez (2006) contended that companies encounter situations that differ and constantly change. Therefore, they asserted that it is unrealistic to think that normative guidelines will apply everywhere in the world (p. 199). Further supporting that assertion were the results from a 2004 comparative CSR survey conducted by Welford (2005), which showed that there are very different priorities in countries where norms, values, and economic development differ (Rock & Ruud, as cited in Welford, 2005).

In contrast, Friedman (1970) contended that social responsibilities of businesses, per se, were rhetoric--only people have responsibilities (p. 1). He asserted that a corporate executive is an agent of the owner, and, therefore, a corporate executive's responsibility is to the owner. Friedman also claimed that although an individual can engage in socially responsible activities, it should be done on a personal level. Otherwise, "the corporate executive is spending someone else's money and making choices about how to spend the money for alternative uses" (Friedman, 1970, p. 1). Friedman stated,

> There is one and only one social responsibility of business-to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud (p.1).

Visser (2010) offered another view in which he asserted that CSR failed, continues to decline, and will die naturally unless it is rejuvenated and reborn. He contended that the three main factors contributing to CSR's failure were as follows: (a) because it was incremental–lack of speed and scalability, (b) peripherals-lack of top

management support, and (c) uneconomic and mixed results-need for strategic case and a

large scale investment (Visser, 2010). Visser proposed a 2.0 CSR, which promotes

connectedness, scalability, responsiveness, duality, and circularity. To accomplish that,

CSR must shift and business practices must change and transform (Visser, 2010).

Corporate social responsibility has been referred to by different names and

applied in various ways (Kotler & Lee, 2005). With the exception of Friedman (1970),

the CSR theories examined showed that there was a need for a broader concept of CSR

(Arena, 2004; Bird & Velasquez, 2006; Bowen, 1953; Carroll, 1999; Davis, 1973; Visser,

2010; Welford, 2005). To analyze CSR in a broader context, some CSR linkages were

examined in the following segment.

CSR Linkages

During the period from 2000 to 2009, theorists began examining linkages between

CSR and other areas such as ethics. Bird and Velasquez (2006) asserted that companies

need to be responsive to historical contingencies and cultural differences and to respect

moral standards. They contended that standardized approaches to ethical issues

overshadow the different moral challenges that less developed countries face. Bird and

Velasquez also posited that CSR is contextual, whereby companies must respond to

situations depending upon their relationship with government and with civil society.

Another theorist, Shaw (2009), provided a brief background about the emergence

of business ethics in the late 1970s. He then examined two Marxist objections that he

thought might be raised against the field of business ethics. Shaw asserted that Marxists

will point out that capitalism tends to produce greedy, over-reaching, or unethical

behavior. He further posited that Marxists will think it is impossible to apply ethics to business and that ethics are irrelevant to capitalistic business leaders. Nonetheless, Shaw argued that a business needs ethics because the business system cannot survive without certain shared norms. Business ethics are directed toward real-world issues in and about business; it is interdisciplinary in character and is rooted in philosophy. In fact, a central topic of business ethics is corporate social responsibility, which the public expects from companies (Shaw, 2009).

Unlike the theories of Bird and Velasquez (2006) and Shaw (2009), Friedman (1970) contended that aside from adhering to elementary rules of the business game, the only obligation of a corporation is to make as much money as it can for its shareholders (Friedman, as cited in Shaw, 2009, p. 569). In contrast, Shaw believed that corporations have other social or moral obligations in addition to that of making a profit. Shaw also noted that Marx saw capital as focused on profit maximization and believed that the market mechanism should be replaced by nonmarket forms of social organization. Finally, Shaw concluded that business ethics should bring forth in various situations the responsibilities and obligations of business managers. Thus, business managers should fulfill their fiduciary duty to run a successful business, to make a profit for the shareholders, and to also meet their obligations to various other internal and external constituencies (Shaw, 2009).

Kotler and Lee (2005) took a different approach than other theorists had and contrasted corporate development goals with corporate social responsibility. They compared cases where corporate development goals were like philanthropic activities.

Much like Arena (2004), Kotler and Lee acknowledged the benefits of integrating social

responsibility into business strategies. They found, however, that few CSR guidelines and

best practices existed because companies were in the business of making money rather

than solving societal problems (Friedman, 1970). Kotler and Lee identified six types of

CSR, which they classified as cause promotions, cause related marketing, corporate

social marketing, corporate philanthropy, community volunteering, and socially

responsible business practices.

By reviewing the works of Bird and Velasquez (2006), Shaw (2009), and Kotler

and Lee (2005), linkages were identified between CSR and contexts, ethics, and

corporate development. Shaw's theory was similar to an integrative cultural social theory

because it considers sociocultural factors that influence CSR programs. Shaw's holistic

theory addressed fiduciary, organizational, and multiple stakeholders' interests.

CSR Stages, Values, and Elements

Other theorists focused on alternative areas such as the dimensions or stages of

CSR. Marrewijk and Werre (2003) developed a multilevel approach to CSR. They

focused their theory on a pyramid of four core value systems: order, success, synergy,

and community (Graves, as cited in van Marrewijk & Werre, 2003). By developing ideal

organizations based on the four core value systems, van Marrewijk and Were examined

the impact of phase wide development patterns on business practices. They argued that

values are a coping mechanism used to meet challenges and to structure institutions in

order to influence behavior that can be found in individuals, companies, and societies.

Applying their theory, van Marrewijk and Werre found that most organizations today

operate within a range of the core values--order to success. However, if organizations expect to improve their performance to the core values of synergy and community, van Marrewijk and Werre asserted that organizations need systemic tools, positive relationships with stakeholders, and have servant or connected leaders. The significance of van Marrewijk's and Werre's theory is that it confirms the relationship of stakeholders and contexts to CSR programs.

Much the like Arena (2004), Googins et al. (2007) contended that companies need to repurpose their business practices and that their leaders need to connect with the world and know what is really important. Taking their theory a step further, Googins et al. identified 12 stages of corporate citizenship, which included the need for collaboration between government, business, and civil society. Rather than expecting high purpose companies to address the world's unmet needs alone, Googins et al. argued that companies need to form partnerships, particularly with nongovernmental organizations (NGOs). They further argued that one of the new rules for business success in the 21st century is for companies to partner with NGOs. By examining CSR linkages, stages, and values in the works of Bird and Velasquez (2006), Shaw (2009), Kotler and Lee (2005), van Marrewijk and Werre (2003), and Googins et al. (2007), some common elements were identified that include the need for:

1. Strong, ethical leadership with a commitment to do the right thing,

2. Business redesign,

3. Social responsibility and business strategy alignment,

4. Awareness of cultural, historical, and moral obligations,

5. Flexibility and avoidance of predetermined solutions,

6. Understanding the relationship of stakeholders and contexts to CSR, and

7. NGO and business partnerships.

CSR Classification

Garriga and Mele (2004) contended that the debate on CSR has been ongoing since the second half of the 20th century. They believed that the CSR field is eclectic with loose boundaries, different perspectives, and multiple memberships (Garriga & Mele, 2004, p. 52). Even though attempts had been made to address the issue, the situation was not much better by the time that Garriga and Mele decided to evaluate and map the CSR territory. Unlike other studies, they considered their theory from the perspective of how the interaction between business and society was focused.

To begin their classification, Garriga and Mele (2004) hypothesized that the most relevant CSR theories and related approaches were focused on economics, politics, social integration, and ethics. They determined that CSR was also focused on four related objectives to (a) produce long term profits, (b) use business power in a responsible way, (c) integrate social demands, and (d) contribute to a good society by doing what is ethically correct. Taking those approaches and objectives a step further, Garriga and Mele classified CSR theories into four main groups that were (a) instrumental -use CSR as a means to the end of profits, (b) political classified group—use CSR theories and approaches together, focusing on interactions and connections between business and society to improve their competitive advantage, (c) integrative in social contract theory-- considering sociocultural context as a means to integrate empirical and normative aspects

of management. Donaldson and Dunfee (1994, and (d) value theories--integrate CSR and

corporate citizenship whereby the business had a strong sense of responsibility towards

the local community, partnerships, and consideration for the environment. Value theories

also extended concern for the local community to a global concern (Donaldson &

Dunfee, 1994) . Finally, Garriga and Mele included a table in their article that contained

types of theories, approaches, a short description of long-term value maximization, and

key references.

  The work of Garriga and Mele (2004) helped evaluate and map CSR theories

from the perspective of how the interaction between business and society was focused.

Their perspective was similar to that of Robin and Reidenbach (1987) who contended

that social responsibility pertains to the contract between society and business. Garriga

and Mele hypothesized that the most relevant CSR theories and approaches focused on

economics, politics, social integration, and ethics. That perspective eventually led Garriga

and Mele to classify CSR theories into four main groups of which the political,

integrative, and value theories provided insight into the efficacy of CSR programs in the

local and global environments (Garriga & Mele, 2004).

Best Practices

  While theorists continued their work to define the concept of CSR, Welford

(2003) first examined the existing definitions of CSR. Next, he reviewed international

codes, declarations, and conventions and then he defined 20 elements of CSR. Using

those 20 elements, Welford conducted a survey of CSR priorities in 2002. The survey

included 12 European and Asian countries with a sample of 20 leading companies in each

country. The 2002 survey results grouped company policies in the following priority

order: internal aspects, external aspects, accountability, and citizenship. Welford (2005)

conducted a second survey in 2004 of CSR priorities and extended the geographical area

to include Canada, the United States, and Mexico. He also increased the sample from 20

leading companies to 30 in each country. Although the results of the 2004 survey were

not statistically significant, some differences were noteworthy. In 2004 there were fewer

policies on labor standards but more on child labor and fewer policies on supply chain

inspections and community involvement. Further, Asian countries reported a lower

percentage of policies relating to CSR accountability and citizenship. In contrast, there

were more policies on fair trade, educational programs, bribery, and corruption.

Nonetheless, Welford (2003, 2005) demonstrated that there is a link between the

development of CSR and the economic development of countries. His research findings

also indicated that many CSR policies are based on localized issues and cultural

traditions at a country level (Welford 2003, 2005).

Organizational Culture

Organizational culture exists in an organization and is composed of different

phenomena, such as values, beliefs, perceptions, behavioral norms, artifacts, and

behavioral patterns (Shafritz, Ott, & Jang, 2005). The organizational culture perspective

assumes that decisions are essentially predetermined by the patterns of basic assumptions

held by members of an organization (Shafritz, et al., 2005). Systems of formal rules,

authority, and norms of rational behavior do not restrain the personal preferences of

organizational members (Shafritz, et al., 2005). Rather, they are controlled by cultural

norms, values, beliefs, and assumptions (Shafritz, et al., 2005). Organizational cultures differ because they are shaped by many factors including past experiences, technologies, markets, competition, societal culture, and personality of the organization's founder or dominant early leaders (Ott, 1989).

Once organizational cultures exist, they determine the criteria for leadership and therefore determine who will or will not be a leader. However, if the organizational cultures become dysfunctional, it is the unique function of leadership to perceive the functional and dysfunctional elements of the existing culture and to manage cultural evolution and to change in such a way that the group can survive in a changing environment. Cultural understanding is essential to leaders if they are to lead (Schein as cited in Shafritz et al., 2005).

The relationship between organizational cultures and leaders is another area that has been examined by theorists. Leaders must know and understand an organization's culture because a major cause of an organization's failure is its mis-diagnosis of the problem and failure to manage diversity effectively (Cox as cited in Shafritz et al., 2005, p. 473). Research has also shown that differences of social cultural identity represent real differences in culture (Cox as cited in Shafritz et al., 2005, p. 473). Because of the pressure to conform, members who have high cultural distance from prevailing norms of the work culture tend to either leave the organization or to mmodify their thinking and their behavior to gain acceptance (Cox as cited in Shafritz et al., 2005, p. 473).

Lewis (1999) contended that successful 21st century managers will be those who are culturally sensitive and who understand that normative Western guidelines do not apply to all people. Managers must understand their own cultural values and the cultural values of others with whom they must cooperate (Hofstede & Hofstede, 2005). Denhardt et al., (2002) presented another perspective and argued that nongovernmental organization (NGO) managers and leaders must have the capacity to understand and to develop the ability to manage their own behavior, to influence the behavior of others at individual and group levels, and to act as individual public leaders when interacting with the public and its representatives. They also believed that the consciousness of the entire company must be raised and its citizenship must be aligned with business practices. Denhardt et al. focused on individuals and social systems within organizations and found that there are different organizational cultures, and those cultures are based upon individual values and social systems. Observing how employees interact with one another, how they interact with their stakeholders, and how they react to different situations are indicators of an organization's culture (Schein, 2004). In addition, an organization's culture can also be examined through its mission, policies, and marketing (Schein, 2004).

In this segment of the literature review, theories were examined to gain additional insight about the linkages between organizational cultures, leadership, social learning, individual, and cultural values. The literature reviewed showed that organizational cultures differ and that they are influenced by phenomena such as cultural norms, values, beliefs, past experiences, founders, shareholders, and leaders. Organizational cultures and

the phenomena that influence them vary. With that being the case, 21st century leaders must be culturally sensitive, be able to work with and engage with internal and external stakeholders.

CSR and Organizational Culture

Organizational cultures exist in organizations and differ because they are shaped by many factors including economic, social, cultural, leadership, and other phenomena (Schein, 2004; Shafritz, et al., 2005). Consequently, redesigning a company to integrate CSR into its business strategy is not easy and requires strong, ethical leadership (Arena, 2004). Arena (2004) contended that company leaders must be compassionate, walk their talk, choose relevant causes, put the main problem first, and define success in broad terms. She further added that CSR is not just public relations. Social values have to be an integral part of the mission and have to integrate with a company's economic goals (Arena, 2004).

Googins et al.(2007) claimed that globalization served as a catalyst that opened the minds of executives to the interrelationship of business and society. They asserted that leaders need to know themselves, understand others, connect with the world, and believe in a higher purpose. Much the same as Arena (2004), Googins et al. believed that companies must repurpose their enterprises and choose what really matters. They also argued that the consciousness of the entire company must be raised and citizenship must be aligned with business practices. Googins et al. found two major reasons that multinational companies lack legitimacy. Those two reasons were because of their

perceived contributions to environmental degradation, and to alleged cases of human rights violations.

Some corporate leaders have realized that money alone was not the answer and have responded by trying to manage risk by working with nongovernmental organizations (NGOs) and governments, by being more transparent, and by creating codes of conduct (Franklin, 2008). Franklin (2008) published an article, "Just Good Business", which was based upon a 2007 survey conducted by McKinsey, a consultancy firm. Ninety-five percent of the corporate chief executive officers who responded to the survey felt that society has higher expectations of businesses taking on public responsibility. In addition, the green movement and concerns about the climate have also increased the pressure for businesses to evaluate their impact on the environment in which they do business (Franklin, 2008). In his assessment of CSR, Franklin found that there is a vast range of activities but few corporations were doing it well. For instance, participating corporations had performance gaps in the following areas; strategy and operations 22%, strategy and operations of subsidiaries 27%, investor relations strategy 20%, and global supply-chain management 32 % (Franklin, 2008).

Franklin categorized CSR into three broad layers; (a) corporate philanthropy, (b) branch of risk management, and (c) value creation. The most popular layer of CSR was creating value. In any case, strong external pressure and demand from employees for CSR are making corporations move CSR programs to the forefront (Franklin, 2008). If handled strategically, companies can embed CSR into their core operations, thereby

influencing corporate decisions and becoming part of their competitive advantage (Franklin, 2008).

Multiple Stakeholders

Corporate social responsibility programs involve a corporation's internal and external stakeholders. Stakeholder theory has been one of the central theories for CSR related studies (Carroll, 1991; Clarkson, 1995; Freeman, 1984; Freeman, Friedman & Miles, 2006; Jones, & Wick 2002; Roberts, 1992; & Wood, 1991). Since the time that the term was first coined in the early 1960s, stakeholder theories have grown in number and type.

A well-known theorist in the field was Freeman (1984) who originally asserted that without the support of stakeholders, an organization would cease to exist. Although there are different schools of thought about stakeholders, a broad conception of what stakeholders is that they are; suppliers, customers, stockholders, employees, media, political action groups, communities, and governments. As a part of management theory and practices, stakeholder theory takes a number of forms. Among those forms is an analytical perspective that assists managers in determining how the company fits into the larger environment, and how its operations affect employees within and beyond the company (Mayor, 2010).

In contrast to CSR and stakeholder theorists, Friedman (1970) believed that there was only one social responsibility of business, which was to use its resources and to participate in activities that increased its profits as long as it engages in open and free competition without deception or fraud. He further asserted that a corporate executive is

an agent of the owners and therefore, the corporate executive's primary responsibility is to the owners (Friedman, 1970). Thus, using company profits for other purposes was the same as spending someone else's money for a general social interest. He also believed that calling upon stockholders to require other stockholders to exercise social responsibility reduces returns to the stockholders, raises prices to customers, and lowers wages of some employees (Friedman, 1970).

Another theorist, Wood (1991), explained corporate social performance (CSP) in terms of principles, processes, and outcomes. He also pointed out potential gaps in the rationale of motivation for CSP among stakeholders. Wood suggested there was a need for further research "to determine the extent and nature of value and ideological differences among corporate stakeholders as well as the effects of such differences on stakeholder assessments of CSP" (p. 712). Wood's statement was significant because it pointed to the differences among corporate stakeholders' motivations as well as the effects of such differences on stakeholders' assessments of CSP.

The influence of stakeholders is not limited to corporations. Their influence also extends to nongovernmental organizations (NGOs) as evidenced by Shepers (2008), who examined NGOs and the differentiation between northern and southern NGOs. Although NGOs link together through an extensive network,

> The Northern NGOs (NNGOs) are typically associated with wealthier, developed countries whereas southern NGOs (SNGOs) are affiliated with poorer, less developed countries (LDCs). When NNGOs want to change multinational corporations' policies, they have to appeal to donors, consumers, and investors. If

the stakeholders' concerns differ from LDCs, it may be detrimental to SNGOs

and local constituents. As a result, conflicts that arise within the NGO network

have the potential to negatively influence the CSR programs of an MNC if they

are conducted in less developed countries. (Shepers, 2008, pp. 286-292)

Shepers' research findings were relevant because MNCs have been encouraged to partner

with reputable NGOs to increase the credibility and effectiveness of their CSR programs.

In some cases, CSR and stakeholder demands require MNCs to be responsive and

accountable to both global and local issues (Husted & Allen, 2006).

Corporate social responsibility programs involve internal and external

stakeholders. To work effectively with different cultures, with conflicting value systems,

and with diverse stakeholders requires MNCs to develop complex CSR strategies that are

contingent upon both global and local stakeholders (Davis, 2009; Logdon & Wood,

2005). Working with stakeholders is referred to as stakeholder engagement and is defined

as "a mutual and willing cooperative relationship between an organization and all its

stakeholders to accomplish mutually acceptable outcomes," (ISO, 2006).

In China, businesses are responsible to the central government, which is the major

and top stakeholder of China's CSR pyramid (CCI, 2009). MNCs encounter different

cultural dimensions that influence relationships and interactions in China (Hofstede &

Hofstede, 2005). The Chinese central government and its relationship with local

businesses and employees are based upon different dimensions of national culture than

those of Western countries. Most notably, Confucian culture forms the basis of Chinese

business (Zhu & Yao, 2008).

Dimensions of National Cultures

Some theorists believed there will be global governance while others believe governance will be pluralistic. By comparing and contrasting the theories of Fitzgerald, Hofstede and Hofstede, and Lewis, insight was gained about cultural diversity, values, and programming. Differences were also examined between individualist and collectivist cultures and how cultural differences can influence individual, social, political and business relationships (Hofstede & Hofstede, 2005).

Globalization presents significant challenges for economic, political, and social spheres worldwide (Hofstede & Hofstede, 2005. p. 366). Despite the advances in technology, transportation, and world trade, cultural divides still exist and may grow wider (Hofstede & Hofstede, 2005). As minority groups become more empowered by the forces of globalization, their quest for equal rights and recognition will increase. Moreover, the dynamic migration of people across borders will change social economies, norms, and ultimately transform democratic governance (p. 366).

Hofstede and Hofstede (2005) argued that cultural diversity between countries will remain and diversity within countries will increase (p. 364). Globalization will require corporate leaders with the basic skills to survive in a multicultural world. Successful 21st century managers will be those who are culturally sensitive and who understand that normative Western guidelines do not apply to all people (Lewis, 1999). Public and nonprofit organizations that span across national borders depend on intercultural communication and cooperation (p. 354).

Managers must first understand their own cultural values and then the cultural values of others with whom they must cooperate (Hofstede & Hofstede, 2005, p. 367). Bird and Velasquez (2006) also contended that corporations need to be responsive to cultural differences, to historical contingencies, and to respect moral standards. Thereto, Arena (2004) argued that priorities have to be established based upon the needs of the target group. To accomplish that, Arena believed that corporations need to collaborate with grassroots organizations and NGOs.

Similar to Bandura (1986), Hofstede and Hofstede (2005) contended that culture is learned and not innate. They also argued that culture derives from an individual's social environment rather than their genes. Thus, they defined culture as the collective programming of the mind that distinguishes the members of one group or category of people from others (p. 4). According to Hofstede and Hofstede, cultural differences manifest themselves in different ways. To support their theory, they identified four terms that encompassed their main concepts; values, rituals, heroes, and symbols (Hofstede & Hofstede, 2005). They also asserted that practices overlay the four concepts and are the visible part of cultures (p. 12). Even though cultural programming differs from one group or category of people to another, Hofstede and Hofstede contended that the most significant difference between nations is their values, including those related to power and inequality, individualism and collectivism (p. 364). Lewis (1999) posited that culture is formed by values, which are comprised of the principles, standards, or ideas about the importance of certain qualities accepted by a particular group (p. 453).

Hofstede and Hofstede (2005) found that the majority of people in the world live in collectivist cultures wherein the interest of the group is more important than the interest of the individual (p. 74).On the other hand, a minority of people in the world live in individualist cultures who value the interest of the individual over the interest of the group (p. 75). Hofstede and Hofstede classified China as a collectivist culture and the United States as an individualist culture. In other words, from the perspective of Hofstede and Hofstede's study, China and the United States are cultural opposites.

China is different from the United States as examined in the following discussion. China is the oldest empire in existence with a history that dates back 5,000 years. The culture that is distinctly Chinese is associated with a universal ethical principle that is historically referred to as *li* (Fitzgerald, 1999, p. 73). The concept applies to standards of customary behavior throughout the Chinese world and distinguishes its culture from all others. China has over 52 ethnic minority groups with a wide array of local customs and languages that serve primarily to distinguish place rather than culture (p. 71). However, differences in local customs and languages separating China's people are bridged by the ethical principle, *li* (p. 73).

Collectivism is strong in China and is enhanced by Confucianism, which underpins the values, beliefs, practices, and daily lives of Chinese people (Fitzgerald, 1999; Zhu & Yao, 2008). Fitzgerald (1999) further asserted that the stability of China's society is based upon Confucianism's five unequal relationships, *wu lun*, which are basic to ethical behavior. Those relationships are; ruler and subject, father and son, older and younger brother, husband and wife, senior and junior friend. The five unequal

relationships directly influence personal, business, governmental, and political

interactions (Fitzgerald, 1999). If the unequal relationships are not honored, the results

are said to be disorder, crime, and lack of social responsibility (Lewis, 1999, p. 382).

In addition to the five unequal relationships, Chinese people belong to and have

obligations to four basic groups; the work unit, family, school, and community.

Individuals see themselves as part of a collective "us" (Hofstede & Hofstede, 2005, p.

86). Hence, maintaining harmony in one's social environment extends beyond the family

to other spheres, including business. An example is *Guanxi* that links family and business

spheres. Guanxi pertains to personal relationships of mutual dependence and gift giving.

The personal networks are essential and long-term oriented (p. 221).

Two additional concepts associated with collectivist families are shame and face

(Hofstede & Hofstede, 2005, p. 89). Collectivist cultures are shame cultures and are

social by nature (p. 89). Therefore, a group member who has a sense of collective

obligation feels ashamed if he or she infringes upon societal rules and others know about

it. The concept of face deals with the proper or improper relationship that an individual

has with his or her environment. Losing face occurs when an individual or those closely

related to him or her fail to meet expected social requirements. In contrast, the Chinese

refer to giving someone face through honor and prestige (p. 90). In addition to unequal

relationships, four basic groups, shame, face, and Guanxi, there are other factors that

influence Chinese practices, which are based upon Taoism, Buddhism, ancestor worship,

Feng Shui, herbal medicine, acupuncture, and the Chinese belief in animal years. As this

brief discussion shows, the world's oldest empire, China, has a culture that is complex and unique.

Western and Chinese ideas about rights cannot be disconnected from the divergence between mainstream Chinese and Western ways of viewing the ultimate nature of individuals, the state, and the relationships between them. Even though China appears to be changing rapidly, practices are only the visible part of cultures. As Hofstede and Hofstede (2005) discovered, cultural change is slow at the core and the basic values of a society are stable and basic values primarily affect gender, national, and even regional layers of culture (p. 18).

By comparing and contrasting the theories of Fitzgerald, Hofstede and Hofstede, and Lewis, it is apparent that cultural diversity between countries will remain and diversity within countries will increase (Hofstede & Hofstede, 2005). For those reasons, 21st century leaders and organizations need the skills and knowledge to survive, to be responsive, and to be effective in a global multicultural world and in a multiethnic environment. Moreover, they must understand that a normative Western model does not fit all situations. Corporations and organizations that span across national borders must therefore rely upon intercultural communication and cooperation (Lewis, 1999).

Organizational Culture and Cultural Dimensions

Vittell (2003) found that Hofstedes's cultural dimensions have been used in many cross-cultural studies to predict ethical behavior in businesses. He further determined that high power distance, high uncertainty avoidance, and high Confucian dynamism were positively associated with the perceived importance of ethics and social responsibility.

Confucian dynamism is oriented toward the future and is unique to East Asian countries, including China and Taiwan (Kim & Kim, 2009). In contrast, McSweeney (2002) criticized Hofstedes's data and contended that it could not represent national cultural values. Another researcher, Williamson (2002), countered with the argument that organizational values combined with country values can reflect national culture.

Yet another researcher Tian (nd) took a different approach to examine organizational culture and cultural dimensions, which provided some insight about organizational communication and power distance. Tian examined 100 Chinese and U.S. corporate websites from the perspective of power distance, which is one of the cultural dimensions in Hofstede and Hofstede's (2005) study. The quantitative content analysis revealed that corporate web sites for Chinese companies scored significantly higher on power distance than the web sites for American companies, which aligned with Hofstedes's classification of China as a high power distance and U.S. as a low power distance nation. Tian concluded that the results of this study suggest that power distance is a factor that influences organizational communication, whether Internet based or through traditional methods.

CSR, Organizational Culture, and Cultural Dimensions

Husted and Allen (2006) conducted a research study in Mexico to examine organizational strategy as it related to the strategic importance of local CSR issues of multinational enterprises (MNEs). To that end, they chose to distinguish three types of basic multinational firms and the importance of CSR issues within their respective missions. Using a five point Likert scale in their survey, they included questions about

the importance of economy of scale, global and domestic competition, and responsiveness to national and global issues (Husted & Allen, 2006). The survey instrument was reviewed by 10 academics and business people. Thereafter, a pilot survey was conducted. A total of 463 surveys were sent out and 111 responses were received. They classified the firms into four, nonhierarchical clusters based upon on their responses to the questions. Their research findings showed that CSR conformed to the MNEs organizational strategy for product market activities (p. 846). Nevertheless, as the demand grows for corporations to be more involved in the local community building projects, and the linkage between CSR and strategic management is clearer, firms will examine global, and local CSR issues independently of product market pressures and respond to those CSR issues according to country governments, and local market structure (Husted & Allen, 2006, p. 848).

Kim & Kim (2009) examined Korean public relations practitioners' cultural dimensions and perceptions of social traditionalism and CSR. The methodology they used was purposive sampling. A survey questionnaire was distributed and collected by the research workers. The survey instrument was self-administered and contained 28 cultural dimension items, 10 social traditionalism items, and 14 items to measure CSR and socio-demographic items. The scales for measuring certain cultural dimensions and Confucian dynamism were adopted from a similar research study conducted by Vittell et al. (2003). As part of that study, they developed power distance scales based on Hofstedes's (2005) and Gordon's (1976) greater conformity scale. The results showed that Korean public relations practitioners have positive perceptions of CSR. Moreover,

the findings showed Hofstedes'scultural values were significantly related to public

relations practitioners' perceptions of CSR in Korea. However, individualism and power

distance partly showed a negative relationship with CSR. A strong correlation was shown

between power distance and a one way model, which is one way communication from

sender to receiver (Vasquez & Taylor in Kim & Kim, 2009).

CSR Development in China

Researchers have different views about the origin of CSR in China. While some

think that CSR began in 1949 with the formation of the *dan wei* (ChinaCSR.com editors,

2009), others think that it began with the opening up of China in the 1970s. In 2004,

MNCs contributed a lot to China's economic development; 28% industrial output and

19% of tax revenue. Furthermore, MNCs produced 57% of all exports from China in that

year (Park & Vanhonacker, 2007). However, as China's wealth increased and they

entered the World Trade Organization in 2001, the appeal of MNCs lessened with the

Chinese government and consumers. Expectations of MNCs were qualitative and

behavioral. Multinational corporations are closely examined for their fit with national

interests. They are expected to comply with local standards, and are monitored closely

(Park & Vanohonacker, 2007). As a result, MNCs have had major challenges trying to

adapt Western style CSR programs in China because of the differences in cultural

dimensions and stakeholders to whom they are accountable. Unlike European and

American stakeholders, in China the government sits at the top of the CSR pyramid as the

important stakeholder in a business. The relationship between the Chinese Central

Government, corporations, and local employees reflects the cultural dimensions of China

(Hofstede & Hofstede, 2005)

Levine (2008) examined China's changing perspective on business and corporate

social responsibility. The negative events in China's dairy industry significantly damaged

the industry's reputation and consumer trust. Those events, coupled with increasing

worldwide pressure to do something about their environment, health, safety, and human

rights problems, prompted Chinese government officials to take action. In November

2007, the People's Republic of China (PRC) President Hu Jintao strongly urged China's

leaders to "uphold a scientific outlook on social development*"* (Levine, 2008, p. 50). In

addition, the National People's Congress Standing Committee Vice Chairman Cheng

proclaimed that "to "uphold a scientific outlook on social development*"* (Levine, 2008,

p. 50). Also, the National People's Congress Standing Committee Vice Chairman Cheng

proclaimed that "companies must not pursue profits at the expense of social

responsibilities" (p. 51). He added that "irresponsible corporate practices were preventing

overseas expansion and PRCs economic growth."

Levine (2008) posited that China's CSR efforts may be seen as an effort to protect

its brands and to compete in the world market. Whatever the case may be, China's stock

exchanges, government, and nongovernmental organizations were all urging businesses

to develop CSR programs and to develop guidelines to provide incentives. Any

corporation that fails to abide by CSR standards will be fined or punished. So, it is no

longer an issue of whether to address CSR but instead, how to address it. CSR is a new

concept in China but strengthening business, borders, and national pride are not. The

proclamations made by President Hu Jintao and Vice Chair Cheng have hastened the development of CSR programs, which will help companies protect their brand, compete in the world market, and address the concerns of stakeholders (Levine, 2008).

Levine referred to the State Assets Supervision and Administration Commission and State Owned Enterprises (SOE) and the fact that CSR is the mission of SOE as well as a public expectation. Consequently, CSR activities and updates must be reported. The China Banking Regulatory Commission plays a role in sharing financial knowledge, helping to encourage donations to poor areas, and developing CSR standards. China will also develop guidelines on energy and emissions reduction, energy conservation and environmental protection, and standards for social compliance. Levine's article revealed China's top government official's changing perspective about CSR and the need to develop environmental and social standards (Levine, 2008).

Li and Zhang (2010) conducted the first study to examine the relationship between the dispersion of corporate ownership and CSR in emerging markets. Prior studies by Graves and Waddock (1994) and Johnson and Greening (1999) documented a relationship between firm ownership structure and CSR. Li and Zhang also reported that other studies by Keim (1978), Ullman (1985), and Roberts (1992) documented a positive relationship between dispersed corporate ownership and CSR disclosure in the context of developed countries. The question remained, however, whether ownership structure also affected CSR in emerging markets such as China and whether factors that drove CSR in Western countries also pertained to CSR in emerging markets (Li and Zhang, 2010, p. 631). Through their research, they determined that corporate ownership dispersion was

positively associated with CSR. In contrast, they found that for SOEs the relationship was reversed. The results also showed that the firm's size, profitability, employee power, leverage, and growth opportunity also affect CSR in China (p. 632).

CSR Best Practices

Since the United States-China Business Council (USBC) published its first report in 2006 on CSR in China, views about CSR programs have changed significantly. Historically, MNCs have been held to higher standards than their domestic counterparts in product and service (USBC, 2006).

The view that MNCs has responsibilities to the local community has grown stronger among the public, government, and business community. Thus, MNCs are continually looking for new ways to deliver tangible results to their markets and communities. Rising expectations have driven CSR programs beyond initiatives aimed at philanthropy and media exposure. Now, leading companies are expending more efforts to; (a) define CSR goals clearly and determine how success will be measured, (b) weave CSR into the corporate structure, (c) select partners carefully, (d) consider partnering with educational institutions and professors, (e) select projects carefully, (f) get employees involved, (g) relate CSR efforts to government development goals, and (h) craft media plans carefully (USBC, 2006).

More best practices were published by the USBC in 2008, which included the following; (a) structuring CSR responsibility, (b) maximizing CSR from the ground up, (c) interacting with government, and (d) promoting sustainability. In addition, the USBC

(2008) recommended having transparency in partnerships, improving supplier audit systems, and honoring Chinese consumer rights.

Domestic CSR

In December 2009, the editorial department of Top Executive Information, a business branch of the Xinhua News Agency, published a report called China Corporate Social Responsibility 60 Years. To publish the report, the editorial department of Top Executive Information conducted CSR status and problem reviews beginning in May 2009. The report analyzed the history of CSR in China in the context of the 60th anniversary of the founding of the People's Republic of China. The report also analyzed the status and problems of China's CSR under the global financial crisis. Finally, the report offered the prospects of the in depth development of China CSR in the post-crisis era with the four key phrases of responsible investment; Chinese standards, low carbon standards, and private enterprise. The report stated though enterprises are the main initiator of CSR, it is far from enough to rely on enterprises to carry out CSR on their own. It further stated that government, business, media, and research institutions are all important driving forces for CSR development (Top Executive Information, 2009).

In 2009, China CSR reported that China is becoming more compliant with accepted practices of CSR throughout the world through the development of the China Social Compliance (CSC9000T) standard for the textile industry, a push to get companies in China to comply with the international SA8000 standard, and a massive initiative to provide more transparency in the operations of Chinese pharmaceutical companies (China CSR, 2009).

One of the main reasons for the Chinese push to have CSR become more ingrained in business operations is because of the importance of maintaining a good reputation in the global economic environment. Chinese businesses want to increase their market share and therefore to mitigate the risks of operation in a global economy (CCI, 2009). Consequently, they are compelled to assess and to implement proactively CSR programs. As a result, the United Nations Global Compact and the Global Reporting Initiative have taken hold in China in recent years. China is now entering a phase in which they face the same CSR challenges as their Western counterparts with regard to (a) managing supply chain, (b) making CSR a genuine initiative and not simply "green washing", and (c) maintaining a full, long-term commitment to corporate social responsibility (China CSR, 2009).

Ng, Norwak, and Whiteley (2008) conducted a case study to understand how cooperative teamwork among Chinese employees impacts customer's perception of service in the Hong Kong ship industry (p. 513). The research model was based on a Western based Theory of Cooperation and Competition (Deutsch, in Ng et al., 2008). Also, included in the research model were core Chinese cultural dimensions of power distance, collectivism, and conformity (p. 514). In addition to testing the application of the Western based theory in a Hong Kong setting, the research also tested the extent to which power distance, collectivism, and conformity contributed to cooperative goals and constructive controversy (p. 514). Collectivism and cooperative goals contributed to constructive controversy whereas power distance had no explanatory power at the team level and was negatively related to constructive controversy at the individual level (p.

525). Therefore, the results of this quantitative study could not be held in full support of the "Theory of Cooperation and Competition" in this Hong Kong workplace setting. The results suggested the need to explore an alternative process for Chinese to engage in and to manage conflicts. Finally, the researchers cautioned the direct application of Western theories but encouraged the development of a cross cultural model that has values and practices acceptable to the different cultural groups involved (p. 531).

Summary

The review of literature in this chapter provided evidence that there are linkages between CSR, organizational culture, multiple stakeholders, and dimensions of national cultures. The main concepts identified were the need for;

1. Strong, ethical leadership with a commitment to do the right thing,

2. Business redesign,

3. Business strategy alignment with social responsibility,

4. Awareness of cultural, historical, and moral obligations,

5. Flexibility and avoidance of predetermined solutions,

6. The relationship of stakeholders and contexts to CSR, and

7. NGO and business partnerships.

For purposes of this study, a review of available literature was also conducted about CSR development in China, best practices, and domestic CSR. Important to note are findings that;

1. MNCs have contributed to China's economic development, tax revenue, and export industry,

2. The appeal of MNCs to Chinese consumers and the Chinese government had declined since 2001 when China entered the WTO,

3. MNCs are examined for their fit with national priorities, expected to comply with local standards, and monitored closely,

4. MNCs have experienced significant challenges adapting Western based CSR programs in China,

5. CSR is a high priority and is rapidly developing in China, and

6. Chinese cultural dimensions influence organizations and individuals.

In view of the needs and findings from the literature review, there is a foundation for this research study to determine whether and how power distance influences CSR programs in Hainan, China.

Chapter 3: Research Method

Introduction

In this chapter, I explain the research design and methodology that was used in this research study. I also include the setting and sample, data collection and analysis, instrumentation and materials, protection of human participants, dissemination of materials, and summary of an exploratory multicase case study.

A review of research methods was conducted to help inform the research design and methodology of this study. A brief summary of those studies and methods is included in this segment. Corporate social responsibility in the multinational enterprise and strategic and institutional approaches by Husted and Allen (2006), Kim and Kim (2000), Sakai (2010), and Tian (nd) were analyzed for the methods review. Quantitative studies were conducted by Husted and Allen and Kim and Kim using purposive sampling. Tian conducted a quantitative study using content analysis. A mixed methods study was conducted by Sakai. Though none of the studies were qualitative exploratory multicase case studies, elements from each study helped inform the decision to use and to develop the qualitative research method for this study.

In addition to those studies, qualitative research methods by Babbie (2010), Creswell (2002), Stake (2005), Trochim and Donnelly (2007), and Yin (1994) were reviewed. According to Yin, the case study method is appropriate to use (a) to answer the questions how or why, (b) when the investigator has no possible control over events, and (c) when the study will occur in a real life setting. This research study met these criteria.

The research design of this study was built upon a combination of CSR, organizational cultures, and cultural dimensions theories that were examined in the literature review. The central research question was whether and how power distance influences CSR programs. As past and current studies show, CSR is dynamic and complex. That being said, I had no control over CSR programs or MNCs. Finally, the study was conducted in Honolulu, Hawaii and Hainan, China. Considering the research findings of Bird and Velasquez (2006), Shaw (2009), and van Marriwijk and Were (2003), a cross-case analysis was an appropriate method for this study to gain an in depth understanding of the influence of power distance on CSR in Hainan, China.

Methodology

The objective of this research study was to determine whether and how power distance influences the efficacy of CSR programs in Hainan, China. To that end, this study built on concepts integrated from CSR, organizational cultures, and cultural dimensions theories. This qualitative exploratory case study involved multiple cases to conduct a cross-case analysis through which their similarities and differences were identified. Examining multiple cases enhanced the validity and reliability of the study (Yin, 2005). There are six sources of evidence for qualitative studies (Yin, 2005); this study included four sources of information collected through semistructured interviews, reviews of corporate and government documents, archival records, and artifacts. Using multiple protocols to ensure accuracy and alternative explanations is called triangulation (Stake, 1995).

Setting and Sample

This research study was conducted in two steps. The first step was conducted in Honolulu, Hawaiʻi during the spring of 2011. The second step was conducted in Hainan, China in early summer 2014. To begin the study, a representative sample of known professional contacts in Hawaiʻi were asked to identify two to three MNCs. A broad group of known contacts from different sectors included a professor from the University of Hawaiʻi Center for Chinese Studies, a former Hawaiʻi legislator and Honorary Advisor to Hainan, Director of the Hawaiʻi Department of Business, Economic Development and Tourism, Chinese Chamber of Commerce, two international business executives, two multinational hotel executives, two international Chinese attorneys, one multinational entertainment company executive, two international tourism company directors, two Chinese hospitality consultants, and two architects. Some of these known contacts were asked later to introduce me to the selected information rich case study participants and to request that the case study participants provide me with access to documents and archival records. Drawing from the contacts that were identified through the snowball sampling approach, a MNC list was developed, screened, and confirmed to study in Hainan, China. The target sample size was four for this exploratory case study.

Data Collection and Analysis

This snowball sampling approach was chosen to identify information-rich cases because the sample group was an unidentified population. While it was possible that this sampling approach may have been prone to bias, the study was conducted in a manner to

identify and control potential sources of bias, including researcher expectations, subject behavior, research plan, and procedural biases.

Case study research data were collected through semistructured interviews using audio recordings and field notes. Nvivo 10 qualitative software was used to store, code, and sort data. A master list of all data was maintained as well as a backup copy of all data. Copies of documents such as conference proceedings, articles, agency literature, agendas, minutes, progress reports, and archival records such as mission statements, organizational charts, business plans, and budgets were reviewed and field notes were taken. When permission was granted, documents were collected and stored in locked file cabinets. To accommodate for any language barrier that occurred during the case study process, one individual, who was fluent in Mandarin Chinese, assisted with interpretation and translation. Case information was gathered first and then a cross-cases analysis was conducted to establish themes or patterns, which were interpreted and later presented using prose, tables, and figures. Saturation was determined when themes or patterns were identified and no new information was discovered.

Instrumentation and Materials

Coding for documents, archival records, and artifacts were categorized according to their type and their related research questions. Categories based on research questions were used to analyze transcripts. Open ended coding was used to identify and to categorize themes that emerged from the interviews.

The lead research questions included the following. No modification was required for the questions based upon the expertise of the known contacts and committee recommendations:

1. Does your MNC have a corporate social responsibility program? If so, explain what it is and what the results have been.

2. Does your CSR program align with your mission and business strategy? If so, how do they align?

3. Who are the main drivers of CSR in your organization?

4. How do the main drivers create an organizational culture to support CSR?

5. Who are your major external stakeholders? What influence do they have on your CSR planning, priorities, and programs?

6. Do you think that culture influences CSR programs? If so, how do you think it (culture) influences CSR programs?

7. How important is it to understand and to be involved in the local communities where you operate?

8. If there are any conflicts with local communities, what are they and what are the causes of those conflicts?

In addition, documents and archival records, as noted above, were reviewed and collected. These items are included in the appendix section of the dissertation; however, some documents were confidential and could not be included. To accommodate the type and range of data that were collected, the NVivo 10 software program was used. This software was chosen after evaluating other software designed for qualitative research

studies. NVivo's comprehensive features accommodated the data collected, facilitated coding, and provided information in a format needed for the analysis. The latest NVivo 10 software also features translation to Mandarin.

Protection of Human Participants

Procedures to ensure the protection of human participants adhered to IRB requirements and ethical practices were followed. The IRB number for this study is #11-22-11-0053069. Case study participants received an explanation about the purpose and process for the study. They were informed that they would remain anonymous and they had the option of removing themselves at any time from the study if they elected to do.

Dissemination of Findings

Research findings will be presented at conferences and university and college presentations.

Summary

Chapter 3 contained the methodology, locations, sample, data collection, analysis, instruments, materials, confidentiality, and dissemination of research findings. Chapter 4 covers the results of the research process, case study settings, cases, data collection, analysis, findings, assertions, and generalizations.

Chapter 4: Results

Introduction

The purpose of this exploratory multicase case study was to discover how a cultural dimension, power distance, influences the efficacy of MNCs' CSR programs in Hainan, China. For the study, I used the definition of power distance, which is defined as "the extent to which the less powerful members of institutions (family, society, schools, and community) and organizations (work) within a country expect and accept that power is distributed unequally" (Hofstede & Hofstede, 2005, p. 46). In this study, I assessed CSR programs conducted by MNCs in a large (high) power distance culture, China, and considered the MNCs' interface with local communities. Although CSR activities and related research have increased in recent years, there were no widely accepted research findings that were published to help MNCs improve their CSR programs (Franklin, 2008; Mirvis & Googins, 2006). Some CSR researchers mentioned the need for cultural understanding but had not integrated the influence of cultural dimensions on MNCs, CSR, and local communities. In addition, there was a limited amount of literature available that focused on stakeholders or the interface between MNCs and local communities. On the other hand, an increasing number of local communities have emerged as the main opponents to MNC activities (Calvano, 2008). The growing trend for local communities to contest publicly their opposition to MNC activities has negative consequences on MNCs' finances and images (Calvano, 2008). Nonetheless, MNCs have received increased attention in recent years for their commitment to and for the degree of their CSR programs (Kolk & Lenfant, 2009.)

Main Research Question

The research question for this exploratory multicase case study is as follows: How does power distance influence the efficacy of MNCs' CSR programs in Hainan, China?

Process

I used an exploratory multicase case study method because (a) it answered the research question how or why, (b) there was no control over events, and (c) the study was conducted in real life settings (Yin, 1994). Initial contacts were made in Honolulu, Hawai`i to determine the feasibility of conducting the CSR research study in Hainan, China. Known professional contacts were asked to introduce me to information rich case study participants and to request access to their CSR documents and archival records. Based on the information rich contacts who were identified through the snowball sampling approach, a list of MNCs was developed. The goal was to conduct four cases for this exploratory multicase case study, but it was expanded later to include an additional case study to enhance the validity of the results. During the initial inquiry, known professionals in Honolulu were asked to provide names of and contact information for two or three MNCs. Not all of the known professionals were familiar with the economic development in Hainan, China nor were they able to provide me with viable contacts. Other known professionals were able to provide one or two information-rich contacts. The informed known professionals were asked to introduce me to the information rich contacts. In all but one instance, intermediary contacts became involved and were based in either Beijing or Hong Kong. The intermediary contacts served as liaisons to information-rich contacts in Hainan (see Table 1).To protect the identities of

the case study organizations and the interviewees, a numbering system was used for the

organizations and fictitious names were used for the interviewees.

Table 1

Snowball Sampling

	Professionals	Intermediary	Case contact
Honolulu	5		
Hong Kong		7	
Beijing		3	
Hainan			7

In-Case Data Collection

Because the sample group was an unidentified population, I used a snowball

sampling approach in Phase 1 of the research study to identify the information-rich cases

in Hainan, China. Even though snowball sampling could be biased, the research study

was conducted in a manner to identify and to control potential sources of bias, including

researcher expectations, subject behavior, and research plan or procedural biases.

In Phase 2 of the exploratory multicase case study, research data were collected

through semistructured interviews and documented by taking extensive shorthand notes.

Although my original plan was to audio record the interviews, it was apparent during the

first interview that the interviewee was uncomfortable with audio recording in public

settings. Therefore, each subsequent interview setting was assessed to determine whether

an audio recording could be done without inhibiting the interviewee or whether taking

extensive shorthand notes would be more appropriate for the situation. As it worked out,

all of the interviews were conducted using the latter approach. A master list of all

collected data was maintained as well as a backup copy. Copies of materials, documents, and artifacts were reviewed, and notes were taken. If the interviewee gave me permission to keep copies of some materials or documents, I kept the materials stored and locked in my apartment in Sanya. The qualitative software, QSR NVivo 10, was used later to store, code, sort, classify, analyze, and report data.

To accommodate for any language barrier that may have occurred, an interpreter, who is fluent in Mandarin, was available for interpretation and translation services. For the most part, the interpreter's services were needed for daily interactions and getting to and from required destinations. The information-rich contacts had sufficient English skills to be interviewed with limited or no interpretation required.

Data Analysis

Data analysis was conducted as follows: (a) The materials from an interview with Mr. Sang from the Sanya Tourism Development Commission were analyzed by word frequency and text segments, and then classified, and (b) an in-case analysis was conducted of the five case study interviews and related case materials. For each case, coding was done by assessing word frequency and text segments, then classified, and condensed, and (c) a cross-case analysis was conducted to identify similarities and differences (See Figure 1). The cross-case analysis then provided a basis for the research study assertions and generalizations.

Case

Context   Description   In-case Analysis   Cross-Case Anal.   Generalizations/Assertions

Hotels

1   2   3   4   Assoc/Agency   Similarities   Differences

Hotels

1   2   3   4   Assoc/Agency
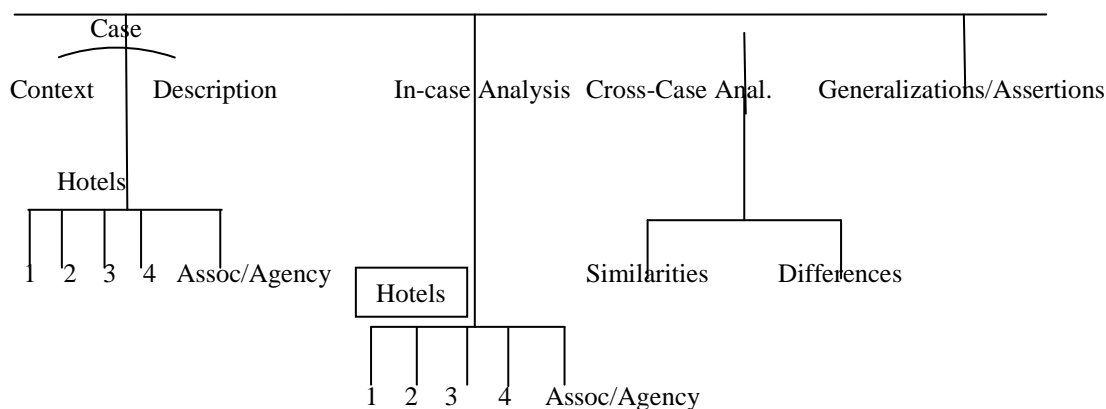
Figure 1. Portrait of cases.

Within-Case Information Analysis

Within-case information was gathered first to identify themes or patterns. As mentioned earlier, more than one case study was examined to enhance the validity and reliability of the study (Yin, 2005). Thereto, additional conversations and research were conducted in an effort to triangulate and to validate the research findings.

Pilot Study

A pilot study is a research project that is conducted on a limited scale that allows researchers to get a clearer idea of what they want to know and how they can best find it out without the expense and effort of a full-fledged study (Crossman, 2014).

Because of financial and other constraints, an official pilot study was not conducted for this exploratory multicase case study. However, I obtained the same results by conducting Phase 1 of this research study. As reported previously, Phase 1 was conducted in Honolulu, Hawai`i. During Phase 1, I talked with professional contacts who

are familiar with Hainan, China and who could provide me with information-rich

contacts. Thus, I was able to obtain the same results from Phase 1 as I would have from a

pilot study (see Figure 2).
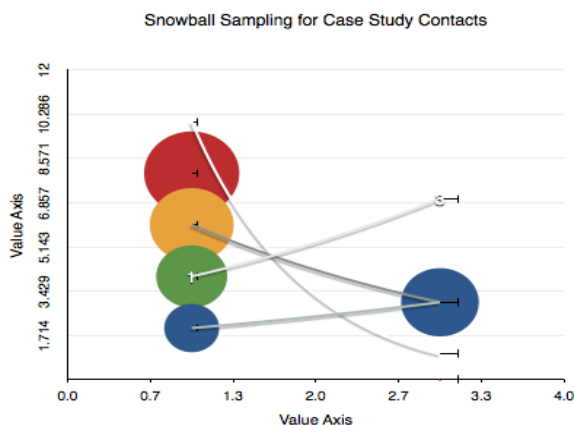
Figure 2. Snowball sampling.

Study Setting

Hainan Island is located off of the southern coast of mainland China. A narrow

body of water named Qiongzhou Strait separates Hainan Island from Guongdong

Province (see Figure 3). For centuries, Hainan was part of Guongdong Province until

1988 when Hainan became a separate province. Before 1990, China's Prime Minister,

Deng Xiao Ping, designated the province as a special economic development zone. By

2009, China named Hainan Province an international tourism destination. China plans to

fully develop Hainan's tourism industry and infrastructure by 2020. Chinese people often

refer to Hainan as the Hawai`i of China because it has a tropical climate much like

Hawai`i's, and it is located at the same latitude as the Hawaiian Islands.

Figure 3. Map of China.

Sanya City, which is located on the southern-most tip of Hainan Island, served as

my home base (see Figure 4). Sanya City's climate remains consistent throughout the

year with the exception of the summer months, when it is a few degrees hotter and more

humid. The local people's practice of setting aside the hours between 12:00p.m. and

3:00p.m. on weekdays to eat lunch and to rest is an adaptation to the hot and humid

climate. Schools and businesses reopen at 3:00p.m. and close at 6:00p.m.

Figure 4. Map of Hainan with Sanya City.

With cultural beliefs and practices that are centuries old, special economic development zones like Hainan become a dynamic study of contradictions between the old and the new in various aspects of local life. In an old district of Sanya City, the streets were narrow, worn, curvy, and barely wide enough to accommodate modern imported cars, small trucks and buses, mopeds, bicycles, rustic tricycle carts, and pedestrians. From early morning to late at night the streets and cobbled sidewalks teemed with activity. The aroma of traditional steamed vegetables, dim sum, and seasoned grilled pork wafted through the air from countless nearby restaurants and street vendors. Whole fried ducks hung from wooden racks for passers-by to purchase. Meanwhile, back hoes stirred up clouds of dust nearby and heavy equipment pulled up dozens of heavy steel beams and dropped them with loud crashes to the pavement.

Just beyond this district, new buildings were under construction with giant cranes, bamboo scaffoldings, and large green nets wrapped around the rising structures. Sounds of heavy metal pounding against concrete and jack hammers drilling through pavement droned on daily amidst the constant conversations of honking automobiles. At times, it was difficult to see the mountains beyond Sanya City because they were obscured by a layer of pollution. When asked about the pollution, some local residents thought that the layer of pollution was construction dust. Others believed it was smog and industrial pollution that blew down from mainland China.

Still yet, Hainan is a priority destination for mainland Chinese tourists because of its scenic beauty, tropical weather, white sand beaches, and air that is considered cleaner than the big cities' in mainland China. Located approximately a 45 minute drive east from Sanya City is Yalong Bay, which is a highly developed resort destination. There are 20 multinational hotels located in Yalong Bay. Beyond Yalong Bay is Haitang Bay, where new development will bring in 40 five star international hotels. Further to the northwest is Clearwater Bay, where more five star resorts are under construction. In fact, Clearwater Bay is the future location for Hawai`i's own brand, the Outrigger Hotels and Resorts. A map of Hainan is included in this study as Figure 4.

The broad range of high end resorts are primarily winter vacation destinations for affluent and powerful mainland Chinese visitors as well as Russian tourists. The new concept of disposable incomes and family vacations are a sharp contrast to the stress and pressure of earning a daily living and surviving. China's nouveau riche and the high end

resorts are significantly different from the older Sanya City neighborhood and its poor local residents.

Hainan's development is on a fast track to meet the Chinese government's 2020 goal of making Hainan an international tourist destination. At the same time, however, the rapid development has placed heavy demands on Hainan's infrastructure, and there is more work to be done. To achieve what must be done in the next six years will require collaboration between government, multinational corporations, local communities, and nongovernmental organizations (NGOs).

Rapid development will impact local communities, but it is not clear how it will affect them. The local residents with whom I spoke about the rapid development reacted in a matter-of-fact manner, stating that the government controls everything, and they had little control over what will happen. This belief or moral discipline is characteristic of ordinary people in unequal societies. Furthermore, the local residents seemed to feel that they should not have aspirations beyond their rank in society (Hofstede & Hofstede, 2005, Lewis, 1999)

Demographics

In 2012, the total population of Hainan was close to 8.9 million. The ethnic groups of Hainan include the Han Chinese, known as the Hainanese, who are the majority, the Li (Hlai);), the Miao, the Utsuls, and the Hui peoples. The Li people are the earliest settlers of Hainan and are believed to be from the Yue tribes of Thai. The Li, Miao, and Hui peoples live in the central and southern parts of the island. The Utsuls live near Sanya City whereas the Han people are mainly concentrated in northeastern,

northern, and the coastal parts of the island. The Han people account for over 70 % of the

total population and people of other nationalities account for 17% (Sunny Sanya,, 2014).

Hainan Province has an area of 33,920 square kilometers (13,100 sq. mi).

Although Hainan Province comprises nearly 200 islands scattered among three

archipelagos off the southern coast of Hainan, 32,900 square kilometers or (12,700 sq.

mi), 97% of its land mass is Hainan Island. Hainan Province is the largest Special

Economic Zone laid out by Deng Xiao Ping and has a total of eight major cities and 10

counties. The capital, Haikou, is located on the northern coast of Hainan Island. Sanya

City is located on the southern coast. Other major cities include Wenchang, Qionghai,

Wanning, Wuzhishan, Dongfang, and Danzhou (Sanya Tourism Development

Commission, 2011).

Of the total population, 90,000 are Buddhist Hainanese, and over 3,000 Muslim

Utsuls. There are some Christians because Hainan was a travel point in the past for

missionaries. The center of Buddhism is in Nanshan Park on Hainan Island. The Park

encompasses more than 50 km^{2}or (19 sq. mi) of rainforest. The site includes temples,

statues and spiritual gardens. Within the Nanshan Buddhist Cultural Zone is a stone

rendering of the bodhisattva Guan Ying, which emerges far above the South China Sea at

108 meters or (354.33 feet) tall (Sanya Tourism Development Commission, 2011).

Languages

The Han Chinese of Hainan speak a variant of the Min Nan Chinese language,

known as Hainanese. In addition, the national standard Putonghua is understood and

spoken by most people and Cantonese is understood by some local Hainanese. The Li,

the Zhuang, and the indigenous Limgao (Ong-Be) speak Tai–Kadai languages. The Miao speak Hmong–Mien languages. These groups usually speak Putonghua as a second language. In the villages of Yanglan and Huixin, located on the outskirts of Sanya, 4,500 people speak the Tsat language, which is a member of the Chamic languages (www.sunnysanya.com, 2014).

In Sanya City, there are speakers of Mandarin Chinese and Cantonese. The general public can also use Standard Chinese to communicate with mainlanders. When Chams interact with the Hainanese dialect speakers from within Hainan Province, they use the Hainanese dialect although young people generally use Mandarin. Not many communicate in Li when interacting with the Li, so the Hainanese dialect or Mandarin is often used. In the market place and within the Sanya Municipality, the Cham speakers use Cham among themselves, and when they interact with speakers of other languages, they primarily use the Hainanese dialect (Sanya Tourism Development Commission, 2011).

Industry Overview Interview

The purpose of interviewing Mr. Sang of the Sanya Tourism Development Commission was to get an overview of the Hainan tourism industry. Although the interview was not a case study, it provided a context and description for the case studies. I contacted Mr. Sang first by telephone and asked him a few questions. After I confirmed that he was knowledgeable about Sanya's tourism industry and was willing to meet with me, an appointment was arranged. I went to the Sanya government office building and met with Mr. Sang in the Sanya Tourism Development Commission Office.

The office building was a secure government building, but the guard had been told to expect me. Mr. Sang's office was medium sized, had a wooden desk, bookcases, a couch, table, and chairs for visitors. The interview took one hour to conduct. Mr. Sang gave me materials about Sanya City, a video, maps highlighting the surrounding bays, names of hotels with CSR programs, the location of Case Study 5 travel association and agency, and literature about Sanya City.

Case Study Profiles

There were five case studies with CSR programs that were conducted (see Table 2).

Table 2

Case Studies and Locations

Subhead	Case	Location	CSR
	1	Haitang and Clear Water Bays	Yes
	2	Yalong Bay	Yes
	3	Yalong Bay	Yes
	4	Yalong Bay	Yes
	5	Sanya City	Yes

Case Study 1

Case Study 1 was an American multinational hotel and resort corporation. I was able to conduct interviews with two preopening general managers (GMs). One GM was preparing to open a hotel and resort in Haitang Bay and the other GM was going to open the same brand hotel and resort in a private location named Sunny Bay. The two interviewees had extensive experience opening and managing five star hotels and resorts in several other foreign countries. Both of the GMs were from Australia. They had experience assessing and integrating into local communities where the new properties were built. They implemented CSR programs to meet local needs and to support their multinational corporation's CSR goals.

Case Study 2

Case Study 2 was an American multinational hotel and resort corporation that originated on North America's east coast. Customer service has been ingrained into the corporate culture since the corporation's first hotel opened for business over 80 years ago. For the Yalong Bay Hotel, the manager was Chinese. He explained that he has worked in the Sanya area for several years and that the culture in Hainan is different than other Chinese provinces because of its agrarian society. He advocated strongly for the local farmers by encouraging others to use locally grown products, to perpetuate the Hainanese language, to help educate the Li people, and to train local community members.

Case Study 3

Case Study 3 was a European multinational hotel and resort. I interviewed the resident manager, who was Chinese. He reported that there were a number of young

people employed at the hotel who felt strongly about providing CSR programs to benefit local community members and wanting to continue doing so on a regular basis. Although they wanted to do more, the government did not always approve of their program ideas. As Park and Vanohonacker (2007) found in their research, MNCs are examined for their "fit" with national interests and monitored for compliance with local standards.

Case Study 4

Case Study 4 was a Japanese multinational hotel and resort corporation. The general manager (GM), who was from Europe, was also the regional manager. Although he was out of town, he instructed the hotel manager to meet with me. The hotel manager reported that he had worked in Hainan for several years. He was a Chinese national. He added that all of the Case Study 4 properties offered CSR programs that focused primarily on energy conservation, environmental sustainability, and aid to disadvantaged families. He advocated for using local products and hiring employees from Hainan.

Case Study 5

Case Study 5 included a travel agency association and a Chinese multinational travel agency. The interviewee was the president of the association and GM of the Chinese multinational travel agency. The interviewee was a Chinese national. He was knowledgeable about the tourism industry, Hainan's future development, visitor demographics, CSR programs, local communities, and businesses. He also stressed the need for controlled and planned development.

Data Collection

All but one case study interviewee wanted to meet in an open, public location.

Therefore, local circumstances and the interviewees' comfort levels were not conducive

to setting up a microphone and to audio taping the interviews. Consequently, I used

extensive shorthand notes to record the content of the interviews. When possible, I

returned to my Sanya apartment and to type a draft transcription of the interview. The

interviews were stored in my laptop and the raw data were kept in storage in my locked

apartment. Materials that were provided were reviewed and stored. An excel spread sheet

was created to keep a record of professional contacts, intermediaries, and information-

rich contacts. When NVivo 10 was purchased later, the interviews and materials were

entered, coded, and classified (see Table 3).

Table 3

Case Study Information Sources

Information source	Interviews	Observations	Documents	AV material
General manager	X		X	
Director	X		X	
Staff			X	X
Physical		X		
Community members	X	X		
Corporate board			X	

The Case Study 1 interview was conducted in a Sanya City hotel restaurant. The interviewees, interpreter, and I met once in person for a total of 1hr 30 min.. Prior to the interview, the interviewees sent me some corporate and CSR URLs. The two interviewees referred to the URL sites as they explained their corporate guidelines, CSR programs, and preopening plans for their two new facilities in Haitang Bay and Sunny Bay. In addition to the interview, I spent hours conducting research. I have maintained contact with both interviewees.

The Case Study 2 interview was conducted in the hotel's main lounge that overlooked a large tropical garden and the ocean beyond. The interview took 1 hr.. The interviewee shared information about corporate guidelines, priorities, and CSR program

goals. The interviewee also shared information about UNICEF and the hotel's donations to that organization. In addition to the interview, I spent 3 hours researching additional information. I have not returned to meet personally with the interviewee but I have maintained communication by email.

The Case Study 3 interview was conducted in the hotel's lounge that overlooks a pool in the back of the property. The duration of the interview was 1 hr.and 10 min. The interview was going to be recorded but there was an equipment malfunction. I noticed, however, that the interviewee was not comfortable with the recorder so I abandoned that plan anyway and the interview was documented with shorthand notes instead. Approximately one week later, I returned to the hotel for a second visit and talked briefly with the Human Resource Director who had compiled and provided me with copies of slides that were taken at a variety of their hotel's CSR program activities. In addition to the interview, I spent three 3 hours researching additional information.

The Case Study 4 interview was conducted in the hotel's lounge that overlooks a decorative pool and waterfall. The duration of the interview was 1hr and a half hours. I visited this property twice; once to schedule the interview and secondly to conduct the interview. Traveling from Sanya City to Yalong Bay took about 45 minutes one way. Fortunately, ground transportation was arranged by a local acquaintance and small business owner. In addition to the interview, I was directed to the corporate and CSR program sites. Three hours were spent researching additional information that was recommended by the interviewee.

The Case Study 5 interview was conducted at the travel agency facility near the Jing Ji Ling district in Sanya City. The duration of this interview was 1 hr and 30 min. During that period, the interviewee shared information about the Travel aagency aassociation and the travel agency where he is the general manager.

The general manager asked one of his staff members to prepare a packet of information and to express mail it to my home in Honolulu. In addition to reviewing that information, I visited the travel agency site to gather more information. This additional research and reading took 3 hours.

Industry Overview Interview (2)

The industry overview interview took place with Mr. Sang, who works at the Sanya Tourism Development Commission. The interview was important for the study because Mr. Sang and the Commission deal extensively with tourists, hotels, and agencies involved in the tourism industry. Mr. Sang confirmed that there are successful CSR programs being conducted in Hainan, China. He talked about a hotel that conducts a turtle care program and provides support for disabled children. I verified this information by reading literature about the sea turtle program and verifying the names of MNCs that support a specific orphanage for disabled children in Sanya City. Mr. Sang talked about another property that is one of the case studies. He mentioned that it provides relief and environmental programs. This information was supported by evidence gathered during the interview with one of the case study properties. He added that the Travel agency association and other companies also provide CSR programs. He recommended that I get more details from the specific hotels and agencies. Mr. Sang wanted me to meet with two

government agencies, the Ministry of Civil Affairs Office and the Disabled Federation.

However, I did not have enough time to do so. I was informed that those offices deal with

individual families to provide urgent assistance.

Mr. Sang offered to introduce me to the president of the Sanya Travel agency

association. Mr. Sang scheduled an appointment with the head of the aassociation. He is

also the general manager of a major Chinese travel agency. Mr. Sang said, "Both the

travel agency association and the travel agency conduct CSR programs." I met with the

interviewee for Case Study 5 the following day. Based upon the interview, website

information, and other materials provided, I confirmed that CSR programs were

conducted by the travel agency association and the Chinese travel agency.

I also asked Mr. Sang where the grass huts were located that I heard were similar

to those in Maui, Hawai`i. Mr. Sang referred to a map of the Nanshan Tourism Zone that

displayed the location of the grass huts and a 108M tall statue of Buddha in the bay. I

remembered that I had been to the Nanshan Tourism Zone during a previous visit to

Hainan. At that time, I learned about the plan to place the Buddha in the bay.

When I asked Mr. Sang if I should meet with any other organizations about

corporate social responsibility, he mentioned a specific hotel and general manager that he

hoped I could interview. That individual was also the chairman of the Sanya Tourism

Board. Mr. Sang felt it would be beneficial for him to give me a comprehensive

explanation about tourism development in Hainan. However, when Mr. Sang called, he

was informed that the chairman and general manager had just returned from a trip and

may not be available to meet with me. I tried to schedule an interview when I visited

Yalong Bay for the second time. Because it was the general manager's first day back at work, he was not available for an interview.

Instead of giving me more referrals, Mr. Sang shared a story about Sanya's name, about its three branches; the peninsula, the land branches to the left and to the right, which formed the shape of a tree. On the map, he pointed out Sanya Bay, Dadonghai Bay, and Yalong Bay. He added that Haitang and Clearwater Bays are under development.

I asked Mr. Sang if he felt that the MNCs were giving back to the community. He said, "If people are displaced, housing is provided and training is conducted for jobs at the respective hotels." He added that each bay has a management committee to maintain balance between hotels, developers, and the community. The hotels have ongoing CSR programs; they don't do programs just one time. There are also four rain forest national parks. Two of those parks have places to stay and reportedly have a lot of wildlife.

I asked Mr. Sang if he would comment about tourism in Sanya and what the strategic goals are for the Sanya Tourism Development Commission. He responded that Sanya has sunshine 300 days out of the year and attracts 12 million visitors annually. The main visitors are from mainland China and 200,000 from Russia. The long term strategic goals for tourism are to become an international tourism destination, to develop the tourism industry, and to be a tropical paradise. The multinational hotels employ 60%-to-70% local workers with 30% to 40% from mainland China. The general manager and directors are hired from outside of China.

In-Case Findings

Case Study 1

Case Study 1 is a global hospitality company that is recognized for its industry-leading brands and a tradition of innovation developed over a period of more than 50 years. Case Study 1 was focused on its mission in pursuit of its goal of becoming the most preferred brand in each segment that it serves for associates, guests, and owners. It supports the mission and goal by adhering to a set of core values that characterize its organizational culture. Its core values also include its commitment to CSR through the Case Study 1 programs. Case Study 1 managers manage, franchise, own, and develop Case Study 1 branded hotels, resorts, residential, and vacation ownership properties around the world. As of December 31, 2013, the company's world-wide portfolio consisted of 549 properties.

I asked Mr. Spruce if they had CSR programs and what they were. Case Study 1 has a global corporate social responsibility (CSR) platform. It is designed to make communities places where hotel associates are proud to work, guests want to visit, neighbors want to live, and owners want to invest (Case Study 1, 2014). Corporate management believes that those who live and work in the local community know best what are their issues and solutions. Their global CSR program balances focus and flexibility to get the most out of their local efforts and to create global results. Mr. Spruce reported that Case Study 1 has 96,000 associates at 500+ properties around the world. The ccorporation brings together teams of passionate people who work hard to bring prosperity and well-being to local communities and to share best practices among the

hotel's properties. To achieve its goals, the global CSR program focuses on four areas

that it believes are integral to thriving and resilient communities; environmental

sustainability, economic development and investment, education and personal

advancement, and health and wellness. The global CSR program also supports

philanthropy, volunteerism, diversity and inclusion, recognition, and partnerships.

The next question that I asked Mr. Spruce was, "Who are the main drivers of CSR

programs in the organization?" He referred me to the Case Study 1 ccorporate

gguidelines. He added that general managers (GMs) do things differently depending upon

the community in which they are located.

Mr. Spruce replied that one individual does not drive their CSR program. Instead,

they operate as a management team with eight to ten members. Corporate social

responsibility is part of the Case Study 1 committee. Case Study 1 members identified

benchmarks for less energy consumption. The most well developed CSR program is in

Singapore. When there are best practices like Singapore's, Mr. Spruce and Mr. Casey

said that the programs are shared throughout the Case Study 1 corporation.

Mr. Casey added that the Case Study 1 property in Bangkok had a team whose

human resources director had a strong interest in CSR. In such cases the GM does not

step in. They allowed a person like the HR director to take the lead for the CSR program.

Both Mr. Spruce and Mr. Casey said that they look at the opportunities and needs

of the local community and the Case Study 1 global social responsibility goal(s) that may

be appropriate for that particular community. Mr. Spruce's previous assignment was in

India. After that assignment, he transferred to China last year and he currently has four

staff members. In the near future, he explained that he will move to Haitang Bay and the number of his staff will increase significantly as the opening approaches for the Case Study 1 property at Haitang Bay. Mr. Spruce has been thinking about ccorporate social rresponsibility (CSR) program(s) for the resort in Haitang Bay. One global CSR goal may be to provide hospitality training for local community members who want to work for Case Study 1. Another goal may be to give donations to local hospices. The Haitang Bay hotel's CSR priorities will be more fully developed by the time that the resort opens next year.

Mr. Casey worked in Korea, Singapore, Japan, and Thailand. His assignment is heading the preopening team for the Sunny Bay property. He also mentioned Case Study1's four major CSR program goals. He added that the Sunny Bay property may conduct environmental sustainability, education and personnel development programs. In addition to those programs, the Sunny Bay property may award scholarships much the same as other Case Study 1 properties have done in the past. The type of CSR programs offered depends on the community's needs.

I asked Mr. Spruce and Mr. Casey if they think that culture influences CSR programs and if so, how do they influence the programs? Mr. Casey replied, "If you monitor what the community needs are you can integrate more quickly into the scene." In China, a lot of welfare is under local authorities who do not have the same needs so Case Study 1 will focus more on non-affiliated NGO's like the Blue Ribbon Group. The strategy to partner with NGOs was recognized in Shepers (2006) study to increase a corporation's credibility and effectiveness.

When asked if the hotels integrate the CSR programs into the mission and business strategies, Mr. Spruce said that the mission, business strategy, and CSR are integrated in the Case Study 1 hotels and resorts. For example, energy conservation affects the bottom line and so does environmental protection. "There is no point in visiting a resort if the environment is poor." Mr. Spruce added, "You need to keep your employees happy and they will keep the customers happy."

I asked Mr. Spruce and Mr. Casey if they thought it is important to understand and to be involved in the local community where they operate. I also asked if there had been any conflicts with local communities and if so, what were the conflicts and the causes.

In Calcutta, Mr. Spruce said, "We wanted to expand a little into the peripheral area around the resort so we cleared up the land. When we did that, we noticed that the local community was putting trash in the area that we cleared. We had to talk with local community members and told them that wasn't how it worked." Mr. Spruce added, "They were told if they wanted to get involved and to help clean up they could." Everything is interrelated. Profitability comes if you hire the right people with a good attitude and if you mentor and show them what needs to be done. "Corporate social responsibility should be part of the DNA of an organization; it should make you feel good. In each country it is different and the level of effect that you can have is different. Learning and development is important," said Mr. Spruce.

Mr. Spruce added, "In Australia we are concerned about the well-being of employees." He concluded, for the new Case Study 1 properties in Haitang and Sunny

Bay, employees will get three meals a day, accommodations, transportation, and health insurance."

Case Study 2

Case Study 2's corporate social responsibility purpose statement is to Serve Our World; (a) How we do business is as important as the business we do, (b) Howe we protect the environment through the work of the Green Council is important, (c) How we invest in the communities where we do business is critical, (d) How we put people first, and (e) How we are recognized worldwide for our enduring values, our spirit to serve, and our corporate commitment to create better places to live and work is important (Case Study 2, 2014).

Mr. Lo is the general manager for Case Study 2. He said, "China will be an international tourism destination by 2020. To accomplish that goal, more development has to occur including the construction of a high speed train that will travel around the island and three main roads that will cut across Hainan Island." People from Russia and mainland China are currently Hainan's main tourists. The reason that the Russian tourists are so numerous is because there is and has been a direct flight from Moscow to Sanya City for years. According to Mr. Lo, affluent Chinese people feel that they must go elsewhere. Hainan's main competitors are Thailand, Bali, and Macau. Hong Kong visitors like to travel to the U.S., Europe, Australia, Japan, and to Hainan.

I asked Mr. Lo if the hotel has a CSR program, what it is, and what the results have been. He replied that Case Study 2 has been doing CSR programs in many ways by helping people in China. Associates from food and beverage, housekeeping, and

engineering donate items to charities and do in kind work such as teaching hospitality

skills classes to the Li people. Children come from the villages, go to school in Beijing,

and progress to career schools like the one located in Hainan where they receive an

education and skills training for the hospitality field. It is there that some Case Study 2

employees provide in kind training.

I asked Mr. Lo who the main drivers were of CSR in the hotel and how they

create an organizational culture to support CSR. The main drivers of CSR and people

who integrate CSR programs into the organization were the executives and department

heads. It is in their core values to serve.

That is the norm for all Case Study 2 properties. Because of the adaptability of

nature, the Case Study 2 hotel buys honey from Szechuan villagers. The general manager

said, "It is a win-win situation because the villagers win by making sales, the hotel

supports the villagers, and the consumers benefit by eating healthy, fresh honey." The

Case Study 2 property also conducts CSR programs throughout the year by giving

donations to Operation Smile, the Yao Foundation Poverty Relief Fund, and to the Li

villagers. I inquired if local hotels conduct CSR programs. Mr. Lo said that Chinese

national hotels conduct CSR but they do not necessarily call it CSR. The term is a

relatively new term and not mutually understood or agreed upon. However, when the

local hotels see the MNCs doing CSR they join in and assist.

I then asked Mr. Lo if culture influences CSR programs and if so, how it does. He

said, "The culture is very different here in Hainan and it does influence what we do.

Hainan has a variety of indigenous ethnic minorities with different cultural beliefs and

practices. Farming is a major source of subsistence and income for local people."

Recognizing the importance of farming, our management, associates, and guests make a

big effort to support local farmers.

I asked Mr. Lo if it was important to be involved with the local community. He

responded, "It is very important to be involved with the local community." Mr. Lo

worked in the Sanya area for seven years and he understands the importance of farming.

He stressed that the resorts should use products from the local growers as much as

possible.

When I asked Mr. Lo if there were any conflicts with the local communities, what

they were, and what caused the conflicts, he replied that development is happening fast

and more infrastructures are needed to support the rapid growth. The Case Study 2

property and others have been asking for more direct flights to Hainan. There are

currently not enough. Another issue is that tourists come with money, which tends to

drive up local prices. Local community members, on the other hand, cannot afford the

higher prices. To minimize the impact on local community members, the hotel charges

the guests 11 RMB per night. Some of the funds collected help the government provide a

subsidy of 60 RMB per year to all local community members. The remaining portion of

the hotel charge is donated to charities.

Case Study 3

Case Study 3 is part of a worldwide network of hotels under the "A" Group. The

"A" Group is the world's leading hotel operator and market leader in Europe and also has

a presence in 92 countries with more than 3,500 hotels, 450,000 rooms, and 160,000+

employees. Its properties cover every segment from luxury to economy on all five continents. With 45 years of experience, the "A" Group hotel brands are recognized for service quality and meeting the needs of business and leisure travelers (A Group, 2014).

Through its Planet 21 program, the "A" Group has made 21 commitments in favor of sustainable development based upon the following seven pillars of health, nature, carbon reduction, innovation, local development, employment and dialogue.

I asked Mr. Ku if the hotel has a CSR program and what the results have been. He replied that the Case Study 3 CSR programs have been successful. Both internal and external programs are provided. For example, the hotel brings children in from the local community to make cookies and to conduct other educational activities. For the external programs, the Case Study 3 property donates to orphanages, helps clean up the bay, donates air conditioning units to schools, and supports other initiatives.. The Case Study 3 programs have gone well.

I then asked Mr. Ku who the main drivers of CSR are in the organization and how they create an organizational culture to support CSR. The CSR program is managed by two areas at the hotel; human resources, and marketing and communications. Both of the areas report directly to the Case Study 3 general manager. The main drivers of [Corporate] social responsibility programs are human resources, marketing and communications plus a team composed of two representatives from each department. For big events, the Case Study 3 does not expect people to volunteer. Instead, Case Study 3 pays them for their work. The main drivers help spread [Corporate] social responsibility

across the organization and into the departments, which helps create an organizational

culture that supports [Corporate] social responsibility.

When I asked Mr. Ku if culture influences CSR program and how it does, his

answer was "As for cultural influence on [Corporate] social responsibility programs, it is

very important to understand the culture and to be involved in the local community where

you operate."

I asked Mr. Ku if the CSR programs align with the business strategy. He said that

Case Study 3's [Corporate] social responsibility program align with its mission and

business strategy. Being socially responsible is important. "There are many younger

people working at the Case Study 3 property who believe that they should give back to

the community. The Case Study 3 property does not do programs and put big

announcements in the paper to look good. They do programs because it is important for

the community." The Case Study 3 sends a monthly report to its corporate headquarters.

Similarly, the "A" Group headquarters issue a report about the overall [Corporate] social

responsibility activities of all Case Study 3 properties.

I asked Mr. Ku how important it is to understand and to be involved in the local

community where you operate. He answered, "It is very important to be involved in the

local community where you operate. Mr. Ku said that the team gathers input to help them

identify the types of CSR programs they will offer. There are a lot ideas but they cannot

do all of them."

I inquired whether there were any conflicts with communities and if so, what they

were and what caused them. Mr. Ku said, "They have not had conflicts with local

communities. There have been things that the hotel wanted to do but it was not allowed by the local government." As such, they were not able to implement some things that they would otherwise have done. He added that the local community was very supportive of the hotel.

Human Resources provided me with an electronic presentation that contains slides that show successful [Corporate] social responsibility programs that they have conducted. The participation was high by associates and community workers.

Case Study 4

Case Study 4's corporate philosophy is about global citizenship and how it interacts with its environment and communities with an eye toward sustainability. By leveraging their strengths, their people, brand, relationships, and global reach it sparks unimagined possibilities in the lives of those they touch and align with an increasingly large group of consumers who choose their brands. Case Study 4 leaders understand that when they become part of the communities they serve, they can reap real business benefits along the way,

Global citizenship is integrated into its company culture and operating principles, performance management process, and brand standards. Corporate social responsibility is a strategic priority therefore, sustaining the environment and sustaining the communities creates value for everyone. Integrating sustainable solutions into its consideration as it builds its business strategies are a fundamental element of Case Study 4's growth plan. The global citizenship social responsibility programs and initiatives are; (a) Check out for Children, (b) Human Rights, (c) Case Study 4 Relief Fund, (d) Case Study 4 Cares for the

Community, and (e) its signature program, workplace readiness support charitable partners who prepare underserved individuals. Case Study 4 has not had any conflicts with its stakeholder, the owner.

I asked Mr. Ko if the hotel has a CSR program and if so, what the results have been. Mr. Ko reported that Case Study 4 has three CSR program areas at the Yalong Bay property. Its Environmental Protection slogan is 20/30 by 2020. That means it will reduce the amount of water consumption by 30% by 2020 and reduce the amount of electricity and gas used by 30% by 2020. Case Study 4 used 2008 as its baseline year. In 2012 and 2013, it achieved its annual goals by reducing consumption by 3% each year. Mr. Ko said, "Everyone should have an understanding about environmental protection." So, Case Study 4 provides training for its associates. For instance, there is a green committee composed of all department heads. The team members work together and agree upon an action plan to reduce water and energy consumption in the kitchens, laundry, and other areas. Case Study 4 has a solar panel system and also converted to LED lighting. Mr.Ko reported that the Chinese government sponsored a program offering LED lights at a discounted price, which was an incentive to change to LED lighting. Another example was Case Study 4 employees participated in a beach cleanup of Yalong Bay. The cleanup involved several different hotel properties that all worked together. In addition, the Case Study 4 property contributes to charities such as UNICEF's Check Out for Children that gives aid for children to get an education. Last year the Case Study 4 property worked on a program that connected hotels with poor families. The Case Study 4 property supported a family whose father was injured and could no longer work. Employees visited the

family on a monthly basis to help renovate the home, to assist them, and to donate food, clothing, and to help. This year the Case Study 4 property is providing support for a different family.

I then asked Mr. Ko who the main drivers of CSR were in the organization and how the drivers created an organizational culture to support CSR. Mr. Ko responded that prior to working at the Case Study 4 resort; he worked at a different property in Haikou on Hainan Island. He said, "Each property has a CSR program. The main people who are on the CSR committees are the department heads. The hotel provides training programs to make all managers understand CSR and to be responsible for delivering the CSR message to all associates."

When I asked if he thought that culture influences CSR programs and how it does, Mr. Ko said, "The hotel is like a stage. Just develop the same message and get involved." He felt that others will see what is going on and will get involved. In 2010 there were guests who participated in "Earth Hour", which is a world-wide organization that gets people and organizations to turn their lights out at the same time for one hour all over the world. Some of the hotel guests who participated in earth hour gave donations.

I asked Mr. Ko how important it is to understand and to be involved with the local community where the hotel operates. Mr. Ko commented that the local government is supportive and positive about Case Study 4's programs. Government officials also commended the hotel for buying and for using products grown by local farmers. The hotels communicate with the Ministry of Civil Affairs when dealing with families that need assistance. In addition to working with the Ministry, the Case Study 4 team works

with a youth organization that is like a nongovernmental organization (NGO): it is not a single focus organization. Case Study 4 works with Wei Chat and Wei Bo, which has 57, 288 Friends of Weibo. Social media is an effective mechanism to use during emergencies. During the typhoon season, there is flooding. Wei Chat is a valuable communication vehicle to reach families and seniors.

In response to my question whether there were any conflicts with the local communities, what they are and what causes the conflicts, Mr. Ko replied, "Case Study 4 has not had any conflicts with stakeholders (the owner) so far." The associates, managers, and directors all give donations. As a result, no funds are taken from hotel profits. Understanding the relationship between a developer and a management company helps provide insight into this arrangement.

Case Study 5

Case Study 5 is directed by Mr. Chang. He reported that Sanya City had 86 travel agencies eight years ago. Now, it has 170 agencies. The increase in travel agencies reflects the growth in the travel industry. Mr. Chang serves as an assistant director of an association and also is the general manager of the Sanya branch of a large Chinese travel agency. The corporation believes in [Corporate] social responsibility and believes it is ingrained in the system and culture. The association collaborates on smaller CSR programs.

The other component of Case Study 5 is one of the largest travel institutes in the territory run by Chinese. It has branches in Hong Kong, wholly owned subsidiaries in Macau, Guangzhou, and other overseas branches. The main business scope of the travel

agency includes; packaging tours for local residents and tourists from mainland China and overseas; providingvarious reception services for tours, individual visitors and people on business trips to Hong Kong and Macau; processing visas; issuing of China Entry Permits for Hong Kong, Macau and Taiwan residents; providing air, train, and ferry ticket services; making hotel reservations; providing reception services at ports and borders; providing admission ticketing of scenic spots in Hong Kong, Macau and the Guangdong Province; providing hotel and transport travel packages and numerous other conference related services. With the good reputation and over 80 years of experience in the travel industry, the diverse and multitier service system and network, and the corporate spirit "Professional, Dedicated, Pragmatic, and Innovative", Case Study 5 provides professional and quality services (Case Study 5, 2014).

I asked Mr. Chang if the organizations have CSR programs and if so, what the programs are and what the results have been. Mr. Chang said, "The Case Study 5 travel agency supports CSR by countries. Corporate social responsibility is ingrained in the travel agency's system. The travel agency association also has CSR programs but they are smaller scale."

I then asked Mr. Chang if culture influences CSR programs and if so, how does it influence the programs. Mr. Chang said, "I believe in corporate social responsibility, the importance of culture, and more," He gave an example of a place called Da Xioo Dong Tian, which is a scenic spot located 20 kilometers away from the Case Study 5 main office. The Case Study 5 travel agency conducts training there on topics such as taking care of tourists and how to get involved in CSR.

The Case Study 5 travel agency also helps people in the poor areas of Western China. Ten volunteer teachers from Hainan go to a location six hours away, in a high altitude location close to the Pakistan border. The volunteers teach math, English, physical education, and language. The program has been in existence for six years. According to Mr. Chang, the Chinese government believes in and praises the program. The Case Study 5 association works with an environmental group called the Blue Ribbon Group, which is a NGO that helps, protect the ocean. Case Study 5 has worked with them for 10 years and Case Study 4 is also known to work with the Blue Ribbon Group. Mr. Chang exclaimed, "The industry is happy to have the Blue Ribbon Group's assistance." Mr. Chang said, "If we have to develop Hainan, we need to prevent pollution." This environmental initiative was approved by the government, which praises the agency for their work.

I asked Mr. Chang if there were any conflicts with local communities and if so, what were they and what caused them. Mr. Chang gave an in-depth response. During the hotel construction phase, land has to be cleared. Sometimes the hotels want additional land. The travel agencies collaborated and prevented development that would cut down too many mangrove trees because the community is trying to preserve the forests. Mr. Chang said, "Each bay has its own management committee. If something is going wrong, the whole committee acts to resolve the issue; it is not just the community that gets involved." Mr. Chang added, "If we do not take care of the environment, we won't have anything--not just for the community but for travel agencies, hotels, employees, and

others." Mr. Chang mentioned the fact that he visited Hawai`i twice to see how industry

works and protects the environment.

I then asked Mr. Chang who are the main drivers of CSR in the organization and

how did they create an organizational culture to support CSR. Mr. Chang talked about

CSR as also taking care of his workers and organization because they provide service. He

said, "You must try to earn their trust." Therefore, he tries to run a clean shop, pay his

taxes, and wages. Just doing that is a socially responsible service, according to Mr.

Chang.

When asked how important it is to be involved with the local community, Mr.

Chang brought up two points. First, for the Sichuan earthquake, business and industry

sent money, toys, and food for the orphans. Secondly, CSR is a fairly new idea, having

been brought to the forefront only within the past five to six years. People have different

ideas about CSR even within the same company. Further, within China there are vastly

different ideas about CSR.

With China's rapid development, the first step is to know what the term CSR is,

and what it does. Organizations are actually doing CSR but don't know what to call it.

This is what Mr. Chang thinks has happened. Mr. Chang hypothesized that in order for

businesses to make money, they need to run a clean shop. When that is accomplished,

then it may be time to undertake CSR programs because such programs can make all of

the businesses successful that are in the tourism business. Another condition that may

affect the health of the tourism industry is pollution. Mr. Chang stated that there was an

incident when the water was polluted and when the water ran onto the sand, it hardened and people could not walk on it. The Case Study 5 Association filed a complaint.

Mr. Chang explained that if a developer wants to build a hotel, the developer looks for a management company. When the owner signs an agreement, the terms are spelled out in the management contract, including the use of the brand logo, handling of finances, involving the management company or not with the construction. The company is allowed to bring their own management team; to be paid a fee, and to receive a percentage of the profits. There is also a franchise arrangement which gives the owner a larger role in running the hotel. The management company is left with varying degrees of involvement in running the hotel. That arrangement is riskier for the management company.

<div align="center">In-Case Analysis</div>

Sanya Tourism Development Commission

Based on the analysis of materials from and interviews with Mr. Sang, from the Sanya Tourism Development Commission, the following codes emerged: (a) role and involvement of the government through the Sanya Tourism Development Commission; (b) hotels, businesses, NGOs, and agencies conduct Corporate Social Responsibility (CSR) programs in Hainan; (c) CSR programs include environmental, workforce training, disabled children donations, emergency relief; (d) the government's Ministry of Civil Affairs Office and Disabled Federation are sanctioned to work directly with needy families; (e) each bay has a management committee that maintains balance between hotels, developers, government, and the community; (f) tourism goals are to become an

international tourism destination, to develop the tourism industry, and to be a tropical paradise; (g) multinational hotels employ 60% to 70% local workers with 30% to 40% from mainland China; (h) general managers and directors are hired from outside of China; (i) Hainan has 12 million visitors annually mostly from mainland China and 200,000 from Russia.

Coding

Case Study 1 (Hotel 1)

The Case Study 1 base level coding revealed; (a) a global Corporate Social Responsibility (CSR) platform; (b) that this multinational corporation (MNC) believes that the local community knows best what their issues and needs are; (c) their global CSR platform focuses on four areas integral to a thriving and resilient community environmental sustainability, economic development and investment, education and personal advancement, and health and wellness; (d) the general managers conduct different Global CSR programs depending on the local community needs; (e) that monitoring community needs will help the MNC adapt more quickly; (f) each Case Study 1 property has management teams of eight to 10 people committed to CSR; (g) the properties share their best practices among one another for continuous improvement; (h) the mission, business strategy, and CSR are integrated in the Case Study 1 hotels and resorts.

Case Study 2 (Hotel 2).

An analysis of this multinational corporation (MNC) shows that: (a) this MNC has been doing [corporate] social responsibility (CSR) programs with China's people for

years but the programs were not always called CSR; (b) Hainan's goal is to be an

international tourism destination by 2020; (c) Hainan's main tourists are mainland

Chinese and visitors from Russia; (d) associates give personal donations and provide in-

kind services to train future employees, which does not impact the hotel's bottom line so;

(e) executives and directors drive the CSR programs; (f) CSR programs are conducted

throughout the year; (g) donations are given to Operation Smile, the Yao Foundation

Poverty Relief Fund, and to the Li villagers; (h) culture is different in Hainan and

influences what the local residents do; (i) hotel leadership and associates must be

involved with the local community; (j) the infrastructure needs to be improved to keep up

with Hainan's rapid growth; (k) prices increase as tourism increases. Locals cannot pay

higher prices so hotels collect extra 11 RMB per night and turn it over to the government

to subsidize the local people.

Case study 3 (Hotel 3)

Base level coding for Case Study 3 shows that; (a) the property is part of a

European multinational corporation (MNC), (b) Case Study 3 offers Corporate Social

Responsibility (CSR) programs that have been successful, (c) donations are given to

schools, and orphanages. Employees help clean up the bay and offer programs for village

children; (d) the main drivers of CSR are the Human Resources and Marketing Divisions

plus a committee that is composed of two people from each department; (e) the newer

employees believe that the hotel should be involved with the local community and offer

programs that they need; (f) the hotel solicits input about the programs to offer; (g) the

members of the CSR team realize they cannot offer everything and the government has

not approved some programs; and (h) the community is very supportive of the hotel.

Case study 4 (Hotel 4)

For this case study, base coding shows that Case Study 4 offered Corporate Social

Responsibility (CSR) programs that focus on: (a) environmental protection, reducing

water consumption, decreasing use of electricity and gas; (b) conversion to LED lighting

as a result of government incentive programs; (c) training for employees; (d) supporting a

sustainability team; (e) collaborating with a youths' nongovernmental organization

(NGO) to use social media (wei-chat) to reach youth and seniors during emergencies,

which has been very effective; (f) garnering positive recognition from the government of

the Case Study 4 programs; (g) all associates, managers, and directors give donations so

no funds are taken from hotel profits; and (h) funds are donated to UNICEF and to poor

families through foundations or the governmental Ministry of Civil Affairs.

Case Study 5 (Travel Association/Agency)

In Case Study 5, two organizations are analyzed because the same individual

heads both organizations. The analysis of the base level data coding shows: (a) the Travel

Agency and the travel agency association both offer corporate social responsibility (CSR)

programs; (b) Travel Agency literature shows that the Travel Agency offers CSR

programs by country; (c) the travel agency association offers smaller programs; (d) the

interviewee believes in CSR programs and their importance: (e) training was offered to

ingrain CSR into the organization; (f) CSR is a relatively new term in China and its

meaning varies; (g) according to the General Manager, running a good business and

keeping employees happy is a form of CSR; (h) in Da Xioo Dong Tian, CSR and customer service training were offered; (i) the agency sponsors groups of ten teachers to live in Western China to teach classes in math, English, physical education, and language. The program has existed for six years and was highly praised by the government. Case Study 5's representative said that the businesses and community members rallied during the Sichuan earthquake emergency and donated food, clothing, money, and services; and he added that (i) pollution needs to be prevented by working with entities like the Blue Ribbon Group nongovernmental group (NGO).

Evidence of Trustworthiness of the Study

Method triangulation provides depth to the study, reflects multiple perspectives, and maximizes confidence in and validates the research findings. This exploratory multicase case study includes semi structured interviews, document, material and artifact reviews, an additional case study, an interview with a government tourism development official, beneficiary organizations, informal observations and conversations with local community members. The collection and comparison of these data enhance data quality based on the principles of idea convergence and the confirmation of findings (Knaf & Breitmlayer, 1989). Idea convergence occurs from triangulation of data sources, data types, or researchers. The purpose is to view and explore a case(es) from multiple perspectives, which helps to confirm findings.

Additionally, I lived in the local community for three intense weeks to gain exposure to multinational corporations, agencies, and local people within their communities. I made a conscious effort to conduct the study in a manner to prevent

researcher and interviewee bias. The process of member checking was also used, which allowed each interviewee to check and approve my interpretation of their interviews.

Summary

The climate MNCS find themselves in now is different than the 1970's to 1990's when China was more receptive to MNCs. As previously reported, MNCs are examined for their alignment with national interests, expected to comply with local standards, and are monitored closely (Park & Vanhonacker, 2007). Furthermore, MNCs encounter different cultural dimensions that influence relationships and interactions in China (Hofstede & Hofstede, 2005).

Businesses in China are responsible to the central government, which is the major and top stakeholder of China's CSR pyramid (CCI, 2009). The Chinese central government and its relationship with local businesses and employees are based upon different dimensions of national culture than those of Western countries. Moreover, the Confucian culture forms the basis of Chinese business, which recognizes unequal relationships (Zhu & Yao, 2008).

The in-case analysis revealed that the hotels, the travel agency, and travel agency association in Hainan, China do conduct corporate social Responsibility (CSR) programs. The themes revealed by the analysis are CSR program types, multinational corporation CSR strategies, community engagement, cultural, and governmental influence on their respective properties, and communication.

Private Chinese developers or Chinese conglomerates build and own hotel resort properties. A management agreement specifies legal terms such as the use of the MNC's

brand, marketing strategies, financial, and operational arrangements. Multinational corporations (MNCs) with well-known brands may be involved during hotel construction and establish a preopening team. The MNCs provide management teams that are composed of the general manager and department directors who are recruited from outside of China Associates are recruited and trained from the local community (60% – 70%) and from mainland China (30 – 40%). Each bay has a management committee that maintains balance between the developers, the local community, and the hotels. The hotel resorts that implement successful CSR programs understand the local culture and work with community members to identify their needs and programs that will benefit the local community. The programs also align with corporate CSR goals and do not compromise the financial bottom line, government or stakeholder priorities. To integrate CSR throughout the organization, the management team and the department representatives provide leadership and commitment for the programs. Though there may not be much research information available for MNCs regarding CSR programs in collective cultures with large power distance, the CSR teams learn from best practices, experience, and collaboration with community members.

Government

The influence that the government had in various affairs was apparent from the comments stated off the record by people such as local community members, hotels, and associations. The Hotel 1 interviewee mentioned that the government had slightly different priorities so the hotel worked with an NGO. The Hotel 2 interviewee was concerned about and appreciated the praise and support received from the government.

Hotel 3 worked closely with the local community and noted that there were some programs that they wanted to conduct but the government did not approve them. In that case, the community members agreed with the hotel. The Association and Agency official talked about volunteering to offer education programs delivered in an area near the Pakistan border. That program was highly praised by the government. Receiving praise from the government was important to the interviewees.

Communication and Behavior

In all of the case studies, the importance of working with the local communities was written into their global platforms and corporate social responsibility priorities. This commitment was not only written and stated but demonstrated through the case studies' behaviors in the local communities and the manner in which they treated their guests.

Unexpected Findings

Unexpected findings in this study were; (a) the multinational corporate hotels in this study were owned by either a Chinese private investor or a large Chinese holding company; the brand corporations did not own the hotels; (b) the large number of current and future multinational corporate hotels in Hainan; and (c) the annual number (200,000) of Russian tourists who visited Hainan.

Variations in Data Collection From the Original Plan

A variation in data collection from the original plan pertained to Phase 2 data collection. I planned to conduct CSR focus groups and to ask two questions if the MNCs gave permission for me to do so. I made requests to conduct a focus group with the case study CSR team members or to observe a training session. Directors and hotel associates

were not allowed to be pulled away from their work. Likewise, no CSR activities were being conducted at the time of the site visits. An alternative approach for the interviewees to discuss the focus group questions during their next CSR team meeting and to submit the results later did not yield any results.

To compensate for the lack of CSR focus group members' input, alternate arrangements were made. I conducted an interview with Mr. Sang from the Sanya Tourism Development Commission, gathered information about CSR beneficiaries that received donations from several of the Case Study CSR programs, conducted an additional Case Study, and had informal conversations with and observations of local community members.

Unusual Circumstances Encountered in the Collection of Data

In one circumstance, I was trying to schedule an interview with a hotel general manager who was recommended by Mr. Sang. I was passed from one person to the next but finally confirmed a brief meeting with the marketing director to pick up some materials about the MNC's corporate social responsibility programs. When I arrived at the designated time, I was greeted instead by a different person and was informed that the marketing director was conducting a training session. The person who met me was previously questioning why I was going around asking so many questions. I also did not receive the packet of materials that I had been told would be ready for me. I left the hotel and did not receive a follow-up call from the marketing director.

Cross-Case Analysis

The cross-case analysis was based on findings of the individual case studies, which were entered, coded, and classified using NVivo 10. The cross-case analysis identifies in-case themes, emergent themes, and prevents research bias. Based on the analysis and the identification of in-case themes, a cross-case analysis identified the similarities and differences between the case studies. This process also revealed the main themes among the five case studies. The cross-case analysis also provided a basis for the research study assertions and generalizations.

The main themes that emerged from the cross-case analysis were: (a) corporate social responsibility programs are offered,(b) hotels were involved with and concerned about local community needs,(c) multinational corporations' were committed to CSR, (d) there was evidence of cultural influence, (e) there was evidence of governmental influence, and (f) there was consistency between communication and behavior.

Themes, Similarities, Differences

Corporate Social Responsibility

The evidence of and commitment to Corporate Social Responsibility (CSR) programs were documented the most in Hotel 1, which had a global platform for social responsibility. All properties in this multinational corporation selected CSR programs from the global priorities and local needs. This MNC believes that the local community knows best what their issues and needs are. Hotel 3 documented the next highest level of CSR commitment, whereas Hotel 2, Hotel 4, and the Association and Agency had approximately the same CSR documented programs**.**

Community

In all cases, participants talked about the importance of understanding and working with the community where their property was located. Hotel 1's global platform showed a high priority for community involvement. Hotel 2 felt that it was very important to be involved with the local community but less documentation was provided. Mr. Ko worked in the Sanya area for seven years. He asserted that the resorts should use products from the local growers as much as possible. Hotel 4 focused on energy conservation, environmental conservation, and relief for needy families. The Association and Agency offered training, emergency relief and environmental protection for the community.

Multinational Corporation

Hotel 1 is part of a multinational corporation that adopted the strategy to integrate mission, business, and CSR energy conservation programs because they affect the bottom-line in a positive way. Mr. Spruce said, "CSR in an organization should be part of the DNA." Mr. Lo from Hotel 2 said, "The new people feel that CSR should be part of the business plan. There is currently a small amount of funds dedicated to CSR but it is not part of the mission statement yet." Hotel 3's Mr. Ku said, "CSR does align with their mission and business strategy." Mr. Ko from Hotel 4 said, "CSR is an integral part of the organization. Every property has CSR programs." Mr. Chang from the association and travel agency emphasized, "CSR means that you must earn your employees' trust, run a good shop, pay taxes, and pay wages. Just doing that is providing a service."

Culture

The Hotel 1interviewees said, "Each country is different so the level of influence you can have is different. You have to monitor what the needs are so you can integrate more quickly." Interviewee from Hotel 2 said, **"**The culture is different in Hainan and influences what they do. So, you must be involved with the local community." The interviewee from Hotel 3 said, **"**It is very important to understand the culture and to get involved." Hotel 4's interviewee said, **"**The hotel is like a stage. Just develop the same message and others may get involved." The final interviewee reported that the Association and Travel Agency help poor areas in Western China. Ten volunteer teachers per group go to a location six hours away, at a high altitude location by Pakistan. They teach math, English, PE, language. The program has been running for six years. They've received a lot of praise from the government for the program.

Communication and Behavior

In all of the case studies the importance of working with the local communities was written into their global platforms and corporate social responsibility priorities. This commitment was not only written and stated but demonstrated through the case studies' behaviors in the local communities and the manner in which they treated their guests.

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Summary

Main Research Question

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How does the cultural dimension, power distance, influence the efficacy of multinational corporations' corporate social responsibility programs in Hainan, China?

According to Hofstede and Hofstede (2005), China is a high power distance country. Large power distance means that the less powerful members of institutions (family, society, schools, and community) and organizations (work) expect and accept that power is distributed unequally. My informal conversation (via an interpreter) with local small business owners revealed their belief that the government controlled everything. I also observed that local community members watching the rapid development that was occurring around them, merely carried on with their daily routines. Construction in Sanya City and the surrounding bays was booming as part of the effort to meet the government's goal to make Hainan Island an international tourist destination by 2020.

I discovered through the multicase case study research that the multinational brand hotels were financed, constructed, and owned by either wealthy Chinese individuals or Chinese conglomerates. Management teams that included the general manager and directors were brought in from the brand corporation under the terms of a management agreement. The management teams were accountable to the owners. Another arrangement between the owner and the brand corporation was franchising. That arrangement was less desirable for management, in Mr. Chang's opinion.

I conducted five case studies. All five cases were multinational corporations that offered corporate social responsibility programs. In four of the cases, the CSR priorities and guidelines were set at the global corporate level. In the fifth case study, the corporation was founded in, owned by, and managed out of Hong Kong with subsidiaries in 14 foreign countries. As reported previously, CSR is a Western construct and was

introduced in China five or six years ago. The CSR programs that were most commonly offered were; (a) Promoting environmental protection; (b) Reducing energy consumption; (c) Training the workforce; (d) Giving donations to children's funds; (e) Giving in-kind donations through volunteerism; and (F) Donating to orphanages. These types of CSR programs were not controversial in nature. One case study interviewee stated that they wanted to offer more programs but the government did not approve them.

The beneficiaries of the CSR programs were assessed to validate whether and how the case studies' properties were benefitting their organizations. Mr. Ko of Case Study 4 verified that they participate in the International UNICEF Program Check out for Children program which raises funds for UNICEF's education programs. To support UNICEF's work, an extra US $1, or local currency equivalent, is added to the guest's bill if they agree. Worldwide, 100 million children miss out on the chance to go to school.

Another beneficiary of the CSR programs was the Bright Connection. The orphanage helps children with cerebral palsy, autism, and mental delays. This orphanage is located in Sanya City. All of the Case Study interviewees mentioned this orphanage and the work they have been doing with Bright Connection. This year there was a Children's Day raffle. Local and foreign guests were present at the raffle and volunteered their time in helping make the event successful. Although they came from different cultures and nations, they all had the same heart to help the children grow in a positive way. The total amount of money collected was RMB 149,000, which was the most successful event ever. Local hotels donated coupons of their hotel rooms or buffets for

prizes. Volunteers not only want to make the children feel better, but also make them better (Bright Connection, 2014).

A third beneficial CSR program was a sea turtle program. When baby turtles hatch, they make their way to the sea. Because they have to breathe oxygen, they often get hit by boats, caught in plastic, and entangled in fish nets. I read a story about one turtle who caught her flipper in some fishing line. A fisherman heard about a sea turtle hospital so he took her there for help. Though she stayed there a long time, she became strong and healthy and was sent to a well-known hotel where she participated in a program that helped educate people about caring for all creatures, big and small. When she was fully recovered, one day she was released back into the sea.

During an informal conversation, one hotel employee said that the Corporate Social Responsibility programs are to help sea turtles and to donate to children's funds. From her point of view, corporations are not only responsible but every person is supposed to help another person. That makes the company look better. Although there is a difference between east and west values, she said she was at the hotel for the guests and their friends so it does not make a difference. She said that there are not conflicts with the government because the hotel abides by what they need to do.

China is a collectivist society with high power distance. It has been like that for thousands of years. However, China's new wealth and emerging middle class exert more influence than in past years. Yet, I found that there was a general level of acceptance that the government and other powerful, wealthy people have a significant influence on people's daily lives, corporations, and the types of CSR programs that were offered. Thus

the cultural dimension, power distance, does influence the efficacy of CSR programs in

Hainan, China.

Chapter 5: Discussion, Conclusions, and Recommendations

Discussion

The information gathered from the case studies provides insight into the influence of the cultural dimension, power distance, the efficacy of CSR programs offered by MNCs, and the relationships between MNCs and the local communities. Although limited research information was available for MNCs as they expanded into Hainan, China, they benefitted from their own past experiences and best practices in other foreign countries.

Following is a brief summary of the research findings. The MNCs that I studied in Hainan, China, offered CSR programs, the most common of which included; (a) environmental preservation, (b) energy conservation, (c) job training, (d) in-kind and financial donations to schools and orphanages, (e) aid to families through the Ministry of Civil Affairs, and (f) emergency disaster assistance, when needed. The CSR programs provided by MNCs were successful according to the MNCs, CSR program beneficiaries, community members, and government representatives.

The works of Bird and Velasquez (2006), Googins et al. (2007), Kotler and Lee (2005), Shaw (2009), and van Marrewijk and Werre (2003), identified common elements among MNCs with successful CSR programs:

1.   Strong, ethical leadership with a commitment to do the right thing,

2.   Business redesign,

3.   Social responsibility and business strategy alignment,

4.   Awareness of cultural, historical, and moral obligations,

5.   Flexibility and avoidance of predetermined solutions,

6.   Understanding the relationship of stakeholders and contexts to CSR, and

7.   NGO and business partnerships.

The elements listed above were characteristic of the case studies in this project. Strong commitments to CSR programs start at the global and local MNC leadership levels. The platforms were intentionally flexible and allowed for local input. Integrating CSR into the MNC was accomplished by involving the general managers, department directors, and, in one case study, involving the marketing and human resources departments. The leaders aligned CSR with their business strategies. One case study property allocated a small budget for CSR programs but CSR was not written in its mission statement. The need to understand, to be involved in, and to give back to the community was a high priority for all case studies. With regard to stakeholders, participants either lacked understanding of or provided limited discussion about them. Considering that China is the context of this study, this limited information may be attributable to the fact that the main stakeholder is the government. At least three of the MNCs work with a NGO to accomplish their environmental protection objectives. Nongovernmental organizations are required to register with the government. The case study participants did not discuss conflicts with local communities. On the other hand, the importance of working with Bay Management Committees to resolve conflicts was mentioned by representatives from four of the case studies.

The Interpretations of the Findings

Outcomes

The case study MNC brand name hotels were financed, constructed, and owned by either wealthy Chinese individuals or Chinese holding companies. Management teams included the general manager and division directors, who were brought in by the brand corporation per the terms of their respective management agreements. Another arrangement mentioned between the owner and the brand corporation called franchising brings to mind the work by Li and Zhang (2010), which was the first study to examine the relationship between the dispersion of corporate ownership and CSR in emerging markets. The franchise agreement is reportedly less advantageous to the brand MNCs because it results in their having less control over the brand and hotel quality.

All five cases in this study are multinational corporations that offer corporate social responsibility programs. In four of the cases, the CSR priorities and guidelines, established at a global corporate level, were broad and flexible, which facilitated local choices and input. In the fifth case study, the corporation was founded in, owned by, and managed out of Hong Kong with subsidiaries in 14 foreign countries. According to the interviewee, the fifth case study's CSR programs are established by country.

Corporate social responsibility is a Western construct, introduced in China five to six years ago. Mr. Chang said, "There are vastly different ideas in China about what CSR is and what it does." Mr. Chang added, "China's corporations may not know what to call it but they have been doing socially responsible work for a long time." In particular, they respond during natural disaster emergencies. In November 2007, the PRC's President Hu

Jintao strongly urged China's leaders to "uphold a scientific outlook on social development" (Levine, 2008, p. 50). In addition, the National People's Congress Standing Committee Vice Chairman Cheng proclaimed that "companies must not pursue profits at the expense of social responsibilities" (p. 51). He added that "irresponsible corporate practices are preventing overseas expansion and the PRCs economic growth." (p.51).

Mr. Sang of the Sanya Tourism Development Commission suggested that I meet with representatives from the Ministry of Civil Affairs and the Disability Federation. I was told that those governmental divisions work directly with Hainan families and individuals in need or who were affected by emergencies. Corporations are required to coordinate with the Ministry of Civil Affairs and the Disability Federation who in turn act as a liaison with the Chinese families and individuals. This information further illustrates the direct involvement of government in China's social affairs.

Beneficiaries

The beneficiaries of the CSR programs were assessed to validate whether and how the case study properties were helping the beneficiary organizations. The International United Nations Children's Fund (UNICEF) Program Check Out for Children program, which raises funds for UNICEF's education programs, received donations from more than one of the case study CSR program. One specific program was Case Study 3 Preferred Guest (SPG) and UNICEF. To support UNICEF's work, an extra US $1, or local currency equivalent is automatically added to the guest's bill if they agree because the donation is voluntary (UNICEF & SPG, n/d).

Another beneficiary of the case studies' CSR programs was Bright Connection, an orphanage located in Sanya City, which helps children with cerebral palsy, autism, and mental delays. All of the case study representatives mentioned Bright Connection and the assistance they provided and the work that they did with Bright Connection. Volunteers not only wanted to make the children feel better, but also to make them better (Bright Connection, 2014).

One local community acquaintance, who works as a hotel associate said, "One CSR program helps sea turtles and also donates to children's funds." From that hotel associate's point of view, "corporations are not only responsible but every person is supposed to help another person. That makes the company look even better." Although there is a difference between Eeastern and Wwestern cultures, the associate said, "I am here for the guests and their friends so Eeastern or Wwestern values do not make a difference." Then the associate added, "There are no conflicts with the government because they [hotel employees] abide by what they need to do." The relationship between the Chinese central government, corporations, and local individuals reflects one of the cultural dimensions, power distance, associated with China (Hofstede & Hofstede, 2005).

The statement made by the associate was similar to statements of local residents with whom I had an opportunity to meet. China is a collectivist society with large power distance, and it is the world's oldest living culture--5,000 years. China's new wealth and emerging middle class exert more influence now. Nonetheless, I found that there was a general level of acceptance that the government and affiliates had an influence on the commoners' daily lives, businesses, MNCs, and the types of CSR programs that were

offered. The case study MNCs were offering successful CSR programs in Hainan, China that were acceptable to the local community and government.

Data and Evidence

The data collected to address the main research question included (a) information from the snowball sampling of professional contacts in Honolulu, Hawai`i who identified information-rich contacts in Hainan, China, who knew about MNCs with CSR programs; (b) information and assistance from mainland China intermediaries; (c) personal communication through semistructured interviews with the Sanya Tourism Development Commission, five case study semistructured interviews conducted with general managers, CEOs, or representatives, and informal discussions with associates and local community members; (d) information collected from the review and analysis of documents and archival records; (e) personal observations; and (f) field notes.

The snowball sampling produced sufficient intermediary and case study contacts for the case study research project to move forward. Although communication with the intermediaries was limited to telephone or email, the intermediaries played a helpful role introducing and helping to get meetings scheduled with the appropriate information rich case study participants. In addition, the government official at the Sanya Tourism Development Commission suggested and arranged an interview with an additional case study participant. I agreed to add one more case study to add variety, breadth, and validity to the study. Although I was unable to schedule a meeting with a focus group or to have the CSR team members answer two questions, I was told it was because it was difficult to pull the group together during the busy working day. I also surmised that

management may not have wanted me to ask their hotel associates questions. Therefore, to accommodate for the lack of those data, I added an interview with a tourism development government official, CSR program beneficiaries, local community members, and two local acquaintances who coincidently were hotel associates.

There is a gap in the literature about MNCs and CSR programs in Hainan, China, and the influence of a cultural dimension, such as power distance, on the efficacy of those programs. The case study research showed that MNCs are conducting successful CSR programs. The case study MNCs themselves submitted reports about their CSR programs to their corporate headquarters. The reports were then submitted to United Nations Global Reporting. The corporate headquarters compiled reports from all of their properties to determine how they are doing and submitted the information to Social Compliance (CSC9000T) standard for the textile industry, a push to get companies in China to comply with the international SA8000 standard, and a massive initiative to provide more transparency in the operations of Chinese pharmaceutical companies (ChinaCSR, 2009). The MNCs make a conscious effort to learn about the culture, people, and local community of the area where they are located. By doing so, the case study properties understand what needs to be offered and have the support of the local community.

Confirm, Disconfirm, or Extend Knowledge

This exploratory multicase case study confirmed that the case study properties are influenced by cultural dimensions, such as power distance, and are offering successful programs in Hainan, China. Realizing that money is not the only answer for success, the

case study MCSs have responded by trying to manage risk by conducting acceptable CSR programs and by working with NGOs and governments. The strategy of being more transparent and creating codes of conduct supports studies such as Franklin's (2008). The MNCs with global platform CSR priorities provide focus and flexibility for local communities to identify programs that meet their needs. At the same time, the stakeholder(s) cannot be overlooked (Wood, 1991).

The literature research and field research that was conducted for this research study confirm that the case study MNCs are offering successful CSR programs in the context of Hainan, China, which is a large power distance country. All case studies confirm the importance of understanding the culture and needs of the local community. The programs that they offered were generally acceptable to the community and government. Programs were not offered that dealt with human rights. Programs and services dealing directly with individuals and families are handled by the government agencies such as Ministry of Civil Affairs and Disability Federation. Conversations with community members revealed that they believe the government controls everything. In fact, that message is reaffirmed in subtler ways in interviews with case study participants and through personal observations and experiences. Although China is changing, the 5000-year-old culture, the importance of relationships in all aspects of life, Guanxi, uneven power and economics change slowly and do influence institutions and work as shown by the work of Hofstede and Hofstede (2008).

The findings from this research study fill a gap in the literature about MNCs offering CSR programs in Hainan, China, and the efficacy of those programs.

Furthermore, this study integrated multiple studies and theories that had not been previously integrated. For example, what the MNCs are accomplishing in Hainan, China is a contextualized, applied multidisciplinary theory that integrates CSR, organizational culture, cultural dimensions, as well as MNCs and communities and stakeholders. Moreover, there was no widely accepted multidisciplinary theory that integrated CSR, organizational culture, and cultural dimensions, or identified elements and interrelations that are essential to improve CSR results. The important accomplishment of the MNCs in Hainan, China is their demonstration of a new and viable, integrated theory of CSR.

Limitations

Questions may arise about the validity of qualitative research because qualitative validation is viewed in terms of quantitative terms. Qualitative researchers have searched for and found that using alternatives that adhere more to naturalistic research is a better approach to qualitative research than trying to facilitate the acceptance of positivist terminology for qualitative research in a quantitative world. Qualitative researchers had been told to ensure transferability, a thick (St. Lincoln and Guba, 1985) description is required. St Lincoln and Guba (1985) use terms such as credibility, authenticity, transferability, dependability, and confirmability as the naturalists equivalents for internal validation, externalization, reliability and objectivity (p. 300). To operationalize the themes they proposed, techniques such as "prolonged engagement in the field" and "triangulation" are recommended. In this research study, both techniques were used.

Additionally, efforts were made to limit the Hawthorne effect by limiting interviewee behaviors, limiting researcher bias, and establishing good research design,

but challenges still arose. Even though the professional contacts were told they would remain anonymous, one contact dropped out of the study and another contact asked later that her information not be included in the study. The intermediaries were helpful and facilitated introductions and encouraged information-rich contacts in Hainan to participate in a case study about their organization. Gaining access to focus groups with the CSR teams was unsuccessful and precluded my ability to ask two focus group questions: (a) What is the role, if any, of your corporation or organization in meeting social needs? and (b) What are possible differences between western and eastern values, beliefs, and practices that might influence program results, and the relationships between MNCs and local communities? Fortunately, an informal discussion with a few associates provided feedback on the questions, which is included in Chapter 4's findings.

Recommendations

Although I have completed this research study, I know that there are related research studies that could be conducted in the future. For instance, the study could be replicated in other areas of mainland China or expanded in Hainan Province. Another research study in Hainan could assess the actual mission, membership, affiliations, role, and responsibility of the Bay Committees. If possible, a research study could be conducted about the Chinese multinational hotels and what CSR programs they have implemented. If a researcher has the resources and time to do a longitudinal study, it would be interesting to monitor and to assess how CSR programs impact social change over a period of time, especially since China is changing. Finally, a study of the Ministry of Civil Affairs and the Disabled Federation may provide insight into the social and

economic conditions of the poor class. This topic, however, is sensitive and such a study may not be allowed.

Future method(s) that could be used to conduct an analysis of CSR programs in Hainan or other provinces in Mainland China could be: (a) a grounded theory study; (b) an ethnography to further interpret the findings to gain a deeper understanding of how the Chinese culture works; and (c) a phenomenological study could be conducted of a natural disaster that a community experienced and how the CSR type programs helped them in that emergency incident.

Implications for Social Change

China, the sleeping dragon, has awakened. In record time, China has become an economic power house. At the same time, it has the largest population of any country in the world and its 5,000 year history, culture, and politics have not changed at the same pace. Thus, China is a country in transition. It is a dynamic study of the old and the new. Evidence of those changes can be seen everywhere. China has taken its seat with the WTO and become one of the world's top leaders. Powerful people have acquired considerable wealth and the middle class is growing. At the same time, China's poor people continue struggling with extreme poverty, illiteracy, starvation, and human rights problems.

In the same way that changes occurred in western cultures, emerging from the agrarian to industrial to technological age, those same changes are happening in China at an accelerated rate. Change is happening so rapidly that the government is pressed to keep pace with the changes and the need to enhance the country's infrastructure is

apparent. If the government, businesses, nongovernmental organizations, and local communities collaborated, positive changes could occur in a win-win and positive manner. In addition, if China acts on its beliefs in CSR, environmental preservation, reducing energy consumption, it can make a significant and beneficial social impact on the entire world to help solve serious problems with pollution and climate change.

Rapid development in the major Chinese mainland cities attracts poor people from rural areas, leaving the rural communities with a workforce shortage and creating a large group of unemployable people in the core cities. At that same time, there is a major shift in ethnic minority groups, who primarily populated the rural areas and are now shifting to the cities. Conversely, the largest ethnic group, the Han, is being sent to rural areas to manage tourism properties. This demographic shift has implications for China's minority cultures, their preservation, and future in general.

I will discuss the methodological, theoretical, and/or empirical implications of the study that relate to positive social change. However, the implications varied for the methodological, theoretical and/or empirical from my perspective. To begin, the methodological implications were important particularly with regard to being flexible and adapting to the culture, norms, and practices of the case studies. As I learned, being a stranger in the community and going around asking questions about social responsibility did raise some concerns. China has not been a country that openly promoted freedom of speech regarding different points of view. Interviews and open discussions have not been normal activities in the past, especially among the commoners. As a result I had difficulties trying to schedule focus groups with staff. As Hainan, China moves forward

toward its goals to be an economic development zone and to be an international tourism destination, I believe that Hainan, cannot escape the significant social cultural evolution that will naturally occur because of its development and integration of various types of people

Theoretical implications were not the primary focal point of this study. Practical considerations of the multicase case studies were the focus. The research question whether CSR programs are offered in Hainan, China, was answered. And it was determined that culture, norms, practices, and stakeholder(s) do play a role in what programs are offered and their efficacy.

Finally, this exploratory multicase case study provides an opportunity to gain knowledge about the MNCs, CSR programs, the impact of those programs through observation and experience in the research study's environment. Thus, the empirical research yielded qualitative and some quantitative data to help answer the main research question. Again, the rapid development that Hainan faces as an economic development zone and a future international tourism destination will significantly alter the social structure, culture, and environment of Hainan.

Reflection of the Researcher

I decided to conduct field research in Hainan based on my professional and personal interest in China, the gaps in the literature about multinational corporations' corporate social responsibility programs in China, the different cultural influencers and the well-defined scope of the research. The Walden University Public Policy and Public

Administration classes were interesting and academically prepared me to conduct the study.

I recommend finding out more about the Chinese MNCs and their related CSR programs. While I was told that CSR is a high priority and read about Deng Xiao Ping's proclamation, I was unable to determine if CSR existed across the board in Chinese MNCs. According to Mr. Sang, hotels and businesses did respond in cases of natural disasters. Furthermore, Mr. Ku said that the Chinese MNCs follow along when they see the other MNCs conducting programs. I believe time should be spent studying the relationships between the property owners or holding companies and the brand hotel managers. It appeared that the CSR programs are acceptable in certain topical areas and if the programs did not detract from business's bottom line.

The results of this exploratory multicase case study should be made available to academic researchers, and more importantly the results should be shared with practitioners in the hotel, travel tourism, business, NGO, and environmental protection forums. The case studies themselves have best practices that could be shared with others.

Conclusion

China has risen in power and economic status, and is one of the top five economies in the world. As a result, multinational corporations (MNCs) have flocked to China. With China's rise in status and joining the WTO, the Chinese public, government, and businesses have begun scrutinizing MNCs more closely and question tactics perceived to subvert the Chinese social order. However, China's 5,000-year-old culture is slow to change at the core and the basic values of society remain stable. After the 2006

CSR international report was published, China felt that MNCs have a responsibility to local communities. At the same time, China learned that it too needed to provide CSR programs as its reputation was tarnished by reports such as those of tainted baby formula, infected chickens, tainted textiles, and air pollution. Thus, China itself strives to comply more with CSC 9000T and SA 8000.

With the changing conditions mentioned above, increasing pressure has been placed on MNCs to conduct meaningful CSR programs, beyond philanthropy and programs that provide media exposure. Through my review, I found gaps in the CSR literature. While there were theories about organizational culture, corporate social responsibility, stakeholder theories, dimensions of national cultures, there was very little about the relationships between local cultures and MNCs. I learned that MNCs had few resources to consult as they worked to improve MNC programs, adapt western CSR programs in China. Moreover, very little information existed about the impact of cultural dimensions on the efficacy of CSR programs. In China, businesses are responsible to the government. Therefore, the Chinese Communist Party (CCP) wields power and is the primary business stakeholder and influences CSR programs.

By conducting the exploratory multicase case study in Hainan, China I found that MNCs are conducting successful CSR programs in Hainan, China, and that power distance does impact CSR programs. I found that there are common elements among the successful MNC case studies:

1.   Global CSR platforms,

2.   Strong, ethical leadership at global and local levels committed to CSR,

3.   Management teams lead CSR initiatives,

4.   Profitable businesses and CSR programs are conducted that do not

subtract from the bottom line,

5.   Corporate Social Responsibility and business strategies align,

6.   Awareness of cultural, historical, and moral obligations,

7.   Flexibility and avoidance of pre-determined solutions,

8.   Knowledge about relationship of stakeholders and contexts to CSR,

9.   Integration of CSR commitment throughout the organizations, and

10.   NGO and business partnerships.

The Bay Committees seemed to be a positivevehicle for mutual collaboration between the community, government, businesses, and MNCs. Problems that arise are taken to the Bay Committees and most often resolved at that level. The case study MNCs were a good demonstration of a multidisciplinary approach to CSR. The MNCs had little resources available to them through academic literature; however, through experience and sharing of best practices they have achieved a lot. Although I was unable to interview a local Chinese MNC hotel, the travel agency did state that they implement CSR programs by country and that local MNCs join in the action in Hainan when they see other MNCs working together.

I believe that positive social change can result from socially responsible MNCs by improving the human and social conditions in local communities. China is growing and changing but not everyone is benefitting nor can the government do it alone.

Multinational Corporations need to work with NGOs and the government to provide meaningful CSR programs and to increase their efficacy.

Through my research, I have identified those factors that lead to effective programs. Dissemination of these factors will increase the chances that MNCs will work with NGOs and the government to provide meaningful CSR programs and to increase their efficacy to ensure that everyone is benefitting from the programs.

Overall, this research study has provided some enlightening information that will bridge theory and practice. China is a large country with the biggest population of any country in the world. Their commitment to social responsibility and environmental protection will ultimately impact the entire world.

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Appendix A: Letter of Invitation

The Influence of Power Distance on Corporate Social Responsibility Programs
in Hainan, China

Date:

Dear

We hope that you will agree to participate since your corporation has unique

contributions to make in this study. In turn, your corporation can benefit through learning

the results of this study, applying the results to your CSR practices, improving

relationships with local communities, enhancing your understanding of the influence of

cultural dimensions on CSR, gaining better understanding and support from stakeholders,

and enhancing your CSR practices.

Carefully read the attached consent form that explains the procedures of this

study, confidentiality, and risks and benefits of participating in this study. Please sign the

consent form by typing and sending the signed form to us by email). If you have any

questions regarding this study, feel free to us by email or phone at. The entire duration of

the study is approximately three months beginning June 2014.

Please note that your participation in this study is entirely voluntary. This means

that you can withdraw from answering questions that might have potential risk to you or

your organization and decline from participating in this study at any time, even though

we hope you can participate until the end of this study. If you have question, please contact me.

Thank you very much for your kind attention. We look forward to hearing from you soon.

Sincerely yours,

Carol Hoshiko

PhD Candidate

Public Policy and Public Administration

Walden University

Appendix B: Consent Form

You are invited to take part in a research study of the potential influence of cultural dimensions, such as power distance, on Corporate Social Responsibility (CSR) programs in Hainan, China. You were chosen for the study because known experts identified your corporation as a leader in CSR programs. This form is part of a process called "informed consent" to allow you to understand this study before deciding whether to take part.

This study is being conducted by a researcher named Carol A. Hoshiko, who is PhD candidate in the Public Policy and Public Administration program at Walden University.

Background Information:

The purpose of this exploratory multicase case study is to discover whether and how power distance influences multinational corporations' CSR programs in Hainan, China.

Procedures:

If you agree to be in this study, you will be asked to:

Read this consent form and address any questions about it to Carol A. Hoshiko at

Participate in a face-to-face interview which will last approximately 1.5 – 2.0 hours.

If your corporation agrees, allow Carol Hoshiko to observe a CSR training session or meeting.

Answer follow-up question sheet, which will take approximately 15 - 20 minutes of your time, and return to Carol Hoshiko at

The duration of this study will be three months, from _____to_____, 2014.

Voluntary Nature of the Study:

Your participation in this study is voluntary. This means that everyone will respect your decision of whether or not you want to be in the study. No one at Walden University or _____corporations will treat you differently if you decide not to be in the study. If you decide to join the study now, you can still change your mind during the study. If you feel stressed during the study you may stop at any time. You may skip any questions that you feel are too personal.

Risks and Benefits of Being in the Study:

Risk - It is possible that some of your responses may relate to specific CSR strategies for your corporations. In those instances, you may provide general responses or choose not to respond.

Benefit **-** Your corporation may benefit by learning more about and improving CSR practices, enhancing your understanding of the influence of culture on CSR, gaining additional understanding and support from stakeholders.

Compensation:

There is no compensation for participating in this study, however, a certificate of appreciation will be sent by Carol A. Hoshiko to an official identified by the corporation for participating in the study.

Confidentiality:

Any information you provide will be kept confidential. The researcher will not use your information for any purposes outside of this research project. Also, the researcher will not include your name or anything else that could identify you in any reports of the study.

Contacts and Questions:

You may ask any questions you have now. Or if you have questions later, you may contact the researcher via or _____. If you want to talk privately about your rights as a participant, you can call Dr. Leilani Endicott. She is the Walden University representative who can discuss this with you. Her phone number is 1-800-925-3368, extension 1210. Walden University's approval number for this study is _____. The researcher will give you a copy of this form to keep.

Statement of Consent:

I have read the above information and I feel I understand the study well enough to make a decision about my involvement. By signing below or clicking here (for online studies), I am agreeing to the terms described above.

Printed Name of Participant

Date of consent
_____

Participant's Written or Electronic* Signature
_____

_____

Researcher's Written or Electronic* Signature

_____

Electronic signatures are regulated by the Uniform Electronic Transactions Act.

Legally, an "electronic signature" can be the person's typed name, their email address, or

any other identifying marker. An electronic signature is just as valid as a written

signature as long as both parties have agreed to conduct the transaction electronically

Appendix C: Individual Interviews

Recorded Interview: Qualitative Data

Name of interviewer:

Name of interviewee:

    Organization:

Date and time of interview:

    Tape #

    Markers:

Location of interview:

    Environment notes:

Guided Questions

1. Does your MNC have a corporate social responsibility program? If so, explain
   what it is and what the results have been.

2. Does your CSR program align with your mission and business strategy? If so,
   how do they align?

3. Who are the main drivers of CSR in your organization?

4. How do the main drivers create an organizational culture to support CSR?

5. Who are your major external stakeholders? What influence do they have on
   your CSR planning, priorities, and programs?

6. Do you think that culture influences CSR programs? If so, how do you think it (culture) influences CSR programs?

7. How important is it to understand and to be involved in the local communities where you operate?

8. If there are any conflicts with local communities, what are they and what are the causes of those conflicts

Appendix D: Focus Group

Recorded interview: Qualitative Data

Name of facilitator:

Focus group of 5-8 participants:

      Corporations or organization:

Date and time of interview:

   Tape #

   Markers:

Location of interview:

   Environment notes:

1.   What is the role, if any, of your corporation or organization in meeting

      social needs?

2.   What are possible differences between Western and Eastern values,

      beliefs, and practices that might influence program results, and

      relationships between MNCs and local communities?

Appendix E: Certificate of Appreciation

CERTIFICATE OF APPRECIATION

THIS CERTIFICATE IS AWARDED TO

NAME OF RECIPIENT

IN RECOGNITION OF VALUABLE CONTRIBUTIONS TO

RESEARCH STUDY: CORPORATE SOCIAL RESPONSIBILITY PROGRAMS IN HAINAN, CHINA

_____

SIGNATURE   DATE