

CSR, Sustainability, Ethics & Governance

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Shuo Wang

# Chinese Strategic Decision- making on CSR

 Springer

# **CSR, Sustainability, Ethics & Governance**

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# Chinese Strategic Decision-making on CSR

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# Preface

The motivations of this study are as follows: to provide a comprehensive review of the corporate social responsibility (CSR) literature; to analyse CSR issues from a strategic decision-making aspect; and to investigate the process of individual decision-makers' CSR-related decision-making in China. Therefore, the aims of this research are: (1) to examine how managers' strategic decision-making concerning CSR differs in different environments, (2) to analyse how stakeholder claims influence a manager's SDM concerning CSR, and (3) to explore stakeholder salience and causal explanation theory in CSR activities.

The author utilised a policy-capturing method to develop a series of scenarios concerning CSR activities. A total of 376 valid questionnaires at the individual level were received from Chinese managers. Concerning the main research findings, this study indicated support for the proposition that the claims of shareholders and government had a positive impact on CSR-related SDM. Meanwhile, additional factors such as the level of previous company donation, firm size, firm age, CEOs' attitudes towards charity donation and charitable organisations also had a positive impact on managers' CSR-related SDM. Moreover, the higher the level of resultant self-enhancement, the less likely it is that managers make decisions to participate in CSR activities. In other words, the higher the resultant self-enhancement represents the managers are at the higher level of egoism (lower level of altruism), therefore this kind of managers are less likely to participate in CSR activities. Compared to managers who work for manufacturing and mining industries, managers from the financial services industry are more likely to make decisions to participate in CSR activities. From a theoretical perspective, this research contributes to the development of corporate social responsibility and strategic decision-making theory, as well as the application of stakeholder-salience and causal-explanation theory. Finally this study also provides suggestions for corporations and government from the practical perspective.

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# Abbreviations

ANCOVA	Analysis of covariance
CFA	Confirmatory factor analysis
CFI	Comparative fit index
CFP	Corporate financial performance
CMV	Common method variance
CR	Composite validity
CSP	Corporate social performance
CSR	Corporate social responsibility
EFA	Exploratory factor analysis
EMBA	Executive master of business administration
FOE	Foreign-owned enterprise
GLS	Generalised least squares
KLD	Kinder, Lydenberg, Domini company
KMO	Kaiser-Myer-Olkin
MBA	Master of business administration
OLS	Ordinary least squares
PC	Policy-capturing
PES ( $\eta^2$ )	Partial eta squared
RBV	Resource-based view
RMSEA	Root mean square error of approximation
RVS	Rokeach's value survey
SDM	Strategic decision-making
SE	Standardised error
SOE	State-owned enterprise
SSCI	Social sciences citation index
SVS	Schwartz value survey
TLI	Tucker-Lewis index
VIF	Variance inflation factor



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# Chapter 1

## Introduction

This chapter provides an overview of related background literature on corporate social responsibility (CSR) and introduces the motivation for the research and outlines the research questions addressed in the research. Firstly, it reviews the development of CSR theory highlighting the importance of examining CSR issues in the Chinese context. Next, it states the motivation of this research and illustrates the organisation of the study with the help of a schematic diagram. Thirdly, it describes how this study may be of benefit to the wider society and proposes a set of specific research questions. Finally, it gives a brief description of the content of subsequent chapters.

### 1.1 Background of the Study

With increasing economic development, more and more scholars have started to pay attention to CSR issues. CSR influences many diverse aspects of business, such as corporate financial performance (CFP) (McWilliams and Siegel 2000), employment and investment domains (Sen et al. 2006), customer loyalty (Luo and Bhattacharya 2006), as well as environmental management (Aguilera et al. 2007). Organisational strategy concerning CSR contributes to stronger corporate reputation and enhances the capability of sustainable development. Therefore, in order to pursue sustainable development and achieve a good reputation, numerous managers integrate CSR issues into their organisational strategic decision-making process. However, there is little research on the driver of managers' CSR-related SDM and the crucial determinants of that decision-making process. This study attempts to bridge this gap.

Some CSR scholars argue that CSR issues should be analysed in relation to the specific society in which they occur as they have close associations with certain social elements. For instance, governments, activities, and media oversee

organisational decision-making and urge them to take responsibility for the social consequences of their activities (Porter and Kramer 2006). Although there is a number of research studies concerning CSR in the advanced western countries, CSR awareness in Asia is rather low and needs more attention (Ip 2008). Consequently, most CSR studies have been carried out in the context of developed countries (e.g., Western Europe, the U.S., and Australia), while there are still too few research studies about CSR situations and practices in the emerging economies (Belal 2001). Accordingly, an examination of CSR issues in developing countries is long overdue.

China is a good example to broaden the understanding of CSR issues in a developing country context as it is the biggest country in Asia and it has different cultural, political, and economic backgrounds compared to western countries. More recently, the importance of recognising the differences between the behaviours of Chinese firms in different industries have been emphasised in the literature (Ralston et al. 2006). Furthermore, China has experienced an accelerated rate of economic growth and social revolution. As a result it is both interesting and pertinent to investigate the CSR issues in China which describe the real situation and strategies of firms at the present time.

## 1.2 Research Motivations and Research Questions

Although the theory of CSR has been developed for more than 20 years, so far there is no single review to conclude and provide objective comments on the existing work from an integrative perspective. Firstly, the author utilises content analysis to examine previous CSR literatures and fill this gap. Following that, the theories of CSR and strategic decision-making (SDM) are examined and then combined leading to what the author terms ‘CSR-related strategic decision-making (CSR-related SDM)’. Secondly, employing the policy-capturing research method, the author uses the instances of charitable donation as an example of CSR-related SDM. To this end, the author designed a series of scenarios to describe the circumstances of charitable donation in China. There is a very particular reason for using this example in the policy-capturing scenarios. As the knowledge of CSR is at a very early stage in China, only charitable donations are widely accepted as a typical CSR activity. Finally, based on the application of stakeholder-salience and causal-explanation theory, the author extends the results of managers’ CSR-related SDM concerning charitable donation to other CSR issues, due to its similarity in determinants and processes.

Thus, the motivations of this research study can be summarised as (i) providing a comprehensive CSR literature review (ii) analysing CSR issues from the SDM perspective, and (iii) investigating the process of managers’ CSR-related SDM in China. Figure 1.1 illustrates the logic of this research using a flowchart. More specific purposes of the study will be explained in the next section.

Based on Fig. 1.1, the purpose of this research study can be assessed in terms of theoretical and practical contribution. In terms of theoretical development, the

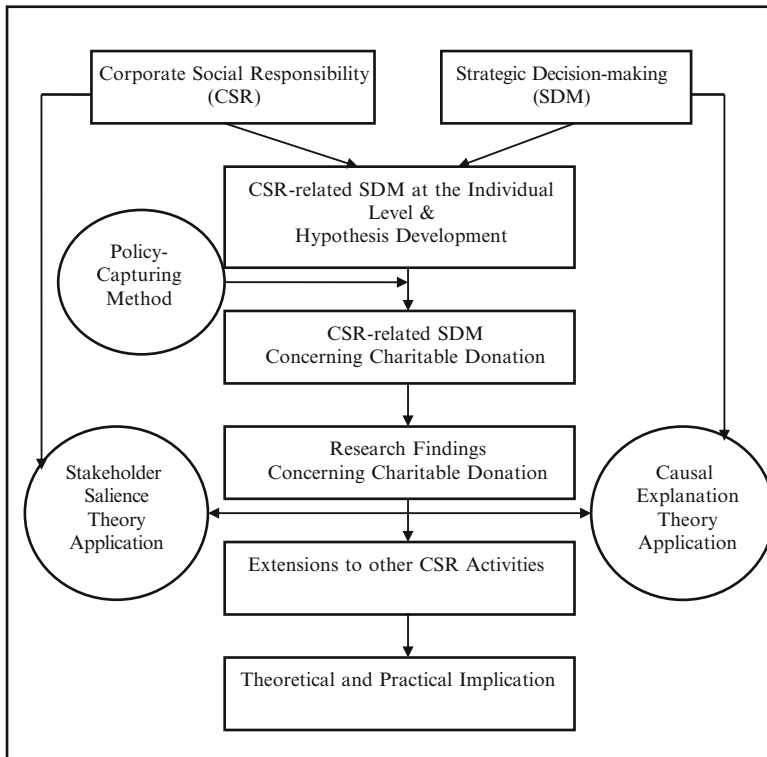


Fig. 1.1 Logic and flowchart of the present research study

current research contributes to the development of CSR theory through a systematic content analysis of CSR literature. It also contributes to the development of theory through the application of stakeholder-salience and causal-explanation theory to understand the SDM process of Chinese managers on CSR issues. In particular, regarding the evolution of CSR theory, this study reviews CSR literature from a synthetic and systematic perspective, generates a typology of CSR theory, and endeavours to identify the pivotal articles within each time period. Moreover, utilising stakeholder-salience and causal-explanation theory to articulate the research findings, it provides a solid foundation for the current study. The results of this study are helpful in supporting the further development of stakeholder-salience and causal-explanation theories.

In time this integrative perspective may pave the way for future studies. This study also aims to provide some advice to managerial practice. (1) From a manager’s viewpoint, he or she will know which stakeholder may be more important to the firm. Further, as stakeholders may exploit other organisational actors (e.g., media) to impress their interests on the firm’s strategy (Mitchell et al. 1997), managers need to understand what the current positions of stakeholders are and how to deal with

**Table 1.1** Summary of the key research questions and research objectives

Area of investigation	Research questions	Research objectives
Roles of stakeholders	Whether stakeholder claims can predict managers' CSR-related SDM?	To investigate the determinant role of stakeholder claims in managers' CSR-related SDM
	Concerning charitable donation, who are the key stakeholders?	To identify salient stakeholders concerned with CSR-related SDM
Organisational characteristics	Which factors at the organisational level influence managers' CSR-related SDM?	To classify what factors of organisational characteristics have impacts on CSR-related SDM
Individual characteristics	Which factors at the individual level affect managers' CSR-related SDM?	To determine the individual characteristics that impact on CSR-related SDM

them. (2) From the government's perspective, it is useful to understand what factors impact on the SDM of firms and encourage them to participate in CSR activities. Armed with this knowledge, the government can advocate CSR activities which provide better returns to society. (3) From the public perspective, it helps people to understand how to influence the firms they are associated with.

In order to deal with the aforementioned problems this study attempts to answer the questions from three aspects: roles of stakeholders, organisational characteristics, and individual characteristics. In particular, the author articulates the specific research objectives and the associated research questions illustrated in Table 1.1.

### 1.3 Structure of the Research

Following the overview of the book in this chapter, Chap. 2 utilises content analysis to examine 762 selected CSR articles from published studies, in order to evaluate the trends in CSR theory development. More specifically, it analyses 110 articles from leading academic journals to identify the variables, constructs, and relationships within CSR theory. In addition to summarising the definitions of CSR, corporate social performance (CSP), corporate citizenship, and corporate philanthropy, it also compares the differences between those concepts. It finds that four main themes can be identified in the CSR arena: corporate context, CSR-related strategy, corporate reputation, and the relationship between CSP and CFP. Based on the analysis of the selected papers, this chapter attempts to identify the milestones in CSR theory development by isolating pivotal articles based on their average citations per year. It also describes the evolution of CSR by analysing the major themes identified earlier. Finally, it identifies critical research gaps in the CSR literature.

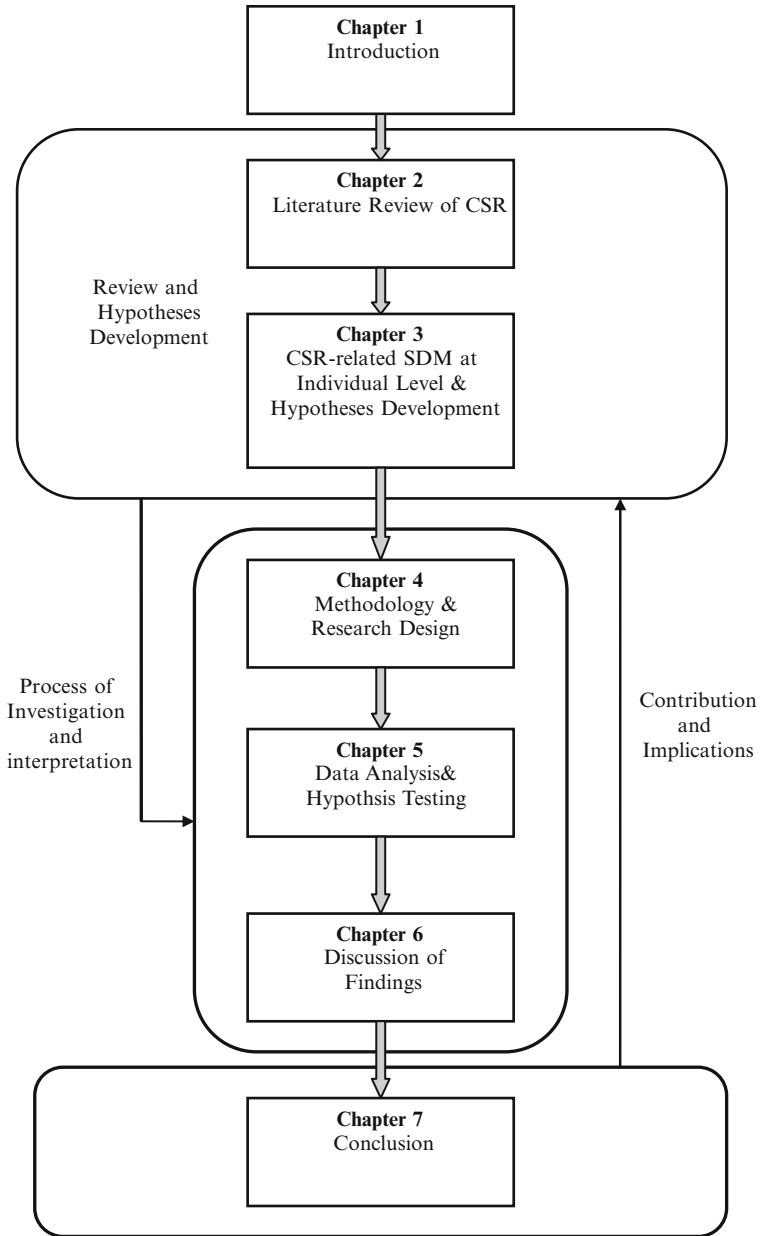


Fig. 1.2 Outline of book chapter sequence



The CSR review indicates that CSR should be involved in strategies of firms. However there is a shortage of published research in which the SDM and CSR perspectives can be combined together. Hence, Chap. 3 reviews the relevant theoretical and empirical literature in the SDM area. Firstly, it summarises the broader context of strategic decisions and points out factors in the external environment and organisational characteristics that influence the SDM process of managers. In particular, stakeholder claims and interests shape strategic decisions. Secondly, it articulates the influences of individual characteristics on the SDM. Thirdly, it examines the process of SDM using the rational and bounded rationality theory of decision making. Following that, an integrated perspective of the SDM model is given, which summarises all the important factors discussed in this SDM review. Finally, on the basis of the SDM model (see Fig. 3.4), the author generates a research model (see Fig. 3.5) which proposes the links between vital and influential factors from an integrated perspective.

Chapter 4 provides a detailed description of how to choose a proper method for the current research, the process of questionnaire design, sampling methods, and survey administration. In particular, the author utilised a policy-capturing method to develop a series of scenarios concerning CSR activities and an explanation of this method is provided. Chapter 5 reports the research findings of this study, which starts with a descriptive overview of the statistical findings. The validity and reliability of measurements employed in the present study were tested. Then, utilising split-plot repeated-measure ANOVA, the main analysis of within-subjects and between-subjects effects is presented. Using statistical analysis, Chap. 6 provides an extensive and thorough discussion of the research findings and compares it with previous empirical studies. Chapter 7, the conclusion, summarises the research findings and their theoretical and practical implications. Figure 1.2 provides an illustrative map of the book chapter structure.

# Chapter 2

## Literature Review of Corporate Social Responsibility

### 2.1 Introduction

The early roots of corporate social responsibility can be traced back to 1917, when Henry Ford announced that the aim of Ford Motor company is that “To do as much as possible for everybody concerned, to make money and use it, give employment, and send out the car where the people can use it . . . and incidentally to make money” (Lee 2008, p. 54). Eighty years later, Henry Ford’s great-grandson, William Clay Ford Jr emphasised that Ford company valued all stakeholders’ interests as well as the social welfare of employees and shareholders, as he said that “we want to find ingenious new ways to delight consumers, provide superior returns to shareholders and make the world a better place for us” (Meredith 1999, p. 157).

From a business practice perspective, Ford was one of those companies, who initiated social responsibility activities. From a research perspective, many scholars believe that Bowen’s **Social Responsibilities of the Businessman** (1953) is the first work to discuss the relationship between corporations and society (Carroll 1979; Wartick and Cochran 1985). In this book Bowen (1953) argues that firms need to be cognisant of business ethics to achieve long-term superior performance. CSR initiatives are very important in the context of business ethics (Maignan and Ferrell 2004). During the last 57 years, several findings have caught the attention of CSR practitioners and scholars. These include studies which suggested that CSR activities provide an “insurance-like” protection when negative events happen (Godfrey et al. 2009); that CSR activities not only influence sales growth, but also influence the employment and investment domains (Sen et al. 2006); and that firms with higher CSR ratings may have a sustainable competitive advantage rooted in human capital as they attract more and better employees than firms with lower CSR ratings (Carmeli 2005; Hunt et al. 1989; Turban and Greening 1997). Consequently, in order to pursue sustainable development, and, achieve a good reputation in a fiercely competitive market, more and more companies are publishing their CSR disclosures and CSR reports.

### ***2.1.1 Previous Conceptualisation in the CSR Area***

Since the 1950s, CSR and its related terms, such as corporate social responsiveness, corporate social responses, corporate social performance, corporate citizenship, and corporate philanthropy have been conceptualised and mainly originated from the management area (e.g., Carroll 1979; Matten and Crane 2005; Wood 1991). Based on previous business and management knowledge, different CSR scholars explore the CSR theme and related notions derived from various perspectives, such as social obligation, marketing, stakeholder-relation, integrated strategy, and leadership themes. This section reviews the main CSR conceptual views driven by those related management themes.

#### **2.1.1.1 Social Obligation Driven**

The first definition of CSR is suggested by Bowen (1953), as the social obligation “to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society” (p. 6). The social obligation view of CSR is the foundation of future research in the CSR area. Following Bowen’s (1953) book, Carroll (1979) identifies the CSR pyramid, which includes four stages of CSR development: economic, legal, ethical, and philanthropic obligations. Further, Carroll (1979) argues that “these four categories are not mutually exclusive, nor are they intended to portray a continuum with economic concerns on one end and social concerns on the other” (p. 499). In particular, economic responsibility represents that companies are supposed to provide goods and services that the society needs and sell them at a profit. Legal responsibility means that companies should obey societal laws and regulations. Ethical responsibility can be described as societal expectations of business over and above legal requirement. Philanthropic responsibility indicates “these roles are purely voluntary, and the decision to assume them is guided only by a business’s desire to engage in social roles not mandated, not required by law, and not even generally expected of businesses in an ethical sense” (Carroll 1979, p. 500). Overall, this CSR pyramid embodies the four levels of social responsibilities that society expects companies to do.

#### **2.1.1.2 Marketing Driven**

Marketing scholars started to consider CSR issues from 1960s and they only emphasised on the social obligations related to marketing functions, without thinking of other aspects of CSR activities. The CSR-related studies in the marketing area focus on the marketing dimensions, such as cause-related marketing (Barone et al. 2000; Varadarajan and Menon 1988), social sponsorship (Simmons and Becker-Olsen 2006), environmental marketing (e.g., Crouch 2006; Handelman and Arnold

1999; Menon and Menon 1997; Zeithaml and Zeithaml 1984), communicating with consumers concerning CSR issues (Caruana and Crane 2008), customers response to organisational CSR behaviour (e.g., Brown and Dacin 1997; Ellen et al. 2006; Handelman and Arnold 1999; Sen and Bhattacharya 2001), and corporate reputation (e.g., Berens et al. 2005; Brown and Dacin 1997; Lichtenstein et al. 2004; Wagner et al. 2009).

Cause-related marketing is defined as “a form of horizontal tie-in between corporate philanthropy and sales promotion, as synonymous with corporate sponsorship of charitable causes, and as the initiation and funding of deserving causes” (Varadarajan and Menon 1988, p. 59). Meanwhile, other scholars examine how to utilise CSR activities to create customer satisfaction, increase market value (Luo and Bhattacharya 2006), and build up corporate brand dominance (Berens et al. 2005).

These research studies discussed above establish the relationship between CSR and marketing management, which broadens our knowledge in both CSR and marketing areas. However, the thinking of CSR from the marketing aspect only emphasises the relations with one of the stakeholders, namely consumers. Managers gradually notice that there are more social responsibility initiatives (e.g., employee satisfaction and environment management) and broader stakeholder groups need to be considered.

### 2.1.1.3 Stakeholder-Relation Driven

Stakeholder theory is another foundation of CSR theme development. According to Maignan and Ferrell (2004), there are two main motivations of organisational CSR activities concerning stakeholder-relations: the first one is the instrumental approach. As companies rely on stakeholders for their continuous support or providing resources (Barney 1991), managers have to consider the claims and needs from stakeholders. The other one is from the moral perspective, as Donaldson and Preston (1995) argue that “all persons or groups with legitimate interests participating in an enterprise do so to obtain benefits and [ . . . ] there is no prima facie priority of one set of interests or benefits over another” (p. 68).

Scholars examine CSR issues from the stakeholder relation perspective, focusing on communications with stakeholders (Basu and Palazzo 2008), the influence of stakeholder relations on corporate sustainability (Choi and Wang 2009), CSR awareness among stakeholders and its relationship with corporate financial performance, corporate investment, and employee loyalty (Sen et al. 2006). Furthermore, Mitchell et al. (1997) bridge stakeholder theory and the CSR theme to suggest a new concept, stakeholder salience, which facilitates the analysis of stakeholder relations in the CSR area.

#### **2.1.1.4 Integrated Strategy Driven**

Based on the discussion of marketing and stakeholder-relation management in the CSR area, more and more scholars value the examination of CSR issues from the integrated strategy aspect (e.g., Baron 1995). For instance, Maignan and Ferrell (2004) point that “organisations act in a socially responsible manner when they align their behaviours with the norms and demands embraced by their main stakeholders” (p. 6) and they illustrate a framework to analyse the antecedents and outcomes of organisational CSR behaviour from major stakeholder perspective. Aguilera et al. (2007) produce a figure to explain during the social change process, the role of stakeholders, stakeholder-company relations, and how stakeholders influence organisational strategy through the mechanisms. McWilliams and Siegel (2011) observe that CSR which is embedded in an integrated strategy may be labelled “strategic CSR”. From the resource-based theory approach, they discuss those conditions under which strategic CSR contributes to the organisational sustainable competitive advantage. Some scholars examine the integrated corporate activities in political context and argue that practitioners “need to pay more attention to the ethical aspects of their subject, as failure to do so will weaken the community conceptually and thereby undermine its credibility and legitimacy” (Lawton 2011, p. 8).

#### **2.1.1.5 Leadership Driven**

On the basis of current leadership styles (e.g., transformational, charismatic, authentic, ethical, participative, servant, shared, and spiritual leadership), some scholars attempt to incorporate CSR into leadership theory (Bass and Steidlmeier 1999; Waldman and Galvin 2008). Maak and Pless’s (2006) study is one of the first endeavours in this area. They name the leadership approach based on the ideals of CSR as “responsible leadership” and define it as “the art and ability involved in building, cultivating and sustaining trustful relationships to different stakeholders [...] to achieve a meaningful, commonly shared business vision” (p. 334). There are some arguments about the definition of the so-called “responsible leadership”. For example, there is a fierce debate between Waldman and Siegel (2008), where they argue whether the responsible leaders are economic driven or morally driven, whether the responsible behaviours will benefit the organisational financial performance or not. Moreover, Waldman et al. (2006) examine the relationship between CEO leadership style with organisational CSR values and find that the CEOs’ vision of CSR may impact their subordinate managers’ view of CSR in their decision-making process.

Overall, the exploration of CSR starts with some scholars and practitioners who notice that the aims of companies are not only to make profit, but also to consider social obligations and benefits to society. Following that, this section briefly reviews the CSR conceptualisation process from the perspectives of marketing, stakeholder-relations, integrated strategy, and leadership. Especially, the evolution of the CSR

theme has promoted leadership theory development and has produced a new concept, responsible leadership. The investigation of this CSR-related leadership is at the very early stage and there are many gaps to be filled, such as the structure and measurement of this leadership style.

Notwithstanding its long-term development, CSR theory has remained controversial and ambiguous and has not yet fully matured. In particular, continuing disagreements have made CSR somewhat controversial. For instance, some scholars believe that corporate social performance (CSP) is the outcome of CSR activities (Aupperle et al. 1985) while others argue that CSP includes CSR principles (Wood 1991). Another debate surrounds the relationship between CSP and corporate financial performance (CFP), as some studies suggest that it is positive (Aupperle et al. 1985; Lev et al. 2010; Waddock and Graves 1997) while others, viewing the results of different samples and causal patterns, suggest it is neutral (Aupperle et al. 1985; McWilliams and Siegel 2000). CSR theory is still not clearly defined as there is no universal agreement to distinguish it from other terms which it closely resembles, such as corporate citizenship and corporate philanthropy. Compared to the earlier research studies of CSR, CSR theory has made great progress in the twenty-first century (see “significant developments and pivotal articles” of Sect. 2.3.1), but there is no typology or milestones to mark its history and research agenda. Another ambiguity is embedded in the CSP-CFP link. It is still unclear whether good CSP leads to revenue growth or if firms with higher CFP have the capabilities to conduct more CSR activities, or if it is a “virtuous circle” (Lev et al. 2010). As a result, it is timely to commence a systematic review in the CSR area to clarify these ambiguous and controversial issues.

Until now, there have been few efforts to understand and summarise CSR theory. Although existing reviews have their strengths, their weaknesses have become increasingly apparent as the theory develops. Firstly, Wood (1991, 2010) provides an explicit construct of CSP and formulates a CSP theory with more detailed CSP measurements. The thesis advances here, however, contends that CSP is the outcome of CSR activities and that Wood’s (1991, 2010) work only explains parts of CSR theory. Secondly, Lee (2008, p. 56) elaborates on the evolutionary path of CSR theory and suggests “trends in CSR research” as well as some pivotal publications, but his review is more a historical description rather than a scientific analysis. Thirdly, Garriga and Melé (2004) attempt to map the CSR territory, and categorise this theory from the perspectives of instrumental, political, integrative, and ethical theories. It can be argued that their typology is based solely on the authors’ perception. Fourthly, although Lockett et al.’s (2006) work appears comprehensive, the following defects can be identified: it focuses on CSR studies between 1992 and 2002, which only examines the adolescent development stage (see Sect. 2.3.1); it includes tables of journal articles discussing CSR, but does not analyse the statistics behind those tables. Although CSR is a very important topic, the existing CSR reviews are dated or incomplete.

This literature review has three main purposes: firstly, to fill a gap in the review of the CSR literature; secondly, to identify the milestones in CSR development and further understand the evolution of CSR theory; thirdly, to encourage the

development of CSR studies and practices at organisational level. As the adoption of a CSR orientation may help organisations to achieve sustainable competitive advantage, it is imperative that it is correctly defined and understood. In addition, the CSR literature review proceeds in four sections. It discusses the methodology the author adopted together with an explanation of why content analysis was utilised to analyse the CSR literature; it presents the author's research findings and comments on previous work, as well as attempts to outline the development of CSR theory in management and organisation literature.

## **2.2 Methodology Used for the CSR Literature Review**

### **2.2.1 Content Analysis**

The author conducted a content analysis, which is a scientific and systematic method for observing and analysing information (Budd et al. 1967). Why has the author chosen this as a method of analysis? Although content analysis is primarily a qualitative method of analysis, it has some advantages which allow a quantitative element to be included using techniques such as frequency analysis. Thus, content analysis can be considered superior to those purely qualitative methodologies, such as literary interpretation, which are mainly based on authors' perception (Cascio and Aguinis 2008). It is particularly suited to the formulation of a literature review in the CSR area for several reasons. To begin with, content analysis is a replicable methodology (Cascio and Aguinis 2008). This helps to summarise the intrinsic value of information, without the disadvantage of bias. Second, it assesses the effects of corporate context (Kolbe and Burnett 1991), as CSR strategy and the consequences of CSR activities have significantly different motivations (e.g. due to different institutional, industrial, and organisational environmental effects). Third, content analysis is highly flexible (Cascio and Aguinis 2008), which makes it more efficient as CSR involves various fields (e.g. marketing, human resource management, and stakeholder management) and these are not easy to categorise unless one uses content analysis.

In addition, utilising content analysis, this CSR review overcomes weaknesses evident in previous CSR literature reviews in the following way. Firstly, the author selected several key words concerning CSR in order to provide a comprehensive literature review of CSR. Secondly, based on the empirical work of content analysis, the author examined the underlying trend of the literature on CSR development, something which has not been done in previous studies.

### ***2.2.2 The Process of Journal and Article Selection***

Following Laplume et al.'s (2008) paper selection approach, the author used Harzing's (2011) journal quality list to select journal papers based on impact factors and only analysed those papers from leading academic journals. These included the following eight management journals: academy of management journal, academy of management review, strategic management journal, administrative science quarterly, organisation science, organisation studies, journal of management, and journal of management studies, in addition to two marketing journals: journal of marketing and journal of the academy of marketing science. The author also analysed the following three managerial practice journals: Harvard business review, Sloan management review, California management review, and four specialised journals: business & society, business ethics quarterly, and journal of business ethics. The principal reason for the selection is that primary CSR articles are published in the management area, and a number of CSR articles have a close connection to marketing strategy and, accordingly, such papers are likely to be found in marketing journals. Additionally, those specialty journals were selected as some significant papers concerning CSR were published in them (see Appendix A), and some seminal attempts to examine CSR issues are published there.

In the paper selection process, the author reviewed definitions of the key term "corporate social responsibility" and terms which resemble CSR, such as "corporate social performance", "corporate citizenship", and "corporate philanthropy". The author selected articles with those key words in their titles, abstracts, or subject matter. A further explanation of keywords selected is offered in the section "Definition of CSR and CSR-related Concepts". The author mainly utilised the EBSCO host search engine to select articles. The author also searched CSR articles with the same keywords in the social sciences citation index (SSCI) database to ensure that high citation articles in the CSR area were selected. To be thorough, the author additionally referred to the bibliographies of numerous reviews in the CSR area, such as the review of previous studies regarding the linkage between CSP and CFP (Orlitzky et al. 2003) and the review of CSP measurements (Wood 2010). The author did not select articles in the forms of dialogues, responses, and book reviews, as those types of articles are not always based on logical reasoning or rigorous empirical work. The final CSR sampling database (see Appendix A) consists of 762 articles, including 110 articles from leading academic journals, 68 articles from leading managerial journals, and 584 articles from specialised journals.

### ***2.2.3 Coding Process and Agreement Check***

The content analysis is an important method to explore the main themes in the CSR area. Following Laplume et al. (2008), as well as Cascio and Aguinis's (2008) ways of classification, the author categorised the papers in the database based on themes.



The author found that most of the papers can be categorised under five headings which are named: corporate context, strategic management, corporate reputation, CSP predictors, and CFP predictors. In order to provide a systematic foundation for coding and categorising each article, the author developed a taxonomy that includes five broad categories (i.e. the 5 headings) and 16 subcategories (see Appendix B). Following Cascio and Aguinis's (2008) approach to improve the reliability of content analysis taxonomy, the author attempted to map sets of categories onto each other, regardless of their previous categorisation, in order to challenge the existing categories. As this study is the first to produce a categorical content analysis in the CSR area, the author cannot claim that there is no other possible taxonomy or this classification is based on a comprehensive and systematic codebook. However, the author is satisfied with this content analysis of 762 selected articles, especially the 110 selected articles from leading academic journals, which makes the taxonomy sufficiently complete.

To ensure plausibility and reliability, the author performed additional checking on the coding process. The author asked two scholars, who are knowledgeable in the CSR field and do not know the existing categories that the author created, to code and categorise the data again. The author then compared this categorisation with that of these two scholars and conducted several rounds of meetings and discussions. Although the classifications between different scholars are quite similar, the author modified some categories after several meetings. Each of these meetings resulted in a refinement of the taxonomy to improve interpretive validity and inter-rater reliability for future coding. During this process, when an article was attached to more than one category, the author chose the category with the perceived best fit. This may result in the potential under-representation of some areas, although there is no evidence to demonstrate this potential under-representation is systematic across articles (Cascio and Aguinis 2008).

## **2.3 Results and Discussion**

### ***2.3.1 Background, Significant Development, and Definitional Period***

Following Bowen's (1953) first suggestion about CSR, a number of subsequent researchers helped to develop the CSR concept. However, until recently there has been no universally accepted definition of this concept (McGee et al. 1998) (see below Sect. 2.3.1 "definitions of CSR and CSR-related concepts"). Thus, CSR theory stands out as an interesting field of studies and it encompasses a large number of implicitly competing ideas, such as CSP (Barnett 2007; Wood 1991), corporate citizenship (Matten and Crane 2005), and corporate philanthropy (Godfrey 2005; Post and Waddock 1995). As all these terms describe CSR theory from different perspectives, this article not only focuses on CSR, but also discusses related concepts and their relationships with CSR.

### 2.3.1.1 The Development and Time Blocks for CSR

Based on the selected CSR articles database (see Appendix A), the author identified trends in CSR articles. Figure 2.1 demonstrates that the number of articles within the CSR field has been increasing, especially during the 2000s, with a significant upward trend.

Given the increasing numbers of publications in the CSR arena, this chapter targets articles selected from leading academic journals which undoubtedly represent the trend seen in CSR studies. An additional reason is that these articles utilise rigorous methodologies and logical reasoning. Moreover, the author analysed some articles from leading managerial practice journals as a complement to the leading academic journals, as those leading managerial practice journals provide some evidence and opinions from a practical perspective. As can be seen in Fig. 2.1, the number of CSR articles published in the aforementioned journals has increased rapidly since the 1970s, while the number of publications seems to reach a peak every 10 years. Since there are no articles that can be defined as milestones of CSR theory development, the author aggregated the articles based on 10-year time blocks, resulting in the following time periods: (a) pre-1980s (1949–1979), (b) 1980s (1980–1989), (c) 1990s (1990–1999), and (d) 2000s (2000–2010). Since the first time period is the initial stage, it comprises a number of works that offer rudimentary explanations of the concept of CSR. The author included the articles before 1970 in the 1970–1979 categories. The techniques of using 10-year time blocks and commencing with the first year of each decade may appear arbitrary but allows demonstration of the underlying trends.

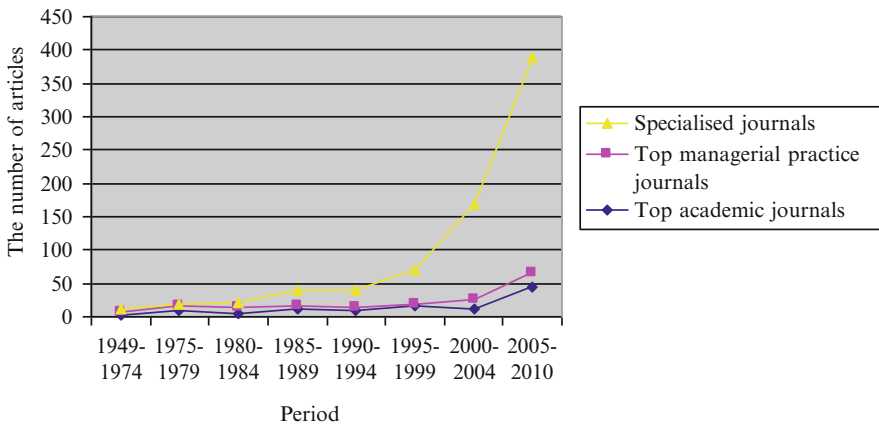


Fig. 2.1 Articles by journal and by year

### 2.3.1.2 Significant Developments and Pivotal Articles

Roughly based on the 10-year time blocks, the author assembled the CSR articles published during 1949–2010 in four stages, and named these stages as the incubation (1949–1979), exploration (1980–1989), adolescent development (1990–1999), and relative maturity (2000–2010) stage. Several pivotal articles (see Table 2.1) were identified in the SSCI according to their citation record. Crucial articles in the 1990s and the 2000s time periods are cited on average of ten times per year and articles in the 1980s are on average cited five times per year. For the articles from the 1970s and earlier, this study found several articles that also have relatively high citation rates.

The sets of pivotal articles for each time period represent milestones in CSR theory development. During the first time period, the incubation stage, the early discussion about the CSR field can be found in some managerial practice journals and book chapters. The early studies are primarily designed to increase awareness of social and ethical principles among business people (Carroll 1979). During this theoretical building process, there are several explorations in the CSR area: one CSR structure is put forward by Carroll (1979), another discusses the relationship between CSR activities and stock market performance (Alexander and Buchholz 1978), and a third suggests a method of CSR measurement (Abbott and Monsen 1979). Although at that stage, there are insufficient empirical and theoretical studies to support a comprehensive CSR theory, the CSR research studies during that period provide a foundation for future understanding of CSR theory.

This thesis names the second period (1980–1989) exploration, because it is a continuous stage of CSR incubation. In this stage, researchers attempt to verify or support those concepts discussed in the first period: initially, suggesting a yardstick to monitor understandings of CSR (Tuzzolino and Armandi 1981); second, through reviewing previous studies to verify and develop the structure of CSR and CSP (Boal and Peery 1985; Wartick and Cochran 1985); finally, utilising Fortune magazine's corporate reputation ratings to examine the relationship between CSP and CFP (McGuire et al. 1988). During this period, CSR scholars attempt to improve the CSR

**Table 2.1** Significant development of CSR themes and its pivotal articles

Stage	Period	Pivotal articles
Incubation	1949–1979	Abbott and Monsen (1979) and Alexander and Buchholz (1978)
Exploration	1980–1989	Aupperle et al. (1985), McGuire et al. (1988), and Wartick and Cochran (1985)
Adolescent development	1990–1999	Agle et al. (1999), Brown and Dacin (1997), Clarkson (1995), Klassen and Whybark (1999), Russo and Fouts (1997), Waddock and Graves (1997), and Wood (1991)
Relative maturity	2000–2009	Campbell (2007), Hillman and Keim (2001), Matten and Crane (2005), Matten and Moon (2008), McWilliams and Siegel (2000, 2001), Orlitzky et al. (2003), and Scherer and Palazzo (2007)

concept's structure at the theoretical level and also the reliability and validity of CSR measurements at the empirical level. During this stage, the CSR topic receive a great deal of attention and there are 27 articles published in leading academic journals. The 27 articles enlarge and consolidate the theoretical and empirical foundations of CSR studies, utilising combinations of other mature theories, such as stakeholder theory, marketing theory and the resource-based view.

The fourth period (2000–present) is termed the relative maturity stage. Compared with previous periods, CSR articles are relatively mature during the twenty-first century. Some researchers emphasise that the analysis of firms' CSR issues should be conducted in a societal environment (Campbell 2007; Matten and Moon 2008; Scherer and Palazzo 2007). Meanwhile, other researchers continue to show interest in the outcomes of CSR (Hillman and Keim 2001; McWilliams and Siegel 2000). In particular, Orlitzky et al. (2003) utilise a meta-analysis to examine 52 previous studies about the CSP-CFP link and conclude that CSP is more highly correlated with accounting-based measurements than marketing-based instruments (see Sect. 2.3.2 "CSP and CFP") in predicting CFP indicators. In the contemporary period, although there is still no universally accepted CSR theoretical concept, the present study at least represents an approach to the question of how to develop CSR theory. In this section, the author has discussed the trends in CSR development, noting four sets of pivotal articles which are considered landmarks in the evolution of CSR and using the introduction of each pivotal article to describe the CSR development for each period. The identification of the four stages facilitates scholars in understanding the development process of CSR theme and highlights the important issues and arguments in the previous research studies of CSR. Therefore, the present study strengthens the understanding of the CSR theory evolution.

### 2.3.1.3 Definitions of the CSR and CSR-Related Concepts

With respect to the definition of CSR and its related concepts, the author categorised articles that addressed the notion or construction of CSR and its related terms into the "concepts and reviews" section. This contains 18 articles, which represents approximately 18 % of the total articles from leading academic journals. Based on those papers, Table 2.2 illustrates the main articles that discuss CSR theory and its related terms.

Although there is no comprehensive explanation of CSR, the author has summarised this concept using the following aspects: (see Table 2.2): (a) integrative perspective, namely, those definitions generate by a spectrum of views ranging from stakeholder concerns to social issues. For example, some scholars believe that CSR involves corporate activities as they relate to its perceived societal or stakeholder obligations (Brown and Dacin 1997; Luo and Bhattacharya 2006; Sen and Bhattacharya 2001); (b) economic perspective, namely, those researchers who believe the aim of CSR activities is profit-maximisation, which emphasises the benefits to shareholders and internal stakeholders. For instance, Friedman (1970) believes that the purpose of CSR is to make as much money as possible for a firm's

**Table 2.2** Summary of CSR and related concept definitions

<b>CSR</b>
<i>Integrative</i> : Brown and Dacin (1997), Carroll (1979), Davis (1973), Luo and Bhattacharya (2006), Sen and Bhattacharya (2001), and Varadarajan and Menon (1988)
<i>Economic</i> : Backman (1975), Campbell (2007), and Friedman (1970)
<i>Voluntary</i> : Barnett (2007), Jones (1980), Mackey et al. (2007), and McWilliams and Siegel (2000)
<i>Public</i> : Buchholz (1977), Sethi (1979), Smith (2003), Steiner and Richman (1971), and Zenisek (1979)
<b>CSP</b>
<i>Outcomes</i> : Barnett (2007) and Schuler and Cording (2006)
<i>Multi-dimensional structure</i> : Aupperle (1991), Aupperle et al. (1985), Clarkson (1995), Donaldson and Preston (1995), Freeman (1984), Gephart Jr (1991), Miles (1987), Turban and Greening (1997), Wolfe and Aupperle (1991), and Wood (1991)
<b>Corporate citizenship</b>
<i>Integrative</i> : World Economic Forum (2003)
<i>Political</i> : Matten and Crane (2005) and Organ (1988)
<i>Economic</i> : Organ (1988)
<i>Voluntary</i> : Van Dyne et al. (1994)
<b>Corporate philanthropy</b>
Financial Accounting Standards Board (1993)

shareholders; (c) voluntary perspective, namely, researchers who believe that firms should take some philanthropic actions in accordance with local laws to improve social welfare; and (d) public perspective, these scholars argue that a CSR strategy should be designed to fit the social system.

### CSR-Related Concepts

Though some earlier studies imply that CSR is an intrinsic part of CSP (Wood 1991), the view in this study is consistent with most CSR scholars, who contend that CSR is a broader concept. CSP is only used to provide a description of CSR actions (Barnett 2007; Schuler and Cording 2006). The concept of CSP is perceived to be a multi-dimensional structure (see Table 2.2): from the perspective of outcomes, researchers believe that CSP is a result of CSR activities. From the viewpoint of a multi-dimensional structure, CSP is defined as having corporate responsibilities to different types of stakeholders (Wood 1991). Thus, CSP might represent a snapshot of a firm's CSR activities and reflect the dimensions of its CSR strategy.

Regarding corporate citizenship, the term has been introduced into CSR reports in recent years, as more and more firms promote their positions as citizens in a global business community (Matten and Crane 2005). With the framework of CSR, the concept of corporate citizenship is both based on CSR and is likely to be derivative of CSR. There are four perspectives of corporate citizenship: integrative, political,

economic, and voluntary (see Table 2.2). Matten and Crane (2005) have indicated that corporate citizenship involves a broader view that goes beyond the current discussion about CSR.

With respect to corporate philanthropy, the financial accounting standards board (FASB) (1993, p. 2) defines philanthropy as “an unconditional transfer of cash or other assets to an entity or a settlement or cancellation of its liabilities in a voluntary nonreciprocal transfer by another entity acting other than as an owner”. Thus, the apparent discrepancy between CSR and corporate philanthropy is that philanthropy only represents a voluntary dimension of CSR. CSR differs in that it not only involves a voluntary dimension but also includes Carroll’s (1979) other three CSR dimensions (i.e., economic, legal, and ethical dimensions) (Godfrey 2005).

In short, developments of CSP, corporate citizenship and corporate philanthropy are underpinned by principles found in CSR theory. This relationship can be summarised as follows: (a) CSP is an inevitable consequence of CSR; (b) corporate citizenship is a related term of CSR in the global community; and (c) corporate philanthropy is the top level of CSR.

### 2.3.2 Major Themes in CSR

As can be seen in Fig. 2.2, the results of the analysis (the “Frequency counts of articles based on themes for leading academic journals” in Appendix C) illustrate 60 years of CSR studies, involving five broad themes. With respect to the method of categorisation in this chapter, the author categorised the CSR articles based on their topical areas, regardless of their publication time. As the distribution for each over time shown in Fig. 2.2, it is obvious that based on the number of published articles, the top five themes can be ranked as follows: concepts and reviews (see “Definition of CSR and CSR-related Concepts” of Sect. 2.3.1); corporate context; strategic management; corporate reputation; and CSP-CFP relationship. These five themes are further explained in the following sections.

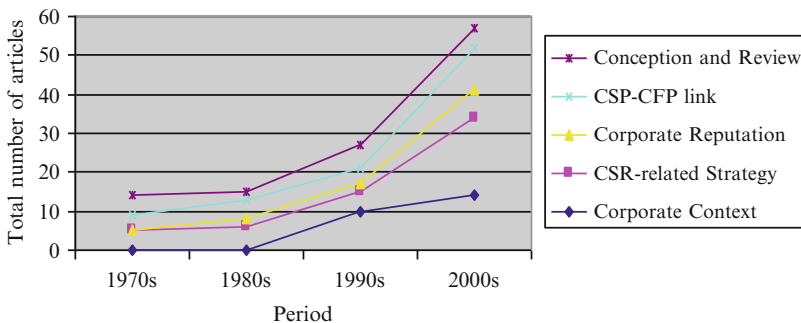


Fig. 2.2 Dominant themes by period

### 2.3.2.1 Corporate Context

Noda and Bower (1996) noted that corporate context is a reinforcement or modification of corporate strategic initiatives. Using this as a starting point for a proper classification of corporate context themes in CSR articles, this study examined each article in the database and categorised them using the key word “corporate context”. Then, related articles were found which focused on one of the three levels and they were termed as follows: individual, organisation, and society (see Table 2.3).

#### Individual Perspective

Previous studies briefly discuss the effects of personal characteristics of top managers on corporate CSR activities or CSP. For instance, Deckop et al. (2006) find that the more a corporation used a long-term focus in CEO payment, the higher the firm’s CSP is ranked. Swanson (1999) believes that CSP should be organised according to values and suggests an ideal type of CSR responsiveness framework with value attunement. Furthermore, Agle et al. (1999) state that there are significantly positive relationships between stakeholder attributions, CEO values and a firm’s

**Table 2.3** Main themes of CSR

<b>Corporate context (study 23): Theoretical study: 6; Empirical study: 17</b>	
<i>Individual level</i>	Values: Swanson (1999) (T) CEO’s compensations: Deckop et al. (2006) (E)
<i>Organisational level</i>	Ownership: David et al. (2007) (E), Johnson and Greening (1999) (E), Graves and Waddock (1994) (E), and Neubaum and Zahra (2006) (E)
<i>Societal level</i>	Countries: Maignan and Ralston (2002) (E) and Matten and Moon (2008) (E) Industrial: Bhambri and Sonnenfeld (1988) (E) and Marcus and Anderson (2006) (E) Institutional: Campbell (2007) (T), Gardberg and Fombrun (2006) (T), Husted and Allen (2006) (E), and Brammer and Millington (2004) (E)
<b>CSR-related strategy (study 36): Theoretical study: 14; Empirical study: 22</b>	
<i>Risk management:</i>	Godfrey et al. (2009) (E) and Luo and Bhattacharya (2009) (E)
<i>Environment:</i>	Menon and Menon (1997) (T) and McGee et al. (1998) (T)
<i>Marketing:</i>	Handelman and Arnold (1999) (E), Lev et al. (2010) (E), Ellen et al. (2006) (E), Simmons and Becker-Olsen (2006) (E), and Caruana and Crane (2008) (T)
<i>Stakeholder relation:</i>	Choi and Wang (2009) (E), Kacperczyk (2009) (E), Sen et al. (2006) (E), Brammer and Pavelin (2006) (E), Basu and Palazzo (2008) (T), and Barnett (2007) (T)
<b>Corporate reputation (study 11): Theoretical study: 1; Empirical study: 10</b>	
<i>Employees’ attractiveness:</i>	Carmeli (2005) (E), Hunt et al. (1989) (E), and Turban and Greening (1997) (E)
<i>Consumers’ attractiveness:</i>	Brown and Dacin (1997) (E), Sen and Bhattacharya (2001) (E), Lichtenstein et al. (2004) (E), Berens et al. (2005) (E), and Vlachos et al. (2009) (E)

CSP. In sum, a leader's personal values shape managerial perceptions through his or her interpretation of external information, and is reflected in a firm's strategy, and thus in overall corporate performance (Hambrick and Mason 1984). Furthermore, from the perspective of the individual in CSR, these scholars contribute the multi-level theory in the development of CSR theory (Klein et al. 1999).

### Organisational Perspective

This level involves institutional investors and owners, which includes pension funds, mutual funds, investment bankers, insurance companies, and investment firms (Chaganti and Damanpour 1991). The starting point in this area is Graves and Waddock's (1994) work, where they find that the larger the number of institutions that hold a company's shares the more positive is the impact on the firm's CSP. Johnson and Greening (1999) analyse the effects of different types of institutional investors on CSP and advance the idea that pension fund equity as well as outside director representation are positively correlated with the people and product quality dimensions of CSP. Further, they argue that top management equity also has a positive impact on the product quality dimension, but has no correlation with the people dimension of CSP. Furthermore, Neubaum and Zahra (2006) state that long-term institutional ownership has a positive impact on CSP and financial returns from CSR activities would be seen 3 years later. David et al. (2007) articulate a perspective that shareholder proposal activism has a negative impact on CSP and that managers are more likely to focus on the proposals put forward by those stakeholders which are perceived to be relatively more important to the company. Institutional investors and owners not only have interests in the corporate financial returns, but also pay attention to strategies, activities, relationships with other stakeholders and the corporate sustainable development. As a result, they have a great deal of influence on corporate CSR strategy and CSP (Holderness and Sheehan 1988; Pound 1992).

### Societal Perspective

Social issues can lead to external pressures unless firms are aware of them and incorporate this into their CSR strategy. There are a number of CSR researchers who have written articles about the societal perspective. Their studies can be categorised along the three dimensions of: distinct countries, industries, and institutions. Maignan and Ralston (2002) state that firms in different countries display different levels of CSR engagement. Furthermore, Matten and Moon (2008) provide an exploration of why CSR activities differ among countries and how firms should adapt to the local environment. From an industrial perspective, Bhambri and Sonnenfeld (1988) compare the insurance and forestry industries and suggest that the differences in their institutional environments contribute to various components of the public issues structure in a company's CSR strategy, and thus influences their CSP. Another



example is in the retail food industry. Marcus and Anderson (2006), for instance, note that a firm's corporate image and use of green technology promotes its reputation for social responsibility.

Regarding the institutional perspective, based on 10 years field work, Arya and Zhang (2009) reveal that institutional reforms increasingly bring about awareness of CSR theory and support for CSR activities, while such reforms also promote changes in corporate social actions. In another empirical study, based on institutional theory, some scholars attempt to elaborate on the determinations (e.g. firm size, managerial discretion, and institutional pressures) (Greening and Gray 1994; Husted and Allen 2006), mediators (Campbell 2007), and strategic investment of CSR (Gardberg and Fombrun 2006).

In summary, societal issues are important components that should be taken into account by strategic decision makers. Furthermore, external social pressures and top management commitments have significant influences on corporate ethics programs (Weaver et al. 1999). To provide an explanation for the motivation of an increasing level of corporate engagement in CSR activities, Aguilera et al. (2007) suggest that corporate social behaviour is driven by instrumental, relational, and moral motives. Furthermore, partly based on organisational justice literature, Aguilera et al. (2007) provide an "actors mechanisms to influence social change" framework to explain the different CSR judgments and how employees reciprocate socially responsible or irresponsible behaviour.

### 2.3.2.2 CSR-Related Strategy

The resource-based view (RBV) is a meaningful perspective for CSR strategy researchers and helps researchers to transfer actionable prescriptions to practitioners (Priem and Butler 2001). There is a large number of CSR studies primarily based on RBV (McWilliams and Siegel 2001; McWilliams et al. 2006; Russo and Fouts 1997). RBV is used to account for the intangible assets which are created by CSR strategy, such as good corporate image (Gardberg and Fombrun 2006), corporate reputation (Hall 1992), and customer satisfaction (Luo and Bhattacharya 2006). Based on the analysis of CSR articles, this study noted four perspectives of CSR-related strategy: risk management, environment management, marketing management, and stakeholder relations management (see Table 2.3).

#### Risk Management

Using secondary data, Luo and Bhattacharya (2009) note that CSP can improve shareholders' value by lowering undesirable firm-idiosyncratic risk and suggest that CSP is a type of investment, similar to advertising and R&D. In the same year, Godfrey et al. (2009) find that CSR investment aim at the secondary stakeholder and society will protect firms from potential risk (e.g., negative judgment and sanctions). In addition, CSR activities concerning corporate trading partner show that these CSR initiatives have no benefit for firm performance (Godfrey et al. 2009).

### Environment Management

Recently there has been an increasing awareness of environmental regulations and “green management” (McGee et al. 1998; Starkey and Crane 2003). Menon and Menon (1997) put forward a strategic framework to evaluate the importance of the congruence of environmental concerns, social performance goals and marketing strategy. Furthermore, Russo and Fouts (1997) provide statistical evidence from 243 firms to demonstrate that environmental performance is positively correlated with CFP.

### Marketing Management

The starting point for CSR in the marketing field is at the very beginning of the 1970s, when researchers argue that CSR is a way of survival (Gelb and Brien 1971). Several years later, the concept of business ethics promotes the combination of social responsibility and marketing strategy (Murray and Montanari 1986; Robin and Reidenbach 1987), leading to the emergence of cause-related marketing (Varadarajan and Menon 1988). Afterwards, studies in this area emphasise two aspects: corporate context and consumer orientation. Insofar as corporate context is concerned, CSR scholars suggest that there is a minimum threshold acceptance of CSR involvement in society, below which the firm’s profit-maximising actions will be hindered (Handelman and Arnold 1999). Consumers may be a significantly important component in the corporate context, since consumers’ satisfaction mediates the association of CSR actions with market value (Luo and Bhattacharya 2006). Later findings show that consumers’ responses to a firm’s CSR activities is positive when they find those actions are strategic or value driven (Ellen et al. 2006). Consequently, CSR researchers have interests in questions about how a firm communicates with consumers, how it disseminates product information, and the manner in which it builds corporate brand dominance through CSR efforts (Berens et al. 2005; Biehal and Sheinin 2007; Brown and Dacin 1997; Simmons and Becker-Olsen 2006).

### Stakeholder Relations Management

Stakeholder management is invariably associated with a CSR programme and corporate performance (Harrison and Freeman 1999). In addition, the stakeholder environment determines the extent of a corporate CSR initiative (Doh and Guay 2006). Researchers also place emphasis on communications with stakeholders (Basu and Palazzo 2008), and some scholars indicate that CSR awareness among stakeholders has positive effects on a firm’s sales income as well as an influence on the investment and employment domains (Sen et al. 2006). In particular, Choi and Wang (2009) offer significant evidence that high levels of stakeholder awareness facilitates corporate ability to both sustain a superior financial performance and recover from substandard financial performance more quickly. Furthermore, Kacperczyk’s (2009)

long-term, large-scale empirical study shows that exogenous increases in takeover protection measures cause firms to pay more attention to their community and the natural environment.

CSR involvement is a crucial element of business strategy and CSR activities can benefit corporate competitive advantage and sustainable development (Werther and Chandler 2006). CSR integration as a part of corporate strategy currently consists of the risk, environment, marketing, and stakeholder relations management areas. The extent of a firm's CSR efforts is dependent on firm size, level of diversification, R&D, advertising, consumer conditions, labour market, and industrial requirements (McWilliams and Siegel 2001).

### 2.3.2.3 Corporate Reputation

Roberts and Dowling (2002) argue that an important aspect of CSR-related strategy is to sustain or improve corporate reputation, because a growing body of research studies argues that a good corporate reputation has the potential to create value. An excellent corporate reputation is a type of intangible asset, something which cannot be replicated easily by other corporations (Roberts and Dowling 2002). Previous empirical studies demonstrate that a good corporate reputation has a positive impact on CFP (this link will be discussed further in the CSP-CFP relationship section). In the following sections, the author focused on a corporation's reputation and its attractiveness to employees and consumers (see Table 2.3).

With regards to a company's attractiveness to employees, corporate reputation, and perceived external prestige are positively correlated with employees' commitment to their firms (Carmeli 2005; Hunt et al. 1989; Turban and Greening 1997). Furthermore, Hunt et al. (1989) state that organisational commitment has a positive impact on other valuable outcomes, like employee satisfaction, employee performance, corporate loyalty, and adaptability.

Regarding a firm's attractiveness to consumers, whether CSR activities improve consumers' response or not, a firm's characteristics and consumers' characteristics mediate the relationship between CSR actions and consumers' response (Sen and Bhattacharya 2001). Further, evidence suggests that the impact of negative CSR actions may be very damaging to a company image (Vlachos et al. 2009). In addition, corporate association, which is consumers' overall perception of a company (Brown and Dacin 1997), has been shown to play a role in consumers' attitudes towards corporate products (Berens et al. 2005). Additionally, there is a trend seen in the communication of a corporation's CSR values to their consumers that positive consumer attitudes contributes to sales of a firm's products (Lichtenstein et al. 2004; Wagner et al. 2009).

Based on the discussion in this section, the following conclusion can be drawn. Corporate reputation is an intangible asset of firms because it promotes corporate performance and marketing returns through value creation. The author's study contends that corporate reputation deserves more attention in future studies because it offers a unique competitive advantage for firms.

### 2.3.2.4 CSP and CFP

The author noted earlier that ranking corporate reputation is an effective approach to measure CSR outcomes. Similarly, some systematic measurements of CSP discussed in this section indicate the results of CSR actions. There is an ongoing debate about the linkage between CSP and CFP as theoretical and empirical studies support a number of positions that are often contradictory (Aupperle et al. 1985; Barnett and Salomon 2006; Cochran and Wood 1984; Godfrey 2005; Hillman and Keim 2001; McWilliams and Siegel 2000; Russo and Fouts 1997; Waddock and Graves 1997). To summarise the conclusions reached by previous studies and reveal the underlying link between CSP and CFP, Orlitzky et al. (2003) conduct a meta-analysis of 52 studies and conclude that CSP has a positive relationship with CFP across all industries and within all corporate contexts (Margolis and Walsh 2003). Regarding measurements, Orlitzky et al. (2003) argue that the correlation between CSP and CFP is more obvious if accounting-based firm performance data is utilised, rather than marketing-based firm performance data. Further, Orlitzky et al. state (2003) that corporate reputation is more likely to correlate with CFP than other measures of CSP. However, Barnett and Salomon (2006) caution that Orlitzky et al.'s (2003) statement is only based on a compilation of existing evidence, and thus cannot yield persuasive conclusions, since those previous works are flawed in various ways. Furthermore, Peloza (2009) summarises previous studies concerning CSP and CFP relationship and explores the mediation process between CSP and CFP, which has been overlooked by other scholars. In Peloza's (2009) review, he examines 159 studies in the CSP-CFP link area and proposes a figure of "stages of financial impact from corporate social performance" to illustrate the manner in which CSP influences CFP. In their field study, Barnett and Salomon (2006) develop the concept of social screening, which is used by social responsible investing managers to measure the level of company's CSP. Based on their analysis using social screening, they indicate that at the early stage, financial returns declined initially, but there is a rebound when the firm improves its level of social screening (Barnett and Salomon 2006). Subsequently, Brammer and Millington (2008) conduct an investigation into the CSP-CFP link and conclude that it is curvilinear, that firms with unusually high or low CSP may have a higher CFP, but firms with unusually low CSP only promise short-term financial returns, while firms with unusually high CSP promote more long-term financial returns. Recent studies of the U.S. corporations show that charitable contributions stimulate revenue growth, especially after controlling for sales growth (Lev et al. 2010). Overall, despite all the attention paid to the link between CSP and CFP, the nature of this linkage is still not universally accepted and remains contested.

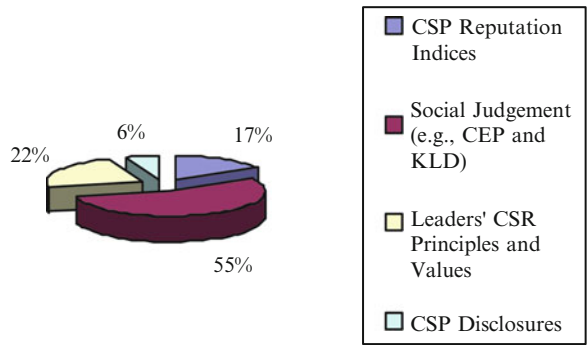
Another fierce debate is about the causal link between CSP and CFP: Orlitzky et al. (2003) state that CSP and CFP are more likely to be mutually influenced by each other, because firms with good CFP can afford more CSR activities, which lead to higher CSP. Meanwhile, good CSP helps companies achieve better financial returns. Although Orlitzky et al.'s (2003) data show that "a virtuous cycle with quick cycle times or concurrent bidirectionality" (p. 417) occurs, Barnett and

Salomon (2006) argue that this compilation of data does not represent a definitive conclusion. Lev et al.'s (2009) empirical data demonstrate that the growth of CFP has a significant association with future charitable contributions. Though a causal relationship is proposed by Lev et al. (2010), there are no empirical measurements that strongly support this causality, which means this is still a contested topic for future research.

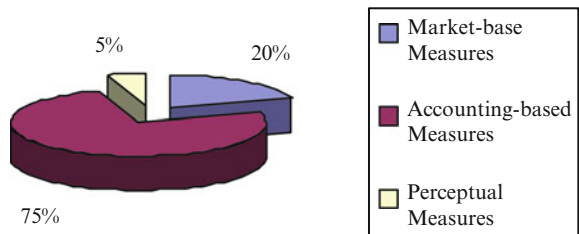
Methodologies of CSP and CFP are vital instruments in evaluating the CSP-CFP link. Based on CSP construction, CSP measurements can be classified in the following way (Orlitzky et al. 2003): (a) CSP reputation indexes, such as the Fortune magazine ratings and the Moskowitz list (Cochran and Wood 1984), (b) social judgments, which is a CSR management assessment of observable outcomes such as the one used by the Council on Economic Priorities (CEP) (Fogler and Nutt 1975) and Kinder, Lydenberg, Domini (KLD) (Barnett and Salomon 2006; Graves and Waddock 1994; McWilliams and Siegel 2000; Turban and Greening 1997; Waddock and Graves 1997), (c) leaders' CSR principles and values, such as Aupperle's forced-choice survey (Aupperle et al. 1985), as well as some other scholars' individual academic surveys (Hansen and Wernerfelt 1989; Reimann 1975), and (d) CSP disclosures, like the social involvement disclosure scale (Abbott and Monsen 1979). Using the summary by Orlitzky et al. (2003), these CFP measurements can be classified as market-based measures (e.g., share price appreciation) (Alexander and Buchholz 1978; Cochran and Wood 1984), accounting-based measures (i.e., return on assets, return on equity, and earnings per share) (Abbott and Monsen 1979; Aupperle et al. 1985; Barnett and Salomon 2006; Fogler and Nutt 1975; Graves and Waddock 1994; Hansen and Wernerfelt 1989; McWilliams and Siegel 2000; Russo and Fouts 1997; Turban and Greening 1997; Waddock and Graves 1997), and managers' perceptions of CFP (e.g., managers' perception their firms' financial position) (Reimann 1975). The author compared these measurements of CSP (see Fig. 2.3) and CFP (see Fig. 2.4) used in the database of articles and found that the measurement of social judgments applies to a majority of them (55 % of the total articles which discussed the relationship between CSP and CFP). The other types of perception measurement used in this article are leaders' CSR principles and values (22 %), CSP reputation indices (17 %), and CSP disclosures (6 %). Within the CFP measures dimension, accounting-based measures are the most prevalent (75 %), while market-based measures (20 %) and managerial perceptions measures (5 %) are the other most frequently used CFP measures.

There is a growing body of research interest in the linkage between CSP and CFP which emphasises the different effective factors. For instance, building a CSP-CFP model which examines consumers' purchase behaviour (Schuler and Cording 2006), investor preferences (Mackey et al. 2007), and corporate responsiveness to employees (De la Cruz Deniz-Deniz and Saa-Perez 2003). There are a large number of studies concerning the CSP-CFP link (20 % of the total number), and that research reflects the fact that the pursuit of a high CFP is a vital motivation for firms' CSR participation.

**Fig. 2.3** Corporate social performance measures



**Fig. 2.4** Corporate financial performance measures



**2.3.2.5 Questions for Future Study**

In this final section, the author summarises some of the representative questions for future conceptual, empirical and methodological research study. Generally speaking, future studies should continue to explore the underlying motivations for CSR participation (Ruf et al. 1998) and explain how to communicate with stakeholders in order to achieve a better corporate image (Maignan and Ferrell 2004). Previous research studies put forward questions as follows: in a corporate context, to what extent does that context influence a firm’s CSR involvement (Matten and Moon 2008) and how should firms adapt to social changes (Aguilera et al. 2007). Second, with respect to the CSR-related strategy dimension, the discourse about current CSR concerns can help to develop the “CSR-based leadership” concept (Basu and Palazzo 2008) and should consider what a good CSR strategy is (Handelman and Arnold 1999) as well as how this can enhance a firm’s sustainable competitive advantage (Lev et al. 2010). Also in relation to corporate reputation, how can firms influence consumers’ response (Berens et al. 2005) and manage their attractiveness to employees? Finally, the association between CSP and CFP needs to be further validated and the causal link between the two fundamental elements should continue as an important discussion topic.

## **2.4 Summary**

To sum up, this chapter utilises 762 selected CSR articles from published studies to evaluate the trends in CSR theory development. In particular it analyses 110 articles from leading academic journals to further investigate the variables, constructs, and relationships within CSR theory. Based on these selected papers, the author attempts to denote the milestones in CSR theory development by singling out pivotal articles based on their average citations per year. Furthermore, the author describes the CSR evolution by analysing the major themes (e.g. concepts and reviews and the CSP-CFP link). Finally, the author suggested that it is crucial to examine CSR-related strategy at the individual level of the executive, and that there is a lack of research in this area. Hence, the current study attempts to fill this void. The next chapter thoroughly discusses the CSR-related SDM process at the individual level and proposes the development of a range of hypotheses.

# Chapter 3

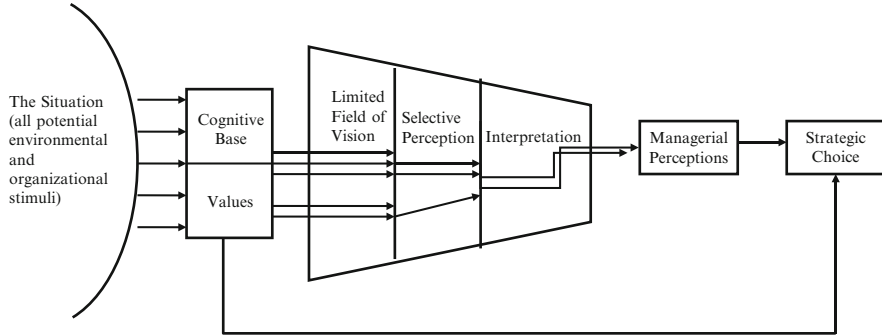
## CSR-Related SDM Process and Hypothesis Development

This chapter deals with research on factors that influence the CSR-related strategic decision-making (SDM) process of individual decision-makers. Firstly, based on Hambrick and Mason's (1984) upper echelon theory, it elaborates on the influence of external environmental and organisational stimuli, characteristics of managers, and managerial perceptions of stakeholder salience on the SDM process. Secondly, from an integrated perspective of SDM, the author summarises all the factors discussed in this chapter and generates a framework called "an integrated perspective of strategic decision-making process of individual decision-makers" (see Fig. 3.3). Thirdly, based on this figure, hypotheses are proposed. Finally, this chapter ends with a conclusion.

### 3.1 The CSR-Related SDM Process of Top Managers

This section explores the differences and similarities of SDM processes at the individual and organisational levels and proposes that it is important to examine the SDM process at the individual level. Hambrick's (2007) upper echelon theory focuses on the examination of individual SDM process of top managers and produces a figure to illustrate those factors that influence managers' decision-making, which includes environmental and organisational stimuli, cognitive base, selective perception, interpretation, managerial perceptions, as well as strategic choice (see Fig. 3.1). Therefore, following Hambrick's (2007) approach, the author applied CSR issues into SDM process and elaborated the CSR-related SDM process from the aspects of organisational stimuli, manager characteristics, and stakeholder salience perceived by managers. Finally, it distinguishes between rationality, bounded rationality, and cognition. It emphasises the concept of bounded rationality.





**Fig. 3.1** Strategic choice under conditions of bounded rationality (Source: Hambrick and Mason 1984, p. 195)

### 3.1.1 *Organisational and Individual Levels*

When examining the SDM from the information processing perspective, the organisational level attributes are viewed as circumstances in which individual information processing takes place (Corner et al. 1994). Corner et al. (1994) find that compared to the studies on information processing at the individual level, there is scant literature on information processing at the organisational level. However, they argue that both the organisational and individual level information processing experience similar stages and share the same intellectual foundation (Corner et al. 1994).

Mainly based on their previous assumptions, Corner et al. (1994) propose a parallel model, which compares information processing at the organisational and individual levels. This model strengthens the understandings of SDM at both levels as well as the interaction between the two levels. Therefore, it can be inferred that the individual level of SDM is the basis for the organisational level and in turn the organisational level can be viewed as the context of strategic decisions for the individual level. Note that the upper echelons researchers put an emphasis on top executives, who are the most powerful actors in formulating firm strategy (Lin and Shih 2008). Meanwhile, some researchers acknowledge that studies of top management teams may provide a better explanation for organisational behaviour and firm performance (e.g., Carpenter and Westphal 2001; Finkelstein 1992; Talaular et al. 2005), but it is a great challenge to explicitly explore each element behind the “behavioural integration” (Hambrick 2007, p. 336) of a top management team. Hence, it is reasonable to utilise the characteristics of top executives as predictors of strategic actions (Chaganti and Sambharya 1987).

### 3.1.2 *Characteristics of Top Executives and Managers*

Concerning the SDM of top executives, Hambrick (2007) proposes that the upper echelons theory builds on bounded rationality (this will be discussed in Sect. 3.1.6)

and that it has two focal arguments. (1) Executives make decisions and take actions based on their own interpretation of the organisational circumstances that they are involved in, and (2) their interpretations originate in their work experience, personal values, and managerial perceptions. Furthermore, Hambrick and Mason (1984) suggests that work experience might generate an orientation which is expected to influence the SDM process. He also argues that personal values represent “principles for ordering consequences or alternatives according to preference” (p. 195), which may also influence strategic choices. Moreover, managers’ perception, which is restricted by the process of limited field version, selective perception, and interpretation, determines strategic choices directly. In their paper, Hambrick and Mason (1984) illustrates this process of executives’ strategic choice by a diagram (see Fig. 3.1). This diagram illustrates how external environmental and organisational stimuli, managers’ work experience, personal values, and perceptions impact on how they view the facts, the perceptions that they receive from what they hear, and the interpretations of how they explain the events.

In addition, Hambrick (2007) points out that the characteristics of executives’ demography can be regarded as “valid, albeit incomplete and imprecise, proxies of executives’ cognitive frames” (p. 335). Thus, the information about executives’ age, functional track, career experience, formal education, industry, and firm tenures is often utilised to predict strategic actions. Further, Hambrick (2007) elaborates that the real psychological and social processes can assist in identifying the drivers of executives’ behaviours and decision-making, the well-known “black box problem” (p. 335). Therefore, based on the suggestion of upper echelon theory, the following sections describe the influences of organisational stimuli (e.g., firm size and type of industry), personal values, and the influence of bounded rationality on managers’ CSR-related SDM.

### ***3.1.3 Environmental and Organisational Stimuli***

Conditions surrounding a company are deemed as important factors in determining managers’ strategic decisions (Brunsson 1982; Cowan 1986). Strategic decisions may differ depending on the corporate external and internal situations and its access to competitive resources. Moreover, strategic decisions are sometimes initiated by stakeholder claims (Nutt 1998), or controlled by the external and internal environments. Many researchers have concluded that conditions and circumstances impact on the success of strategic decisions (Bryson and Cullen 1984; Dean Jr. and Sharfman 1996; Zand and Sorensen 1975). These previous studies suggest that two aspects can be identified as mainstream from an environmental perspective in examining SDM: external environment and organisational stimuli (e.g., firm performance, firm size, and organisational control or ownership), which will be discussed respectively now.

### 3.1.3.1 External Environmental Stimuli Perspective

Strategic decision-makers are prone to adapt to opportunities, threats, constraints, and characteristics of the environment (Papadakis et al. 1998). Some scholars emphasise the uncertainty of environmental attributes. Fredrickson (1983), for instance, suggests that in a stable environment, comprehensive processes should be adopted, whereas in an uncertain situation, intuition based processes should be applied. This is because in a stable context, decision makers have access to various data relating to the circumstances while in an unstable context, they are pressurised and need to pursue additional information (Papadakis et al. 1998).

Meanwhile, other decision-making researchers place greater emphasis on environmental hostility vs. munificence (Castrogiovanni 1991; Elbanna and Child 2007). In their empirical studies, Goll and Rasheed (1997) find that the rational decision-making process is significantly related to organisational performance in circumstances that are high in munificence. In contrast, in a hostile environment, organisations have to respond to intense external and internal pressures. In consequence, top leaders are required to understand that the survival of the organisation is at stake and make decisions, as well as take prompt actions, based on their intuitions in this context (Elbanna and Child 2007). In prior studies, environmental dynamism is considered as a contingent predictor of the relationship between rational SDM processes and decision effectiveness or firm performance (Hough and White 2003; Priem et al. 1995; Talaulicar et al. 2005). Talaulicar et al. (2005), in particular, point out that in a high-velocity environment both comprehensiveness and speed are important factors of strategic decision making.

### 3.1.3.2 Organisational Stimuli Perspective

Numerous scholars acknowledge that industrial characteristics have an impact on the formulation of organisational strategy. For instance, Zajac and Bazerman (1991) incorporate industry analysis into their conceptual framework of the decision-making process. Economists have also argued for a long time that organisational strategy is inevitably influenced by market structure (Short et al. 2007) and is impacted by other industrial factors, such as “industry concentration, growth, and fluctuation” and the height of mobility barriers (Short et al. 2007, p. 152).

Researchers in industrial organisation claim that corporate strategy is shaped by the membership of an industry and is maintained over the long term (Mauri and Michaels 1998). Young et al. (1996) explore the influence of industry-level cooperative mechanisms on organisational competitive activities. According to this perspective, the approach a successful company takes in allocating resources and design strategy can be imitated by other companies. As a result, “the convergent patterns of competition become common industry characteristics over time” (Mauri and Michaels 1998, p. 213). Furthermore, from an environmental aspect, organisational ecology strengthens the power of environments over organisations (Hannan and Freeman 1977; Short et al. 2007).

Comparing two non homogeneous examples, the different traits between manufacturing industry and financial services industry lead to various strategies. In particular, Schroeder et al. (2002) find that the key to success in manufacturing industry is the proprietary process and the equipment, which is the result of internal and external learning. Moreover, Rumelt (1991) suggests that the profitability of manufacturing business is due to specific resources and market position rather than the membership in the industry. Therefore, in the strategic decision-making process of manufacturing industry, the decision-makers concentrate more on the unique technology and particular resources and market position. In contrast, the profitability of financial services industry is from managers' expertise (Berger et al. 1999) and customer relationship (Peppard 2000). To maintain customer loyalty, financial services firms need to continuously provide good quality service and build up trust with customers (Bell et al. 2005). Hence, in the financial services industry, the decision-makers are more likely to concentrate on providing satisfactory services and maintaining a good relationship with customers.

It is necessary to incorporate the corporate control or ownership into the analysis of the SDM process (Lioukas et al. 1993; Mintzberg 1973). For example, compared to nationally-owned enterprises, subsidiaries of multinational companies are required to include more complex issues, such as both global and local business circumstances, in their SDM process (Papadakis et al. 1998). Moreover, several researchers argue that public vs. private ownership may have considerable effects on SDM processes (Lioukas et al. 1993).

Some researchers argue that the ownership structure influences the formulation of strategic decisions (e.g., Amihud and Lev 1999; Baysinger et al. 1991). Their argument can be explained as follows. Firstly, there may be some conflicts of interests between professional managers and shareholders, such as the separation of control and ownership of the organisation (Berle and Means 1991). Shareholders emphasise long-term development of the organisation, while managers are likely to ensure their personal welfare, job security, and reputation (Baysinger et al. 1991). Secondly, ownership concentration represents the power of stakeholders, and the identification of owners reflects strategic decisions objectives (Thomsen and Pedersen 2000). Lastly, various ownerships categories may have differential access to resources. For instance, state-owned enterprises often have rights to scarce resources (Peng et al. 2004).

With regard to firm size, although some researchers believe that there is no different SDM process which can be attributable to firm size (Dean and Sharfman 1993; Hickson et al. 1986), most researchers reckon it as an important factor in the context of SDM (e.g. Fredrickson and Iaquinto 1989; Papadakis et al. 1998; Snyman and Drew 2003). Evidence has been produced from different researchers, but they are not clear or generalisable (Papadakis et al. 1998). Hart and Banbury (1994) argue that company size may moderate the relationship between the SDM process capability and performance. In particular, they point out that the process capability has a positive effect on performance in larger firms but not in smaller firms (Hart and Banbury 1994). Other researchers find that decision makers in small firms are more likely to rely upon intuitions than decision makers in large firms (Brouters et al. 1998; Khatri and Ng 2000).

Thus, organisational ownership and firm size are determinants of organisational strategy, which in turn has an effect on the SDM process. Moreover, those factors which may influence allocation of organisational resource, also impact on strategic decisions and the process of SDM. These include factors such as firm age (Aldrich and Auster 1986; Venkataraman and Low 1994) and organisational life cycle (Chandler 1962). Chandler (1962) states that in different stages of the organisational life cycle that firms' strategies and structures will change, which leads to various approaches in SDM. Comparing previous studies, Jawahar and McLaughlin (2001, p. 404) find a typical life cycle model, which has four phases: "start-up, emerging growth, maturity, and revival". As a result, at each stage firms are likely to utilise different strategies to deal with the relationship with critical stakeholders versus with other stakeholder groups (Jawahar and McLaughlin 2001).

In addition, Jawahar and McLaughlin (2001) summarise three elements that may change with the organisational life cycle: firstly, executives' priorities differ with organisational life cycles (Smith et al. 1985). For instance, Cameron and Whetten (1981) show that effective criteria vary with the stages of organisation. Secondly, from internal and external circumstances, companies face different threats and opportunities at various organisational life stages. For example, Dodge et al. (1994) demonstrate that in the early stage of the organisation life cycle, firms need to pay more attention to potential obstacles to achieve capital requirements than those in later stages. Thirdly, in different organisational life cycles, firms have various needs in terms of resources. If there is a serious threat to fulfil crucial life-cycle specific needs, executives are supposed to adopt a "loss frame" and to communicate with key stakeholders, "whose participation is most essential for meeting those critical resources" (Jawahar and McLaughlin 2001, p. 405).

In sum, the organisational context of industry, ownership, firm size, age, and organisational life cycle influence the priorities of strategy and accordingly have great impact on the SDM process of managers. As discussed in this section, the external environment and organisational stimuli form managers' cognitive base and values (see Fig. 3.1). The next section describes the important role of managers' personal values on CSR-related SDM process.

### ***3.1.4 Personal Values***

In the contemporary theories regarding values at the individual level, scholars fall rather clearly into two categories: those who follow Rokeach's work and those who are influenced by the conceptions suggested by Hofstede and Triandis (Smith and Schwartz 1997). Although Hofstede's framework makes a great contribution to the value concept development (Sivakumar and Nakata 2001), it focuses at the national cultural level rather than at the individual level. Hence, this study will concentrate on Rokeach's and Schwartz's studies, which are two of the most popular theories and instruments of values at the individual level.

#### 3.1.4.1 The Rokeach Project

Rokeach (1973, p. 5) states that “a value is an enduring belief that a specific mode of conduct or end-state of existence is personally or socially preferable to an opposite or converse mode of conduct or end-state of existence”. Further, he develops an easily-operated instrument, which is embedded in his view that values direct the daily life of an individual. When designing his value survey, Rokeach attempts to make it comprehensive, while avoiding superabundance, asking participants to rank the importance of 18 values from two lists: terminal and instrumental values. Terminal values stand for desirable end-states of existence. The instrumental values represent preferable modes of behaviours. For the cross-cultural application aspect, Rokeach (1973) compares the rank of orders of personal values among different groups and records the individual values and how they change according to their attitudes and behaviours. Furthermore, Feather (1995) summarises numerous empirical studies, which utilises Rokeach’s value survey (RVS) to compare individual values both within and across nations.

Meanwhile, some scholars criticise the ranking procedure of the RVS from many dimensions (Feather 1995; Schwartz and Bilsky 1987; Zavalloni 1980). Others investigate the structure to understand and explore whether its dimensions are cross-culturally stable or not. For instance, Rokeach himself chooses two sets of values: personal versus social values and moral versus competence values. He uses data collected from the U.S. to analyse it but finds no support for this structure. Moreover, Feather (1995) utilises multidimensional scaling of standardised ranks to re-analyse the structure of the data from the U.S. and Austria, and discover that the structure does not match Rokeach’s suggestions. Those studies disclose that there are only minimal similarities in the structure of individual value systems when utilising RVS. However, Schwartz and Bilsky (1990) find some similarities, when they exploit different theories of content, structure of value systems and use a different analytic approach. Furthermore, based on this foundation, Schwartz (1992) suggests a new theory and instrument for personal values studies.

#### 3.1.4.2 The Schwartz Project

Schwartz and Sagiv (1995, p. 93) define personal values as “desirable goals, varying in importance, that serve as guiding principles in people’s lives”. Further, Sagiv and Schwartz (2000) argue that the decisive element that can be employed to identify different personal values is a type of motivational goals. Based on Rokeach’s (1973) studies, Schwartz generates ten motivationally-distinct types of values, which are based on three universal human requirements that all individuals and societies must be responsive to. Particularly, these requirements are “biological needs, interactional requirements for interpersonal coordination, and societal demands for group welfare and survival” (Schwartz and Bilsky 1987, p. 550). Further, Schwartz and Bilsky (1987) illustrate these three requirements by examples, for instance, sexual needs convert into values for intimacy or love, requirements of

coordinating resources can be transformed into values for equality or honesty, and the requirements of group survival can be transformed into values of national security or world peace. Finally, the entire fifty-six personal values, including thirty terminal values and twenty-six instrumental values, are selected to represent ten motivational types, which represent the whole basic value types (Schwartz 1994). Table 3.1 illustrated Schwartz's ten motivational types of values.

Based on the concept of personal values, Smith and Schwartz (1997, p. 87) generates a framework called "structural relations among ten motivational types of values" to strengthen the understanding of his value systems. The assumption of this framework is that when people pursue each kind of value type, their actions

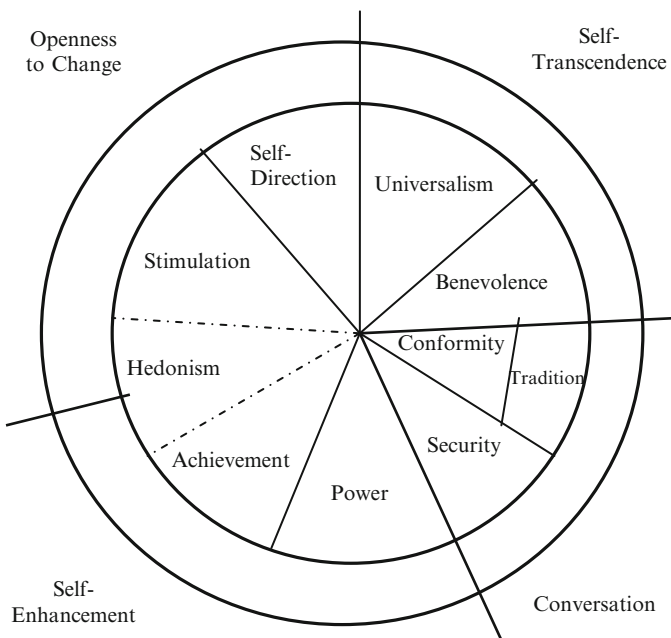
**Table 3.1** Schwartz's definition of motivational types of personal values

Definition	Exemplary values
<b>Power:</b>	
Social status and prestige, control or dominance over people and resources	Social power, authority, wealth, preserving my public image
<b>Achievement:</b>	
Personal success through demonstrating competence according to social standards	Successful, capable, ambitious, influential
<b>Hedonism:</b>	
Pleasure and sensuous gratification for oneself	Pleasure, enjoying life, self-indulgent
<b>Stimulation:</b>	
Excitement, novelty, and challenge in life	Daring, a varied life, an exciting life
<b>Self-direction:</b>	
Independent thought and action-choosing, creating, exploring	Creativity, freedom, independent, curious, choosing own goals
<b>Universalism:</b>	
Understanding, appreciation, tolerance, and protection for the welfare of all people and for nature	Broadminded, wisdom, social justice, equality, a world at peace, a world of beauty, unity with nature, protecting the environment
<b>Benevolence:</b>	
Preservation and enhancement of the welfare of people with whom one is in frequent personal contact	Helpful, honest, forgiving, loyal, responsible
<b>Tradition:</b>	
Respect, commitment, and acceptance of the customs and ideas that traditional culture or religion provide	Humble, accepting my portion in life, devout, respect for tradition, moderate
<b>Conformity:</b>	
Restraint of actions, inclinations, and impulses likely to upset or harm others and violate social expectations or norms	Politeness, obedient, self-discipline, honouring parents and elders
<b>Security:</b>	
Safety, harmony, and stability of society, of relationships, and of self	Family security, national security, social order, clean, reciprocation of favours

Source: Adaptation from Sagiv and Schwartz (2000) and Schwartz's (1994) studies

might have some conflicts with, or compatibilities to, another value type. Moreover, Smith and Schwartz (1997) provides an example of conflicts between achievement and benevolence values: when people are in the pursuit of personal success, it may inhibit their ability to contribute to the wellbeing of society generally. In later research, Schwartz (1992, 1994) finds that the ten motivational values can be grouped into two bipolar dimensions: openness to change (including self-direction and stimulation values) versus conversation (security, conformity and tradition) and self-enhancement (power and achievement) versus self-transcendence (universalism and benevolence). More specifically, Schwartz emphasises that hedonism consists of openness to change and self-enhancement, as the motivational value types are an integrated organisation. Furthermore, Smith and Schwartz (1997) stress that any variables may have a similar relationship to value types that are close to each other in the value structure, and “those associations will decrease as one moves around the circular structure in both directions from the most positively to the least positively associated value type” (p. 87) (see Fig. 3.2).

Bradi and Schwartz (2003) comment on the bipolar dimensions and believe that motivations are viewed as conflicts if they lead to opposite behaviours, or they are compatible if they cause the same behaviour or judgements. In particular, Rohan (2000) argues that in the second dimension, self-enhancement and self-transcendence are shown conflicts “between concern for the consequences of own



**Fig. 3.2** Schwartz’s theoretical model of bipolar value dimensions (Source: Adapted from Smith and Schwartz’s study 1997)



and others' actions for the self and concern for the consequences of own and others' actions in the social context" (p. 260). Therefore, those people who focus on their own outcomes rather than on social effects are motivated by self-interest more than other-regarding.

In 1992, the Schwartz value survey (SVS) is generated, which consisting of 56 values selected to embody each value type in his theoretical value dimensions (Schwartz 1992). In order to avoid some biases, values are drawn from the major religions and the data is selected from Asia, Africa, and some western countries (Schwartz 1994). Additionally, he develops the survey with English, Hebrew, and Finnish versions together. Thus far his collaborators in 54 countries have collected data from about 44,000 respondents, which usually consist of one teacher from an urban school and one college student (Schwartz and Bardi 2001). The data analysis provides considerable support for Schwartz's universal ten motivational value types and their dynamic associations between each other. Therefore, SVS is widely accepted as a stable measurement questionnaire, which can be applied in most countries of the world (Schwartz 1992).

### ***3.1.5 Managers' Perceived Stakeholder Salience***

This section elaborates on the theme that stakeholders are vital factors for organisational sustainable development and the acquisition of competitive resources. Starting from the stakeholder attributes and salience, the author argues that stakeholder claims and needs should be embedded in strategic decisions. Furthermore, some studies indicate that stakeholders require firms to adopt CSR, and this becomes the impetus to incorporate CSR (see "CSR-related strategy" of Sect. 2.3.2) into the SDM process. Finally, from stakeholder-salience theory, this study suggests that managers' perceived stakeholder-salience may influence their CSR-related SDM (see Sect. 3.1.5, "corporate social responsibility claimed by stakeholders").

#### **3.1.5.1 Stakeholder Attributes and Salience**

Mitchell et al. (1997) acknowledge the important role of stakeholders on the determination of corporate strategy and suggest a new concept, stakeholder salience. Stakeholder salience is defined as "the degree to which managers give priority to competing stakeholders claims" (Agle et al. 1999, p. 508). Moreover, Mitchell et al. (1997) utilise three stakeholder attributes to identify stakeholders, such as legitimacy, power, and urgency. Legitimacy represents a claim, which is based upon legal rights, contract, or moral interests derived from the actions of the organisation (Suchman 1995). Power means a relationship between social organisations in which one actor can ask another to do something without legitimate claims (Pfeffer 1981). Urgency indicates "the degree to which stakeholder claims call for immediate attention" (Mitchell et al. 1997, p. 869). Agle et al. (1999) demonstrate that

stakeholder salience is positively associated with the cumulative number of the stakeholder attributes perceived by managers at that time. In addition, stakeholder salience is not stable and can alter due to factors such as changes in the stakeholder-manager relationship (Mitchell et al. 1997).

The concept of stakeholder salience is widely used to examine strategic management from the stakeholder perspective. For instance, based on the context of stakeholder-manager relationship, and stakeholder salience, Scott and Lane (2000) propose a model of organisational identity. Buysse and Verbeke (2003) prove that there is a positive relationship between environmental management and stakeholder management. Jawahar and McLaughlin (2001) suggest that stakeholder salience may change over different organisational life cycles. Jones et al. (2007) analyse stakeholder culture from an ethical perspective and explain how these cultures range from individually self-interested to fully other-regarding. Moreover, Jones et al. (2007) develop a framework to strengthen our understanding of stakeholder salience.

### 3.1.5.2 Stakeholder Claims and Interests

SDM scholars believe that strategic decisions are framed by the claims of salient stakeholders who are perceived to be significantly important to the development of organisations (Nutt 1998; Witte 1972). The concerns and needs of stakeholders are the first factors that the decision-makers are required to consider and those claims direct executives' actions (Kolb 1983; Mintzberg et al. 1976; Starbuck 1983). Moreover, some stakeholder claims are believed to be of insufficient importance and so have no influence on SDM, while other claims are deemed as decisive elements of organisational development and may lead to innovation or great changes (Nutt 1998).

While numerous decision-making researchers recognise the importance of stakeholders' role in the SDM process, few empirical studies have been conducted to analyse the nature of stakeholders and how their needs and concerns influence the SDM process of managers. Nutt (1998) identifies the types of claims that may contribute to strategic decisions and how those claims impact on decision-maker behaviours as well as on the success of strategic decisions. In his later study, Nutt (2004) suggests that decision-makers tend to adopt the stakeholder claims without sufficient analysis. In particular, he points out that some decision-makers are prone to adopt ideas found in stakeholder claims, rather than consider a wide range of opportunities or threats or indeed to make an effort to seek better solutions (Nutt 2004).

In another study of stakeholder influences on strategic decisions, stakeholders are perceived to be an "external control of the organisation" (Dean and Sharfman 1993, p. 587), which has a positive relationship with procedural rationality. Stakeholders seek the opportunity to insert their ideas into organisational strategy (Nutt 1998) and accordingly they pay close attention to strategic decisions and insist on rational procedures (Dean and Sharfman 1993; Fredrickson and Iaquinto 1989).

Furthermore, the external control perspective suggests that actors involved in the organisations immediate environment have considerable influence on organisational choices (Dean and Sharfman 1993; Romanelli and Tushman 1986), and that stakeholder claims may have a significant impact on strategic decisions.

### **3.1.5.3 Corporate Social Responsibility Claimed by Stakeholders**

In recent years, the discussion of stakeholder claims has gained a more prominent role in studies relating to the formulation of competitive strategy to pursue improved firm performance (e.g., de Luque et al. 2008; Hillman and Keim 2001; Walsh and North 2005). The attention of stakeholders might be a result of the increase in interest in CSR (Harrison et al. 2010). In addition, Harrison et al. (2010) argue that executives attach importance to CSR in order to obtain and develop their competitive resources (Gulati 1999; Harrison et al. 2010). Embedding stakeholder claims into SDM is very helpful in building a good CSR image and as a result it generates inimitable advantages such as the attraction of stakeholders to the firm (Jones 1995; Turban and Greening 1997) and the reduction of “the potential for loss of value such as expenses associated with adverse legislation, regulatory penalties, or consumer retaliation” (Harrison et al. 2010, p. 59).

Consequently, the discussion of CSR emerges as a predominant stream in the area of strategic decisions. More and more researchers notice that stakeholder interests, and the management of the relationship with stakeholders, are critical to corporate success (e.g., Godfrey 2005; Harrison and Freeman 1999). The management of stakeholders is invariably associated with corporate engagement with CSR and corporate performance. The stakeholder-manager relationship determines the extent of corporate involvement in matters related to CSR. Therefore, managers’ CSR-related SDM depends on their managerial perception of stakeholder salience as well as stakeholder interests and claims. The next section discusses the process of strategic decision making from the bounded rationality perspective.

### **3.1.6 Strategic Decision-Making Processes**

This section introduces the conceptual framework of the SDM process. This will be followed by an elaboration on the rationality behind strategic decision models, which are themselves criteria of decision behaviour (Dean and Sharfman 1993). Finally, this review notes the new trend to provide an explanation of SDM from a non-rational perspective.

#### **3.1.6.1 Rationality and Bounded Rationality**

The concept of rationality is believed to be an instrument which is a criterion of behaviour (Dean and Sharfman 1993). One widely accepted definition of rationality

refers to it as “the reason for doing something and to judge a behaviour as reasonable is to be able to say that the behaviour is understandable within a given frame of reference” (Butler 2002, p. 226). Dean and Sharfman (1993) argue that this operational definition generates a variety of models in social science (Simon 1978), in which it acts as a functional guide of individual or organisational goals and empirical methods in particular fields. Hitt and Tyler (1991) also apply this operational concept of rationality into a definition of rational SDM and define it as “a series of . . . analytical processes whereby a set of objective criteria are used to evaluate strategic alternatives” (p. 329).

Strategic decision researchers believe the basic assumption of rational model of choice is that human behaviour is goal oriented (Eisenhardt and Zbaracki 1992). Eisenhardt and Zbaracki (1992) conclude that on the basis of this assumption (Allison 1971; Anderson 1983), several researchers develop a common model of rational actions, “sometimes referred to as the synoptic or comprehensive model of decisions” (Eisenhardt and Zbaracki 1992, p. 18). In a rational decision-making model, actors know objectives very well and utilise them as criteria to select a correct decision.

Eisenhardt and Zbaracki’s (1992) review contributes greatly to the theoretical evolution of SDM. According to their work, the development of a rational strategic decision model can be categorised into three phases, referred to in this chapter as cognitive exploration, rearrangement, and dichotomy. With regards to the cognitive exploration stage, the nature of cognitive discussion extensively impacts upon the rational strategic decision studies (e.g., Cyert and March 1963; Lindblom 1959; e.g., Simon 1957). In particular, the studies of Simon (1956) and his colleagues (Cyert and March 1963; March and Simon 1958) challenge the ideal model of the “economic man” paradigm (Dean and Sharfman 1993) and develop a variant on the strategic decision model. Furthermore, several researchers acknowledge this cognitive limitation and explore actual human behaviour, which is mainly based on the ideal rational model. The author will use the term cognitive exploration stage in the thesis.

With regard to the rearrangement stage, some researchers accept the rational strategic decision model, but they point out that steps in the decision process may be recycled and repeated in varying order. For instance, Mintzberg et al. (1976) argue that there is no sequential relationship between process stages. Meanwhile, Nutt (1984) and the Bradford University group also suggest that it is not necessary that the rational model follows a simple or causal sequence. Because of this, Eisenhardt and Zbaracki (1992) use “rearrangement and repetition” as the title for this period.

In Eisenhardt and Zbaracki’s (1992) review, they believe that there are three main aspects in this rationality and bounded rationality area: firstly, the focus on the relationship between the rationality of SDM and contingency factors, such as organisational and environmental elements (e.g., Dean and Sharfman 1993; Mintzberg and Waters 1982). Next, some studies thoroughly examine “how decision makers move along the rationality vs. bounded rationality continuum, typically by increasing conflict” (p. 21). Finally, in order to enhance the understanding of rationality and bounded rationality, some researchers make an attempt to find

the optimal point on the continuum between the dichotomy in different environments (e.g., Dess 1987; Fredrickson 1984; Fredrickson and Iaquinto 1989; Priem 1990).

Eisenhardt and Zbaracki (1992) generate a table to list the studies on rationality and bounded rationality conducted during the years from 1963 to 1992. The author searched the citation of the articles summarised by their work in SSCI and found the five most cited articles were: Allison (1971), Mintzberg et al. (1976), Janis (1982), Eisenhardt and Bourgeois III (1988), and Eisenhardt (1989). These five papers have been cited more than one thousand times and consequently serve as the foundation stones in this area. Following Eisenhardt and Zbaracki's (1992) structure, this examination summarised those works from 1991 to 2010 in Table 3.2. Those seven studies were published in leading journals in the SDM research area (e.g., strategic management journal, academy of management journal, academy of management review, journal of business venturing, organisation science, journal of management, and journal of management studies). This indicates that in the period SDM studies focus on the heated debate of rationality and bounded rationality in different environments (Dean and Sharfman 1993; Hitt and Tyler 1991). However, some new topics do arise in the same period: some studies explore how the rationality of strategic decisions contributes to firm performance. While others suggest that the analysis of SDM should be considered in specific cultural contexts (Elbanna and Child 2007).

### 3.1.6.2 Current Debates

According to Eisenhardt and Zbaracki (1992), although rationality versus bounded rationality is the dominant view in SDM process studies, in recent years a new trend of research has emerged. These new works propose that rationality is "multidimensional" (Eisenhardt and Zbaracki 1992, p. 22) and sometimes decision-makers' cognitive limitation may influence the SDM process. Moreover, in some circumstances, decision-making behaviours driven by cognition are more effective, particularly in "high-velocity environments" (Eisenhardt and Bourgeois III 1988). Partly based on cognitive psychology and behaviour theory, Schwenk (1984) generates a conceptual framework of cognitive simplification processes in SDM. In his study, Schwenk (1984) examines how biases may affect decision outcomes at each stage of the SDM process. Furthermore, he proposes that some scholars would like to replace "biases" with "heuristics", as the term "biases" seems to have some negative impacts on decision outcomes (Schwenk 1984).

Eisenhardt and Bourgeois III's (1988) study suggests that effective decision makers may generate many options and search for more information, but they only superficially examine this. These decision-makers focus solely on few alternatives and information. Moreover, they acknowledge that the effective SDM process is rational in some ways, but not in others (Eisenhardt and Bourgeois III 1988). Particularly Eisenhardt and Bourgeois III (1988) point out that those "non-rational" behaviours are more effective in fast-paced environments. In a study of the

**Table 3.2** Selected studies of rationality and bounded rationality on the strategic decision-making process

Authors	Method	Sample	Key objectives	Main results
Hitt and Tyler (1991)	Field study: scenario	69 top executives	The relationship among rational normative, external control, and strategic choice model	The objective criteria explain the greatest amount of total explained variance in evaluation of target firms. Meanwhile, industry, executive's age, educational degree type, amount and type of work experience, and level explains some parts of the variance.
Dean Jr. and Sharfman (1993)	Field study: interviews	160 structured interviews from 105 different managers	Procedural rationality	The competitive threat, external control, and uncertainty jointly affect the level of procedural rationality
Priem et al. (1995)	Field study (survey): respondents' perception	63 firms, multiple respondents: one CEO and one employee from each firm	Relationship between rationality in SDM process and firm performance	Rationality in SDM process, represented by levels of top managers' capabilities, is positively related with firm performance
Dean Jr. and Sharfman (1996)	Published database: field study (survey)	Top managers from 24 firms in 16 industries	The influences of procedural rationality and political behaviour on decision success	Decision-making processes are indeed related to decision success.
Goll and Rasheed (1997)	Field study (survey) and secondary data sources	62 largest manufacturing firms	Moderating effects of environmental factors in the relationship between processes rationality and firm performance	There is a significantly positive relationship between rationality and performance in context high in munificence and dynamism.
Hough and White (2003)	Simulation	400 decisions from 54 executive teams	The role of environmental dynamism in the relationship between process rationality and firm performance	Environmental dynamism may act as a moderator in the relationship between process rational-comprehensive decision making and decision quality.
Elbanna and Child (2007)	Field study: survey and interviews	397 survey respondents, 36 semi-structured interviews	Explore a comprehensive model of strategic decision effectiveness in Egypt culture.	Comparing to intuition, both rational and political processes have more influence on strategic decision effectiveness.

**Table 3.3** Selected cognition based studies of the strategic decision-making process

Research field	Summary of studies from leading journals
Cognitive bias and heuristics	Burmeister and Schade (2007), Dane and Pratt (2007), Hiller and Hambrick (2005), Hough and White (2003), Busenitz Jay and Lowell (1997), Haley and Stumpf (1989), Bukszar and Connolly (1988), and Lyles and Thomas (1988)
Cognitive simplification	Schwenk (1988) and Duhaime and Schwenk (1985)
Cognitive mapping	Hodgkinson et al. (2002) and Hodgkinson et al. (1999)

differences between entrepreneurs and managers' SDM process, Busenitz Jay and Lowell (1997) find that entrepreneurs are more likely to utilise biases and heuristics than managers do in the SDM process. Furthermore, they provide a description that entrepreneurs face more environmental uncertainty than managers, and under conditions of environmental complexity, biases, and heuristics can be a more effective and efficient method to use than rationality in the SDM process (Busenitz Jay and Lowell 1997).

In prior studies of the SDM process from the cognitive perspective, researchers attach importance to three main streams, namely cognitive bias and heuristics, cognitive simplification, and cognitive mapping. In particular, cognitive simplification studies analyse how bias influences each stage of the SDM process and simplifies it. In their cognitive mapping research, Hodgkinson et al. (2002) attempt to find a proper means to overcome cognitive biases arising from strategic decisions formulation. The author concluded by listing the main articles in the research fields of cognitive bias and heuristics, cognitive simplification, as well as cognitive mapping, which are published in leading journals (e.g., strategic management journal, academy of management journal, academy of management review, and journal of business venturing) (see Table 3.3).

Thus, the conceptual framework of the cognitive simplification process and biases (or heuristics) studies challenge the long standing theory of rationality vs. bounded rationality continuum (Eisenhardt and Zbaracki 1992). These studies provide an alternative view of SDM with suggestion that in some uncertain contexts, a non-rational approach to decision making is superior to a rational one. Hence, decision-makers do not need to blindly comply with the rationality of decision making and they can sometimes utilise their biases and heuristics to make effective decisions.

### 3.2 An Integrated Perspective of the Strategic Decision-Making Model

The above discussion of the SDM can be explained using causal explanation theory, which is an integrated perspective of the SDM process. De Rond and Thietart (2007) believe that managers make decisions precisely, as they are aware

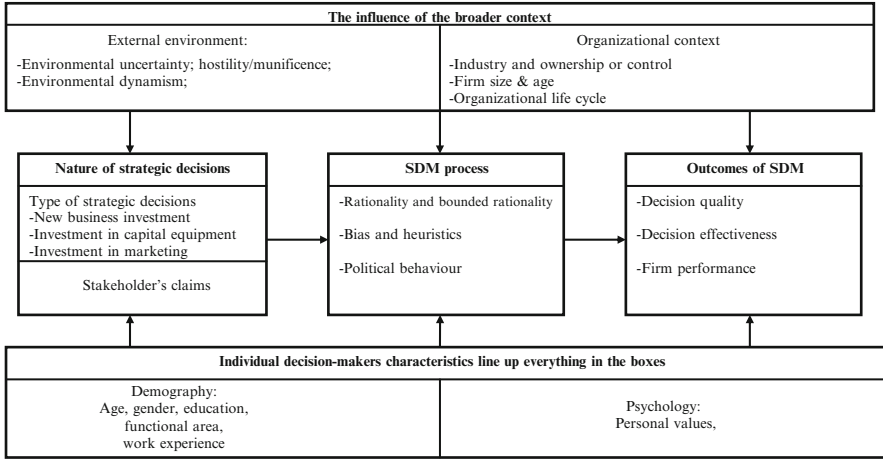
that all their strategic decision-making may be vital to the firm's survival and development. Furthermore, on the basis of causal explanation theory (Runde and de Rond 2010), they articulate the interaction among choice, chance, and causal background, as well as discussing how all these factors unite to form a corporate strategy (De Rond and Thietart 2007). In particular, choice is defined as "the freedom of organisational actors to choose and act of their own will" (De Rond and Thietart 2007, p. 536). Chance represents an event that happened randomly, without any expectation or obvious causal relationship with previous behaviours and endeavours (Bandura 1998; Mayr 1997). De Rond and Thietart (2007) argue that causal background represents some attendant contextual factors. Hence, in this thesis, the environmental and organisational stimuli, managers' characteristics, and stakeholder-manager relationship can be viewed as causal background factors. Engagement in CSR activities reflects decision-making choices. Meanwhile, CSR activities may be viewed as reflection of the outcomes of strategic chance, at least in part. Furthermore, causal background, choice, and chance form the decision-making of CSR-related strategy.

Using Papadakis et al. (1998) and Elbanna and Child's (2007) research models, the author developed a framework "an integrated model of the SDM process" to integrate and summarise the main research fields in the SDM process (see Fig. 3.3). Firstly, concerning the broader context, two dimensions were identified, namely the external environment and organisational context and both of them influence managers' CSR-related SDM. To describe the environmental situation, studies attach importance to the issues of environmental uncertainty (e.g., Busenitz Jay and Lowell 1997), hostility/munificence (e.g., Castrogiovanni 1991; Elbanna and Child 2007), and environmental dynamism. Concerning organisational characteristics; issues concerning industry circumstances (e.g., Zajac and Bazeran 1991), corporate ownership or control, firm size and age, as well as organisational life cycle (e.g., Chandler 1962) receive considerable attention.

Secondly, following Hambrick's (2007) upper echelon theory, individual characteristics of top executives, such as demographic and psychological characteristics were examined in the SDM process. Thirdly, the author turned to the nature of strategic decisions, SDM process, and outcomes of SDM. Some researchers have a great interest in the nature and type of strategic decisions, which is also the starting point of SDM analysis. A number of highly influential works explore the SDM process can be viewed as largely related to three main topics: rationality and bounded rationality, bias and heuristics (e.g., Hiller and Hambrick 2005), and political behaviour (e.g., Child and Tsai 2005). Regarding the outcomes of SDM, this is an emerging topic which includes decision quality (e.g., Olson and Parayitam 2007), decision effectiveness (e.g., Dooley and Fryxell 1999; Forbes 2007), and firm performance.

Among those factors in Fig. 3.3: the external environment, organisational context, SDM process, individual characteristics of decision-makers are important issues in current studies, and receive more attention in this review. Overall, like numerous SDM researchers, the author utilised an integrative model to analyse the SDM issues, because many elements are embedded in the SDM process or its related bodies. These unavoidably influence each other and could not be examined separately.





**Fig. 3.3** An integrated model of the strategic decision-making process of individual decision-makers (Sources: Adapted from Papadakis et al. (1998) and Elbanna and Child’s (2007))

### 3.3 Current Study: The SDM Process of Individual Decision-Makers in Relation to CSR Issues

As already noted in this thesis, CSR represents claims by stakeholders and can be incorporated into the SDM process (see Fig. 3.3). In other words, CSR issues might be viewed as types of strategic decisions, which are similar to new business investment. The nature of strategic decision determines the focal factors that decision makers should consider in the process of SDM. This examination selected strategic decisions of CSR issues, namely charitable donation and the focal factors, which included organisational stimuli, SDM process, and individual characteristics.

Moreover, the research followed Hambrick’s (2007) upper echelon theory, which emphasises and analyses the influence of CEOs’ characteristics on the SDM process. Consequently, in this study the author focused solely at the individual level of analysis of decision-makers. As Hambrick’s (2007) theory is based on the bounded rationality theory, this study focused on this stream. In this section, within-subject effects and between-subject effects of different factors were explored. Finally, the current review generated the research model “An integrated model of the strategic decision-making process of individual decision makers” (see Fig. 3.4), which illustrated key factors of the CSR-related SDM process. It indicated the organisational settings, which included industry, ownership, previous company donation, firm size, organisational life cycle, and firm age. Further, it identified the influential factors at the individual level, such as managers’ personal values and managers’ perceived CEOs’ attitudes toward charity donation and charitable organisation. As the relationship between most of these factors has been elaborated in the review in the SDM section of the review of research, the following sections mainly identify the directions of those relationships.

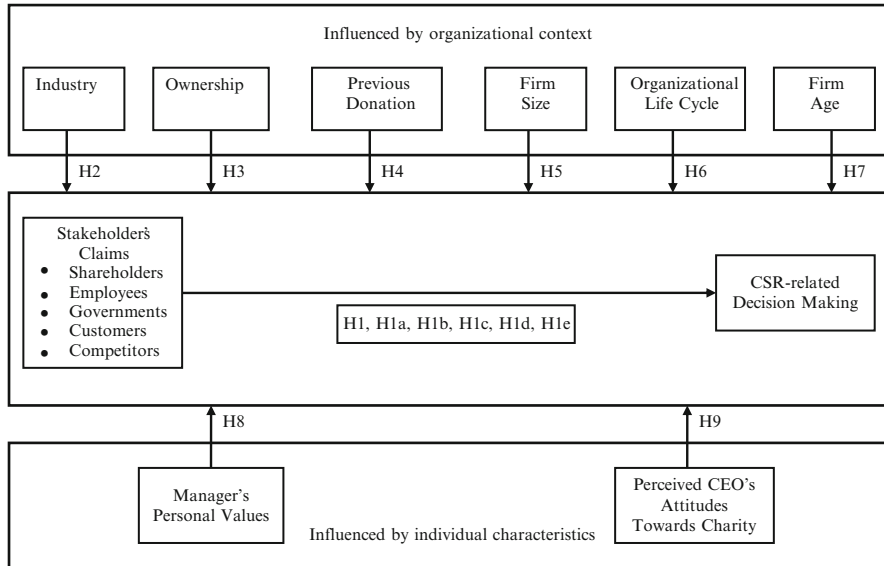


Fig. 3.4 Full research model

### 3.3.1 Main Effect: The Effects of Stakeholder Claims

Sections 2.3.2 and 3.1.5 argued that the claims of CSR from stakeholders should be embedded in SDM. Stakeholder claims demand that firms consider CSR issues. Firms are likely to pursue their CSR activities in order to meet stakeholder needs, which in turn may benefit corporate competitive advantage and sustainable development (Werther and Chandler 2006). Agle et al. (1999) demonstrate that the higher the level a CEO perceived the importance of stakeholders, the higher the level of corporate social performance their companies achieved. As corporate performance is the outcome of a series of strategic activities, there is of necessity a “black box” in Agle et al.’s (1999) framework. It does not illustrate that the CEOs’ perception of stakeholders impact on firms’ CSP through CSR strategy. As a result this is explored in the author’s study. The author therefore states that:

*H1: Stakeholder claims will predict the CSR-related SDM.*

Concerning specific stakeholders, shareholder impacts on CSR-decision-making have been highlighted in recent literature. In the traditional view, the maximisation of shareholder claims are drivers of managers’ decision making (Mujtaba 2010). However, if shareholders recognise the CSR event as an ethical investment, they may support it. From an employee perspective, when managers engage in SDM, they should concentrate on the changing nature of employees’ attitudes and behaviours (Trevino 1986). From the government aspect, managers are more likely to make decision making consistent with local government policy to reduce the risk of regu-

latory activity and improve their corporate image. Regarding customers, they might seek to modify organisational behaviour through their “discriminatory purchasing behaviours” (Brammer and Millington 2004, p. 1416). When contemplating CSR issues, managers are influenced by pressures of competitors’ CSR behaviours. On the basis of the discussion above, it can be inferred that the five stakeholders might have an impact on the CSR-related SDM specifically. Hence, the sub-hypotheses are

*H1: If shareholders support the CSR event, managers are more likely to decide to participate in CSR activities.*

*H1a: If employees support the CSR event, managers are more likely to decide to participate in CSR activities.*

*H1b: If local government supports the CSR event, managers are more likely to decide to participate in CSR activities.*

*H1c: If customers support the CSR event, managers are more likely to decide to participate in CSR activities.*

*H1d: If competitors are already involved in the CSR event, managers are more likely to decide to participate in CSR activities.*

### **3.3.2 The Effects of Influential Factors**

#### **3.3.2.1 The Effect of Industry**

Concerning the impact of industry on CSR activities, different traits of industries will cause their managers to focus on different stakeholders when they make CSR-related decisions. Several CSR scholars notice that the characteristics of an industry have significant influence on their CSR affairs. For instance, Bhambri and Sonnenfeld (1988) compare the forest insurance industry with insurance industry and they find that different elements of the industry are associated with different CSR activities. In particular, forest products have a large amount of specific customers and vital suppliers and therefore their CSR interactions are scattered across a broad array of outside stakeholders. In contrast, the insurance industry has public customers and intense scrutiny and accordingly this industry tends to be more politicised and concentrate on public stakeholders in the society (Bhambri and Sonnenfeld 1988).

As discussed in Sect. 3.1.3, it is clear that similar to the forest and insurance industry, these two industries focus on different stakeholders and various scrutinies. Similar to the manufacturing industry, firms in the mining industry have their own stable and specific customers (Azapagic 2004; Jenkins and Yakovleva 2006). Accordingly, this study combined the two industries and compared them with the financial services industry. Here, it can be proposed that,

*H2: Compared with manufacturing and mining industries, managers from financial services industries are more likely to decide to participate in CSR activities.*

### 3.3.2.2 The Effect of Ownership

In Sect. 3.1.3, it was explained how corporate ownership or control had an impact on the SDM process. Furthermore, this examination concluded that some research acknowledged that public vs. private ownership or control might significantly affect strategic decisions and SDM processes. In particular, Lioukas et al. (1993) demonstrate that state-owned enterprises have privileged access to competitive resources from the state. As a result, governments ultimately take responsibility for supervising the state-owned enterprises' behaviours to make it consistent with the public interest. Therefore, state-owned enterprises are required to conform to obligations and directions of governments. Moreover, government is one of the stakeholders that have a determining effect on the process of SDM. It can be inferred that ownership has a positive effect on the relationship between stakeholder claims and the decision-making regarding company donations. Hence, the next hypothesis proposed is,

*H3: Compared to non-state-owned enterprises, managers from state-owned enterprises are more likely to decide to participate in CSR activities.*

### 3.3.2.3 The Effects of Previous Company Donations

In the author's pre-test, interviewees suggested that a new variable, "previous company donation" should be added to the questionnaire as they believe it is an important element that may influence managers' CSR-related SDM (see Sect. 4.3). It is reasonable from the theoretical perspective because previous behaviours can predict the subsequent decision-making. For instance, Aarts et al. (1998) find that when the decision is based on attitudes and intentions, the behaviour may recur. Furthermore, from Bowman and Moskowitz's (2001) study, the author supposed that each time the managers utilised the same approach to justify the CSR investment. Even if the previous decision making of charity donation is not made by these managers, the organisational culture is a driver of the managers' ethical decision making (Trevino 1986). Therefore,

*H4: The higher the level of previous company donation the more likely that the managers will decide to participate in CSR activities*

### 3.3.2.4 The Effect of Firm Size

As firms grow, the managers recognise new resources and are supposed to use new management practice to achieve success (Brush and Chaganti 1999). Further, Brammer and Pavelin (2006) state that the participation of CSR activities is also related to the issue of access to resources. With greater resources, larger firms are more likely to partake in CSR events (Johnson and Greening 1999). However,

smaller firms are often constrained by their limited resources, which prohibit them from engaging in CSR initiatives. Hence, it can be supposed that,

*H5: The higher the level of firm size the more likely it is that the managers decide to participate in CSR activities*

### 3.3.2.5 The Effects of Organisational Life Cycle and Firm Age

Organisational life cycle and firm age can be explained in the same way in their response to CSR issues. According to Smith et al. (1985) the different stages of organisational life cycle determine the various priorities of management practices. For example, at the early stage, managers concentrate more on the potential problem of obtaining capital investment (Jawahar and McLaughlin 2001). Thus, at this stage, firms are relatively unwilling to make decisions to partake in CSR activities as they lack the finance to do so. In contrast, mature firms may have more available resources to engage in a CSR commitment. Similarly, numerous CSR scholars have noticed that organisational life cycle or firm age are relatively important elements in the process of shaping CSR-related strategy (e.g., Barnett 2007; Cochran and Wood 1984; Jawahar and McLaughlin 2001; Tuzzolino and Armandi 1981). Therefore,

*H6: The later the level of organisational life cycle the more likely it is that the managers decide to participate in CSR activities*

*H7: The older the firm's age the more likely it is that the managers decide to participate in CSR activities.*

### 3.3.2.6 The Effect of Managers' Personal Values

As discussed in Sect. 3.1.5, it is clear that CEOs' personal values invariably impact on an SDM process. Beyond Hambrick's (2007) upper echelon theory, other research contends that personal values can be used to predict managers' decision-making process and their choices (Feather 1995). For instance, Hambrick and Mason (1984) illustrate that personal values determine the strategic choice through a sequential influence on managers' vision, perception and interpretation. Freeman and Gilbert (1988) and Rokeach (1973) believe that values help us to articulate decision-making and understand its motivations. Another example, Ravlin and Meglino (1987) argue that values are required to impact on the selection and interpretation of the environment, and consequently influence behaviour choices. Furthermore, Swanson (1995) concludes that value is an important factor that can be formulated as an interpretative process in decision making, and that it can be applied on the individual, organisational, and societal levels.

Wood (1991, p. 694) contends that "it permits corporate social performance (CSP) to be seen not as something that is implicitly good in itself and 'desirable' for firms 'to have' . . . but as a construct for evaluating business outputs that must be used in conjunction with explicit values about appropriate business-society

relationships”. Furthermore, Swanson (1995) proposes a “reoriented CSP model” to illustrate how managers’ personal values shape managers’ decision making concerning CSR. Therefore, the approach in which a CEO interprets the principles of SDM is thought to depend upon “the level of moral reasoning possessed by the individual”. Kohlberg (1981) categorises moral reasoning into two levels: one of which is at the “pre-conventional” (self-interests) level. On this level, people only focus on those things from which they can benefit. The other level is “post-conventional” (other-regarding) level, where moral reasoning occurs beyond self-interests and people try to enhance the welfare of their stakeholders based on respect for others.

Individuals tend to follow the self-interests level of moral reasoning if their personal values are on the self-enhancement perspective. Otherwise they are likely to be on the other-regarding level of moral reasoning if their personal values are on the self-transcendence approach. The pyramid of CSR moves from the economic to philanthropic level through legal and ethical levels (Carroll 1991). Therefore, it is reasonable that the self-interest level of moral reasoning leads to the ethical level or at least a lower level of the CSR pyramid and that the other-regarding level of moral reasoning leads to the philanthropic level or higher level of the CSR pyramid. In Schwartz’s (2005) framework of personal values, resultant self-enhancement is computed by subtracting the mean score of the two transcendence value types from the mean score of the three enhancement value types (Feather 1995; Steenkamp et al. 1999). Furthermore, the resultant self-enhancement weakens the intention of CSR-related decision-making. These conclusions result in the following hypothesis:

*H8: The higher the level of the managers’ resultant self-enhancement the less likely it is that the managers decide to participate in CSR activities.*

### **3.3.2.7 The Effect of Executives’ Attitudes Towards on Charity Donation and Charitable Organisations**

Through explorative research, the author observed that CEOs’ attitudes towards charity donation and charitable organisation might have a significant influence on SDM process. Moreover, Webb et al. (2000) argue that attitudes towards on charity donation and charitable organisations closely relate with decision-making concerning charity. Specifically the influences of two attitudes are as follows. CEOs’ attitudes towards charity donation are affected by their personal norms, which are “situated, self-based standards for specific behaviour generated from internalised values during the process of behavioural decision making” (Schwartz and Howard 1984, p. 234). CEOs’ attitudes towards charitable organisations are influenced by three factors: (1) people’s familiarity with the charity, (2) the efficiency of the charity in terms of how much money has been utilised in helping those people in need and how much money has been allocated for administration of the charitable organisation, and (3) CEOs’ perceptions of whether the charitable organisations meet their goals as promised.

In interviews, numerous managers indicated that they would carefully consider CEOs' attitudes towards charity and charitable organisations when they made decisions concerning charitable activities. Hambrick and Mason (1984) provide an explanation of this phenomenon. Managers are required to acknowledge their organisational situations and the consequences attached to alternatives. As there is no doubt that CEOs' attitudes have an impact on the consequences of decision making, managers should consider CEOs' attitudes to prevent their objections. Therefore, CEOs' attitudes towards charity and charitable donation are positively related with to SDM concerning charity donation. This discussion leads to the following hypothesis:

*H9: The more positive the level of the managers' perception of the CEOs' attitudes towards charity donation and charitable organisations the more likely it is that the managers decide to participate in CSR activities*

### 3.4 Summary

In this chapter, hypotheses are developed following a comprehensive and detailed review of individual SDM. This chapter commenced with a discussion of determinants of strategic decision-making. The claims of major stakeholders were deemed important to organisational development. External environment and organisational stimuli were discussed. Following that, the characteristics of individual decision-makers from the demographic and psychological perspectives are elaborated upon and the importance of managerial perception of stakeholder salience is noted.

The SDM process is then described and the rationality and bounded rationality models are explained. In particular, the author generated a table to illustrate empirical studies on rationality and bounded rationality of SDM from 1991 to 2011 (see Table 3.2). A new trend of examining decision processes from cognitive perspectives is also noted. Especially in an uncertain environment, biases and heuristics are more effective to guide decision making than rationality.

The SDM literature review is concluded with "An integrated model of the strategic decision-making process of individual decision maker" (see Fig. 3.3) and the main research fields in the SDM area are identified. Moreover, each stream is summarised with two or three examples in each. Lastly, following on the focal components of the current study, discussions of the external environment and organisational stimuli, SDM process and individual characteristics of decision makers are emphasised.

Based on the literature review of SDM, the research hypotheses in this chapter are proposed. As the relationships between those factors have been elaborated in the SDM literature review, the direction of the relationships has been the primary focus of the hypotheses development section. The research model, which is a sub-model of "An integrated model of the strategic decision-making model" (see Fig. 3.4), is then presented. Moreover, as this study uses policy-capturing, which only concentrates

on examination of one specific issue, charity donation is taken as an example of CSR activities. Concerning different CSR activities, although the results of decision-making may be different, the process of managers' CSR-related decision making might be similar (this is explained thoroughly in Sect. 6.4). The policy-capturing method and research design will be discussed in the next chapter.



# Chapter 4


## Methodology and Research Design

This chapter explores the approach adopted for the current study and describes each step of the questionnaire design process. In the section on questionnaire design, the author discusses the content of the questions, and also explains the sequence, layout, and production of the questionnaire. Following that, the sampling method and survey administration are described. Finally, this chapter concludes with a summary of work to date.

### 4.1 Understanding Philosophical Research Underpinnings

The way that scholars view the world may influence the approaches for the research design that they adopt. According to Easterby-Smith et al. (2008), there are at least three reasons why the understanding of philosophical underpinnings is very important: firstly, it refers to how to gather the required evidence, how to explain the data, and how to answer the basic questions in the investigation, which is useful to clarify the research design. Secondly, the understanding of philosophy helps scholars to consider about what kind of research design is suitable for their studies. Thirdly, it helps scholars to operate their research design (p. 56). Moreover, Johnson and Duberley (2000) emphasise the importance of philosophical assumptions and argue that “how we come to ask particular questions, how we assess the relevance and value of different research methodologies so that we can investigate those questions, how we evaluate the outputs of research, all express and vary according to our underlying epistemological commitments” (p. 1). The following sections review the various philosophical assumptions and link philosophy and methodology in the CSR area.

**Table 4.1** Ontological assumptions underlying social enquiry

Core ontological assumptions	
1. Reality as a projection of human imagination	<b>SUBJECTIVE</b>
2. Reality as a social construction	
3. Reality as a realm of symbolic discourse	
4. Reality as a contextual field of information	
5. Reality as a concrete process	
6. Reality as a concrete structure	<b>OBJECTIVE</b>

Source: Morgan and Smircich (1980, p. 492)

### ***4.1.1 Ontological and Epistemological Foundation of Philosophical Assumptions***

Gill and Johnson (1997) believes that ontology represents “the study of the essence of phenomena and the nature of their existence” (p. 178). There are two main ontological positions: nominalism and realism. Easterby-Smith et al. (2008) state that nominalism “includes the view that it is the labels and names we attach to experiences and events which are crucial” (p. 62). The realist position is that reality exists outside our mind. For example, Bhaskar (1989) elaborates that “the ultimate objects of scientific inquiry exist and act (for the most part) quite independently of scientists and their activity” (p. 12). Morgan and Smircich (1980) utilise a framework to illustrate the ontological assumptions of social enquiry (see Table 4.1).

Epistemology refers to a “general set of assumptions about the best ways of inquiring into the nature of the world” (Easterby-Smith et al. 2008, p. 60). Gill and Johnson (1997) define epistemology as “the branch of philosophy concerned with the study of the criteria by which we determine what does and does not constitutes warranted or valid knowledge” (p. 177). In practical terms, it emphasises the instrument of investigation. Epistemology is polarised between the philosophical aspects of positivism and anti-positivism (Burrell and Morgan 1979). The pro-positivism camp focuses on the understanding of universal laws and the causality between variables. The anti-positivism camp is loosely comprised of those approaches which utilise qualitative research, phenomenology, interpretivism or social constructionism, which represents the understanding of subjective meanings that the particular individuals involved create (Burrell and Morgan 1979).

### ***4.1.2 Linking Philosophy and Methodology in the CSR Area***

Every research design is based on philosophical assumptions which lead social scientists to utilise various paradigms, research methodologies, and instruments

during the process of exploring the social phenomena. This statement is also true for the analysis of organisational behaviour (Burrell and Morgan 2005). The most dominant paradigms are positivism and interpretivism (Easterby-Smith et al. 2008; Sarantakos 1993).

Historically, positivism has been developed into several branches, which include methodological positivism, neo-positivism, and logical positivism (Lee and Lings 2008). These philosophical assumptions are driven by scientific realism, which states that reality is objective, and independent of researchers’ knowledge of the phenomena (Craig 1998). In brief, positivism believes that social research is conducted in an instrumental approach and “research is a tool for studying social events, and learning about them and their interconnections so that general causal laws can be discovered, explained and documented” (Sarantakos 1993, p. 37). In contrast, interpretivism is subjective and assumes that: (1) reality is internally based on the description the researchers attach to it, (2) the research is “immersed in the phenomenon of interest” (Firestone 1987, p. 17), (3) researchers provide the interpretation of the actors’ reasons for their behaviour, and (4) “value neutrality is neither necessary nor possible” (Sarantakos 1993, p. 36). The main characteristics and underlying assumptions of these two paradigms are summarized in Table 4.2.

Applying the philosophical assumptions into the CSR area, there are two major schools of thought: positivist CSR and non-positivist CSR (Scherer and Palazzo 2007). The aim of positivist CSR scholars is “to provide a distinctive view of a corporation’s overall efforts toward satisfying its obligations to society” (Wartick

**Table 4.2** Two dominant research paradigms in the social sciences

Underlying assumption	Positivism	Interpretivism
Reality is	Objective	Subjective
	Perceived uniformly through the sense	Created, not found
	Governed by universal laws	Interpreted
	Well integrated for the good of all	
Human being are	Rational individuals	Creators of the world
	Obeying external laws	Assigning meanings to the world
	With no free will	Not restricted by external laws
		Creating systems of meanings
Science is	Based on strict rules and procedures	Common science (no science)
	Deductive	Inductive
	Nomothetic	Ideographic
	Based on sense impressions	Relies on interpretations
	Value free	Not value free
Purpose of research	To explain facts, causes and effects	To interpret the world
	To predict	To understand social life
	To emphasise facts and prediction	To emphasise meanings and understandings

Source: Adapted from Sarantakos (1993, p. 38)

**Table 4.3** Comparison of positivist and non-positivist CSR schools

Aspects	Positivist CSR	Non-positivist CSR
Foundation	Empirical	Philosophical
Ideology	Economic/instrumental	Foundational
Main concepts	Corporate social performance	Character/virtue, duty, social contract, hypernorms, integrity
Mode of coordination in society	Private contract and legal compliance	Social contracts and conformity with moral values
Drivers of CSR	Comply with law and respond (only) to powerful stakeholders	Comply with ethical norms and develop personal integrity
Main philosophers	Hempel, Nagel, Popper	Aristotle, Gauthier, Hobbes, Kant, Rawls
Management theories	CSP, “business case”, CSR, instrumental stakeholder theory	Business ethics, normative stakeholder theory, social contract theory
Example of CSR studies	Aupperle et al. (1985), Brown and Dacin (1997), Waddock and Graves (1997), Russo and Fouts (1997), Agle et al. (1999), Klassen and Whybark (1999), McWilliams and Siegel (2000), Hillman and Keim (2001), and Orlitzky et al. (2003)	Wartick and Cochran (1985), Wood (1991), Clarkson (1995), McWilliams and Siegel (2001), Matten and Crane (2005), Campbell (2007), and Matten and Moon (2008)

Source: Adapted from Scherer and Palazzo (2007, p. 1113)

and Cochran 1985, p. 758). In particular, three kinds of issues are discussed by positivist CSR scholars: (1) the social expectations towards organisational CSR behaviour, (2) the process or activities that companies conduct to meet the expectations of society, and (3) the measurable results of organisational CSR activities. Therefore, these problem areas are integrated within the outcomes of organisational CSR efforts (Wood 1991) and examined by empirical methods. Unlike positivist management researchers, non-positivist CSR scholars rely on business ethics and normative foundations (Weaver et al. 1999). These non-positivist CSR scholars not only describe factual moralities, but also explore principles and criteria to facilitate the examination and justification of ethical behaviour in business (Goodpaster 1998). Table 4.3 summarises the major differences between positivist CSR and non-positivist CSR studies, which include foundation, ideology, main concepts, mode of coordination in society, drivers of CSR, main philosophies, and management theories. Moreover, to clarify the two different groups of thoughts, the author classified positivist and non-positivist studies, which are cited more than ten times each year since it has been published.

The ontological approach was applied into the current study, as it attempts to inquire the nature of reality. The epistemological position focuses on the utilising best possible measurement instrument. Therefore, this study followed a positivist ontology, which is based on the view that “there are objective facts about the world

that do not depend on interpretation or even the presence of any person. From this perspective social science is (or should be) value-free” (Glynos and Howarth 2008, p. 75). Furthermore, the reasons to choose this paradigm to examine CSR-related strategic decision-making issues can be explained from three aspects: firstly, it is appropriate to utilise and quantify the process and outcomes of CSR, i.e., in data collection, analysis, and interpretation of findings. Secondly, most strategic decision-making studies are examined in the positivist approach (e.g., Haley 1997; Priem 1992; Priem et al. 1995). Thirdly, according to the literature, the core driver of CSR-related strategic decision-making is powerful stakeholders, which is consistent with the dominant thinking represented in the positivist CSR approach. Since surveys have dominated most of the research in positivist CSR, this research is aligned with the mainstream research methods in this area.

## **4.2 Choosing an Appropriate Research Method for the Current Survey**

### ***4.2.1 The Reason for Choosing a Survey Strategy***

According to Malhotra and Birks (2007), the research design, which formulates the procedures to solve the research problems, is a blueprint for carrying out the research study. According to Saunders et al. (2009), the type of research design can be generally classified as embodying a deductive or inductive approach. Further, they explain that deductive research takes advantage of rigorous testing to develop an existing theory. In particular, deductive researchers deduce the research hypotheses from a theory, test these hypotheses using rigorous methods, analyse the specific results from inquiry, and then make conclusions and modify the theory. Based on observations of human behaviours, inductive researchers attempt to understand better the nature of issues and generally conduct an exploratory and discovery phase of any research project. As there was sufficient literature regarding SDM and CSR, it was decided to adopt the deductive research method for the current study.

With regard to the specific strategy, the author chose a survey approach, as Saunders et al. (2009) state that the survey strategy has two functions, both of which are applicable to the current study. One is that it can suggest possible reasons for particular relationships between factors and can be used to generate a model of those relationships. Another is that it can develop the findings that can be applied to the whole population with less cost and time. Moreover, survey strategy has been applied to many scenario-based studies in the analysis of business and management issues (e.g., Kristof-Brown et al. 2002; Spence and Keeping 2010). The next section further explores the reason why a scenario-based study has been chosen.

### 4.2.2 The Reason to Choose a Scenario-Based Survey Design

Another reason to choose a survey strategy is that a survey method is suitable to SDM research. There are four methods often used in SDM research: stimulation, laboratory study, case studies, and scenarios (Eisenhardt and Zbaracki 1992). The author developed a table to compare the strengths and weaknesses of the four approaches (see Table 4.4). Among them, simulation and laboratory study are easier to control the environmental factors, but may not reveal clearly the actual situation. However, case study and scenarios overcome this problem and allow researchers to

**Table 4.4** Comparing research methods in the strategic decision-making area

Methods	Advantages	Disadvantages	Selected studies
Stimulation	(1) Reducing firm-level effects on the relationship between process and outcomes, (2) controlling the environmental, organisational context, (3) analysing the differences in processes from decision to decision, and (4) making it possible to generate large sample size. (Hough and White 2003)	Could not measure complex surroundings	Hough and White (2003)
Laboratory study	Similar with stimulation	Not suitable to measure the influences of SDM and the complex surroundings (Dean Jr. and Sharfman 1996)	Fredrickson (1985), Isenberg (1986), Schweiger et al. (1986), and Schweiger et al. (1989)
Case studies	(1) Developing creative insight into paradoxical evidence, (2) measuring constructs of new theory, (3) making it possible that the theory is consistent with empirical observation. (Eisenhardt 1989)	The results may be too narrow and idiosyncratic.	Anderson (1983), Fredrickson (1985), and Hickson et al. (1986)
Scenario	(1) Examining decision-makers in the actual situation without many assumptions, (2) “avoiding misleading proxy measures that are far removed from the consequences that often stem from a decision” (Numagami 1998, p. 162), (3) connecting real practices and outcomes with research conclusions (Miles and Huberman 1994)	Although it seems the best approach to analyse SDM process, it could not describe the situation totally consistent with the real world.	Busenitz Jay and Lowell (1997) and Hitt and Tyler (1991)

analyse actual decisions in the real world. Moreover, scenario-based work is more preferable than a case study, as it is possible to use a large enough sample of firms and decisions to test the SDM process of managers. One of the scenarios-based methods is PC study and the next section provides more details of it.

### 4.3 Questionnaire Design

The procedures of questionnaire design can be summarised as consisting of four steps: (a) collecting information and determining the content of the questionnaire, (b) formulating questions, (c) designing the order and layout of the questionnaire, and (d) eliminating problems by pre-testing the questionnaire. The following sections describe the four steps separately.

#### 4.3.1 *Introduction of Policy-Capturing*

Policy-capturing (PC) is an “intra-individual” (Reeve et al. 2008, p. 243) study design, in which all participants are asked to make decisions in response to the same series of scenarios provided by the researchers (Kachra and White 2008). Each scenario is a combination of different levels of independent variables (Karren and Barringer 2002), which are named as “cues” in PC studies. The response of each participant will be regressed on the values of those cues embedded in the scenarios, and then the regression weights will be utilised as the evaluation of the degree to which participants relied on the information cues to make judgments (Reeve et al. 2008). It is easier to understand this process of calculation in the techniques of repeated-measures ANOVA, which is the most useful method to examine this PC study (see the Sect. 5.4.1). The claims of stakeholders can be viewed as within-subject factors, while the characteristics of participants can be ranked as between-subject factors. Moreover, the regressions of between-subject effects are on the basis of the regression of within-subjects factors (this will be explained further in Sect. 5.4.1).

SDM scholars have used PC to examine managers’ decision-making concerning strategic initiatives for their organisations (Aiman-Smith et al. 2002). These researchers acknowledge that this method overcomes many limitations. These limitations could not be avoided in other approaches which analyse individual decision-making by describing situations in a direct way. This is because PC is based on the combination of different cues in each scenario, while direct approaches describe one piece of cue information in every scenario. Furthermore, the actual weight rated on cues by executives can be calculated in PC studies.

Another advantage of this method is that researchers can experimentally manipulate cue information and its combination (Rotundo and Sackett 2002). By minimising the inter-correlations among cue variables, researchers have the ability to

avoid the problems of multi-collinearity, which is often found in the field data. Thus, PC provides increased “psychological fidelity in that participants are asked to afford overall evaluations of multi-attribute scenarios” (Reeve et al. 2008, p. 243). Finally, PC is typically utilised at the individual level. It is also more similar to real world situations in business than those approaches which ask participants to rate the importance of the independent attributes directly (Karren and Barringer 2002).

PC is suitable to analyse managers’ decision making (Powell and Mainiero 1999) of CSR issues, as CSR is a complicated concept which is affected by multiple factors. For the current study, this methodology allows the author to gain direct evidence of the degree to which stakeholders actually influence managers’ SDM concerning CSR issues. The understanding of causal relationships between different stakeholders and managers’ SDM processes concerning CSR will also be strengthened in this PC study (Priem and Butler 2001).

### ***4.3.2 Scenarios Design***

Many PC studies (e.g., Reeve et al. 2008; Spence and Keeping 2010) adopt Aiman-Smith et al.’s (2002) tutorial, which provides an explicit introduction on how to use PC techniques. They thoroughly discuss the main issues in the study design, the procedures and instruments in data collection, the regression models in data analysis, and the recommendation for data interpretation. Therefore, the current study mainly followed Aiman-Smith et al.’s (2002) guideline for each step of scenario design, execution, analysis, interpretation, and data reporting. The description of the experimental design is as follows.

#### **4.3.2.1 Number of Cues and Number of Scenarios**

Some researchers acknowledge that one of the main problems of studies on attribute valuation is the number of attributes (Breagh 1992), as it is not easy to make a trade-off between the number of cues and the number of scenarios (Aiman-Smith et al. 2002). It is necessary to design scenarios to be as inclusive as possible while avoiding redundant attributes (Slaughter et al. 2006). Previous studies also suggest that respondents might not cooperate with the author if the number of independent variables or cues is more than seven or less than two (Brehmer and Brehmer 1988; Miller 1956). Aiman-Smith et al. (2002) especially argue that if there are more than five cues in each scenario, the number of scenarios will be unrealistic.

Another trade-off in scenario design is the number of cue and cue values, as there is a reverse relationship between the two factors. As Aiman-Smith et al. (2002) acknowledge “the greater the number of values per cue, the smaller the number of cues that can be included, and vice versa” (2002, p. 396). Moreover, they elaborate that two or three levels of values are frequently utilised in scenario design, and the type of values can be numeric or categorical (Aiman-Smith et al. 2002).



In this study, five key stakeholders as cues or independent variables were selected. These stakeholders are determinants in managers' SDM process, namely: shareholders, employees, government, customers, and competitors (see Sect. 3.1.5). Two categorical values are selected in the scenario design and an explanation of the selection will be given in the next section.

#### 4.3.2.2 Cue Ranges and Demand Effects

It is necessary that researchers are required to distribute cues similar to those in the real business (Kachra and White 2008), and choose the optimal combination of the number of cue variables and the number of values per variable. During this design process, researchers are required to consider the number of scenarios that they need to study. Hence, keeping the number of cue variable and the number of values relatively small will help respondents quickly determine the nature of the research and react without any attempts to "confirm what they believe the research hypothesis to be" or "create a positive impression of themselves" (Aiman-Smith et al. 2002, p. 397). Another possible approach to reduce the demand effects is to include less extraneous information in each scenario (Carroll and Johnson 1990).

Applying PC techniques, the author described the context of scenario in the current research as "akin to a massive flood disaster happening in some of the regions" (see Appendix D). As PC allows researchers to focus on one specific issue, this study chose the organisational decision-making of charity donations for disaster relief as a typical CSR issue. With regard to whether the organisation is required to donate to disaster relief in this situation or not, there are three response options by stakeholders: "support", "does not support", or "does not care". In Chinese culture, if someone does not support or does not care about charity donation, he/she will generally keep silent on this issue to avoid other people criticising him/her for lack of generosity. Hence there are two actual stakeholder reactions, namely "support" or "ignore". Therefore, two levels of value for each independent variable are applied for five cues, which generate thirty-two ( $2^5 = 32$ ) scenarios.

#### 4.3.2.3 Correlated and Uncorrelated Cues

Karren and Barringer (2002) encourage researchers to develop cues as orthogonal, as it facilitates analysing the independent effect of each variable. Otherwise, if one cue is associated with another cue, then it becomes complicated to identify which portion of the variance can be explained by cue one, cue two, or the combination of cue one and two (Kennedy 2003). Against the principle of orthogonality of cues, Aiman-Smith et al. (2002) propose that there are two unavoidable problems of using orthogonal cues: they are neither representative nor practical. Meanwhile, they point out that in the real world it is impossible to say there is definitely no relationship between two variables. Webster and Trevino (1995) also note that having too many

scenarios may lead to respondent exhaustion and make the research unwieldy. Thus, it is necessary to randomly select a number of scenarios from the full crossed design.

Turning to the current study, the 32 scenarios represent enough information to describe realistic and stable estimates, but they will eventually lead to participant fatigue or boredom (Graham and Cable 2001). Kachra and White (2008) note that in order to strike a balance between enough information and the interests of scenarios, it is better to interview or survey a small group of people who have expertise in the related subject matter. Therefore, they ask doctoral students to conduct a pilot study of their scenario to test participant fatigue (Kachra and White 2008). In this study ten Ph.D. students were invited to the test, as they had 2–3 years of work experience in China, and they were very familiar with the determinants of managers' decision making. Moreover, they studied different disciplines such as business study, chemistry, computing science, and biology in Ireland. They expressed their views about the length and complexity of the scenarios for different versions of scenario design: firstly, they believed that half of the scenarios (16 scenarios) is the maximum that participants can accept; secondly, they acknowledged that taking charity donation as an example of CSR activities in China is a good choice, because the development of CSR is at a very early stage in China and only charity donation is widely accepted as a CSR activity. Lastly, the sequence of different stakeholder claims should be the same for each scenario, as it can save participants time.

Finally, 16 scenarios are randomly selected from 32 scenarios and these selected scenarios are believed to be the proper ones for the participants. The author endeavoured to select the scenarios many times, until these items had no collinearity. Following Klaas et al.'s (2006) study, which is discussed in the next section, the author tested the relationship between independent variables (cues) and found they were uncorrelated. In each scenario design, if the stakeholder "supports" the charity donation then it will be highlighted with "•" and coded as one as a dummy variable. Meanwhile, if a stakeholder "ignores" the charity donation it was left blank and coded as zero as a dummy variable. Table 4.5 illustrates a sample of scenario design process. More details of the 16 scenario designs can be found in the Appendix D (p. 101).

This research used SPSS 17.0 to analyse the distribution of the 5 information cues (i.e., shareholders, employees, government, customers, and competitors) in the 16 scenarios. A brief description of variables and the results of collinearity analysis, which indicated that the potential of collinearity did not exist among the five cues,

**Table 4.5** Example of scenario design

Shareholders	Employees	Government	Customers	Competitors
				•
0	0	0	0	1

The shareholders, the employees, local government, and customers ignore the firm's charity donation activities. However, competitors have already donated to stricken areas

were illustrated in the next chapter. Therefore, according to Karren and Barringer (2002), the author utilised the realistic information and minimised variable inter-correlations, which enhanced the validity of the PC design (see Sect. 5.3.3).

Thus, the experiment designed to examine managers' decisions of organisational donation contains 16 scenarios, five information cues, and two levels of values. The context of scenarios is that a "massive flood disaster has occurred" and different stakeholders hold various attitudes towards the organisational charity activities. Respondents were required to rate the probability that their organisation would donate for disaster relief in each scenario.

#### 4.3.2.4 Start-Up Learning and Minimising Fatigue

Researchers are required to note that participants need some time to learn how to answer each question (Aiman-Smith et al. 2002). Moreover, comparing data from PC of full crossed and fractional design, Graham and Cable (2001) suggest that although fractional design could not provide as much information as full crossed design does, it may decrease fatigue and make participants more willing to attend to the survey. Therefore, fractional design was selected in this study. Beyond that, the researcher established a set of "practice trials" (Aiman-Smith et al. 2002, p. 406) to facilitate participants in adapting to the survey. In this way, the negative effect of start-up learning and participant fatigue were captured at the minimum level.

Concerning the measurement of outcome, Likert-type scales are widely utilised in PC studies (Rotundo and Sackett 2002). They note that it is reasonable to use 5-to 7- point Likert-type scales to measure the outcomes as long as they do not examine the interaction variables. In line with previous PC studies (Hitt and Tyler 1991; Webster and Trevino 1995), the current study chose 7- point Likert-type scales to examine the probability that participants would consider donating in each circumstance. This research emphasised managers' decision-making for their organisations, but the participants were required to answer if they would also like to donate on behalf of themselves. It was supposed that most consider their individual behaviours first, then the organisational actions. Accordingly, the author placed the questions about individual's preference first. The introduction of the scenario questionnaire and a sample of scenarios were illustrated below (see Table 4.6).

#### 4.3.2.5 Sample Size Required

Howell (1992) elaborates that in PC studies, respondents will make a series of decisions, which are more stable than data obtained from traditional surveys. This is because each respondent contributes only one observation in traditional surveys. Karren and Barringer (2002) also stress that unless there is an obvious inconsistency among different participants' responses, the PC studies might generate larger effect size than traditional approaches of research design.

**Table 4.6** Example of CSR-related scenarios

<p><b>Introduction :</b> A number of scenarios involving situations which might induce a firm into charity donation are listed. Recently, there was a massive flood disaster across some of the regions. For each scenario, based on the information provided in every case and your experience and knowledge, please rate on a scale from 1 to 7. Place a “√” in the appropriate place.</p> <p>According to your organisation’s situation, what is the probability that your organisation would consider to donate at this moment?</p>										
Not probable		Somewhat improbable			Neutral		Somewhat probable		Probably	
1		2	3	4	5	6		7		
<p>1. The shareholders , the employees, local government, and customers may ignore firms’ charity donation activities. However, competitors have already donated to these stricken areas.</p>										
(Individual) Low probability			1	2	3	4	5	6	7	High probability
(Organisation) Low probability			1	2	3	4	5	6	7	High probability

It can be inferred that the power of a PC study relies on the number of scenarios used (Karren and Barringer 2002). Although a full crossed-scenario design may offer higher power, it results in participant fatigue, which reduces the reliability of measurement (Karren and Barringer 2002). As fractional scenario design is exploited to minimise fatigue, another approach to increase the power of the PC study is to utilise a large number of participants in the study (Cohen 1988). Karren and Barringer (2002) also exemplify several cases to demonstrate that a large sample is more effective to examine the individual difference between subjects.

To sum up, this section provided a comprehensive and detailed explanation of the scenario design process: the approach to dealing with the trade-off on the number of cues and number of scenarios, to determine cue ranges and demand effects, to generate fractional scenario design, to make cues uncorrelated, to minimise the start-up learning effect and participant fatigue. It also concluded that sample size was required in PC studies. Based on these research principles, the author will now illustrate the process of scenario design for the current study in greater detail.

### 4.3.3 Measures of Individual and Organisational Characteristics

#### 4.3.3.1 Personal Values

Schwartz Value Survey (SVS) is used as the measurement of personal values. Based on Schwartz’s theory, the SVS is utilised to measure people’s value priorities.

Similar to the Rokeach Value Survey (1973), SVS has 56 values and the meaning of each value is defined by a specification in parentheses. Respondents are required to assess each item according to the importance as “a guiding principle in my life”. Values are evaluated on a 9-likert scale ranging from (−1) “opposed to my values”, through (0) “not important” to (7) “of supreme importance”. Compared to the Rokeach Value Survey (1973), this survey not only avoids the restriction of ipsative procedure (Hicks 1970) and western imposed-ethics (Schwartz 1992), but also reacts to critics of the western bias (Bond 1988; Braithwaite and Law 1985). Furthermore, the SVS is a universal application, which represents not only represents western cultures but also covers eastern cultures. For instance the Chinese version of SVS has 58 values, including 2 additional values (preserving my public image and observing social norms) which are specifically designed for the Chinese context. Those 58 values can be divided into 2 lists, the first 30 values can be identified as terminal values, while the other 28 values represent instrumental values (see Sect. 3.1.4 “the Schwartz Project”). As discussed in Sect. 3.1.4, the 58 values can be classified as 4 dimensions: self-transcendence, self-enhancement, openness to changes, and conservativeness.

Resultant self-enhancement of SVS was applied to the current study and could be obtained by subtracting the mean score for the two self-transcendent values from the mean score for the three self-enhancement values (Sousa et al. 2010). In addition, the mean score of self-enhancement for each participant is obtained by averaging the scores of the power, achievement, and hedonism values. Meanwhile, the mean score of self-transcendence for each participant is obtained by averaging the scores of the universalism and benevolence values (Feather 1995).

#### **4.3.3.2 The Measures of Attitudes Towards Charity Donation and Charitable Organisations**

The author adopted Webb et al.’s (2000) scales to measure attitudes influencing monetary donations to charitable organisations, as their instrument was validated and widely accepted in this area (e.g., Ewing and Napoli 2005; Pracejus and Olsen 2004; Roman and Ruiz 2005; Venable et al. 2005). For instance, Rossiter (2002) notes that Webb et al. (2000) exploit a rigorous approach and “the content saturation procedure” (p. 322) to generate measures of attitudes towards charitable donations.

During the instrument development process, Webb et al. (2000) carry out a series of studies relating to item generation and questionnaire formulation. Eventually nine items remain and can be classified into two categories: four items representing attitudes towards charity and five items representing charitable organisations. Among these nine questions, one item in attitudes towards charitable organisation should be reverse scored, as it addresses negative comments on charitable donation. This question is “how much of the money donated to charity is wasted” (Webb et al. 2000, p. 303). The author asked the ten doctoral students (see Sect. 4.3.2 “correlated and uncorrelated cues”) to test this measurement and found that it could also be applied in the Chinese context.

### 4.3.3.3 Influential Variables

At the organisational level, firm size, location, firm age, organisational life cycle, the annual amount of monetary donation and industry are controlled to reduce the influences of environmental and organisational factors. Meanwhile, at the individual level, managers' age, gender, level of education, degree type, functional area in work experience, current position, current functional areas, and years of work experience are controlled to minimise the impact of personal demographic elements (see Table 4.7).

**Table 4.7** Brief description of questionnaire

Section	Variables	Descriptions	Source
Section One	25 items	Item selection: self-enhancement and self-transcendence	Schwartz (1992)
Value survey			
Section Two	32 items	16 scenarios were designed to examine respondents' decisions in different situations	Self design
Scenario and the importance of stakeholders	5 items		
Section Three	9 items	The original study tested customers' attitudes towards charity donation	Webb et al. (2000)
Attitudes towards charity			
Section Four	Ownership	4 types of ownership	Peng et al. (2004)
About your organisation	Size	The number of employees	Brush and Chaganti (1999)
	Location	The location of firm	Self design
	Age	Years since foundation	Brush and Chaganti (1999)
	Life cycle	4 types of life cycle	Jawahar and McLaughlin (2001)
	Donation	Amount each year (Reminbi)	Self design
	Industry	15 types of industries	National bureau of statistics of China
Section Five	Age	Age (multiple-choice question)	Hitt and Tyler (1991)
About yourself	Gender	2 choice question	Hitt and Tyler (1991)
	Education degree	5 types of choices	Ministry of education of PRC
	Education degree type	12 types of choices	Ministry of education of PRC
	Work experience	Functional areas	Hitt and Tyler (1991)
	Current position	4 types of choices	Self design
	Functional areas	12 types of choices	Hitt and Tyler (1991)
	Years of work experience	How many years (open question)	Hitt and Tyler (1991)

### ***4.3.4 Brief Description of Each Question***

Eighty-six items were incorporated in the questionnaire, which included questions based on scenarios, executives' personal values, attitudes towards charity, and influential variables at both organisational and individual levels. Table 4.7 illustrates each item and its source.

### ***4.3.5 Question Formulation***

Several question structures are utilised in the survey design. Firstly, the Likert scale is often applied as it requires respondents to rate the degree of their attitudes or feelings towards a series of statements. Beyond that, the measures of personal values, managers' attitudes towards charity and charitable organisations, as well as the importance of stakeholders as perceived by executives are also developed using the Likert scale.

Regarding the wording of questions, the author followed Malhotra and Birks' s (2007, pp. 384–387) guidelines: (1) define the issue, (2) use ordinary words, (3) use unambiguous words, (4) avoid leading or biased questions, (5) avoid implicit alternatives, (6) avoid implicit assumptions, (7) avoid generalisations and estimates, and (8) use positive and negative statements. Based on Usunier's (1998) back-translation techniques for questionnaires, the author asked a Chinese Ph.D. colleague to translate the source questionnaire from English to Chinese, then asked another Chinese colleague to translate the new source Chinese questionnaire back to English. Comparing the original and translated English questionnaires, the author discovered problems between them and made appropriate adjustments to ensure lexical equivalence, idiomatic equivalence, and grammatical-syntactical equivalence (Usunier 1998).

### ***4.3.6 Order and Layout of Questionnaire***

The order of questions is as important as the wording of questions, because it helps participants to adapt to the survey and makes them more willing to cooperate with researchers (Malhotra and Birks 2007). The author placed items of personal values in the first section as those questions are easier to answer. Therefore those questions make respondents confident and this is likely to result in a willingness to cooperate with the coordinators. The 16 scenarios and the importance of stakeholders as perceived by managers form the second part as those questions may be perceived as complex and dull. Lastly, the top leaders' attitudes towards charity and charitable donations, as well as general information about individual and organisations are listed in the final parts of the questionnaire. In the Chinese culture this information

seems a bit sensitive, so it is much better to leave it until last to avoid respondents' objection or unwillingness to cooperate.

The layout and reproduction of the questionnaire may also influence the results. Following Brace's (2008) suggestions on this point, the author did the following: (1) divided the questionnaire into several parts, utilising a different colour for each section, (2) reproduced the questionnaire on good-quality paper and asked a professional designer to produce it, (3) stapled papers together to make a booklet, which facilitated participants handling it, (4) attempted to make each question fit on a single page, (5) avoided crowding questions together, and (6) expressed instructions clearly and placed them as close to questions as possible.

In addition to this, the author also emphasised the details in the cover letter and the close of the questionnaire. The cover letter was the start of the questionnaire, which included messages concerning the importance of this research, the benefits to participants, confidentiality, and instructions on how to respond. The author formatted the cover letter according to Dillman's (2007) suggestions that it should include a clear title to make it interesting, subtitles to indicate the nature of each topic and a logo to make it more attractive. Furthermore, the author's names and contact details were provided in the cover letter to facilitate participants who needed to contact her. Concerning the closing of the questionnaire, the author asked participants to comment on the survey and provide some feedback. The author clearly expressed two different methods of returning the questionnaire when it was completed. Finally, the author asked respondents to provide their email address and company names if they would like the research report. The questionnaire finished by expressing the author's appreciation for the participants' cooperation.

### ***4.3.7 Eliminating Problems by Pre-testing the Questionnaire***

Pre-testing means testing the questionnaire on a small sample of participants in order to find problems and correct them (Bryman and Bell 2007). Malhotra and Birks (2007) emphasise that all details of the questionnaire should be considered during the pilot-testing procedure, such as the content, wording, sequence, and layout of the questionnaire. Most especially, the sample for pre-testing should be drawn from the same sample population as the main test. The author organised two test groups: the first group included ten Chinese Ph.D. students who had at least 2 years of work experience and did not attend the test concerning scenario design, while the second group included ten Chinese managers from different industries who answered the questionnaires in China. All participants in the second group had more than 3 years work experience. In the first group, the author conducted face-to-face interviews to observe the process of participants filling in the survey, recorded the time they spent, and asked participants to identify the problems with the questionnaire. In the second group, the author carried out the same process by means of telephone interviews. There was no obvious difference between the feedbacks from the two groups.



Some details were changed following feedback from participants. In particular, three main problems were identified and one suggestion was received during this process. Firstly, the author added “we will follow the ‘Law of the People’s Republic of China on Guarding State Secrets’ to do this survey”, as this survey would be carried out in China. Secondly, the author placed questions about organisational information in front of individual information, as the former was more sensitive than the latter. If the organisational information was the last part, participants were more likely to leave it as blank. Thirdly, as many participants suggested that previous CSR activities might affect managers’ next CSR-related SDM, the author added an item relating to “previous company donation”. Finally, as many participants complained that the instructions relating to the section on personal value was too long, the author simplified it to make it shorter and clearer. The suggestion was that an item to identify the amount of money of the company donation in last year should be added, as the decision-making of this year was consistent with previous one.

#### 4.4 Sampling Methods and Survey Administration

The target participants of this study was top managers as their managerial characteristics may influence organisational strategy (Hambrick and Mason 1984). Also, as discussed in the SDM review, managers’ SDM process may influence other managers and consequently formulate the organisational strategy. However, many researchers have noticed that it is very difficult to achieve reliable and accurate data in China (Ambler et al. 1999; Park and Luo 2001) especially from top leaders. It is almost impossible to obtain a response to a survey which is delivered by mail. Therefore, as with other strategic decision researchers (e.g., Agarwal et al. 2010b), the author utilised E.M.B.A. (Executive Master of Business Administration) and M.B.A. (Master of Business Administration) candidates as a sample. It would be feasible to obtain relatively reliable data in China with the cooperation of the coordinators of EMBA and MBA programmes.

Recently more and more scholars notice that it is acceptable to collect data from EMBA/MBA programmes. For instance, Delgado-Garcia and De La Fuente Sabat (2010) argue that several SDM researchers use MBA candidates as a sample (e.g., Mittal and Ross 1998). Furthermore, Bateman and Zeithaml (1989) use two groups (MBA students and practicing managers) to examine the psychological influences on strategic decisions, and they find that the results of MBA candidates are consistent with that of practicing managers.

On the basis of the above discussion, it seems a reasonable approach to use MBA candidates as a sample, but some researchers challenge the quality of the results obtained from MBA candidates. It is doubtful that the attitudes and perceptions of MBA candidates are inconsistent with practicing managers in each case. In addition, MBA candidates have similar backgrounds – at least the same educational environment – which may lead to similar opinions. In order to avoid these problems, the author utilised part-time EMBA and MBA candidates who work in companies

for 5 working days and attended EMBA/MBA programme during the weekend. The study considered those candidates who were practicing managers with at least 3 years work experience as qualified respondents. In addition to EMBA/MBA candidates, the author also contacted other groups of managers who attended management skills training other than EMBA/MBA programmes to complete the survey. Those trainees attended 1 or 2 days training courses and most of them did not meet each other before the training. Thus, the author could compare the results from the EMBA/MBA student group and the managers group. If there was no difference, it suggested that the results from the EMBA/MBA candidates group were valid and persuasive (see Sect. 5.4.1).

Turning to the survey administration, the author contacted organisers of EMBA/MBA programmes in top Chinese universities to invite them to participate in this survey. Seven research coordinators were willing to cooperate with the study. These coordinators were professors from seven different Chinese business schools in seven leading universities. These were Tsinghua University (TU), Northeastern University (NEU), Harbin Industrial University (HIU), Huazhong University of Science and Technology (HUST), Beijing Jiaotong University (BJTU), Nankai University (NKU), and Capital University of Economics and Business (CUEB). The coordinators assisted the author to deliver the questionnaire to EMBA/MBA candidates or trainees in their classes. Before the survey administration, the author met and discussed with the coordinators many times in order to ensure that they were well aware of the questionnaire.

The process of survey administration was as follows. Firstly, the author emailed the draft of the questionnaire to coordinators and asked for their suggestions. Secondly, the author went to China to visit the coordinators and discussed with them the requirements of candidates qualified to participate in the survey. Thirdly, the coordinators went to the EMBA/MBA classes to give a brief introduction of the survey and to administer the process. If the author could not attend that class, the coordinator performed this task on behalf of the author.

Data was collected in China between 5th October 2010 and 5th January 2011. There were 376 valid questionnaires received from nine provinces and cities: Beijing (163), Heilongjiang (85), Liaoning (78), Hebei (61), Hubei (43), Tianjin (30), Shanghai (29), Henan (17), and Jiangxi (13). The response rate was (519/830) 62.53 % and the valid response rate was (376/519) 72.45 %. According to Menon et al. (1996), it is acceptable if the response rate of top management survey is in the range of 15–20 %. Thus, this response rate was satisfactory. Concerning the classification of responses, the valid response data included EMBA candidates (177), MBA candidates (196) and management skills trainees (146). As discussed in Sect. 4.4, the author needed to compare the results from EMBA/MBA candidate group and the managers group. If there was not different, it suggested that the results from the EMBA/MBA candidates group avoid the bias of group-thinking. The analysis demonstrates that the data from the EMBA/MBA candidate group were valid and persuasive (see Sect. 5.4.1). More details of this data collection process can be found in Table 4.8.

**Table 4.8** Survey administration (5th October 2010 – 5th January 2011)

<i>EMBA/MBA candidates</i>					
<b>Respondents</b>	<b>Time</b>	<b>Location</b>	<b>Coordinator</b>	<b>Delivery</b>	<b>Return</b>
(1) CUEB (MBA)	31st Oct.	Beijing	C1	120	83
(2) NEU (EMBA)	12th Oct.	Liaoning	C2	120	78
(3) CUEB (MBA)	14th Nov.	Beijing	C4	30	15
(4) HIU (EMBA)	17th Nov.	Heilongjiang	C3	90	50
(5) BJTU (EMBA)	20th Nov.	Beijing	C5	50	18
(6) HIU (MBA)	4th Dec.	Heilongjiang	C3	50	35
(7) HUST (EMBA)	24th Oct.	Hubei	C6	20	17
(8) TU (EMBA)	2nd Nov.	Beijing	C3	20	14
(9) TU (MBA)	10th Nov.	Beijing	C3	40	33
(10) NKU (MBA)	20th Dec.	Tianjin	C7	70	30
<b>Subtotal</b>				610	373
<i>Management Trainees</i>					
<b>Respondents</b>	<b>Time</b>	<b>Location</b>	<b>Coordinator</b>	<b>Delivery</b>	<b>Return</b>
(1) Training 1	10th Oct.	He Nan	C3	40	17
(2) Training 2	1st Dec.	Shanghai	C3	40	29
(3) Training 3	5th Dec.	Hebei	C3	40	31
(4) Training 4	5th Dec.	Hebei	C3	40	30
(5) Training 5	20th Oct.	Hubei	C3	20	15
(6) Training 6	16th Dec.	Hubei	C3	20	11
(7) Training 7	18th Dec.	Jiangxi	C3	20	13
<b>Subtotal</b>				220	146
<b>Total of all participants</b>				830	519

## 4.5 Summary

This chapter has provided a description of research methods and questionnaire design. It commences by choosing an appropriate research method. Following that, the development of scenarios and other measures are highlighted and thoroughly elaborated. Finally, an exhaustive explanation and description of sampling and survey field work are also provided. Following this discussion, the next chapter reports the results of statistical analysis in-depth.

# Chapter 5

## Data Analysis and Hypothesis Testing

### 5.1 Introduction

This chapter presents the within-subjects and between-subjects findings. The main objective of this study is to assess what factors can predict managers' CSR-related SDM. In particular, this chapter examines which type of stakeholders, what influential factors both at the organisational level and at the individual level may explain the variance of CSR-related SDM and, moreover, how those factors impact the CSR-related decision making. This chapter begins with a descriptive overview of the statistics. The validity and reliability of measurements employed in the present study are assessed. The main analysis of within-subjects and between-subjects is subsequently conducted. This chapter ends by noting interesting additional findings.

### 5.2 Description of the Data

The companies from which participants were drawn represented various stages of the organisational life cycle, firm size, firm age, ownership, and location. Table 5.1 shows that 46.1 % of companies were at the emerging growth stage and 44.4 % of companies were at the mature stage. From firm size aspect, 33.8 % of companies had below 200 employees, 34.1 % of companies had 201–1,500 employees, and 32.1 % of companies had 1,501–500,000 employees. Concerning firm age, 31.3 % of companies were 1–10 years, 32.5 % of companies were 11–20 years old. Regarding ownership, 36.3 % of companies were more than 21 years old. Concerning ownership, 56.7 % of companies were state-owned enterprises, 28.0 % of companies were private enterprises, 7.0 % of companies were foreign-owned enterprises, and 8.3 % of companies were joint-venture enterprises. Regarding the locations of participants' firms, 56.6 % of companies were located in major cities (i.e. Beijing,

**Table 5.1** Profile of companies

Characteristics		Frequency	Valid Percent	Cumulative percent
Organisational life cycle	Start-up stage	25	7.0	7.0
	Emerging growth stage	165	46.1	53.1
	Mature stage	159	44.4	97.5
	Others	9	2.5	100.0
	Total	358	100.0	
Firm size <sup>a</sup>	10–200	120	33.8	33.8
	201–1,500	121	34.1	67.9
	1,501–500,000	114	32.1	100.0
	Total	355	100.0	
Firm age <sup>b</sup>	1–10 years	107	31.3	31.3
	11–20 years	111	32.5	63.7
	Above 21 years	124	36.3	100.0
	Total	342	100.0	
Ownership	SOE <sup>c</sup>	178	56.7	56.7
	Private enterprise	88	28.0	84.7
	FOE <sup>d</sup>	22	7.0	91.7
	Joint Venture enterprise	26	8.3	100.0
	Total	314	100.0	
Location	Beijing	152	40.4	40.4
	Harbin	74	19.7	60.1
	Shenyang	59	15.7	75.8
	Tianjin	41	10.9	86.7
	Shanghai	20	5.3	92.0
	Wuhan	10	2.7	94.7
	Other cities (South)	10	2.7	97.4
	Other cities (North)	10	2.7	100.0
	Total	376	100.0	

<sup>a</sup>Firm size, <sup>b</sup>Firm age: The categories of firm size and firm age are based on their frequencies

<sup>c</sup>SOE: State-owned enterprise and state-holding enterprise

<sup>d</sup>FOE: Foreign-owned enterprise

Shanghai, and Tianjin), which were municipalities of China. Meanwhile, 38.1 % of companies were located in minor cities (i.e. Harbin, Shenyang, and Wuhan), which were provincial capitals of China. Finally, 5.4 % of companies were located in small cities (i.e. small cities in southern and northern parts of China).

Table 5.2 shows the profile of participants at the individual level: 40.6 % of participants were 25–34 years old, 37.6 % of participants were 35–44 years old, and 18.8 % of participants were above 45 years of age. Regarding the gender of participants, 64.5 % of participants were male and 35.5 % of participants were female. About 71.3 % of participants had a bachelor's degree and 25.2 % of

**Table 5.2** Profile of participants

Characteristics		Frequency	Valid percent	Cumulative percent
Age	Less than 25 years	11	3.0	3.0
	25–34 years	151	40.6	43.5
	35–44 years	140	37.6	81.2
	45–54 years	68	18.3	99.5
	More than 55 years	2	0.5	100.0
	Total	372	100.0	
Gender	Male	231	64.5	64.5
	Female	127	35.5	100.0
	Total	358	100.0	
Education	Junior middle school	1	0.3	0.3
	Senior middle school	3	0.8	1.1
	Bachelor degree	263	71.3	72.4
	Masters degree	93	25.2	97.6
	Doctoral degree	3	0.8	98.4
	Others	6	1.6	100.0
	Total	369	100.0	
Current position	CEO	35	9.9	9.9
	Other executive	78	22.0	31.9
	Middle manager	123	34.7	66.7
	Other manager	42	11.9	78.5
	Others	76	21.5	100.0
	Total	354	100.0	
Work experience	3–10 years	144	40.6	40.6
	11–20 years	133	37.5	78.0
	21–30 years	66	18.6	96.6
	More than 30 years	12	3.4	100.0
	Total	355	100.0	
Programmes	EMBA	137	36.4	36.4
	MBA	74	19.7	56.1
	Training	165	43.9	100.0
	Total	376	100.0	

participants had a master degree. Concerning the position of participants, 9.9 % of participants were CEOs, 22.0 % were other executives (e.g., CFO, COO). In terms of work experience, 40.6 % of participants had 3–10 years of work experience, 37.5 % had 11–20 years of work experience, and 22.0 participants had more than 21 years of work experience. About 36.4 % of participants were EMBA candidates, 19.7 % were MBA candidates, and 43.9 % were trainees.

Comparing this with other research studies which used evidence from China, (Luo et al. 2008; Park and Luo 2001), the sample size and distribution of the current

study were comparable. Based on this data, it was necessary to test validity of the measurement before the main analysis was conducted. The following section discussed the procedures of scanning and purifying the instruments utilised in the present study.

### 5.3 Scanning Instruments

Validity testing is a process that assesses whether the scale items are sufficiently highly correlated and internally consistent with each other to represent an underlying construct or not. Validity can be defined as “the degree to which the finding is interpreted in a correct way” (Kirk and Miller 1986, p. 20). Construct validity indicates the extent to which a measure effectively evaluates the construct it intends to assess (Nunnally and Bernstein 1994). Discriminate validity stands for the degree to which the operationalisation is different from others. It should not be similar from a theoretical perspective, while convergent validity represents the extent to which two or more measures of the same theoretical concept correlate highly. In this thesis, the author assessed discriminate validity and convergent validity as they were two key criteria of construct validity (Campbell and Fiske 1959).

Concerning the relationship between validity and reliability, validity is usually tested with reliability, which is the degree to which the instrument gives consistent results. It is worthwhile noting that it is possible to “obtain perfect reliability with no validity at all” (Kirk and Miller 1986, p. 20). However, perfect validity can ensure good reliability. The validity and reliability test is used to purify measures and ensure that a scale measures exactly what it is supposed to measure. The remaining part of this section described the process used to assess the discriminate and convergent validity of the scales which were employed in the present study.

#### 5.3.1 *Exploratory Factor Analysis*

The aim of exploratory factor analysis (EFA) is to summarise data and explore the theoretical construct of variables that are correlated. As the PC study utilised a special approach, its validity and reliability would be discussed separately. The following paragraphs articulated the EFA procedures of personal values as well as attitudes towards charity donation and charitable organisations.

The EFA assessment of personal values is shown in Table 5.3, the Kaiser-Myer-Olkin (KMO) was 0.80, with a significance of  $p < 0.001$ . As KMO values between 0.7 and 0.8 were adequate for factor analysis, values between 0.8 and 0.9 were ideal (Hutcheson and Sofroniou 1999), the value of 0.8 fell into the range of ideal, which meant that the sample size was adequate for factor analysis. The total variance

**Table 5.3** EFA\_personal values

KMO = 0.80, p < 0.001					
Items	Factors				
	Benevolence/ achievement	Universalism	Power	Hedonism	Communalities
Responsible (B)	.807				.687
Forgiving (B)	.737				.657
Capable (A)	.725				.630
Broadminded (U) <sup>a</sup>	.672				.663
Ambitious (A)	.628				.589
Preserving my public image (P) <sup>b</sup>	.599				.560
Helpful (B)	.598				.637
Influential (A)	.582				.619
Honest (B)	.580				.638
Wisdom (U) <sup>c</sup>	.552				.357
Loyal (B)	.549				.610
Successful (A)	.518				.476
A world of beauty (U)		.789			.720
Unity with nature (U)		.762			.629
Protecting the environment (U)		.683			.601
A world at peace (U)		.600			.630
Equality (U)		.819			.684
Social justice (U)		.506			.571
Authority (P)			.789		.667
Social power (P)			.756		.578
Wealth (P)			.681		.508
Self-indulgent (H)				.760	.645
Observing social norms (P) <sup>d</sup>				.532	.504
% of Variance	22.340	19.409	10.429	7.569	
Cumulative %	22.340	41.749	52.178	59.747	

Note:

<sup>a</sup>Broadminded (U), <sup>b</sup>Preserving my public image (P), <sup>c</sup>Wisdom (U), and <sup>d</sup>Observing social norms (P) were removed

explained was about 59.75 %, with the first factor explaining 22.34 % of the total variance. When the sample size exceeds 250, the average communality should be greater than 0.6 (Field 2009) so high communality is acceptable in this case. Moreover, the 23 items comprising five latent variables represented five dimensions (i.e. benevolence, universalism, achievement, power, and hedonism) of personal value structure. The author noted the dimension for each item and explored the underlying structure.



The first factor was the combination of benevolence and achievement. Egri and Ralston (2004) argue that individual values change according to the evolutionary process of societal values. Therefore, the author assumed that achievement was the foundation of benevolence, because in the Chinese culture there was a popular saying that “In times of hardship, one should treasure oneself solely. In times of success, he should benefit the others concurrently.” In other words, when a person is poor, all he can do is to try his best to improve himself, when he becomes wealthy, he is supposed to help others as much as possible. Therefore, the link between achievement and benevolence can be explained. The second factor was identified as universalism, with the third as power and the fourth as hedonism. Based on the classification in Table 5.3, item 13 ‘broadminded (U)’, item 18 ‘preserving my public image (P)’, item 7 ‘wisdom (U)’, and item 25 ‘observing social norms (P)’ were not loaded on the dimension suggested by Schwartz’s (Bardi and Schwartz 2003) personal value structure. Therefore, those items were removed for further analysis and 19 value items remained.

The measurement of attitudes towards charity donation and charitable organisations is displayed in Table 5.4. The KMO was about 0.73, which meant the sample size was ideal for factor analysis. The rotated factor analysis and the communalities are illustrated in Table 5.4.

According to Webb et al.’s (2000) instrument, the first four items (C1–C4) were measures of peoples’ attitudes towards charity donation and the last five items (C5–C9) were measures of peoples’ attitudes towards charitable organisations. In Table 5.4, items C1–C4 were loaded onto factor 1, which represented attitudes towards charity donation. Meanwhile, items C5, C6, C7, C8, and C9 formed factor 2, which referred to attitudes towards charitable organisations. Since C6 was not loaded onto factor 2, which represented it, it was not consistent with the structure. Hence, C6 was removed and eight attitude items remained.

**Table 5.4** EFA\_attitudes towards charity donation and charitable organisations

KMO was 0.73, p < 0.001				
Items	Factors			Communalities
	1	2	3	
C1	0.832			0.711
C2	0.799			0.659
C3	0.713			0.615
C4	0.772			0.617
C5		0.413		0.289
C7		0.831		0.708
C8		0.872		0.776
C9		0.720		0.552
C6			0.942	0.894
% of Variance	28.052	24.713	11.916	
Cumulative %	28.052	52.764	64.680	

Note: C6 was removed

### 5.3.2 *Confirmatory Factor Analysis*

The limit of EFA is that it cannot test the latent variables of the structure, but confirmatory factor analysis (CFA) can be employed to further analyse this. In particular, CFA is used to assess whether measures of a construct are consistent with corporate reality as understood by the author and to validate a theory about latent variables. In line with Anderson and Gerbing's (1988) approach of scale reliability testing, this study assessed the model fit, factor loadings, and correlation between constructs. After the EFA process, 19 items of personal values, 8 items of attitudes towards charity donation and charitable organisations were remained. In this section, the author utilised AMOS 18.0 software and combined the two measurements to examine their structures and test their validities.

In the first round of item selection, the model fit was found to be unacceptable. Among the model fit indicators, the Tucker-Lewis index (TLI) and comparative fit index (CFI) should be greater than 0.90 (Byrne 2009). In this case the TLI was 0.879 and CFI was 0.919. Furthermore, a root mean square error of approximation (RMSEA) less than or equal to 0.05 indicated a good fit (Browne and Cudeck 1993), but in this output the RMSEA was 0.057. Since standardised regression weights of A1 equality (0.340), A5 world at peace (0.469), A23 successful (0.462), A2 social power (0.414), A4 wealth (0.403), C4 of attitudes (0.352), and C5 of attitudes (0.275) were less than 0.50 were dropped (Sackett and Ellingson 1997).

In the second round of selection, the model fit was satisfactory for further study, as TFI was 0.949, CFI was 0.970, and RMSEA was 0.045. However, the standardised regression weight of "A6 Unity with nature" was 0.480, which was less than 0.50. Therefore, the item "A6 Unity with nature" was deleted. After two rounds of selection, 13 items of personal values and six items of attitudes were remained. For each item, the standardised regression weights were above 0.50. Concerning the model fit, Chi-square value was 21.768 and the degree of freedom (df) was 100, with a significance of  $p < 0.001$ . All indicators of the critical ratio of regression weights (C.R.) were above 1.96, which indicate significance. TLI was 0.952, CFI was 0.972, and RMSEA was 0.044, which indicated that the measurement model was acceptable (see Table 5.5).

Table 5.5 illustrates the construct validity of personal values as well as attitudes towards charity donation and charitable organisations. In particular, convergent validity is on the basis of "the correlation between responses obtained by maximally different methods of measuring the same construct" (Peter 1981, p. 136). Meanwhile, discriminate validity is obtained through demonstrating that measurements which should differ from each other do not correlate highly (Lievens et al. 2006). As shown in Table 5.5, all standardised regression weights (factor loadings) ranged from 0.605 (C3) to 0.894 (A11 loyal) and higher than 0.50, which indicated convergent validity (Peters-Scheffer et al. 2008). Moreover, all of the composite validity items (C.R. [self-transcendence] = 0.959, C.R. [self-enhancement] = 0.844, and C.R. [attitudes] = 0.881) were higher than 0.70, and all average variants extracted (A.V.E. [self-transcendence] = 0.748, A.V.E.

**Table 5.5** Regression weights of personal values

	Estimate	S.E. <sup>a</sup>	Critical ratio	Standardised regression weights
<b>Self-transcendence: Alpha = 0.863, C.R.<sup>b</sup> = 0.959, A.V.E.<sup>c</sup> = 0.748</b>				
Benevolence				
Loyal	1.000			0.894
Helpful	1.028	0.093	11.049	0.848
Honest	0.835	0.078	10.756	0.710
Forgiving	0.797	0.079	10.060	0.690
Responsible	0.718	0.075	9.618	0.648
Universalism				
Social justice	1.000			0.719
Protecting the environment	0.984	0.099	9.903	0.732
A world of beauty	0.836	0.104	8.024	0.690
<b>Self-enhancement: Alpha = 0.761, C.R.<sup>b</sup> = 0.844, A.V.E.<sup>c</sup> = 0.519</b>				
Achievement				
Capable	1.000			0.659
Ambitious	0.974	0.091	10.675	0.677
Influential	0.912	0.098	10.300	0.667
Power				
Authority	1.000			0.707
Hedonism				
Self indulgent	1.000			0.707
<b>Attitudes: Alpha = 0.764, C.R.<sup>b</sup> = 0.881, A.V.E.<sup>c</sup> = 0.556</b>				
Attitudes towards charity donation				
C1	1.000			0.639
C2	0.981	0.138	7.097	0.648
C3	0.866	0.137	6.314	0.605
Attitudes towards charitable organisations				
C7	0.865	par_11		0.715
C8	1.076	par_12		0.851
C9	0.821	par_13		0.663

Note:

<sup>a</sup>S.E. = Standardised error

<sup>b</sup>C.R. = Composite validity

<sup>c</sup>A.V.E. = Average variance extracted

Model fit index: Chi-square values = 21.768 and df = 100,

Chi-square/df = 0.217,  $p < 0.001$ . TLI = 0.952, CFI = 0.972, RMSEA = 0.044

[self-enhancement] = 0.519, and A.V.E. [attitudes] = 0.556) were higher than 0.50, which was further evidence of convergent validity.

Following Peter's (1981) suggestions, this research assessed discriminate validity by examining the inter-correlation of the construct. According to Fornell and Larcker's (1981) statement that the shared variance between two constructs (i.e., the square of their interaction) should be less than the average variance extracted

**Table 5.6** Construct validity (testing the correlation between latent constructs)

Dimensions	Self-transcendence	Self-enhancement	Attitudes
Self-transcendence	0.865		
Self-enhancement	0.438	0.720	
Attitudes	0.333	0.045	0.746

Note: Diagonal is the square root of the average variance extracted

**Table 5.7** Correlations between stakeholders

	Shareholders	Employees	Government	Customers	Competitors
<b>Shareholders</b>	1.000				
<b>Employees</b>	.016	1.000			
<b>Government</b>	.126	.126	1.000		
<b>Customers</b>	-.016	.016	.126	1.000	
<b>Competitors</b>	-.163	.163	.000	-.163	1.000

Note: No correlation was significant

and explained by each dimension. In Table 5.6, this study followed Sousa et al.’s (2010) method to produce the correlation matrix for the constructs. It was shown that there was adequate discriminate validity, as the off-diagonal indicators were lower than the diagonal indicators in their corresponding rows and columns.

### 5.3.3 *The Validity and Reliability of Policy-Capturing Scenarios*

Unlike the validity test of personal values and attitudes instruments, the validity test of PC scenario is more complicated. In accordance with Karren and Barringer (2002), this examination assessed the validity of PC scenarios in two approaches during the process of questionnaire design. Firstly, the author asked ten Chinese Ph.D. students in Dublin and ten Chinese managers in Beijing to test the questionnaires. Based on feedback from these participants, the author refined the scenarios and made them more realistic (see Sect. 4.3.7). Orlitzky et al. (2003) believe that this “self-report attribute design” can ensure the external validity of the results. Secondly, this research examined the collinearity among the independent variables.

In Table 5.7, the random assignment of levels of cues was controlled for potential collinearity among the five independent variables. In SPSS output, the average variance inflation factor (VIF) was very close to 1 and this indicated that collinearity was not a problem for this research design (Bowerman and O’Connell 1990). This meant that the information cues were highly uncorrelated in the 16 hypothesised scenarios. Furthermore, Table 5.7 indicates that if the inter-correlation between any pair of independent variables was between .00 and .20, it was more likely favourably accepted (Karren and Barringer 2002).

To confirm the reliability of the dependent variables, Kachra and White's (2008) approach in analysing Chronbach's alpha was followed. This was found to be .860. Since the principal factor should be a one-component solution, the statistics demonstrated that the PC scale captured 59.81 % of total variance, which confirmed unidimensionality. Therefore, the examination of the validity and reliability of PC indicated an adequate validity of the instrument.

### ***5.3.4 Common Method Variance and the Survey***

Common method variance (CMV) is as important as the purification of the instrument and it can be defined as the spurious variance caused by the common approach of data collection (Buckley et al. 1990). Several factors may lead to CMV: on the one hand, predictor and outcome variables can be obtained from the same respondents. Hence, common method bias can result from consistency motif, social desirability, leniency biases, acquiescence with response set, and transient mood states (Podsakoff et al. 2003). On the other hand, CMV may result from item characteristics, such as item complexity and/or ambiguity, use of negatively worded items, and scale formats (Spector 2006). Furthermore, Podsakoff et al. (2003) categorise the CMV into four types, namely; common rater effects, item characteristic effects, item context effects, and measurement context effects. Podsakoff et al. (2003) point out that Harman's single-factor test is used to assess CMV in self-report questionnaire design, obtaining information from the same sources. Two criteria can indicate the existence of CMV, "(1) a single factor emerges from unrotated factor solutions, or (2) a first factor explains the majority of the variance in the variables" (Malhotra et al. 2006, p. 1867).

Based on the two criteria of Harman's single-factor test discussed above, two tests were conducted. Firstly, in the 13 items measuring personal values, the unrotated factor solution produced four factors, which accounted for 66.42 %. Moreover, the first factor accounted for 30.09 % of variance. The same method was employed for the measures of attitudes towards charity donation and charitable organisations. The unrotated factor analysis produced two factors and accounted for 69.37 % of the variance, while the first factor accounted for 44.53 %. Therefore, according to the Podsakoff et al.'s (2003) criteria mentioned in the last paragraph, it was reasonable to infer that common method bias was unlikely to be a major problem of the present study.

## **5.4 Main Analysis and Hypotheses Testing**

Before carrying out the main analysis, three preliminary tests were carried out: the first to explain the reason for choosing the technique to analyse the data; the second, to assess the differences between the EMBA/MBA candidates and trainees

in order to ensure this data could be analysed together; and the third to test the null hypothesis of the statistics. After that, the author conducted the within-subjects and between-subjects analyses and explained the reason behind indicators. The method of reporting the results of statistical analysis followed several examples in split-plot repeated-measures ANOVA (e.g., Armstrong et al. 2002; Kachra and White 2008). The section ends with a summary of the hypotheses testing.

### ***5.4.1 Preparation for Main Analysis***

Firstly, concerning the approach of analysis, researchers state that there are many multiple-regression models, such as ordinary least squares (OLS) and generalised least squares (GLS) that could be employed in PC research (Aiman-Smith et al. 2002). Since OLS represents the biased estimation of the standard error of coefficients, while GLS represents unbiased estimates of standard error, GLS is more suitable to examine the present PC study. Comparing different techniques utilised in the PC area, it was found that the split-plot repeated-measures ANOVA was most suitable to analyse the split-plot scenarios used in current study. The reasons are explained in the next paragraph.

The split-plot repeated-measures ANOVA analysis can be described as “a factorial design analysis of variance in which at least one of the factors is based on independent observations and at least one is based on correlated observations” (Gardner 2001, p. 128). When an analysis focuses on the independent observation, it may take the between-subjects factors as a single-factor analysis of variance. When an analysis emphasises the correlated observations, it utilises within-subjects, as in a repeated measures or randomised blocks design. In other words, in the current study, examining the within-subjects factors (stakeholders) was akin to analysing the same participants’ responses corresponding to a series of different scenarios; while assessing the between-subjects factors resembled examining the responses of different groups of participants (e.g., groups of different ownership and groups of different firm size) responded to the same scenarios. Since the randomised selected scenario design was applied in this study (see Sect. 4.3.2), it required split-plot repeated-measures ANOVA. SPSS 17.0 was utilised to carry out the statistical analysis.

Secondly, testing the null hypothesis on the basis of the split-plot repeated-measures ANOVA is necessary to test the assumption of sphericity. This refers to the assumption of homogeneity of variance in between-group ANOVA (Girden 1992). SPSS produces a Mauchly’s test measurement of the hypothesis that the variance of the differences between two conditions is equal. The significance of Mauchly’s test indicates that the F-ratio needs to be corrected. SPSS produces three types of correction, Greenhouse-Geisser correction, Lower-bound estimate, and Huynh-Feldt correction. Among them, the Greenhouse-Geisser correction is the most preferable (Gardner 2001). In the present study, the significance  $p = .000 < 0.05$ , meant the F-ratio was violated and needed to be corrected. In fact, the significance

depended on the sample size. Moreover, a big sample with a small deviation was more likely to lead to significance in Mauchly’s test. Therefore, the author utilised the corrected F-ratios of Greenhouse-Geisser correction in statistical analysis.

Thirdly, before conducting the main analysis, it was necessary to investigate if there was any difference between the three groups of participants, EMBA, MBA candidates, or trainees from 1 or 2 days of management training programmes. Utilising the techniques of split-plot repeated-measures ANOVA (Gardner 2001), it was found that among these three groups, the F-ratio was 1.422 and  $p = 0.243$ , which meant that there was no significant difference among them. The data from EMBA/MBA programmes and training programmes could be analysed in one dataset. Furthermore, this finding met the challenges on the quality of the data (see Sect. 4.4).

### 5.4.2 Within-Subjects Analysis

After preparation, data could be examined as the within-subjects effects. Table 5.8 shows the mean score of CSR-related SDM, and the F-ratio, significance, partial eta squared ( $\eta^2$ ), as well as observed power of with-subjects effects. Moreover, Table 5.8 refers to the differences in which the same participants deal with a series of situations. The variances of the five independent variables (stakeholders) and the combinations of the five stakeholders were listed. Firstly, each of the variance of stakeholders and the whole combinations were obviously significant ( $p < 0.01$ ). Secondly, Partial Eta Squared ( $\eta^2$ ) was a measure of effect size in ANOVA, which

**Table 5.8** Tests of within-subjects effects

	Claims	Mean	F value	p	PES <sup>a</sup>	Power <sup>b</sup>
Shareholders	Ignorance	6.559	198.191	0.000***	0.353	1.000
	Support	6.874				
Employees	Ignorance	6.869	348.766	0.000***	0.489	1.000
	Support	6.563				
Government	Ignorance	6.659	37.607	0.000***	0.594	1.000
	Support	6.774				
Customers	Ignorance	6.791	70.382	0.000***	0.162	1.000
	Support	6.642				
Competitors	Ignorance	7.023	1401.698	0.000***	0.794	1.000
	Support	6.409				
Shareholders × <sup>c</sup> employees × government × customers × competitors			643.493	0.000***	0.639	1.000

<sup>a</sup>PES: Partial eta squared

<sup>b</sup>Power: Observed power, Mean: The mean score of CSR-related SDM

<sup>c</sup>×: Interaction

described the proportion of variance explained by the factor (Pierce et al. 2004). Its criterion was that .10 was a small effect, .30 was a medium effect, and .50 was a large effect (Field 2009).

Some PC studies utilised partial eta square ( $\eta^2$ ) to represent the effect size (e.g., Kachra and White 2008). In this study, the customers ( $\eta^2 = .162$ ) had small effects, shareholders ( $\eta^2 = .353$ ) and employees ( $\eta^2 = .489$ ) had medium effects, while government ( $\eta^2 = .594$ ) and competitors ( $\eta^2 = .794$ ) had large effect. Furthermore, the interaction of these five stakeholders had a large effect ( $\eta^2 = .639$ ). Therefore, Table 5.8 supports hypothesis 1 that “Stakeholder claims will predict the CSR-related decision making”. Thirdly, observed power refers to whether there is a sufficient sample size to detect this issue. It is acceptable if the observed power is above or equal to 0.80 (Norusis 1990). In this examination, all of the stakeholders and their various combinations had values in excess of 1.0, which was considered favourable.

Concerning the relationship between stakeholders and CSR-related SDM, when the shareholders ignored the charity donation, the mean score of CSR-related SDM was 6.559. While when shareholders supported the charity donation, the mean score of CSR-related SDM was 6.874. That was, when shareholders supported the donation, the mean score of CSR-related SDM was higher than the score that when shareholders ignored the donation. Thus the hypothesis that “If shareholders support the CSR event, managers are more likely to decide to participate in CSR activities” was supported. Following the same approach, it can be identified that the claims of employees (ignorance: 6.869; support: 6.563) and government (ignorance: 6.659; support: 6.774) had positive impacts on CSR-related SDM. However, the claims of customers (ignorance: 6.791; support: 6.642) and the CSR behaviour of competitors (ignorance: 7.023; support: 6.409) did not have a positive impact on the managers’ CSR-related SDM. Therefore, hypotheses H1a and H1c were supported, but hypotheses H1b, H1d, and H1e were rejected.

### 5.4.3 *Between-Subjects Analysis*

The between-subjects analysis showed the differences between various groups of participants when they responded to the same series of situations. In Table 5.9, the variance of industry ( $p = 0.005^{**}$ ), ownership ( $p = 0.036^*$ ), previous company donation ( $p = 0.000^{***}$ ), firm size ( $p = 0.002^{**}$ ), firm age ( $p = 0.006^{**}$ ), personal values ( $p = 0.013^*$ ), and attitudes ( $p = 0.000^{**}$ ) were significant, which meant that those factors could explain some parts of decision making on charity donation. However, the variance of organisational life cycle was not significant ( $p = .109 > 0.05$ ), which meant that this factor did not have an impact on the results of managers’ CSR-related decision-making. The following paragraphs explained the indicators of seven separate between-subjects factors in more detail.



**Table 5.9** Tests of between-subjects effects

Source		Mean	F	P	PES <sup>a</sup>	Power <sup>b</sup>
<b>H2:</b> Industry	Manufacturing and mining	6.632	8.146	.005**	.051	.810
	Financial service	6.803				
<b>H3:</b> Ownership	Private enterprise	6.609	2.537	.036*	.025	.624
	SOE <sup>c</sup>	6.726				
	FOE <sup>d</sup>	6.795				
<b>H4:</b> Previous company donation (the amount of money: million)	Below 0.2 m	6.503	18.571	.000***	.151	1.000
	0.21–1.0 m	6.715				
	1.01–10 m	6.856				
	Above 10 m	6.860				
<b>H5:</b> Firm size (number of employees)	10–200	6.631	4.413	.013*	.025	.758
	201–1,500	6.717				
	1,501–500,000	6.781				
<b>H6:</b> Organisational life cycle	Start-up stage	6.548	2.031	.109	.017	.520
	Emerging growth stage	6.731				
	Mature stage	6.709				
<b>H7:</b> Firm age (years)	1–10	6.623	3.212	.023*	.028	.738
	11–20	6.707				
	Above 21	6.787				
<b>H8:</b> Personal Values Resultant self-enhancement	Higher level	6.690	1.749	.000***	.686	1.000
	Lower level	6.744				
<b>H9:</b> Attitudes (the mean score is 45)	Below 45	6.601	36.351	.000***	.091	1.000
	Above 45	6.830				

<sup>a</sup>PES: Partial eta squared

<sup>b</sup>Power: Observed power, Computed using alpha = 0.05

<sup>c</sup>SOE = State-owned enterprises

<sup>d</sup>FOE = Foreign-owned enterprise

With regard to the indicators of *industry*, the F-ratio was 8.146, with a significance of  $p = .005$ , partial eta squared was .051 and the observed power was .810. These statistics showed that industry could explain a certain amount of variance of CSR-related SDM. In order to compare the influences of different industries, the author selected 70 manufacturing and mining industry firms and 85 financial services industry firms.

In the manufacturing and mining industry group, the mean score of CSR-related SDM was 6.632. While in the financial services industry, the mean score of CSR-related SDM was higher, 6.803. It was obvious that the higher the score of CSR-related SDM, the more likely that the managers made decisions to participate in CSR activities. On the one hand, financial services companies reserved more

capital than the manufacturing and mining industries. On the other hand, it was relatively important for financial services companies to build up trust between the firm and customers through participating in CSR events. Therefore, hypothesis 2 “compared with manufacturing and mining industries, managers from financial service industries are more likely to decide to participate in CSR activities” was supported.

Concerning *ownership*, the study focused on the analysis of three types of ownership: foreign-owned enterprises (FOEs), state-owned enterprises (SOEs), and private enterprises. The joint-venture enterprise was not analysed, because it incorporated different kinds of shareholders (e.g., foreign organisations, government, and private organisations), and it was difficult to detect the control of the firms. Indicators of the three types of ownership were that the F-ratio was 2.537, with a significance of  $p = .036$ ,  $\eta^2$  was .025 and the observed power was .624. The statistics indicated that ownership could explain a certain amount of variance of CSR-related SDM. The mean score of CSR-related SDM of the private enterprises group, SOE group, and FOE group were 6.609, 6.726, and 6.795 respectively. Compared to SOE and private enterprise, the FOE was more likely to make decisions to participate in CSR events as it had the highest score. Thus, hypothesis 3 that “compared to non-state-owned enterprises managers from state-owned enterprises are more likely to decide to participate in CSR activities” was rejected.

In order to further explain the variance of CSR-related SDM from the ownership perspective, it was found that the effects of “foreign-owned enterprises and government” as well as “private enterprises and government” were not significant ( $p > 0.05$ ). However, the effect of “state-owned enterprises and government” was very significant ( $p < 0.01$ ), which suggested that the claims of government would influence state-owned enterprises, but not foreign-owned enterprises and private enterprises.

Concerning *previous company donation*, the F-ratio was 18.571, with a significance of  $p = 0.000$ . Partial eta squared was .151 and the observed power was 1.000. The statistics showed that previous company donations could explain a significant amount of variance of CSR-related decision making. Participants were classified into four groups according to the amount of money donated in last year (2009), namely “below 0.20 million” group, “0.21–1.00 million” group, “1.01–10.00 million” group, and “above 10.00 million” group. From the lower level of the group to the higher level of the group, the four mean scores of CSR-related SDM were 6.503, 6.715, 6.856, and 6.860 respectively. There was a clear indication that the higher the amount of previous company donation, the more likely that the managers decided to participate in CSR activities. Therefore, hypothesis 4 was supported.

Regarding *firm size*, the F-ratio was 4.413, with a significance of  $p = .013$ . Partial Eta Square was .025 and the observed power was .758, which meant that firm size could explain a significant amount of variance of CSR-related SDM. Firm size

was divided into three groups according to the frequency of employees, namely, firms of 10–200 employees, firms of 201–1,500 employees, and firms of 1,501–500,000 employees. From the lower level group to the higher level group, the three mean scores of CSR-related SDM were 6.631, 6.717, and 6.781 respectively. These statistics showed that the larger the firm size, the higher the possibility that managers decided to participate in CSR activities. Hence, hypothesis 5 was supported.

Concerning *organisational life cycle*, the F-ratio was 2.031, with a significance of  $p = .109$ , which meant the factor of organisational life cycle did not explain the variance of CSR-related SDM in this study. According to the statistics, organisational life cycle did not have significant impact on the managers' CSR-related SDM. Thus, hypothesis 6 “The higher the level of organisational life cycle the more likely it is that the managers decide to participate in CSR activities” was rejected.

With regards to firm age, the F-ratio was 3.212, with a significance of  $p = .023$ . Partial eta squared was .028 and the observed power was .738. The companies were divided into three groups, namely, 1–10 years (31.3 %), 11–20 years (32.5 %), and above 21 years (about 36.2 %), and each group represented one third of the participants. In the 1–10 years group, the mean score of CSR-related SDM was 6.623. In the 11–20 years group, the mean score of CSR-related SDM was 6.707. In the above 21 years group, the mean score of CSR-related SDM was 6.787. The results demonstrated that the older the firm, the more likely that the managers would make decisions to become involved in CSR events. Therefore, hypothesis 7 was supported. In addition, an analysis was made of the homogeneity of variances between firm size (Levene statistic = 8.267,  $df_1 = 2$ ,  $df_2 = 277$ ,  $p = 0.000$ ) and firm age (Levene statistic = 26.086,  $df_1 = 2$ ,  $df_2 = 273$ ,  $p = 0.000$ ). Since Levene's test was used to assess the tenability of the assumption of equal variances, this statistic meant that there was no significant difference between the firm size and firm age groups.

Regarding the perspective of *personal values*, the F-ratio was 1.749, with a significance of  $p = .000$ . Partial eta squared was .686 and the observed power was 1.000. These indicators showed that personal values explained a large amount of variance of CSR-related SDM. As the mean score of the resultant self-enhancement was  $-0.74$ , participants were divided into two groups, namely a higher level of resultant self-enhancement group (above  $-0.74$ ) and a lower level of resultant self-enhancement group (below  $-0.74$ ). In the higher level group and lower level group, the mean score of CSR-related SDM are 6.690 and 6.744 respectively. Therefore, hypothesis 8 “the higher the level of the managers' resultant self-enhancement the less likely it is that the managers decide to participate in CSR activities” was supported.

Regarding the *attitudes* aspect, the F-ratio was 36.351, with a significance of  $p = .000$ , partial eta squared was .0091 and the observed power was 1.000. These indicators meant that the factor of attitudes could explain a small amount of variance of CSR-related SDM. Since the mean score of attitudes was 45, the author divided the participants into two groups, namely below 45 group and above 45 group. In the below 45 group and above 45 group, the mean scores of CSR-related SDM

were 6.601 and 6.830 respectively. From these statistics, the author inferred that the higher the level of CEOs' perceived positive attitudes towards charity donation and charitable organisations, the more likely that the managers would make decisions to become involved in CSR activities. Therefore, hypothesis 9 was supported.

### 5.4.4 Additional Findings

A weakness of the repeated-measures ANOVA is that it could not examine some important variables while controlling others. To make up for this deficiency, an analysis of covariance (ANCOVA) was conducted to further analyse the between-subjects factors (see Table 5.10). Compared with other factors, personal values ( $\eta^2 = .686$ ) and previous company donation ( $\eta^2 = .151$ ) could explain relatively large amount of variance of CSR-related SDM, therefore, these two variables were used as fixed factors. While other between-subjects factors (i.e. industry, ownership, firm size, firm age, attitudes) were examined as covariates.

Analysing all the factors together, the effects of each variables on the results were significant ( $p$  [personal values] = .000,  $p$  [company donation] = .000,  $p$  [attitudes] = .000,  $p$  [ownership] = .000, and  $p$  [firm size] = .000), except industry and firm age ( $p$  [industry] = .074, and  $p$  [firm age] = .133). Concerning effect size, personal values ( $\eta^2 = .997$ ) and previous company donation ( $\eta^2 = .963$ ) had a relatively large effect size, following them were firm size ( $\eta^2 = .823$ ), attitudes ( $\eta^2 = .624$ ), and ownership ( $\eta^2 = .570$ ).

**Table 5.10** Tests of between-subjects effects

Dependent variable: company donation (Adjusted R square = .083)				
Source	F	P	PES <sup>a</sup>	Power <sup>b</sup>
Corrected model	84.924	.000	.998	1.000
Intercept	173.494	.000	.916	1.000
<b>Fixed factors (Adjusted R square = .090)</b>				
Personal values (Resultant Self-enhancement)	81.454	.000	.997	1.000
Company donation	41.377	.000	.963	1.000
Personal values (Resultant Self-enhancement) × <sup>c</sup> Company Donation	35.964	.000	.931	1.000
<b>Covariate variables (Adjusted R square = .154)</b>				
Firm size	74.220	.000	.823	1.000
Attitude	26.584	.000	.624	.998
Ownership	21.214	.000	.570	.991
Industry	3.667	.074	.186	.437
Firm age	2.463	.136	.133	.314

<sup>a</sup>PES: Partial eta squared

<sup>b</sup>Power: Observed power

<sup>c</sup>×: Interaction

Based on Field's (2009) guideline, the author utilised a hierarchical multiple regression after the analysis of covariance (ANCOVA). The factors of attitudes, ownership, firm size, industry, and firm age were put into the first model as influential variables. After that, the factors of personal values and company donation were added separately as the second and third model. The output showed that the adjusted R square of the first, second, and third models were .083, .090, and .154 respectively, which indicated that all the between-subjects factors explained 15.4 % of CSR-related SDM. Moreover, all the coefficients of these factors were positive, except personal values (resultant self-enhancement), which was consistent with the results of split-plot repeated-measures ANOVA.

Apart from the hypothesis testing, there were some interesting additional findings. Individual's age ( $F = 0.376$ ,  $df_1 = 4$ ,  $df_2 = 356$ ,  $p > 0.05$ ), gender ( $F = 1.253$ ,  $df_1 = 1$ ,  $df_2 = 346$ ,  $p > 0.05$ ), degree of education ( $F = 0.316$ ,  $df_1 = 5$ ,  $df_2 = 352$ ,  $p > 0.05$ ), years of work experience ( $F = 0.891$ ,  $df_1 = 3$ ,  $df_2 = 340$ ,  $p > 0.05$ ), and current position ( $F = 1.174$ ,  $df_1 = 4$ ,  $df_2 = 338$ ,  $p > 0.05$ ) could not explain the variance of CSR-related SDM, whereas location ( $F = 2.142$ ,  $df_1 = 7$ ,  $df_2 = 357$ ,  $p < 0.05$ ) can explain some variance of CSR-related SDM.

For those managers, whose firms were located in the major cities of Beijing, Shanghai, and Tianjin, the mean score of CSR-related SDM was 6.737; for those managers who were located in the minor cities of Wuhan, Shijiazhuang, and Harbin, the mean score was 6.709; for those managers who were located in other small third-tier cities, the mean score was 6.644. Beijing, Shanghai, and Tianjin are major cities/municipalities; Wuhan, Shenyang, and Harbin are minor cities/provincial capital. The so called "other small cities" are third-tier cities. Thus, from statistics, it can be inferred that the larger the city that the companies were located in, the more likely that managers were to make decisions to get involved with CSR activities. It can be explained that in the larger cities, there were more rich companies. Moreover, in the larger cities, for instance, Beijing, the level of civilisation was higher, that encouraged people to pay more attention to charity donation.

Table 5.11 provides the means, the number of respondents, standard deviations and correlations among the variables in the study.

## 5.5 Summary

To sum up, the main objective of this chapter is to examine influential factors in CSR-related SDM. These factors include stakeholders, factors at the firm level, and factors at the individual level. Before the main analysis, a validity and reliability test for the measurements was conducted. In order to analyse the impact of these influential factors, a split-plot repeated-measures ANOVA is conducted and hypotheses are tested. Overall the study demonstrates that the claims of employees and government have a positive impact on CSR-related SDM, while previous company donation, firm size, firm age, CEOs' attitudes towards charity donation and charitable organisations also have positive impacts on the CSR-related

**Table 5.11** Means, standard deviations and Pearson correlations<sup>a</sup>

	Mean	S.D.	N	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
1 Resultant self-enhancement	-10.00	8.00	376	1.000															
2 Decision-making <sup>b</sup>	81.74	11.74	376	-.192**	1.000														
3 Attitude	45.33	6.56	375	-.288**	.265**	1.000													
4 Ownership	3.00	1.00	369	-.016	.063	.040	1.000												
5 Area	4.00	19.95	376	-.045	-.030	.019	-.193**	1.000											
6 Firm age	22.27	22.28	342	.001	.154**	.040	-.101	.053	1.000										
7 Organisational life cycle	2.00	0.66	358	-.046	.061	.119*	.199**	-.005	.324**	1.000									
8 Donation <sup>c</sup>	2.00	1.05	329	-.016	.372**	.249**	.062	.021	.220**	.186**	1.000								
9 Industry	0.00	0.50	157	-.142	.224**	.163*	-.154	-.274**	.127	-.174*	.296**	1.000							
10 Age	3.00	0.81	372	-.218**	.050	.156**	-.021	-.044	.129*	.125*	.117*	.229**	1.000						
11 Gender	1.00	0.48	358	-.077	.049	-.008	-.029	-.050	.052	.041	-.014	.162*	-.201**	1.000					
12 Education	3.00	0.60	369	.056	-.046	.039	.019	.008	.017	.045	.085	.039	.112*	.025	1.000				
13 Major	5.00	3.68	362	-.088	-.026	.012	.023	-.028	-.003	-.047	.011	.048	.025	.035	-.073	1.000			
14 Current position	3.00	1.26	354	.119*	.072	-.060	.096	.018	.007	.127*	.132*	.113	-.402**	.198**	-.051	.012	1.000		
15 Work experience	1.00	0.84	355	-.195**	.002	.164**	-.030	.037	.092	.154**	.059	.182*	.871**	-.237**	.059	-.024	-.406**	1.000	

\*Correlation is significant at the 0.05 level (1-tailed)

\*\*Correlation is significant at the 0.01 level (1-tailed)

<sup>a</sup>Pairwise deletion of missing values reduced the sample size from 376 to numbers ranging from 376 to 329 across various measures

<sup>b</sup>Decision-making represents managers' CSR-related decision-making

<sup>c</sup>Donation means the amount of company donation in last year

The sample of industry measure is 375 because the author only selected two industries from 15 industries

**Table 5.12** Hypotheses testing

H*	Description and direction	Result
<b>Within-subjects</b>		
H1	Stakeholders’ claims predict the CSR-related decision making	Supported
H1a	Shareholders’ support-participation of CSR activities (+)	Supported
H1b	Employees’ support-participation of CSR activities (+)	Rejected
H1c	Government’s support- participation of CSR activities (+)	Supported
H1d	Customers’ support- participation of CSR activities (+)	Rejected
H1e	Competitors’ behaviours of charity donation- participation of CSR activities (+)	Rejected
<b>Between-subjects</b>		
H2	Compared with manufacturing and mining industries, the managers from financial service industries are more likely to involve into CSR activities	Supported
H3	Compared to non-state-owned enterprises, managers from state-owned enterprises are more likely to participate CSR activities	Rejected
H4	The amount of previous company donation- participation of CSR activities (+)	Supported
H5	firm size- participation of CSR activities (+)	Supported
H6	Organisational life cycle- participation of CSR activities (+)	Rejected
H7	Firm age- participation of CSR activities (+)	Supported
H8	Managers’ resultant self-enhancement- participation of CSR activities (-)	Supported
H9	CEOs’ attitudes towards charity- participation of CSR activities (+)	Supported

“H\*” means hypotheses

“+/-” represents the direction of the relationship

SDM. Moreover, the higher the level of resultant self-enhancement, the less likely managers are to make decisions to participate in CSR activities. Compared with manufacturing and mining industries, the financial services industries are more likely to make decisions to participate in CSR activities. Table 5.12 is the conclusion of hypotheses testing. Nine out of the 15 hypotheses were supported. However, 5 hypotheses were rejected. The explanations of the results are discussed in more detail in the next chapter.

# Chapter 6

## Discussion of Findings

### 6.1 Introduction

In this thesis, a conceptual framework is developed with two research aims: to examine the impact of stakeholder claims on managers' CSR-related SDM concerning charitable donations, and to explore the role of organisational settings on the characteristics of decision-makers in CSR-related SDM. This study applies "an integrated model of strategic decision-making process" (see Sect. 5.4) into the CSR issues while developing the research model (see Sect. 5.5). According to the research findings, nine main hypotheses and including two sub-hypotheses are supported. However, five main hypotheses and including three sub-hypotheses are rejected. From the within-subjects and between-subjects perspective, this chapter explains the findings and compares them with previous research studies.

### 6.2 Discussion of Within-Subjects Effects

#### 6.2.1 Stakeholder Claims and CSR-Related SDM

This study supports the hypothesis that stakeholder claims can predict CSR-related SDM. The results of split-plot repeated-measures ANOVA demonstrate that each stakeholder claim can explain a certain amount of CSR-related SDM variance (the  $p$  of each stakeholder is 0.000, and the  $\eta^2$  ranges from 0.162 to 0.794). In addition to this, the combination of shareholder, employee, government, and customer claims, as well as competitor behaviours has a very significant impact on CSR-related SDM ( $p = 0.000$ ,  $\eta^2 = 0.639$ ). These research findings are in line with the theory that stakeholder claims influence the CSR-related SDM (Harrison and Freeman 1999).

In previous empirical studies, CSR scholars provide evidence of the relationship between stakeholders and corporate CSR-related strategy. For example,



Sen et al.'s (2006) findings demonstrate that, contingent on CSR awareness, stakeholders react positively to the focal companies not only in the consumption area, but also in employment, ethical investment, and CSR issues. Kacperczyk (2009) elaborates that exogenous increases in takeover protection measures cause firms to emphasise the opinions of their stakeholders concerning community and the natural environment. Other scholars argue that stakeholder claims and interests are the driver of corporate CSR-related strategy, while companies benefit from these CSR activities. For instance, Choi and Wang (2009) offer significant evidence that high levels of stakeholder awareness facilitate corporate ability to both sustain a superior financial performance and recover from substandard financial performance more quickly. Agle et al. (1999) state that there are significantly positive relationships between stakeholder attribution, CEO values, and CSP.

In general, previous empirical studies on the relationship between CSR and stakeholders identify two outcomes: that excellent CSR involvement leads to better stakeholder relations and that a higher level of stakeholder awareness drives better CSR-related strategies. The present study examines the latter aspect of the impact of stakeholder claims on the CSR-related SDM. As most empirical works assess the relationship between stakeholder salience and corporate social performance (CSP), there is a gap between the drivers and the outcomes. The current study aims to fill this gap. Basu and Palazzo (2008) suggest that managers make organisational decisions concerning CSR with respect to their key stakeholders. This statement is supported by the current study and can be explained with reference to the five stakeholder perspectives in the following paragraphs.

### **6.2.1.1 Shareholder Claims**

This investigation illustrates that shareholder claims do not have a positive impact on managers' CSR-related SDM in the Chinese context. In particular, compared with the situation where shareholders ignore charity donation (6.559), the mean score of CSR-related SDM in circumstances where shareholders support this aspect of CSR (6.874) is higher. Some CSR scholars contend that a firm's CSR activities should be consistent with the interests of shareholders, as they are key stakeholders (McWilliams and Siegel 2001).

Therefore, the potential explanation for the results is that if shareholders pay no attention to charity donation, it does not influence managers' decision making, while if shareholders support charity donation, managers are more likely to support their claims, because it shareholders are the most important stakeholders for most companies in China. Moreover, for many Chinese state-owned enterprises, government is one of the largest shareholders of the company. Those state-owned enterprises may not only need financial support from shareholder, but also need their shareholders' support in perspective of exclusive resources. Hence, top leaders' decision-making concerning charitable donation are more likely to be in line with their shareholders' claims.

### 6.2.1.2 Employee Claims

With regard to employees, the within-subjects findings suggest that employees have a positive influence on managers' CSR-related SDM in the Chinese context. Compared with circumstances where employees ignore charity donation (6.869), the mean score of CSR-related SDM where employees support charity donation (6.563) is lower. According to McWilliams and Siegel (2001), with the development of teamwork and employee empowerment in the work place, organisational CSR activities unavoidably represent employee interests and claims. Furthermore, a firm's decision making represents its employee willingness, which is vital to maintaining a good employee-organisation relationship (Lind et al. 2000) and increasing employee loyalty (McWilliams and Siegel 2001). However, as the organizational structure in most Chinese companies are typical hierarchical, most employees could not have a chance to involve into the organizational strategic decision-making process, therefore their claims could not influence their top leaders decisions.

### 6.2.1.3 Government Claims

Similar to employees, governments may be another key stakeholder, as their claims have a positive impact on managers' CSR-related SDM concerning charitable donation. Compared to the situation where government ignores the charity donation (6.659), the mean score of CSR-related SDM where government supports the charity donation (6.774) is higher. This phenomenon can be explained from the concept of Guan Xi, which can be defined as "the durable social connections and networks a firm uses to exchange factors for organisational purposes" (Gu et al. 2008, p. 12). It is relatively important to deal with Guan Xi with various levels of government and regulatory agencies (Park and Luo 2001). Thus, firms follow local government encouragement to become involved in CSR activities, which benefit the whole society.

Based on the discussion above, the potential explanation is that if local government does not pay attention to charity donation, then the government attitudes do not have impact on the managers' decision-making concerning charitable donations. However, if local government encourages organisations to make contributions to disaster relief, then the managers are more likely to make decisions to engage in CSR activity. Firms would like to be consistent with government claims, as it helps them to build a good relationship and Guan Xi with local government. This helps them to avoid penalties and to receive more resources. From this, it can be inferred that through regulations and control of resources, governments have the power, legitimacy, and urgency to push enterprises both directly and indirectly to take their business responsibilities seriously.

#### 6.2.1.4 Customer Claims

Unlike government encouragements, the claims of customers do not positively affect a manager's CSR-related SDM. Compared with the case where customers ignore charity donation (6.791), the mean score of CSR-related SDM in cases where customers support the CSR event (6.642) is lower. Although numerous CSR scholars observe that charity donation or CSR activities are very helpful in building brand dominance (Berens et al. 2005) and customer loyalty (e.g., Vlachos et al. 2009; Wagner et al. 2009), their findings are based on the customer perceptions of corporate CSR activities. However, in the current study, 67.9 % enterprises are small and medium size, which might be too small to catch their customers' attention when they made some regular donations.

Based on this, the potential explanation of the phenomenon is that when customers ignore the charity donation, it has no impact on a manager's decision-making. But when customers are eager to donate and hope more companies become involved in donation, they cannot observe small and medium firms' actions. Furthermore, they could not refuse to buy some commodity produced by those small and medium size companies just because those firms would not donate. Moreover, the  $\eta^2$  is 0.162, which is relatively lower than that for other stakeholders. In this situation, customers have the urgency to press their claims, but they do not have power and legitimacy to compel those firms to act in accordance with their claims. Therefore, those managers are less likely to consider customer needs and claims when they make CSR-related decisions.

#### 6.2.1.5 Competitor Behaviours Concerning CSR

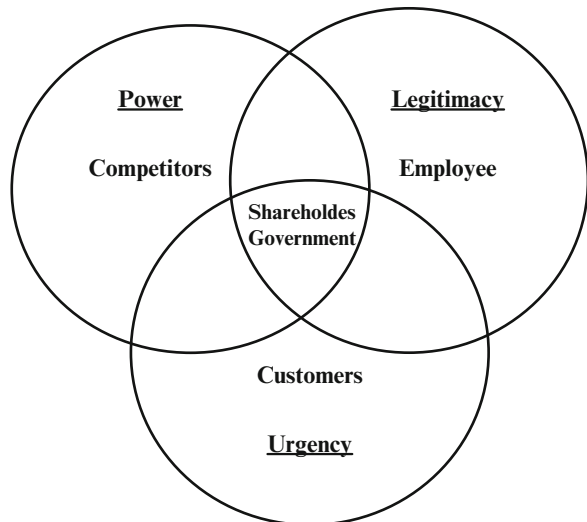
The charitable behaviours of competitors do not have a positive impact on managers' CSR-related SDM in the Chinese context. Compared with the situation where competitors ignore the charity donation (7.023), the mean score of CSR-related SDM where competitors have already participated in the CSR event (6.609) is lower. Moreover, the competitor charitable behaviours can account for a large proportion of the variance of the results ( $\eta^2 = 0.794$ ). From competitor perspective to consider CSR, a number of studies indicate that corporate philanthropy plays a role in differentiating between competitors and ensuring their strategies could not be imitated (e.g., Collins 1994).

The potential explanation for the phenomenon is that if competitors are not involved in CSR activities, this will have no impact on the managers' decision-making. While if competitors have already engaged in charitable donation, managers are reluctant to make the same decisions (Porter and Kramer 2006), as they may think that their firms could not benefit from the same ethical investment as their competitors. Furthermore, managers may prefer to involve in other CSR activities and adopt a different strategy. Thus, competitors do not have the legitimacy and urgency to demand the firm to donate to charity, but they have strong power to affect the firm.

### 6.2.2 Summary of the Within-Subjects Effects

These findings highlight the impact of stakeholders on managers' CSR-related decision making. Empirically, this study has demonstrated that the claims of shareholders and government have positive impacts on the results of CSR-related SDM concerning charitable donation. However, the claims of employees, customers and the charitable behaviours of competitors have negative impacts on managers' CSR-related SDM. The sequences of effect size of the five stakeholders are competitors ( $\eta^2 = 0.794$ ), government ( $\eta^2 = 0.594$ ), employees ( $\eta^2 = 0.489$ ), shareholders ( $\eta^2 = 0.353$ ), and customers ( $\eta^2 = 0.162$ ). The statistics show that in China, most firms consider the behaviour of their competitors and attempt to adopt a distinct CSR strategy. Following that, managers tend to comply with the encouragement of local government to pursue good relations with authority. Moreover, employees' willingness can count as a driver of CSR activities. Although shareholders and customers are deemed as important stakeholders in the western market, they may not exercise their rights to influence organisational behaviour.

Applying the stakeholder-salience theory (see Sect. 3.1.5) into the current study, a figure has been generated to illustrate the roles of different stakeholders (see Fig. 6.1). As discussed above, shareholders have legitimate claims, but without power and urgency because there is no mature "shareholder-representative system" in China. Customers have urgency only and do not have power and legitimacy to impress their claims on corporate CSR-related strategy. Competitors might have power to affect other firms by their organisational behaviours and social impacts, but they do not have legitimacy and urgency to encourage other firms to donate. Firms may also attempt to adopt a different strategy and not totally follow their competitor's behaviours (Porter and Kramer 2006). Shareholders and government



**Fig. 6.1** An application of stakeholder-salience theory to the current study

have the power, legitimacy, and urgency and they are the focal stakeholders regarding the managerial decision-making of charitable donations. Furthermore, in Mitchell et al.'s (1997) theory, shareholders and government are salient stakeholders and the most important determinants of managers' decisions concerning charitable donations.

On the basis of Mitchell et al.'s (1997) stakeholder-salience theory, Agle et al. (1999) utilise the data provided by the CEOs from 80 large firms in the U.S., and they find evidence that stakeholder salience is related to CSP. Moreover, they point out that stakeholder theory needs further development in the CSR area. Brammer and Millington (2004) notice the vital role of stakeholders in the decision making regarding charitable donation, but they do not examine the impact of stakeholders directly. Therefore, the present study is the first attempt to analyse the relationship between various stakeholder claims and CSR-related SDM concerning charitable donation in China. As such it contributes to the application of stakeholder-salience theory.

### **6.3 Discussion of the Between-Subjects Effects**

The split-plot repeated-measures ANOVA results on between-subjects factors are based on the within-subjects effects and compare the impacts of different groups. In other words, this approach assesses the variance of different groups when they face the same situation. The effects of six factors at the firm level (i.e., industry, ownership, previous company donation, firm size, organisational life cycle, and firm age) and two factors at the individual level (i.e., managers' personal values and CEOs' attitudes towards charity donation and charitable organisations) are discussed in the following paragraphs.

#### ***6.3.1 Discussion of the Firm Level Findings***

##### **6.3.1.1 Industry**

The statistics indicate that managers from financial services industries are more likely to make decisions to engage in CSR activities than managers from manufacturing and mining industries. Numerous CSR scholars emphasise the industry-specific control group as well as financial performance (e.g., Basu and Palazzo 2008; McGuire et al. 1988) when they examine the relationship between CSR and corporate strategy. They also examine how the traits of industry affect the managers' decision-making concerning charitable donation.

As elaborated in Sect. 3.1.3, the success of manufacturing industry depends heavily on specific resources and market position. In contrast, the profitability of

the financial services industry is largely due to manager expertise and customer loyalty. Based on this, the potential explanations of industry effect can be due to the following three aspects. Firstly, these two contrasting industries need to satisfy different customers. In the Chinese context, firms in the financial service industries face a competitive market and they need to become involved in CSR activities to build up a good public image. Secondly, the two distinct industries concentrate on various aspects of CSR activities. Manufacturing and mining industries, especially, focus on the environment, while the financial services industry emphasises the welfare of common people (Bhambri and Sonnenfeld 1988). Lastly, in enterprises in the financial services industry, such as banks and securities companies are generally much wealthier than most firms in manufacturing and mining industries, therefore managers from financial services industries are more likely to make decisions to engage in CSR activities than managers from manufacturing and mining industries.

### 6.3.1.2 Ownership

Inconsistent with the hypothesis that state-owned enterprises (SOEs) are more likely to become involved in CSR activities, the results show that foreign-owned enterprises (FOEs) may have more initiative to engage in CSR events. In particular the mean score of CSR-related SDM of FOEs (6.795) is the highest followed by SOEs (6.726) and private enterprises (6.609). Although the effect size is small ( $p = .036$  and  $\eta^2 = .025$ ), the findings are quite interesting.

The potential explanations of the ownership effect are follows. On the one hand, the statistics show that despite the government support or ignore the charity donation, the mean scores of CSR-related SDM of managers from FOEs and private enterprises are around 6.8 and 6.6 respectively. However, with regards to the SOEs, when the government pays no attention to charity donation, the mean score is 6.65, while when the government supports charity donation, the mean score increases to 6.85. From this, it can be inferred that SOE managers make charitable donation decisions based on the encouragement or the claims of the government, while private enterprises and FOEs are not affected by the pressures of government directly. On the other hand, most FOEs are large firms in China (more than 77 % are medium and large firms), which are more likely to catch the attention of the public. Especially after the “5.12 Sichuan-Wenchuan earthquake”, more and more Chinese people emphasise the charitable behaviour of large firms, as they believe that corporate philanthropy represents the morality of organisational culture. Therefore, SOE managers’ decision-making reflects the local government claims and FOE managers’ decision-making represents the attention of the local society. Government may not compel companies to donate to disaster relief, but society has interests in CSR at all times. Hence, FOEs are more likely to make decisions to participate in charitable donations than SOEs.

### 6.3.1.3 Previous Company Donations

Regarding previous company donations, the prior charitable behaviours might impact subsequent managerial decision-making. This is particularly true at the lower level of the group and the higher level of the group (i.e., “below 0.20 million” group, “0.21–1.00 million” group, “1.01–10.00 million” group, and “above 10.00 million”), where the four mean scores of CSR-related SDM increase sequentially (i.e., 6.503, 6.715, 6.856, and 6.860). As a between-subjects factor, the previous company donation has a relatively high effect size ( $p = .000$  and  $\eta^2 = .151$ ). The result is consistent with the theory that previous behaviours can be utilised to predict subsequent decision-making (Aarts et al. 1998).

Although this study is one of the first attempts to test whether charitable behaviour is repeated from the previous year or not, it is possible to confirm this argument for the following three reasons. Firstly, for large firms, the media and the public will notice their charitable behaviour and praise them. Consequently, those large firms increase their corporate reputation and are more willing to participate in such activities. Concerning small enterprises, their charitable behaviours may not attract media and public attention, but managers are more likely to maintain this philanthropic investment to encourage organisational citizenship behaviours (Smith et al. 1983). Furthermore, it is recognised that the larger the firm size, the more money they may donate (Pearson correlation = .547,  $p = .000$ ). Secondly, it is not assumed that if a firm faces financial crisis in the second year, they may not donate. Thirdly, even if it is not the same managers who make decisions concerning charitable donation, managers are more likely to follow their organisational culture and consider the pressures from key stakeholders.

### 6.3.1.4 Firm Size

Concerning firm size, the larger the firm, the more likely the managers are to make decisions to participate in CSR activities. From the lower level of the group to the higher level of the group (i.e., “10–200” group, “201–1,500” group, “1,501–500,000” group), the three mean scores of CSR-related SDM increase sequentially (i.e., 6.631, 6.717, and 6.781). The result is consistent with the literature.

The potential explanation of this phenomenon is that the larger the firm size, the more attention it will attract from the media and the public. Therefore, there is more social scrutiny from society, which encourages them to engage in CSR activities. Moreover, with greater resources, larger firms have more capabilities and resources to become involved in CSR activities. Therefore, it is reasonable to assume that the larger the firm size, the more likely it is that managers make decisions to participate in CSR activities.

### 6.3.1.5 Organisational Life Cycle

Regarding organisational life cycle, the result does not support the hypothesis that “the higher the stage of organisational life cycle, the more likely that the managers make decisions to participate in CSR activities”. In fact, the effect of the organisational life cycle is not significant ( $p = .109 > 0.05$ ), which means that this factor cannot account for the variance of CSR-related SDM. There are many assertions that strategic decisions concerning CSR must be coupled with organisational life cycle dynamics (e.g., Jawahar and McLaughlin 2001; Tuzzolino and Armandi 1981), but the results of this study do not conform to that literature.

There are two potential explanations of this phenomenon. The stage of organisational life cycle is determined by many factors, such as industry and firm age (Agarwal et al. 2002b). Further, all these factors may have diverse influence on the decisions to engage in charitable donation. The additional findings show that when all the between-subjects factors are examined together, the corporate age and industry become insignificant (see Sect. 5.4.4), which means these two variables are not stable indicators. As organisational life cycle depends on industry traits and firm age, it is acceptable that it might have no impact on managers’ CSR related decision making. Another explanation is that managers tend to rank their companies on a high level, as the organisational life cycle is an objective judgment. For instance, if a firm is in the declining stage, the manager is more likely to choose the “mature stage”, as he or she may think it is a much better phrase to describe his or her firm.

### 6.3.1.6 Firm Age

Unlike the organisational life cycle, the impact of firm age is consistent with the hypothesis. From the lower level of the group to the higher level of the group (i.e., “10–200” group, “201–1,500” group, “1,501–500,000” group), the three mean scores of CSR-related SDM increase (i.e., 6.631, 6.717, and 6.781). An analysis of the homogeneity of variance between firm age (Levene statistics = 26.086,  $df_1 = 2$ ,  $df_2 = 273$ ,  $p = .000$ ) and firm size (Levene statistics = 8.267,  $df_1 = 2$ ,  $df_2 = 277$ ,  $p = .000$ ) demonstrates that there is no significant difference between these two factors. From this, it can be inferred that, in general, the older the firm, the larger its size. Therefore, the explanation of firm age effect is similar to that of firm size influences.

## 6.3.2 Discussion of the Individual Level Findings

### 6.3.2.1 Personal Values

With regard to personal values, it is widely discussed in the literature that a manager’s personal values are associated with a firm’s CSP (Agle et al. 1999).



This study reflects those findings. Based on the mean score for resultant self-enhancement, participants are divided into two groups: higher level and lower level groups. Compared with the higher level group (6.690), the mean score of CSR-related SDM in the lower level group (6.744) is higher. Moreover, indicators of effect size suggest that personal values account for a large amount of the variance of CSR-related SDM ( $p = .000$  and  $\eta^2 = .686$ ). Agle et al. (1999) conduct their empirical study in the U.S. and demonstrate that CEOs' values are positively associated with CSP. Especially, they utilise the self-regarding and others-regarding measures of personal values, which are the counterparts of self-enhancement and self-transcendence. As charity donation is part of CSR activities, managers' decision-making concerning charitable donation can be driven by the same values as CSR. Therefore, the result of the current study is consistent with Agle et al.'s (1999) work but uses a different perspective to demonstrate this.

Another explanation for the personal values effect is that different concerns originate from various values. McWilliams et al. (2006) acknowledge that if the decision-maker is driven by altruism (i.e., self-transcendence and others-regarding), then he/she sincerely wants to be socially responsibly and is not concerned whether these CSR activities affect the bottom line or not. Contrarily if the decision-maker is egoism (i.e., self-enhancement and self-regarding), he/she will not react to the CSR event, unless his/her firm is compelled by regulation. Similarly, self-enhancement managers are driven by success and seek personal success, while self-transcendence managers are more concentrated on benefitting others (Gao and Bradley 2007). On this basis, it is reasonable to infer that if the manager is on the higher level of resultant self-enhancement, he/she makes decisions to engage in CSR activities just because he/she feels huge pressures from stakeholders (e.g. employees or government). Whereas, if the manager is on the lower level of resultant self-enhancement, he/she might initiate involvement in CSR activities as he/she believes that it will benefit the society.

### **6.3.2.2 CEOs' Attitudes Towards Charity Donation and Charitable Organisation**

Concerning CEOs' attitudes, these questions are developed following Chinese managers' feedback in the pre-test (see Sect. 4.2.7). Conforming to top leaders' attitudes is necessary in the Chinese management context. Compared with the lower level group of CEOs' attitudes (6.601), the mean score of CSR-related SDM of the higher level group (6.830) is higher. Although many CSR scholars point out the important role of managerial attitudes in decision making of CSR issues (Orpen 1987; Zenisek 1979), there is no empirical study to assess the degree to which managerial attitudes affect CSR-related decision making. This study is one of the first attempts to examine the effects of CEOs' attitudes in the CSR area and fill this gap in CSR studies.

Consistent with the literature, this study provides two reasons why CEOs' attitudes have some impact on the results of managers' CSR-related SDM. On the

one hand, from the CEO perspective, if the CEO supports the charity donation and charitable organisations, this suggests that he/she is familiar with the donation and the efficiency of charitable organisations. This perception may lead the manager to support the charitable donation and agree with the plans concerning CSR issues. On the other hand, from manager's perspective, he/she is more likely to make decisions consistent with CEOs' attitudes. Otherwise the plan of engagement for a CSR event may not be approved by the CEO. It is well known that in most Chinese enterprises, there is a hierarchical structure where everybody acknowledges who has authority over whom (Adler et al. 1989). Hence, managers tend to make decisions regarding charity in line with their CEOs' perceived attitudes towards charity donation and charitable organisations.

### **6.3.3 Additional Discussion**

#### **6.3.3.1 Further Analysis of Between-Subjects Factors**

As the author mentioned above, the between-subjects factors employed in this study usually act as influential variables in previous research studies (e.g., Graves and Waddock 1994; McGuire et al. 1988). In the present study, they are examined as control groups of participants to assess the range of variances explained by each factor, which strengthens our knowledge of how those elements influence managers' CSR-related SDM. However, the disadvantage of split-plot repeated-measures ANOVA makes it impossible to examine the important factors while controlling other variables. To make up for this weakness, an ANCOVA is conducted to explore the role differences in the seven between-subjects factors.

The data suggests that the amount of previous company donation and managers' personal values are two relatively important determinants (see Table 5.9), which can account for large amount of variance in CSR-related SDM. Meanwhile, the firm size, CEOs' attitudes towards charity donation and charitable organisation, as well as ownership can be viewed as covariate variables. The results of hierarchical regression suggest that all the between-subjects factors can account for about 15.4 % of CSR-related SDM.

#### **6.3.3.2 The Impact of Location and Economic Disparities**

With regard to the issue that managers may have distinct local CSR-related SDM attributes, it is observed that there are huge economic disparities in China (Law et al. 2003; Yao and Zhang 2001). For instance, Demurger (2001) suggests that the disparity in national infrastructure investment (e.g. transport network density, telecommunication, coal production, and electricity production) leads to the economic disparities. Furthermore, she classifies major Chinese cities according to their GDP per capita average annual growth performance from 1978 to 1998

(Demurger 2001). Among them, Beijing, Shanghai, and Tianjin are at the first level, followed by Wuhan, Shenyang, and Harbin at the second level. Some small cities mentioned in this thesis are categorised as at the third level. Therefore, it is reasonable that the higher the level of city a company is located in, the more likely that managers will make a decision to donate.

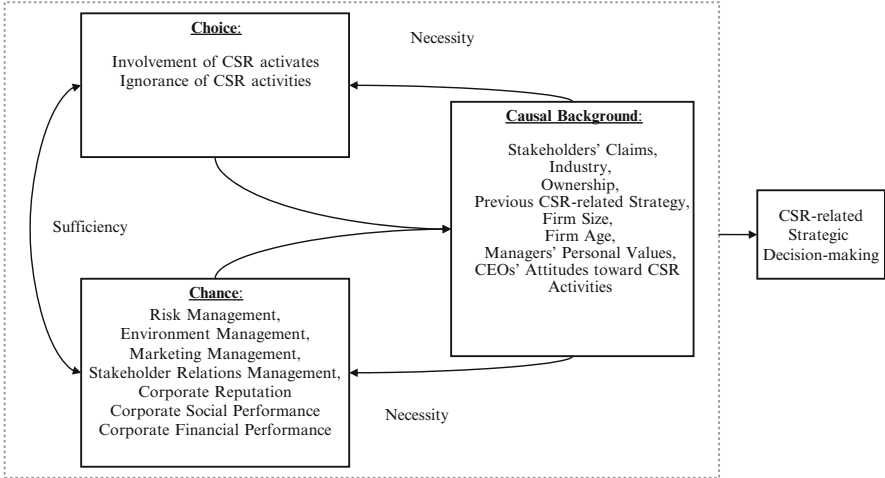
### **6.3.4 Summary of the Between-Subjects Effects**

In this section, explanations behind the statistics are discussed and the results of this study are compared with previous works. As personal values have a largest effect size ( $\eta^2 = .686$ ), this means that it is a predominant factor among between-subjects variables. Moreover, the previous company donation has a small effect size ( $\eta^2 = .151$ ), which has the largest effect among the factors at the firm level. Following that, the effect size of industry ( $\eta^2 = .051$ ), CEOs' attitudes ( $\eta^2 = .091$ ), firm age ( $\eta^2 = .028$ ), ownership ( $\eta^2 = .025$ ), and firm size ( $\eta^2 = .025$ ) are relatively small.

## **6.4 An Overview of CSR-Related Strategic Decision Making**

The current study just takes charitable donation as an example of CSR activities, the roles of stakeholder and the associations of contextual variables may be different if other CSR activities (e.g., environment, employee relations, and product safety) are examined. However, the process of managers' strategic decision-making concerning charitable donation can be extended to other CSR activities, because all the decisions are based on managers' rational decision process. De Rond and Thietart (2007) believe that managers make decisions precisely, as they are aware that all their strategic decision-making may be vital to the firm's survival and development. Furthermore, on the basis of causal explanation theory (Runde and de Rond 2010), they develop a figure to articulate the interaction between choice, chance, and causal background, as well as to discuss how all these factors form corporate strategy (De Rond and Thietart 2007).

The author applies De Rond and Thietart's (2007) figure to elaborate the overview of managers' CSR-related strategic decision-making (see Fig. 6.2). Concerning the causal background, some stakeholders may ask firms to take business responsibilities, while industry, ownership, previous CSR-related strategy, firm size, and firm age might affect managers' CSR-related SDM. In particular, manager's personal values and CEOs' perceived attitudes towards CSR activities indicate their free will, which also have a significant impact on the results of decision making. Therefore, factors in the social background impact on managers' decisions to choose to engage in CSR activities or ignore it. If there is causal sufficiency, managers' decisions would lead to more chances for organisational development. For instance,



**Fig. 6.2** An application of causal explanation theory to CSR-related strategic decision making (Source: Adopted from De Rond and Thietart 2007)

if a firm positively engages in many CSR activities, it will be well-known by society and increase its corporate reputation and so lead to better corporate performance (see “corporate reputation” of Sect. 3.2.2). From another point of view, the elements in the causal background urge firms to emphasise the initiatives of CSR (e.g., Risk management, environment management, and stakeholder relations management) (see “CSR-related strategy” of Sect. 2.3.2). The elements of context (i.e. causal background, choice, and chance) shape managers’ CSR-related SDM.

## 6.5 Extending Research Findings from China to Other Cultural Contexts

Cultural indicate that cultural values represent the aspirations and direction that national cultures wish to develop (Javidan et al. 2005). Some scholars argue that societal-level values and beliefs held by members of a culture can impact on the specific values concerning the functioning of organisations, including top managers’ CSR-related strategic decision-making (House et al. 1999; Triandis et al. 1988). Moreover, Lawton and Rajwani (2011) state that managerial choices are influenced by certain political resources and policy context. In particular, some CSR activities (e.g., charitable donation and environmental protection) have similarities with corporate political activities, which can help the company to attain some exclusive resources and maintain competitive advantage (Lawton 2011). Therefore, it is necessary to extend the discussion of the current research findings to other cultural contexts. The author compares the research findings in China with Waldman

et al.'s (2006) study, which examined data from 561 firms located in 15 countries to explore how societal culture influences top managers' social responsibility values. Based on the research model of this thesis, the author discusses the cultural influence on CSR-related SDM from three aspects: stakeholders, organisational level, and individual level.

At the individual level, Waldman et al.'s (2006) finding suggests that managers in cultures emphasising institutional collectivism pay more attention on overall aspects of CSR during the SDM process, as those managers value more on the societal-level issues. Compared with United States, Russia, and Japan, China is a high collectivism-driven country (Ralston et al. 1997). Hence, the institutional collectivism may lead Chinese managers to have more societal concerns, compared with U.S. managers, who are more individualism-driven. Moreover, Ralston et al. (1997) utilised Schwartz's (1992) value survey to measure managerial work values in both China, Russia, Japan, as well as U.S. and argue that U.S. managers have the overall highest score on the self-enhancement continuum. As the current research findings suggest that the higher level of self-enhancement, the less likely managers tend to make decisions to participate in CSR activities, the U.S. managers' high self-enhancement score may have negative influence on their decisions concerning CSR issues.

Concerning stakeholders, stakeholder claims help to predict the results of Chinese managers' CSR-related SDM. Waldman et al. (2006) find that other stakeholders (e.g., employees and customers), and the state "were shown to be differentially predicted by our control variables, as well as national culture-level and firm-level leadership variables" (p. 833). In other words, the influences of stakeholder claims may be different across national boundaries. In particular, the author found that Chinese managers' CSR-related SDM is consistent with employees and governments' claims. Chinese managers may ignore the requirement of shareholders as they pursue their CSR-related SDM, because the shareholder-representative system is not mature in the Chinese market. However, managers in developed countries may be in tune with shareholders, when they make CSR-related SDM (McWilliams and Siegel 2001). Especially, "higher per capita gross domestic product is positively associated with managerial values focusing on shareholders" (Waldman et al. 2006, p. 833).

Regarding the organisational level, Waldman et al. (2006) find that the greater power distance in the company, the higher level of managers' lack of concern for stakeholders. Moreover, in such societies, managers may tend to manipulate the use of power, without considering constituencies (House et al. 2004). Furthermore, in western culture, the SDM process is relatively flat and the diversity of each individuals in the top management team can influence the results of decision results (Knight et al. 1999). Meanwhile, Chinese managers' decision-making process is relatively hierarchical and driven by the top managers' values. Therefore, it can be expected that compared with Chinese managers, western managers may place value more on stakeholders' claims in the CSR realm.

Waldman et al.'s (2006, p. 834) study also suggests that “organisational-level variables are likely to account for variance in managerial values pertaining to CSR, beyond individual- or societal-level factors”. Thus, the organisational characteristics (e.g., industry, ownership, previous donation, firm size, and firm age) may influence managers' CSR-related SDM not only in China, but also in most cultural contexts. Moreover, the hypothesis that “CEOs' attitudes towards CSR may be a driver of how subordinate managers view the importance of CSR issues in their decision-making” has been proved in Waldman et al.'s (2006) empirical work. Therefore, scholars who examine CSR issues concerning CEOs' attitudes towards charity in other countries (e.g., Austria, Brazil, Germany, and U.S.) may refer to the findings in the current study.

## 6.6 Summary

Previous investigations demonstrate that stakeholder claims and some other influential factors (i.e. industry, ownership, firm size, organisational life cycle, firm age, and managers' personal values) may affect a manager's CSR-related SDM (see Sect. 3.1), but there is no empirical work to examine the role of those factors in a CSR-related SDM. The current study attempts to fill this gap and utilises the PC approach to examine managers' real perception of key stakeholders.

The statistics show that the claims of stakeholders can predict the results of managers' CSR-related SDM and the claims of key stakeholders (i.e. shareholders and government) are consistent with the final decisions. Furthermore, regarding the between-subjects effects, in line with the hypothesis, industry, the amount of previous company donation, firm size, firm age, and CEOs' attitudes have positive impacts on the results of managers' CSR-related SDM. Moreover, the effect of resultant self-enhancement has a negative impact on the results, which is also consistent with the hypothesis. However, the hypotheses of ownership and organisational life cycle are rejected.

Beyond that, the author also discusses the research findings extensively. Firstly, stakeholder salience theory is utilised to further articulate the roles of various stakeholders and a figure is employed to elaborate the status of each stakeholder. Next, based on the results of covariate analysis, the associations of between-subjects factors are discussed further. Lastly, causal explanation theory is applied to combine all factors and develop an overview of managers' CSR strategic decision-making.

# Chapter 7

## Conclusion

### 7.1 Theoretical Contributions

This section reiterates the original research questions and highlights how these questions and the methodological approach employed, contribute to the literature. The main objectives of this study are (i) utilising content analysis to examine the CSR literature review, (ii) integrating CSR with SDM and conducting a new method to analyse stakeholder-salience theory as well as, (iii) using casual explanation theory to examine CSR issues. The following paragraphs analyse these three theoretical contributions in more detail.

Firstly, the current CSR review advances the CSR literature in a number of ways. (1) It can be viewed as a synthetic and systemic review, which includes primary research studies in the CSR field up to, and including June 2010. (2) This review generates a typology of CSR theory thus promoting the theoretical and managerial development of CSR research. (3) The author identifies the pivotal articles (highly cited articles) within each time period, which not only show the CSR evolution process, but also represent the most important work in the CSR field. (4) This study suggests four perspectives on CSR-related strategy (i.e. risk management, environment management, marketing management, and stakeholder relations management) and identifies the relationship between CSP and CFP which provides a solid foundation for CSR practitioners. (5) Using this combination of qualitative and quantitative methods, the content analysis is a replicable and effective way to analyse CSR concepts.

Secondly, based on the CSR review, this study combines SDM with CSR issues and points out the crucial roles of stakeholder claims. In order to clarify the contribution of the current study, the author compares this study with Agle et al. (1999) and Brammer and Millington's (2004) studies (see Table 7.1). These two empirical works also explore the relationship between stakeholders and CSR activities and have been published on leading academic journals with high citations.

**Table 7.1** A comparison of the current study with previous works

		Agle et al. (1999)	Brammer and Millington (2004)	The current study
Time of data collection		1996–1997	2000–2001	2010–2011
Theoretical background		Stakeholder salience, values, and performance	Stakeholder theory	CSR, SDM, values, and stakeholder theory
Country		U.S.	U.K.	China
Factors examined		CEOs' values, stakeholder salience, and CSP	Charitable donations, and firm characteristics	Managers' CSR-related SDM, individual and organisational characteristics
Sample size		80 large companies	416 companies	376 companies
Instruments	Influential factors	CEOs' values (Rokeach 1972), stakeholder salience (self-design)	Published information	Values (Schwartz 1992), and attitudes (Webb et al. 2000)
	Outcomes	CSP (KLD), CFP (COMPUSTAT)	Published information	Managers' SDM (self-design: policy-capturing)

Table 7.1 shows that the current study makes contribution by its method of examining stakeholder salience. Brammer and Millington (2004) acknowledge that the claims of stakeholders are significantly important, but they do not measure this directly in their investigation. Agle et al. (1999) make great progress by developing an instrument to analyse stakeholder salience, asking participants to rank each stakeholder attribute (i.e. legitimacy, power, and urgency) based on their perception. In the present study, participants are asked to respond to repeated measures of a series of scenarios, which include the five stakeholders' claims and CSR-related SDM. This study identifies key stakeholders through the analysis, which is more objective than Agle et al.'s (1999) work. Since each scenario combines the five stakeholder claims, participants are required to consider the competing claims, whereas, in Agle et al.'s (1999) study, participants focus solely on each stakeholder and did not need to consider them together, which does not relate to corporate reality. Thus, as an application of stakeholder-salience theory, this thesis contributes to the existing literature by providing a new method of examination and bridging the gap between stakeholder salience and CSP.

Thirdly, besides the application of stakeholder-salience theory, the author also employs causal explanation theory to explain the research findings. De Rond and Thietart (2007) utilise causal explanation theory to analyse the complicated relationships between strategic choice, chance, and causal background. On the basis



of their work, this study integrates all the research findings and provides further explanations of managers' CSR-related SDM, which attempts to utilise this theory in the CSR area. Moreover, this causal explanation represents the basic principles and determinants of most CSR activities. Thus this application extends the process and influential factors from the decisions of charitable donations to other CSR activities.

## 7.2 Methodological Contributions

Regarding the contributions to methodology, the author employs content analysis to review CSR literature, as this method is a scientific and systematic approach to observe and analyse complicated information (Budd et al. 1967). Therefore, this study overcomes the weakness of previous CSR reviews by providing comprehensive overviews, making objective judgment, and analysing the underlying trend of the CSR development.

Another methodological challenge is policy-capturing (PC) method. Although it is widely accepted that PC is suitable to examine leaders' initiatives for their corporations (Aiman-Smith et al. 2002), this is the first study to apply this approach in the CSR- SDM area. Moreover the study utilises rigorous PC techniques and compensates for the deficiency of most prior PC studies. As it is difficult to articulate, most PC studies do not report the validity and reliability test. This study follows Karren and Barringer's (2002) suggestions to overcome this disadvantage. Due to the use of randomly selected scenarios, the author employs the complicated split-plot repeated-measures ANOVA with rewritten syntaxes in SPSS. Moreover, the five within-subjects factors (i.e., five stakeholders) make the statistical analysis more difficult. The interactions between different stakeholders and various influential factors are particularly sophisticated. Furthermore, since a weakness of split-plot repeated-measures ANOVA is that it is impossible to examine some important factors while controlling others, this study runs ANCOVA, producing satisfactory results.

## 7.3 Managerial Contributions

There are numerous practical implications arising from these research findings. On the one hand, the thesis shows what factors affect the CSR-related SDM. On the other hand, from a stakeholder perspective, it demonstrates the salient stakeholders in relation to CSR issues in the Chinese context. Both these perspectives strengthen the understanding of this issue. The following sections will discuss these managerial contributions in more detail.

The results of between-subjects factors show that industry, ownership, previous company donation behaviour, firm size, firm age, decision makers' personal values,

and CEOs' attitudes towards charity influence the results of CSR-related SDM. This implies that environmental factors are necessary and these factors should be included or controlled in future work. Personal values and previous organisational behaviours are particularly important determinants. Thus, these research findings strengthen the understanding of stakeholder salience and CSR-related SDM process.

Similarly, based on these findings, numerous suggestions can be provided in practice from the five stakeholders' perspectives. As the "shareholder-representative system" has not reached its mature stage in China, individual shareholders cannot exercise their rights properly: shareholders have urgency, but do not have the power and legitimacy to influence corporate strategy. However, in order to change the situation, shareholders may attract the attention and exploit the power of the media as well as the power of government. Employees can exercise their rights to affect their firm's strategy by trade union. The government has the power, legitimacy, and urgency to influence CSR-related strategy. Hence, the local government can urge or encourage firms to participate in CSR activities in order to benefit the society and achieve a win-win situation. Customers may not have direct impact on organisational behaviour. Thus, similar to shareholders, the effective way for customers to express their claims is through the media. Finally, from the competitor perspective, as most companies prefer differentiating strategy concerning CSR issues, firms should take action as soon as possible to take advantage of early development.

## 7.4 Limitations of This Study

There are two potential limitations in the methodology that employed in the CSR literature review. Firstly, there is a possible limitation in the classification process. Although this study attempts to make it replicable, this process still necessitates that subjective judgments be made, which means some details might not be consistent with the work of other panels of researchers. Secondly, there is a limitation in the key words selection technique. There may be a critical argument, as some words, such as "social issues", "environmental issues", "business ethics", and "stakeholder issues", which are also relevant in the CSR area are not included in the article selection (Lockett et al. 2006). However, those terms do not have very close connections with the CSR concept (see Sect. 2.2.2). Although there is no explicit or implicit CSR boundary, the four key words components are chosen to give the results of this study more focus.

There are four limitations in the questionnaire design: (1) as PC techniques only allow the analysis of a specific issue, this study concentrates on charitable donation at CSR events. The process and determinants of CSR-related SDM concerning charitable donation can be extended to other CSR activities, but the results of decisions might be different if other CSR issues (e.g., environment and product safety) are considered. (2) Although the simplified scenario design may facilitate participants to understand and respond to the questionnaire, other scholars may

challenge this: in the PC design, this study attempts to focus on the vital factors and does not cover the elements of social media, regulations, activities of non-governmental organisations (NGOs), and other stakeholders (e.g., community), which also have certain impacts on managers' decision-making. This should be considered in future research. (3) Although the study endeavours to make those scenarios consistent with the real world, some scenarios may not actually happen in business. Furthermore, the author randomly selected 16 from 32 scenarios and the collinearity is not a problem of this study, but some scholars may still argue that this research could not represent all the situations and may have biases. (4) As there is no universal description of organisational life cycle stage in China, participants respond to the questions based on their own understandings and judgements, which may influence the results of analysis. These issues should be considered in future research.

Following the questionnaire design, a potential bias is identified in the sample selection. In order to avoid the challenge that there is bias to select data from EMBA/MBA classes, the author delivers some surveys in training classes, in which trainees do not know each other before. The author assesses the homogeneity of the three groups (i.e. EMBA, MBA, and trainees), and find there is no obvious difference. However, other scholars believe that the data obtained from training classes are not as good as that collected via mail survey.

Turning to the weakness of research methodologies employed in this study, the main disadvantage of split-plot repeated-measures ANOVA is that it can not examine the important factors while controlling other variables. In order to make up for this deficiency, the author uses the ANCOVA techniques to examine the between-subjects factors, but it cannot analyse the association of within-subjects factors when calculating the between-subjects effects. On the other hand, there are five within-subjects factors and nine between-subjects factors, which make the statistical analysis of examining the interactions between these factors at the two levels too difficult.

## 7.5 Recommendations for Future Research

Although the present study explores the corporate context, CSR-related strategy and CSR-related outcomes, there are still numerous gaps in our knowledge of these factors. Based on the views expressed in Werther and Chandler's (2006) book and the review of previous CSR articles, this study identifies critical gaps in topic areas of the current CSR theme. Although some "critical gaps" have already been observed in articles of specialised journals, they do not receive sufficient attention. Those gaps will require more attention in future studies. The author discusses future studies, based on the three main themes: corporate context, CSR-related strategy, and CSR outcomes.

With regard to the corporate context dimension, CSR-related culture needs to be investigated (Handelman and Arnold 1999), and an analysis of competitors

as well as reactions to competitor activities would be important factors in firms building corporate brand dominance. Corporate governance should be studied because it represents “the efficacy of alternative ownership structures and alternative structures for the board of directors” (Core et al. 1999, p. 373). According to Werther and Chandler’s (2006), CSR-related strategy includes financial management, stakeholder involvement, public relations management, and human resource management. Moreover, since corporate investors are affected by CSR outcomes, numerous studies already exist and suggest owners’ or major investors’ preferences have a strong positive correlation with CSR participation (David et al. 2007; Graves and Waddock 1994; Johnson and Greening 1999; Neubaum and Zahra 2006).

Based on the above discussion, Fig. 7.1 is produced to illustrate a suggested CSR framework for future studies. In this figure, the boxes of “corporate context”, “CSR-related strategy”, “CSR-related outcomes”, and “current study: CSR-related SDM at the individual level” stand for those factors that have been examined in the current study, while rest boxes represent those concepts that may receive more attentions

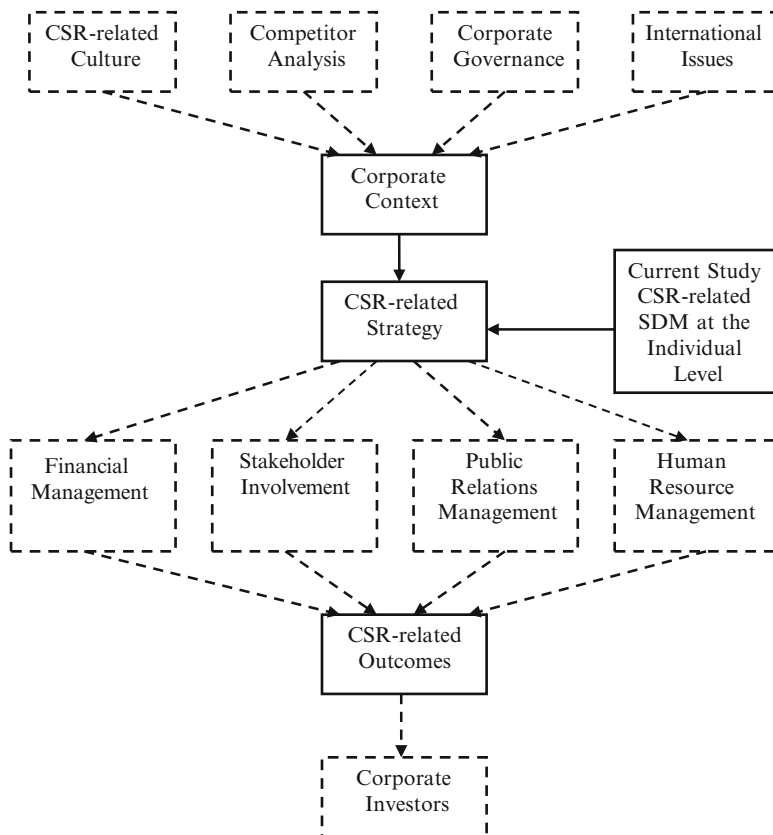


Fig. 7.1 A CSR framework for future research

and be analysed in the near future. The solid lines mean the relationships that have been examined in this study. Meanwhile, the broken lines represent the associations that need further explorations.

### **General Conclusion**

Literature on CSR and SDM suggests that research on the association of stakeholder salience, organisational and individual characteristics, as well as managers' CSR-related SDM still need theoretical and empirical support. This study has attempted to address some issues raised in the literature and suggested possible topics for future research. To aid theoretical development, the study utilises content analysis to summarise literature in the CSR area, including the main streams of SDM literature, and further articulates SDM concerning CSR issues. On the basis of the SDM literature, the author develops a research model which examines managers' CSR-related SDM from an integrative perspective. The findings suggest that stakeholders can predict managers' CSR-related SDM. In particular, the shareholders and the government are two key stakeholders to consider when managers make decisions about charity donation. Moreover, the factors of industry, ownership, previous company donation, firm size, firm age, personal values, and CEOs' attitudes influence the results of CSR-related SDM. Furthermore, the study applies stakeholder-salience and causal explanations theory to examine the results thoroughly. Finally, research contributions, implications, and limitations of this study are provided. The thesis ends with directions for future research.

# Appendices

**Appendix A: Sample Being Used for Analysis**

Year	Top academic journals										Managerial journals				Specialty journals				Row totals
	AMJ	AMR	SMJ	JIBS	OS	JOM	JAMS	JMS	JM	Others	CMR	HBR	SMR	JBE	BEQ	B&S	B&SR		
1949-1968	0	0	0	0	0	0	0	0	0	0	0	2	0	0	0	1	0	3	
1971-1975	2	0	0	0	0	1	1	0	0	0	0	0	0	0	0	0	6	14	
1976-1980	3	4	0	0	0	0	0	1	0	0	5	2	0	0	0	0	1	16	
1981-1985	3	3	0	0	0	1	0	0	1	0	6	1	0	5	0	0	6	26	
1986-1990	3	2	1	0	0	3	1	0	1	0	5	0	0	17	0	0	5	38	
1991-1995	3	4	0	0	0	0	1	0	1	1	0	5	0	19	1	9	4	48	
1996-2000	6	2	3	0	1	3	1	0	1	0	2	1	0	31	5	23	12	91	
2001-2005	0	4	1	1	2	3	1	1	0	1	8	7	5	114	12	23	20	203	
2006-2010	0	8	7	1	3	5	3	9	2	1	6	7	2	186	11	29	26	306	
Column totals	20	27	12	2	6	16	8	11	6	3	36	25	7	372	29	85	80	745	

Note: *AMJ* academy of management journal, *AMR* academy of management review, *SMJ* strategic management journal, *JIBS* journal of international business studies, *OS* organisation studies, *JOM* journal of marketing, *JAMS* journal of the academy of marketing science, *JMS* journal of management studies, *JM* journal of management, *Others* international journal of research in marketing, and administrative science quarterly, *CMR* California management review, *HBR* Harvard business review, *SMR* Sloan management review, *JBE* journal of business ethics, *BEQ* business ethics quarterly, *B&S* business & society, *B&S R* business & society review

## Appendix B: Categories and Subcategories Used to Classify Selected CSR Articles

<b>Corporate Context</b>
Individual level: personal values; incentive
Organisational level: stakeholder perspective; ownership perspective
Societal level: policy perspective; countries perspective; institutional perspective
<b>Corporate reputation</b>
Employees' attractiveness; consumers' attractiveness
<b>CSR-related Strategy</b>
Risk management; environment management; marketing management; stakeholder management
<b>The CSP Predictors</b>
CSP disclosures: annual report; letters to shareholders; corporate disclosures to society
CSP reputation ratings: fortune magazine ratings; reputation ratings developed by scholars;
Social audits:
CSP processes and observable outcomes: "behaviour" measures of CSP; Kinder, Lydenberg, Domini (KLD) measures; Council on Economic Priorities (CEP) index
<b>Corporate financial performance (CFP) predictors</b>
Marketing-based measures: market return on security; excess market return of stock; abnormal market returns
Accounting-based indicators: firm's return on assets (ROA); return on equity (ROE); earnings per share (EPS)
Perceptual measures of CFP: firm's "soundness of financial position"; "wise use of corporate assets"; "financial goal achievement relative to competitors"

## Appendix C: Frequency Counts of Articles Based on Themes for Leading Academic Journals

Year	Corporate context		CSR-related strategy		Corporate reputation		CSP-CFP		Conception and review
	T	E	T	E	T	E	T	E	T
1949–1974			2						
1975–1979				3				4	5
1980–1984			1	1		1	1	1	
1985–1989			3	1		1	2	1	2
1990–1994		5						2	2
1995–1999	1	4	2	3	1	1		2	4
2000–2004		2	2	1		3		3	1
2005–2009	5	6	4	13		4	5	2	4
Total	6	17	14	22	1	10	8	15	18

Note: "T" represents theoretical study and "E" means empirical work



### Appendix D: The Sixteen Scenarios Design Process

	Shareholders	Employees	Government	Customers	Competitors
1					•

1. The shareholders, the employees and the local government, and customers pay no attention to firm’s charity donation activities. However, competitors have already donated for these stricken areas.

	Shareholders	Employees	Government	Customers	Competitors
2				•	

2. The shareholders, the employees, the local government, and competitors pay no attention to this charity donation. However, customers are concerned about firm’s charity donation activities.

	Shareholders	Employees	Government	Customers	Competitors
3			•	•	

3. The shareholders, the employees, and competitors pay no attention to donate for these areas. However, the local government advocates firms’ participation in donation. Customers are concerned firm’s donation activities.

	Shareholders	Employees	Government	Customers	Competitors
4			•		•

4. The shareholders, the employees, and customers pay no attention to firm’s donation activities. However, the local government advocates the charity donation. Competitors have already donated for the stricken areas.

	Shareholders	Employees	Government	Customers	Competitors
5		•			•

5. The shareholders, the local government, and customers pay no attention to firm’s charity donation activities. However, employees are concerned about the donation for those stricken areas. Competitors have already donated.

	Shareholders	Employees	Government	Customers	Competitors
6		•		•	•

6. The shareholders and the local government pay no attention to donate. However, employees are concerned about the charity donation. Customers pay strong attention to firm’s donation. Competitors have already donated for these stricken areas.

	Shareholders	Employees	Government	Customers	Competitors
7	•				

7. The employees, the local government, customers, and competitors pay no attention to donate. However, the shareholders are concerned about the donation for these stricken areas.

	Shareholders	Employees	Government	Customers	Competitors
8	•			•	•

8. The employees and the local government pay no attention to donate. However, the shareholders are concerned about the donation. Customers are concerned about firm’s donation activities. Competitors have already donated for these stricken areas.

	Shareholders	Employees	Government	Customers	Competitors
9	•		•	•	•

9. The shareholders support the donation for these stricken areas. The local government advocates firms’ donation. Customers pay strong attention to firm’s donation activities. Competitors have already donated. However, the employees are not concerned about donation at all.

	Shareholders	Employees	Government	Customers	Competitors
10	•		•		•

10. The shareholders support the donation for these stricken areas. The local government advocates firms’ donation. Competitors have already donated. However, the employees are not concerned about donation at all. Customers are not concerned about firm’s donation activities at all.

	Shareholders	Employees	Government	Customers	Competitors
11	•	•			•

11. The shareholders support the donation for these stricken areas. The employees would like to donate. Competitors have already donated. However, the local government is not concerned about the donation at all. Customers pay no attention to firm's donation activities at all.

	Shareholders	Employees	Government	Customers	Competitors
12	•			•	

12. The shareholders support the donation for these stricken areas. Customers are concerned about firms' donation activities. However, the employees are not concerned about the donation at all. The local government pays no attention to the donation. Competitors would not like to donate.

	Shareholders	Employees	Government	Customers	Competitors
13	•		•	•	•

13. The shareholders support the donation for these stricken areas. The local government advocates donation. Customers are concerned about firm's donation activities. Competitors have already donated. However, the employees pay no attention to the donation.

	Shareholders	Employees	Government	Customers	Competitors
14	•	•	•		

14. The shareholders support the donation for these stricken areas. The employees would like to donate. The local government advocates the donation. However, customers are not concerned about firm's donation activities. Competitors would not like to donate.

	Shareholders	Employees	Government	Customers	Competitors
15	•	•	•	•	

15. The shareholders support the donation for these stricken areas. The employees would like to donate. The local government advocates firms' donation. Customers are concerned about firm's donation activities. However, competitors would not like to donate.

	Shareholders	Employees	Government	Customers	Competitors
16	•	•	•	•	•

16. The shareholders support the donation for these stricken areas. The employees would like to donate. The local government advocates firms' donation. Customers are concerned about firm's donations. Competitors have already donated for these disaster areas.

## Appendix E: Questionnaire (English Translation)



### Survey of Chinese top managers

#### **Importance of this research**

In the project, we analyse where corporate social responsibility (CSR) strategic orientation comes from. Through mental models, we will help Chinese executives to make rational decision-making. You will aid us to develop the strategic decision making and corporate social responsibility theories that will help your company to be more successful.

#### **Benefits for participants**

In return, we will provide a personalised research report concerning personal values and some suggestions on CSR strategy (please fill the additional comments part, if you desire this report.).

#### **Confidentiality**

Note that your answers, attitudes, and opinions remain confidential and will be used by the researchers for statistical purposes only. Your individual responses will never be available to anyone in your organizations or other organizations. We will follow the “Law of the People’s Republic of China on Guarding State Secrets” to do this survey.

#### **Response**

It takes about 10 to 15 minutes to fill this questionnaire. Please return the completed survey as soon as possible. Your help is very much appreciated.

If you need some assistance, please do not hesitate to contact:

Researcher: Shuo Wang

Business School, Dublin City University, Dublin 9, Ireland

Contact number: +86 1381 042 5191 (China);

Email: [shuo.wang2@mail.dcu.ie](mailto:shuo.wang2@mail.dcu.ie)

**Thank you very much for your participation!**



## Section Two: Scenario

A number of scenarios involving situations which might induce a firm into charity donation are enlisted. *Recently, there was a massive flood disaster in some of the regions.* For each scenario, based on the information provided in every case, and your experience and knowledge, please rate on a scale from 1 to 7. Place a “√” in the appropriate place.

According to your preference, what is the probability that you would consider to donate at this moment?

Not probable		Somewhat improbable	Neutral		Somewhat probable	Probably
1	2	3	4	5	6	7

According to your organisation’s situation, what is the probability that your organisation would consider to donate at this moment?

Not probable		Somewhat improbable	Neutral		Somewhat probable	Probably
1	2	3	4	5	6	7

1. The shareholders, the employees and the local government, and customers pay no attention to firm’s charity donation activities. However, competitors have already donated for these stricken areas.

(Individual) Low probability	1	2	3	4	5	6	7	High probability
(Organisation) Low probability	1	2	3	4	5	6	7	High probability

2. The shareholders, the employees, the local government, and competitors pay no attention to this charity donation. However, customers are concerned about firm’s charity donation activities.

(Individual) Low probability	1	2	3	4	5	6	7	High probability
(Organisation) Low probability	1	2	3	4	5	6	7	High probability

3. The shareholders, the employees, and competitors pay no attention to donate for these areas. However, the local government advocates firms’ participation in donation. Customers are concerned firm’s donation activities.

(Individual) Low probability	1	2	3	4	5	6	7	High probability
(Organisation) Low probability	1	2	3	4	5	6	7	High probability

4. The shareholders, the employees, and customers pay no attention to firm’s donation activities. However, the local government advocates the charity donation. Competitors have already donated for the stricken areas.

(Individual) Low probability	1	2	3	4	5	6	7	High probability
(Organisation) Low probability	1	2	3	4	5	6	7	High probability

5. The shareholders, the local government, and customers pay no attention to firm’s charity donation activities. However, employees are concerned about the donation for those stricken areas. Competitors have already donated.

(Individual) Low probability	1	2	3	4	5	6	7	High probability
(Organisation) Low probability	1	2	3	4	5	6	7	High probability

6. The shareholders and the local government pay no attention to donate. However, employees are concerned about the charity donation. Customers pay strong attention to firm’s donation. Competitors have already donated for these stricken areas.

(Individual) Low probability	1	2	3	4	5	6	7	High probability
(Organisation) Low probability	1	2	3	4	5	6	7	High probability

7. The employees, the local government, customers, and competitors pay no attention to donate. However, the shareholders are concerned about the donation for these stricken areas.

(Individual) Low probability	1	2	3	4	5	6	7	High probability
(Organisation) Low probability	1	2	3	4	5	6	7	High probability

8. The employees and the local government pay no attention to donate. However, the shareholders are concerned about the donation. Customers are concerned about firm’s donation activities. Competitors have already donated for these stricken areas.

(Individual) Low probability	1	2	3	4	5	6	7	High probability
(Organisation) Low probability	1	2	3	4	5	6	7	High probability

According to your preference, what is the probability that you would consider to donate at this moment?

Not probable		Somewhat improbable	Neutral		Somewhat probable	Probably
1	2	3	4	5	6	7

According to your organisation's situation, what is the probability that your organisation would consider to donate at this moment?

Not probable		Somewhat improbable	Neutral		Somewhat probable	Probably
1	2	3	4	5	6	7

9. The shareholders support the donation for these stricken areas. The local government advocates firms' donation. Customers pay strong attention to firm's donation activities. Competitors have already donated. However, the employees are not concerned about donation at all.

(Individual) Low probability	1	2	3	4	5	6	7	High probability
(Organisation) Low probability	1	2	3	4	5	6	7	High probability

10. The shareholders support the donation for these stricken areas. The local government advocates firms' donation. Competitors have already donated. However, the employees are not concerned about donation at all. Customers are not concerned about firm's donation activities at all.

(Individual) Low probability	1	2	3	4	5	6	7	High probability
(Organisation) Low probability	1	2	3	4	5	6	7	High probability

11. The shareholders support the donation for these stricken areas. The employees would like to donate. Competitors have already donated. However, the local government is not concerned about the donation at all. Customers pay no attention to firm's donation activities at all.

(Individual) Low probability	1	2	3	4	5	6	7	High probability
(Organisation) Low probability	1	2	3	4	5	6	7	High probability

12. The shareholders support the donation for these stricken areas. Customers are concerned about firms' donation activities. However, the employees are not concerned about the donation at all. The local government pays no attention to the donation. Competitors would not like to donate.

(Individual) Low probability	1	2	3	4	5	6	7	High probability
(Organisation) Low probability	1	2	3	4	5	6	7	High probability

13. The shareholders support the donation for these stricken areas. The local government advocates donation. Customers are concerned about firm's donation activities. Competitors have already donated. However, the employees pay no attention to the donation.

(Individual) Low probability	1	2	3	4	5	6	7	High probability
(Organisation) Low probability	1	2	3	4	5	6	7	High probability

14. The shareholders support the donation for these stricken areas. The employees would like to donate. The local government advocates the donation. However, customers are not concerned about firm's donation activities. Competitors would not like to donate.

(Individual) Low probability	1	2	3	4	5	6	7	High probability
(Organisation) Low probability	1	2	3	4	5	6	7	High probability

15. The shareholders support the donation for these stricken areas. The employees would like to donate. The local government advocates firms' donation. Customers are concerned about firm's donation activities. However, competitors would not like to donate.

(Individual) Low probability	1	2	3	4	5	6	7	High probability
(Organisation) Low probability	1	2	3	4	5	6	7	High probability

16. The shareholders support the donation for these stricken areas. The employees would like to donate. The local government advocates firms' donation. Customers are concerned about firm's donations. Competitors have already donated for these disaster areas.

(Individual) Low probability	1	2	3	4	5	6	7	High probability
(Organisation) Low probability	1	2	3	4	5	6	7	High probability





## Section Four: About Your Organisation

**Instructions:** If you are in a branch organization, please provide the information about the branch.  
If you are in headquarter, please provide the information about the headquarter firm.

1. Ownership of your organisation: (please tick ✓ one box only)

- State-owned enterprise and state-holding enterprise     Private enterprise  
 Foreign-owned enterprise     Joint Venture enterprise     Other \_\_\_\_\_

2 What is the current number of full-time employees in this organisation? \_\_\_\_\_

3 Location of your organisation \_\_\_\_\_ Province/ City

4 Year of the establishment of the organisation (e.g. 2008): \_\_\_\_\_

5 Organisational life cycle:  Start-up stage     Emerging growth stage     Mature stage     Other \_\_\_\_\_

6 How much money does your organisation spend on social welfare for each year? (million-m)

- |                                      |                                    |                                    |                                    |                                     |
|--------------------------------------|------------------------------------|------------------------------------|------------------------------------|-------------------------------------|
| <input type="checkbox"/> below 0.2 m | <input type="checkbox"/> 0.21–0.4m | <input type="checkbox"/> 0.41–0.6m | <input type="checkbox"/> 0.61–0.8m | <input type="checkbox"/> 0.81–1.0m  |
| <input type="checkbox"/> 1.01–2.0m   | <input type="checkbox"/> 2.01–4.0m | <input type="checkbox"/> 4.01–6.0m | <input type="checkbox"/> 6.01–8.0m | <input type="checkbox"/> 8.01–10m   |
| <input type="checkbox"/> 10.01–20m   | <input type="checkbox"/> 20.01–40m | <input type="checkbox"/> 40.01–60m | <input type="checkbox"/> 60.01–80m | <input type="checkbox"/> above 100m |

7 What sector is your organisation in? (If you are in several: tick just the most appropriate one)

- |   |   |
|---|---|
| <input type="checkbox"/> Agriculture, forestry, animal husbandry and fishery industry                       | <input type="checkbox"/> Information and software             |
| <input type="checkbox"/> Producer and supplier of natural gas, electricity, and water                       | <input type="checkbox"/> Renting and business services        |
| <input type="checkbox"/> Scientific research, technical services and geological prospecting                 | <input type="checkbox"/> Accommodation and catering           |
| <input type="checkbox"/> Water conservancy, environment and public facilities management                    | <input type="checkbox"/> Real estate and Construction         |
| <input type="checkbox"/> Transport, warehousing and postal service  | <input type="checkbox"/> Wholesale and retail                 |
| <input type="checkbox"/> Manufacturing and mining   | <input type="checkbox"/> Public administration and NGO        |
| <input type="checkbox"/> Finance  | <input type="checkbox"/> Resident services and other services |
| <input type="checkbox"/> Education, health, social security, social welfare, culture, sports and recreation | <input type="checkbox"/> Other _____                          |

### Section Five: About Yourself

**Section Five About yourself**

- 1 Your age is:      Below 25      25-34      35-44      45-54      55+
- 2 Your gender:      Male                              Female
- 3 Your education degree: (please tick  one box only)  
Junior middle school Senior middle school    Bachelor degree   Master degree   Doctoral degree   Other\_\_
- 4 Your highest education degree type: (please tick  one box only)  
Management   Economics   Education   History   Engineering   Art   Law  
Medicine   Militarily   Philosophy   Science   Agriculture   Other \_\_\_\_\_
- 5 In your work experience, how many functional areas there are? (please tick  one or more boxes)  
Accounting      Engineering      Finance      Marketing  
Management      Production      purchasing      R&D      other \_\_\_\_\_
- 6 Your current position: CEO   other executive   middle manager   other manager   other \_\_\_\_\_
- 7 Your current functional area: (please tick  one box only)  
Accounting      Engineering      Finance      Marketing  
Management      Production      purchasing      R&D      Other \_\_\_\_\_
- 8 How many years of work experience do you have in total? \_\_\_\_\_ years

Notes

Completing this questionnaire was:  
Not at all difficult   1      2      3      4      5      6      7      Highly difficult

Please give us any additional comments you think we should have:

If you would like to receive our research report and the evaluation of your personal values, please fill in your contact details below:  
Company: \_\_\_\_\_ Telephone: \_\_\_\_\_ Email: \_\_\_\_\_  
(The research report will be sent to you by email. If you need it to be posted, please specify.)

Thanks very much for your cooperation!  
Your time and opinions are appreciated!

## Appendix F: Questionnaire (Chinese Version)



保密文件

### 中国高层管理人员调查问卷

#### 该研究的重要性

本研究项目旨在了解中国管理人员做出企业社会责任战略选择时的决策依据是什么,并通过心理表征分析帮助经理人进行理性抉择。您的参与将协助我们进行理论的拓展并向您推荐能够促使贵公司走向成功的建议。

#### 您的受益之处

作为对您积极参与的回报,我们将免费为贵公司赠送一份研究成果总结,包括个人价值观报告及对企业社会责任战略决策的建议(索取该报告,请填写备注栏)。

#### 保密性

您的合作、态度及观点将会**绝对保密**。问卷回收后,我们只对问卷进行数据处理来反映整体状况,不会涉及您的个人信息。您个人及您所在单位在研究过程中都将被识别。我们将严格按《中华人民共和国保密法》保守您的秘密,不会透露给其他组织或个人。

#### 如何回复该问卷

回答本问卷大概需要 10-15 分钟,请您尽力填写该问卷,并将其交回到问卷发放者手中。我们将不胜感激。

如果您在填写过程中需要任何帮助,请与我们联系:

研究员: 王 硕

地址: 北京市石景山区香山南路 166 号, 4 栋 5 单元 102 室(邮编 100041)

电话: +86 1381 042 5191 (中国)

电子邮件: [shuo.wang2@mail.dcu.ie](mailto:shuo.wang2@mail.dcu.ie)



## 第二部分 情景模拟

本部分为企业慈善捐助的情景模拟；近期许多地区发生洪涝灾害。请基于每个情景提供的信息及您的经验和认识，对如下陈述进行从1到7打分，并将“√”打在相应的选项上。

## 1. 就您个人的意愿而言，您有多大的可能会在此时做出个人捐款的决策？

绝不可能	不可能	不太可能	不确定	可能	很有可能	极有可能
1	2	3	4	5	6	7

## 2. 就您的公司而言，您认为有多大的可能性此时公司会做出企业捐款的决策？

绝不可能	不可能	不太可能	不确定	可能	很有可能	极有可能
1	2	3	4	5	6	7

1. 此时，公司股东、雇员、顾客及当地政府都对捐款活动不太关注。但是，竞争对手公司已经为受灾地区进行了捐款。

(个人意愿) 绝不可能	1	2	3	4	5	6	7	极有可能
(公司意愿) 绝不可能	1	2	3	4	5	6	7	极有可能

2. 此时，公司股东、雇员、竞争对手公司及当地政府都不太关系捐款事宜。但是，该公司顾客群对企业的捐款行为非常关注。

(个人意愿) 绝不可能	1	2	3	4	5	6	7	极有可能
(公司意愿) 绝不可能	1	2	3	4	5	6	7	极有可能

3. 此时，公司股东、雇员及竞争对手公司都对捐款活动不太关注。但是，政府大力动员企业参与捐款活动。该公司顾客群也非常关注企业的赈灾捐款活动。

(个人意愿) 绝不可能	1	2	3	4	5	6	7	极有可能
(公司意愿) 绝不可能	1	2	3	4	5	6	7	极有可能

4. 此时，公司股东，雇员，顾客及当地政府都对捐款活动不太关注。但是，政府大力动员企业进行赈灾捐款，且竞争对手公司已经为受灾地区进行了捐款。

(个人意愿) 绝不可能	1	2	3	4	5	6	7	极有可能
(公司意愿) 绝不可能	1	2	3	4	5	6	7	极有可能

5. 此时，公司股东，顾客及当地政府都对捐款活动不太关注。但是，该公司雇员非常关注本公司是否参与捐款活动。竞争对手公司已经为受灾地区进行了捐款。

(个人意愿) 绝不可能	1	2	3	4	5	6	7	极有可能
(公司意愿) 绝不可能	1	2	3	4	5	6	7	极有可能

6. 此时，公司股东及当地政府都对捐款活动不太关注。但是，雇员非常关注本公司是否参与捐款活动，该公司顾客群非常关注企业的捐款行为，且竞争对手公司已经为受灾地区进行了捐款。

(个人意愿) 绝不可能	1	2	3	4	5	6	7	极有可能
(公司意愿) 绝不可能	1	2	3	4	5	6	7	极有可能

7. 此时，公司雇员、顾客、竞争对手公司及当地政府都对捐款活动不太关注。但是，该公司股东非常希望企业参与捐款活动。

(个人意愿) 绝不可能	1	2	3	4	5	6	7	极有可能
(公司意愿) 绝不可能	1	2	3	4	5	6	7	极有可能

8. 此时，公司雇员及当地政府都对捐款活动不太关注。但是，公司股东非常希望本公司参与捐助活动，该公司顾客群非常关注企业的捐助行为，竞争对手公司已经为受灾地区进行了捐款。

(个人意愿) 绝不可能	1	2	3	4	5	6	7	极有可能
(公司意愿) 绝不可能	1	2	3	4	5	6	7	极有可能

## 1. 就您个人的意愿而言, 您有多大的可能会在此时做出个人捐款的决策?

绝不可能	不可能	不太可能	不确定	可能	很有可能	极有可能
1	2	3	4	5	6	7

## 2. 就您的公司而言, 您认为有多大的可能性此时公司会做出企业捐款的决策?

绝不可能	不可能	不太可能	不确定	可能	很有可能	极有可能
1	2	3	4	5	6	7

9. 此时, 公司股东希望本公司参与赈灾捐款, 当地政府鼓励企业为受灾地区捐助, 该公司顾客群非常关注企业的捐款行为, 竞争对手公司已经为受灾地区进行了捐款。但是, 该公司雇员对捐款活动不太积极。								
(个人意愿) 绝不可能	1	2	3	4	5	6	7	极有可能
(公司意愿) 绝不可能	1	2	3	4	5	6	7	极有可能

10. 此时, 公司股东希望企业参与为受灾地区捐款, 当地政府鼓励企业进行赈灾捐款, 竞争对手公司已经为受灾地区进行了捐款。但是, 雇员对捐款活动不太积极, 该公司顾客群也不是很关心该企业的捐款行为。								
(个人意愿) 绝不可能	1	2	3	4	5	6	7	极有可能
(公司意愿) 绝不可能	1	2	3	4	5	6	7	极有可能

11. 此时, 公司股东希望企业参与为受灾地区捐款, 雇员对捐款活动很积极, 竞争对手公司已经为受灾地区进行了捐款。但是, 当地政府并未鼓励公司捐款, 该公司顾客群也不是很关心该企业的捐款行为。								
(个人意愿) 绝不可能	1	2	3	4	5	6	7	极有可能
(公司意愿) 绝不可能	1	2	3	4	5	6	7	极有可能

12. 此时, 公司股东希望企业参与为受灾地区捐款, 该公司顾客群很关注企业的捐款行为。但是, 该公司雇员对捐款不是很积极, 当地政府并未鼓励公司捐款, 且竞争对手公司也没有捐款意愿。								
(个人意愿) 绝不可能	1	2	3	4	5	6	7	极有可能
(公司意愿) 绝不可能	1	2	3	4	5	6	7	极有可能

13. 此时, 当地政府鼓励企业为受灾地区捐助, 该公司雇员积极参与捐款, 该公司顾客群非常关注企业的捐款行为, 且竞争对手公司已经为受灾地区进行了捐款。但是, 该公司股东对捐款活动不太积极。								
(个人意愿) 绝不可能	1	2	3	4	5	6	7	极有可能
(公司意愿) 绝不可能	1	2	3	4	5	6	7	极有可能

14. 此时, 该公司股东支持企业捐款行为, 雇员积极参与捐款活动, 当地政府鼓励企业进行捐助。但是, 该公司顾客群对企业是否参与捐款活动并不关心, 且竞争对手公司也没有捐款意愿。								
(个人意愿) 绝不可能	1	2	3	4	5	6	7	极有可能
(公司意愿) 绝不可能	1	2	3	4	5	6	7	极有可能

15. 此时, 该公司股东支持企业捐款行为, 雇员积极参与捐款活动, 当地政府鼓励企业进行捐助, 该公司顾客群对企业是否参与捐款活动非常关心。但是, 竞争对手公司没有捐款意愿。								
(个人意愿) 绝不可能	1	2	3	4	5	6	7	极有可能
(公司意愿) 绝不可能	1	2	3	4	5	6	7	极有可能

16. 此时, 该公司股东支持企业捐款行为, 雇员积极参与捐款活动, 当地政府鼓励企业进行捐助, 该公司顾客群对企业是否参与捐款活动非常关心, 且竞争对手公司已经开展了捐助活动。								
(个人意愿) 绝不可能	1	2	3	4	5	6	7	极有可能
(公司意愿) 绝不可能	1	2	3	4	5	6	7	极有可能

当您在做出公司的慈善捐助决策时，您将在多大程度上参考以下“与企业利益有关的各方”的意见：

	毫不重要	不太重要	一般重要	比较重要	非常重要
1. 股东					
2. 雇员	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. 顾客	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. 政府	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. 竞争对手	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### 第三部分 对慈善事业的态度

如果您是公司的首席执行官 (CEO)，请根据您的帮助他人及中国慈善机构的认识判断：

如果您不是公司首席执行官 (CEO)，请根据您的感受到的贵公司首席执行官对慈善事业的态度判断如下陈述：

	非常不认同	不认同	一般	比较认同	非常重要
1 我们应该帮助那些生活窘迫的人们	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 帮助身处困境的人对于我来说非常重要。	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 我们应该多对社会中的其他人进行慈善帮助。	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 在危难中的人们应该得到他人的帮助。	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 为慈善事业募捐总是会获得好的效果（结果）。	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 很多慈善捐款都在使用的过程中被浪费了。	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 慈善机构在我心里留下的印象都是很好的。	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 慈善机构总是能够非常有效地帮助处于危难中的人们。	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9 慈善机构在社会中的作用非常重要。	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## 第四部分 贵公司的大概情况

说明：如果您所在的公司有多家分支机构，请填写您所在的总公司或分公司的情况。

1 贵公司的所有制形式：（请在相应的□上打√）

国有及国有控股企业     私营企业     外资企业     合资企业     其他（请注明）\_\_\_\_\_

2 贵公司目前在职工是多少？\_\_\_\_\_

3 贵公司所在地 \_\_\_\_\_省/市

4 贵公司成立的时间是 \_\_\_\_\_年（请填写具体年份）

5 贵公司目前所处的企业发展周期为： 初创期     快速成长期     成熟期     其他\_\_\_\_\_

6 贵公司大概每年用于社会福利事业的资金（如捐赠等）约为：

20 万元以下     21~40 万元     41~60 万元     61~80 万元     81~100 万元  
 101~200 万元     201~400 万元     401~600 万元     601~800 万元     801~1000 万元  
 1001~2000 万元     2001~4000 万元     4001~6000 万元     6001~8000 万元     1 亿元及其以上

7 贵公司经营业务所属的行业？

<input type="checkbox"/> 农、林、牧、渔业	<input type="checkbox"/> 信息传输、计算机服务和软件业
<input type="checkbox"/> 电力、燃气及水的生产和供应	<input type="checkbox"/> 租赁和商务服务业
<input type="checkbox"/> 科学研究、技术服务和地质勘查业	<input type="checkbox"/> 住宿和餐饮业
<input type="checkbox"/> 水利、环境和公共设施管理业	<input type="checkbox"/> 建筑业及房地产业
<input type="checkbox"/> 交通运输、仓储和邮政业	<input type="checkbox"/> 批发和零售业
<input type="checkbox"/> 制造业和采矿业	<input type="checkbox"/> 金融业
<input type="checkbox"/> 居民服务和其他服务	<input type="checkbox"/> 公共管理和社会组织
<input type="checkbox"/> 教育、卫生、社会保障、社会福利、文化、体育和娱乐业	<input type="checkbox"/> 其他（请注明）_____



## 第五部分 关于您个人的基本信息

- 1 您所处的年龄阶段是： 低于 25 岁     25~34 岁     35~44 岁     45~54 岁     超过 55 岁
- 2 您的性别是： 男性     女性
- 3 您的最高学历是：（请选择一项答案，并在其上打“√”）  
 初中     高中     大学本科     硕士     博士     其他 \_\_\_\_\_
- 4 您的最高学位的学科分类为：（请选择一项答案，并在其上打“√”）  
 管理学     经济学     法律     历史学     艺术     农学  
 工程学     教育学     医学     军事学     哲学     理学     其他 \_\_\_\_\_
- 5 在您的工作经历中，您都从事过哪几种行业？（请选择一项或多项答案，并在其上打“√”）  
 会计     工程     金融     市场营销     管理  
 生产制造     采购     研发     其他 \_\_\_\_\_
- 6 您的当前职位是： 首席执行官     其他高级管理职位     中层经理     其他经理职位     其他 \_\_\_\_\_
- 7 您的当前职能范围是：（请选择一项或多项答案，并在其上打“√”）  
 会计     工程     金融     市场营销     管理  
 生产制造     采购     研发     其他 \_\_\_\_\_
- 8 您自从参加工作以来，总共的工作年限是 \_\_\_\_\_ 年

备注

关于填写本调查问卷的难度，您认为

根本不困难     1     2     3     4     5     6     7    非常困难

如果您对该问卷有何评论，请在下方写出：

如果您希望索取一份本课题项目的研究报告，请在下面空白处填写您的联系方式，或者请在该处附上您的名片。

公司： \_\_\_\_\_ 电话： \_\_\_\_\_ 电子信箱： \_\_\_\_\_

（本研究报告将以电子邮件方式发送，如需邮寄请注明）

感谢您的合作！

我们对您在该问卷上投入的时间和您的观点深表感激！

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