

*GUANXI* AND LEGITIMACY:  
UNDERSTANDING CORPORATE SOCIAL RESPONSIBILITY AND  
PUBLIC RELATIONS IN CHINA AND THE U.S.

by

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## ABSTRACT

This study provides a cross-cultural comparison of public relations practitioners as the facilitators of Corporate Social Responsibility (CSR) initiatives in China and in the U.S. A qualitative investigation was conducted employing grounded theory and in-depth interviews with 11 participants, incorporating representatives from top U.S. and China public relations firms, including five top ten international public relations firms. The research found that *guanxi* (business relationships) is a major cultural influence on the institutionalization of CSR in China, whereas legitimacy, and a need to develop more sophisticated business strategy and protect brand image, has driven CSR development at an increased rate in the West. The results build on a theoretical understanding of CSR as having an economic, legal, ethical, and/or discretionary rationale (Carroll, 1979), and call for a new theoretical understanding that focuses more on the benefit of CSR to society and its integration with business strategy. The study validates the role of public relations practitioners as the facilitators of CSR. Finally, the findings indicate that CSR is not paradigmatic by region so much as by business experience. That is, an overarching cross-cultural CSR paradigm emerged in this study that correlated effective CSR programs with levels of experience in running a business in the free-enterprise system. This study revealed a pattern of global activation that starts by uniting an organization around a similar issue or interest, activating stakeholders at the local level and adjusting for community-specific and culturally specific need, and laddering local effects back up to a greater global awareness and impact (Figure 1).

## DEDICATION

To my mom for always supporting me and for listening to my ever-changing ideas for my future, to my dad for reminding me to slow down and take things day by day, to my sister for serving as an excellent example of social consciousness in action, and to my family for always being willing to answer the phone or provide a distraction.

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## CHAPTER 1

### INTRODUCTION

Corporate Social Responsibility (CSR) is being employed and facilitated on an international scale. It is “the new imperative” for the 21<sup>st</sup> century (Wilcox & Cameron, 2009, p. 67), encompassing legal, ethical, economic, and discretionary dimensions that ensure regulatory compliance while extending above and beyond the role of the business to benefit society or the greater good (Carroll, 1977). And, because public relations practitioners are tasked with monitoring, engaging, and responding to stakeholder interests, it has largely fallen to public relations to design and execute these programs, many of which become integral to the organization’s mission and business objectives. Large companies like Ben & Jerry’s, Discovery Communications, and Microsoft are leading the way with CSR initiatives hitting the triple bottom line of people, planet, and profit (Jacques, 2010). By aligning CSR initiatives with their personal brand and abilities, culture and functions, such organizations are able to build a socially responsible core that aids both the company and the local, national, or global community.

Globally, CSR has been examined to understand how culture influences its implementation, benefit, and social acceptance. However, there exists a need to further examine the role of culture in the ever-evolving CSR landscape. In turn, because CSR traditionally has been thought of as a Western initiative, its applications among global business illuminate the need for continued research on how organizations facilitate CSR in the U.S. and abroad. The field continues to garner academic interest, which correlates with the prevalence of CSR practices in real world applications (Crane, McWilliams, Matten, Moon, & Siegel, 2008). Meng

and Berger (2014, p. 44) found CSR to be so integral to global public relations, for example, that they included it in their list of “10 Critical Issues” in their global leadership survey. This study, then, seeks to attain an understanding of the development, implementation, and function of CSR agendas among public relations firms that serve their clients’ stakeholder communities in the U.S. and China, which has been involved in building national and business initiatives since the launch of its 1978 Open Door Policy.

Various stakeholder interests have been tied to the increased focus on CSR. Mele (2008) noted that “society grants legitimacy and power to business” (p. 52) just as business relies on society for sustainability, creating a reciprocal relationship between the two. Outside groups working on behalf of society also serve to influence the actions of business leaders. The growth of NGOs since the 1980s has demonstrated a clear impact on how businesses govern and behave (Doh & Guay, 2006). Because employees and other key stakeholders are also consumers and community citizens, CSR contributes to a firm’s competitive advantage by understanding and responding to stakeholder interests (Litz, 1996). As social media and technological advancements increasingly provide platforms for stakeholder comments between and among themselves and an organization, and as these forums demand levels of authenticity and transparency from among the conversants, CSR has not only become a route through which business can remain engaged and responsive, but with which business can demonstrate legitimacy and credibility with those key groups.

In turn, a business stands to benefit in numerous ways from CSR activities that are executed and publicized well. A socially responsible culture can benefit an organization by providing a track record of ethical practices, which become salient in the face of an impending crisis (David, Kline, & Yang, 2005). CSR can aid organizations in avoiding costly conflict

(Heath, 1997). It may also provide a competitive edge when the difference is small between one organization and a competitor. Socially responsible investing, selecting investments based on an organization's social purpose, is another factor adding to the growing number of socially responsible companies. A 2011 Nielsen survey suggested that half of all global consumers would be willing to pay more for goods and services from companies actively engaged in CSR practices, leading to a positive societal impact ("World," 2013). With a population willing and ready to support socially responsible business, it is important that organizations adopt and promote CSR practices through the channels that best align with stakeholders' values and interests (Heath, 1997). Today, those interests reach far beyond national boundaries, creating a unique opportunity to shape CSR in different parts of the world, with different local cultures, political systems, and levels of economic development. Not surprisingly, many companies now feel the need to join their local, national, and world communities, providing help where and when they can (Stone, 2005).

The present study will examine how multinational public relations firms work with corporations to develop CSR agendas that positively impact the U.S., China, and beyond and, in doing so, to identify critical similarities and differences in the development, management, and reporting of these initiatives. By employing in-depth interviews with public relations professionals, this research attempts to determine best practices for practitioners when developing CSR initiatives and to understand the challenges and opportunities in building and maintaining CSR programs and monitoring stakeholder engagement that spans geographic and/or cultural boundaries.

## CHAPTER 2

### LITERATURE REVIEW

#### **Conceptualizing CSR**

Global CSR programs have evolved over time, with varying degrees of impact on the development of local sustainability initiatives, supplies of basic human necessities, integration of socially responsible practices in work conditions, and human rights initiatives. For example, there no longer exists clear distinctions between such terms as ethics and profitability, or local and global (Stohl, Stohl, & Townsley, 2007). As early as 1641, U.S. nonprofits played a role in supporting education through organized acts of persuasion, ultimately leading to increased creativity and the introduction of new engagement techniques in the 1820s and 1830s (Lamme & Russell, 2010). Meanwhile basic concepts of CSR were emerging as early as the 1800s, when business began to focus on facilitating productivity by better serving their employees (Crane et al., 2008) and their stakeholder groups (Lamme & Russell, 2010). These initiatives grew more sophisticated over time, utilizing press opportunities, legislative appeals, relationship building, emotional appeals, and, by the 1870s, subscriptions and matching of funds. In the American progressive era (a period of political reform and activism from the 1890s to the 1920s), business leaders became more aware of the importance of addressing social problems while developing an understanding of social agencies and their roles as change agents. In the mid-1900s CSR efforts went through a number of phases. At first, CSR agendas centered on philanthropy, and then, as time passed, there was a shift toward the awareness era (when a more modern approach to broad

CSR took shape as a management idea), followed by a shift to a focus on responsiveness to the community at large (Crane et al., 2008).

Today, CSR is a complex idea, and has yet to receive a singular overarching definition. McWilliams and Siegal (2001) operationally defined the practice as actions by corporations that are voluntary and serve to increase their association as good corporate citizens. It has also been referred to as any voluntary activity removed from profitability that a business uses to enhance society (Fukukawa & Moon, 2004). The idea of voluntary action faces much debate, because it is more and more difficult to clearly distinguish activities that are in no way driven by governmental regulations. Bowen (1953) was one of the first to publicly define CSR, referring to the practice as the obligation of businessmen to prioritize the values of society and take the necessary actions to support them. Fredrick (1960) proposed a definition that suggests that firms should work to ensure that resources are used for the benefit of society as a whole, and not simply for private persons or firms. Walton (1967) focused on the intimacy of the relationship between society and corporations and the importance of considering this relationship when doing business. He further identified a need for voluntary action and illustrated a problem that is still present today when he asserted that the exact economic ends might not be assessable. CSR has also been defined by its subcategories and conceptualized to encompass corporate citizenship, sustainable business, corporate responsibility, and corporate social performance (Crane et al., 2008).

Zerfass, Linke and Röttger (2014, p. 74) concluded, however, that CSR “has to be conceptualized as a dynamic concept.” Additionally, the interdisciplinary nature of the field makes CSR studies relevant across profit, nonprofit, and communications sectors. For example, Gray, Owens, and Adams (1996) defined CSR communication as “the process of communicating

the social and environmental effects of organizations' economic actions to particular interest groups within society and to society at large" (p. 3). Freeman (2006) noted the convergence between corporate reputation and CSR, attributing it to the role and power of NGOs, a growing number of organizational stakeholders without geographical boundaries that believe business should share some of the government's responsibility for social and environmental issues. He further illustrated the challenges of CSR management as that of accountability and sustainability: Effective CSR engagement campaigns offer stakeholders snapshots of an organization's commitment and performance with a long-term orientation.

CSR engagement can come in many different forms. Kotler and Lee (2005) defined six strategies of CSR activities: cause promotions (supporting causes through sponsorships or events), cause-related marketing (donating a percentage of revenue), corporate social marketing (supporting behavior change campaigns), corporate philanthropy (charitable cash grants), community volunteering (employees encouraged to volunteer locally), and socially responsible behavior (adopting discretionary business practices). Sethi (1975) clarified obligations, responsiveness, and responsibility, defining CSR as "bringing corporate behavior up to a level where it is congruent with the prevailing social norms, values, and expectations of performance" (p. 49). Steiner (1972) highlighted the idea that larger firms have a greater amount of responsibility, but concluded by reaffirming that regardless of size, firms should be socially conscious.

Furthermore, specifically tailored CSR engagement plans that incorporate appropriate strategies and channels to secure stakeholder engagement can provide many benefits. CSR can provide a positive effect on corporate identity and purchase intention, as it influences a corporation's reputation among the customer base (Kim & Reber, 2008). Companies with strong

CSR policies are more attractive as employers (Kim & Park, 2011), and employees seek companies that align with their personal interests and beliefs; therefore, a well-documented CSR policy can ensure that employees throughout the company share common goals, issues, and ideas. A 2012 study exemplified CSR practice as a significant predictor of organizational commitment, “a construct that has previously been shown to positively influence other organisational outcomes such as employee motivation, productivity, turnover rates, and absenteeism” (Dhanesh, p. 39). An increased sense of discretionary CSR activities makes the employees more attached to the organization. Ekatah, Samy, Bampton, and Halabi (2011, p. 259) listed numerous reasons CSR is an advantageous practice including: enhanced brand image, positive reputation among consumers, the ability to attract more skilled employees and business partners, less risk of negative rare events or effects, less risk of bribery and corruption, and less risk of having to recall defective product lines or pay heavy fines for excessive polluting. These factors illustrate that the very act of engaging in socially responsible behaviors not only creates a positive ripple effect among an organization’s external stakeholders, but also cultivates proactive and ethical behavior among its internal stakeholders. Crane et al. (2008) lists numerous beneficiaries of CSR efforts, including, “education, culture and the arts, health and human services, civil and community, international donees, community partners, and NGO partners.” CSR provides intangible resources impacting reputation, culture, employees’ knowledge, and capabilities (Branco & Rodrigues, 2006).

In its early stages, CSR research also sought to develop theories and overarching ideas that could be applied for a better understanding of the practice: Corporate Social Performance (business has a responsibility to provide some assistance in solving social problems in its community, above and beyond economic and legal regulation); Shareholder Value Theory

(business should focus solely on economic progress); Stakeholder Theory (business should engage with a variety of stakeholders and stakeholder initiatives while allowing for a wide-range of managerial duties); and Corporate Citizenship (business is a citizen of society and should thus be concerned with the good will of people through activities such as philanthropic engagement) (Mele, 2008).

Leading such theory development is Carroll, who proposed a seminal theory of CSR by introducing a three-dimensional model of corporate performance consisting of overlapping circles encompassing economic, legal, and ethical rationales. Later he added a fourth element, discretionary, to his theory which focused on the greater good; he theorized social responsibility as being the point when, “business emphasizes the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time” (Carroll, 1979, p. 500). Economic concerns involve providing goods and services for profit; legal concerns involve actions that fall within legislative and regulative frameworks; ethical concerns are those that society expects of business; and discretionary concerns are strictly voluntary actions to serve the local or global good. The second element of Carroll’s proposal involved developing an enumeration of the issues on which social responsibility exists. This is accomplished simply by evaluating the more prominent aspects of an individual firm that lend themselves to developing social engagement plans. The third and final element calls for an understanding of the type of response that will take place. Pulling from past research he identifies the four possible responses: reaction, defense, accommodation, and proaction.

Much as Excellence Theory laid the groundwork for public relations scholarship for many years, Carroll’s models of corporate performance also have driven CSR research. For example, drawing from Carroll’s CSR rationales, David et al. (2005) found that discretionary and

moral/ethical rationales were significant indicators of CSR values. Yin and Zhang (2012) studied the CSR framework of the city of Zhejiang to develop an understanding of how business leaders interpret the practice of CSR and observed explicit (corporate policies that assume and articulate responsibility for societal purpose) and implicit (corporate role within the formal and informal institutions for society's interests and concerns) practices. Additionally, they found that between 1999 and 2010, the number of sampled Chinese companies issuing CSR reports grew from 1 to 703, while the CSR initiatives largely fell within Carroll's (1979) discretionary and ethical domains.

The first research question, then, focused on the conceptualization of CSR and Carroll's CSR rationales:

***RQ1 How do public relations professionals working in the U.S. and in China conceptualize and practice different types of CSR in terms of economic, ethical, legal, and discretionary domains?***

### **The Role of Public Relations**

Like CSR, public relations is found across organizational sectors, operating within nonprofits, government, and corporations equally effectively, yet it also has been notoriously hard to define, with one attempt in 1976 resulting in an 88-word synthesis of more than 400 definitions (Harlow); this was the same year Wright sought to identify a multi-step theory approach from which American public relations practitioners could contribute to the development of a better society. Although it was employed to help big business establish legitimacy at the turn of the 20<sup>th</sup> century (Marchand, 1998), public relations has since confronted challenges to its own legitimacy. Wilson (1994) noted that more legitimacy for the field of public relations could be garnered by building an ethics-based system through which the field operates.

By that time, though, the Public Relations Society of America's code of ethics was more than 40 years old and its Public Service Council, wherein PRSA members could lend their skills to public service, was more than 30 years old. But Pitt went further, calling for public relations practitioners to serve as the "conscience of the organization" (1968, p. 19). Twenty-one years later, public relations professionals were found to view themselves as the organizational conscience (Judd, 1989), validating Pitt's 1968 prescription. Later still, organizations were found to have developed their own ethical codes and systems, equipping themselves with individuals to manage the implementation of ethical standards across their organization (Leeper, 2001). According to Ki, Choi, and Lee (2012), when public relations firms clearly develop ethical parameters, employees within these firms are more likely to engage in ethical practices. Nevertheless, Bowen (2008) found that although public relations practitioners often provide ethics counsel, this critical function of the profession was under-supported and lacked academic focus.

In relation to CSR in particular, Thomsen (1997) pointed to the need for management to address community engagement and support. Early research also demonstrated that practitioners were often left out of the decision-making process when CSR agendas were put into place (Heath & Ryan, 1989). Heath (1997) indicated that just as societal expectations have increased over time, so has the need for public relations managers to be aware of, manage, and anticipate these expectations. Public relations practitioners can serve to integrate the CSR process with the overall corporate strategy, focusing on shared interests in associating corporate reputation with a post-CSR agenda that encompasses accountability and sustainability (Freeman, 2006). Freitag (2007) concluded that CSR engagement is positioned perfectly for public relations management because of the public relations professional's alignment with issue monitoring and management,

stakeholder focus, and access to communication channels. Vallaster, Lingreen, and Maon (2012) concluded that CSR should be considered a strategic practice that is not suited for all organizations, but Mirvis (2012, p. 108) argued that strategic CSR is best implemented by public relations professionals and when a firm's "CSR best fits with its strategy and yields the most cost beneficial return." Public relations should play a role in good citizenship, activating employees in their environment, and the democratic process (L'Etang, 1996; Culberston & Chen, 1996; Leeper, 2001). Public relations professionals, then, not only can serve to establish truths about CSR engagement for businesses (Ihlen, 2013), but also influence shifts in corporate culture (Branco & Rodrigues, 2006). The practice of public relations increasingly reflects such findings. A 1986 study demonstrated that an overwhelming 97.7% of public relations practitioners surveyed agreed that social responsibility was good for business (Ryan). Additionally, the majority of those surveyed also contended that aligning a business with a social responsibility agenda can lead to an increase in profits and that credibility increases over time with CSR agendas in place: 70.5% of those surveyed believed that public relations should serve as the corporate conscience and 94.6% believed that practitioners should be deeply involved in defining the social role of an organization (Ryan, 1986).

Nevertheless, there is opposition to CSR as an integral part of business strategy. There exists a dichotomy whereby public relations may not prioritize society in every case due to its commitment to the client. As L'Etang (2006) wrote, "public relations can be seen to be intrinsically linked to power-broking initiatives in society and therefore a profoundly conservative force in society; the popular concept of public relations as 'neutral' may privilege the existing order over justice" (p. 421). Furthermore, she argued that stakeholders are treated as an ends rather than a means to an ends (L'Etang, 1996). Whereas L'Etang suggests that CSR as a

function of public relations falls short because it is not entirely focused on the greater good, the economic domain of CSR suggests the need for public relations practitioners to prioritize profitability and support the bottom line as one rationale behind CSR. Gulyas (2011) argued that the new emphasis on CSR was a public relations ploy that did not relate to an overall transformation in values. And one of the classic arguments was most notably offered by economist Milton Friedman in 1970, who posited, “there is one and only one social responsibility of business: to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud” (p. 11). While Friedman’s stance continues to receive some support, evidence also continues to emerge that demonstrates a relationship between CSR efforts and profitability as professionals work to measure and report CSR efforts (Crane et al., 2008). Such documentation ensures accountability, enhances credibility, and helps to establish and maintain legitimacy for the value of CSR and for the value CSR contributes to an organization.

Legitimacy can be obtained when organizations balance their social values, norms, and expectations with their activities (Dowling & Pfeffer, 1975); it is a complex blend of economic performance and legality, as well as a number of organizational behaviors (Stokes, 2013). Legitimacy is a social construct and depends on the public and interested stakeholders (Boyd, 2000). The role of the public relations industry is to support organizations in ensuring their actions satisfy the public (Stokes, 2013). The legitimacy gap describes that disconnect between actions and societal standards in terms of safety, honesty, justice, and fairness. Social responsibility is one element to consider when attempting to narrow the legitimacy gap (Heath, 1997); moreover, CSR is employed as a legitimacy-seeking strategy to international publics as

well as local governments (Yin & Zhang, 2012). Kim and Reber (2009) noted that professionalism within the field of public relations should be evaluated through an understanding of an organization's long-term stability, as well as the organization's relationship and interaction with the social environment. Their survey confirmed the idea that an increase in social responsibility and an emphasis on society at large will serve to strengthen the role of public relations practitioners within an organization. CSR communications by public relations professionals has been discussed as needing to move toward a more open-ended conversation with key stakeholders (Surma, 2006).

In 2010, research found that disruptive leadership (change-centric leadership) was best implemented by public relations when working in the CSR space (Benn, Todd, & Pendleton). Furthermore, the researchers called for a greater understanding of the development and dissemination of CSR activities by senior management. Kim (2011) asserted the positive transferring effects that CSR agendas can have on well-known organizations and how their organizations and products are evaluated. Increasingly, CSR, in tandem with public relations initiatives, is gaining a foothold on the global scene as new programs have emerged in India, Australia, China, and South Africa and as those consumers subsequently interpret CSR differently based on a cultural and national context (Maignan & Ferrell, 2003).

### **Chinese Public Relations**

In China specifically, a growing economic powerhouse, public relations efforts transcend 13 dynasties, going back around 2000 years (McElreath, Chen, Azarova, & Shadriva, 2001). The focus throughout Chinese history is placed on relationship building and the concept of *guanxi* (networking and relationships in commerce). Modern day public relations can be found to have emerged in China in the late 1970s (Huang & Yang, 2013), and the first college major in public

relations was created by Shenzhen University in 1985 (Black, 1992). China has a market-based socialist economy wherein public relations departments have been established within Chinese companies, and joint ventures and foreign-owned agencies have entered the practice (Wu, Lin, & Guo, 2001). Chinese public relations as implemented by the government was seen as following two main trends in a 1992 study (Chen & Culbertson). The first trend was two-way symmetric public relations. The second included more of a focus on motivating press agency and building image through the employment of old-line propaganda techniques. More recently, China has had the opportunity to host events such as the 2010 Shanghai World Expo and the 2008 Beijing Olympics, leading to growth and development of the public relations industry there, supporting the findings of Wu et al. (2001), who illustrated four factors affecting public relations in China: government, social codes of conduct, the free market, and professional practitioners.

As to the public relations practice itself, Hou, Zhu, and Bromley (2013) found through intensive interviews that three factors influenced the function of public relations in China: *guanxi*, elite authoritarianism, and harmony; additionally, agency professionals in particular defined their role as, “managing public perceptions via media deployment and integration” (p. 316). They also noted the value of staying aligned with government policy while characterizing public relations as, “the long-term and strategic communication through which public perceptions are delicately managed rather than as a means for developing organizational image” (Hou et al., p. 321). The researchers concluded that Chinese public relations is a combination of marketing competition and harmony-based *guanxi*. In relation to Chinese public relations efforts, Gilligan (2011) discussed the entwined nature of government and public relations when working in China, calling for public relations practitioners to effectively navigate the complexities of the Chinese business environment, noting the selective commercialization of some media platforms,

and suggesting that commercial and lifestyle media have limited Chinese Communist Party (CCP) guidance.

While *guanxi* has shaped the public relations environment in China, *gao guanxi* (exploiting relationships) has led to some distrust in the professionalism of the field. Huang (2001) introduced the idea of using *jen* (self-reflection and communication with others) to begin to build a new approach to Chinese public relations that accounts for the influence of old worldviews. Moreover, he saw a role for public interest and social responsibility in helping to transition Chinese public relations into a more legitimate paradigm, with a focus on equality and open-discourse.

### **CSR in China**

CSR in China is gaining interest, and some research has already been done to understand how CSR is facilitated for local and global businesses from a Chinese perspective (Tang & Li, 2009; Stohl et al., 2007; Xiao, 2005). For example, while connections and status are critical in the Chinese culture and also have importance in Western cultures, China's collectivist nature differs from the Western nations that are traditionally credited with originating the idea of CSR as an integral part of business. Additionally, some research has demonstrated that Chinese traditions such as *guanxi* play a role in how CSR strategies are executed. Finally, China's shift to a market-based socialist economy (Wu et al., 2001) has led to a greater role for CSR, particularly in the area of human rights. In turn, such social change is "likely to increase the sense of self-determination among Chinese citizens" (Xiao, 2005, p. 100).

Since the implementation of the Open Door Policy in 1978, which opened the opportunity for trade routes between China and the outside world, China has seen a boon in spending power. Increasingly international businesses are reaching out to China as a market and

base of operations. China remains highly criticized for poor business practices and working conditions, including child labor and employee mistreatment, and Western companies there have been criticized for performing sub-par in CSR. Chinese citizens regularly criticize multinational corporations (MNCs) for lowering their own ethical, legal, and environmental standards when operating in China. Nevertheless, previous research in China has illuminated the fact that despite their sub-par CSR performance in China, U.S. companies operating in China were, in recent years, more likely to rely on traditional American CSR practices, such as publishing a CSR report that featured the year's overview of corporate outreach to stakeholder communities, establishing foundations, encouraging employees to volunteer, building partnerships with universities, sponsoring events, donating to different philanthropic causes, and establishing awards (Tang, Gallagher, & Bie, 2014). Earlier, Tang & Li (2009) had called upon researchers who study international CSR to look at the interaction between individual companies and their key stakeholders from both a local and global perspective in the context of the institutional environment. That is, scholars should look for evidence of glocalization, wherein neither the impact of a single initiative, nor the initiative itself might be the same across cultures or peoples; but, nevertheless in the aggregate still account for an array of connections between an organization's interests and the communities it serves. This followed previous research that developed neo-institutionalism theory to provide some groundwork whereby to understand globalization and institutional forces. This theory centers on the idea that organizations are deeply embedded in culturally-specific social and political environments (Meyer & Rowan, 1977; Meyer & Scott, 1983; Zucker, 1977). It further suggests that organizational practices and structures are a product of the interpretation of the rules, beliefs, and conventions specific to the cultures in which they operate.

Historically Buddhism and Confucianism have contributed to the socially conscious culture throughout Mainland China (Tilson, 2010). Although Chinese business focuses on CSR issues such as disaster relief, poverty alleviation, education, and assisting the elderly (Lin, 2006), there is also a natural correlation between CSR and human rights (Stohl et al., 2007). Xiao (2005) looked at the role of human rights in China and concluded that Chinese culture is more concerned with social equality and economic rights, while Western culture cares more for individual freedoms and civil rights.

In terms of controlled communication, that which an organization produces and distributes to its stakeholders through selected channels, Wang and Chaudrhi (2009) noted Chinese Confucian thought as a driving factor for building a harmonious society. They found that CSR engagement was used to improve brand image and build corporate culture, similar to Western application. The preferred platforms for CSR communications included: company websites, corporate brochures, company Intranet, other internal corporate media, and Internet news media. Additionally, they observed a transition from humility and modesty in sharing good deeds to a more transparent documentation of CSR involvement. Tang et al. (2014) conducted a two-stage content analysis of top Chinese and U.S. companies to compare the publicity of CSR activities in cultural context. The first stage revealed that whereas Chinese companies focused on disaster relief and other CSR initiatives, U.S. companies were more focused on community CSR efforts like arts and culture, education, health and disability, and environmental conservation, as well as product safety concerns. Their second stage demonstrated that Chinese companies had begun to adapt the Western approach to CSR, but focused on the economic rationale, leading the authors to conclude that the level of institutionalization of a country serves as a fair predictor of CSR adaptation, raising the possibility of a cross-cultural CSR paradigm (Tang et al., 2014).

In terms of media presentation, Yin (2007) examined a main newspaper in the U.S. and China to see how discourse is socially, politically, and ideologically constructed and found that the West is perceived to be the norm against which other nations are compared. In an analysis of how the news media in China described CSR coverage, Tang (2012) found that Chinese media coverage suggested that community was the most salient stakeholder, followed by employees, whereas NGOs and academics were found to have little voice in China when it comes to influencing the direction of CSR. International NGOs, as well as local nonprofits working in China face a great deal of credibility issues. For example, the Red Cross Society of China, China's biggest charitable organization, has experienced a number of scandals, the largest of which involved a 20-year-old, who received the title of commercial general manager and abused public-funding in the pursuit of luxury items (Hong & FlorCruz, 2011). The Chinese landscape does not put as much trust in nonprofits as the U.S. and Western society.

Given the connection established between CSR and public relations in the U.S. and China, the next research question attempts to develop an understanding of best practices:

***RQ2 How do public relations practitioners facilitate the adaptation and maintenance of CSR related activities in the U.S. and in China?***

### **Stakeholders and Management**

The role of CSR as a function of public relations' stakeholder relationships has been explored as well. Bowie (1991) alluded to the fact that CSR should work to solve social problems through cooperation with stakeholders. Katzman (1993) conducted a survey of practitioners, which revealed that 78% saw their role, at least in some part, as consensus builders for their organization, and its stakeholders. An efficient business has been described as one that succeeds at merging its interests with those of its stakeholders (Makower, 1994). Mutually

beneficial relationships with stakeholders and the development of these relationships through an understanding and implementation of the stakeholder's social needs and agendas, has been suggested as a best practice (Heath, 1997).

Stakeholders are the main reason to align CSR with public relations. Research shows that the goal of public relations, as well as CSR, is to strengthen stakeholder relationships with the end result of a positive effect on business (Clark, 2000), the organization, and society. The case is made that stakeholders are a primary reason for uniting CSR with a communications team to allow for continued research and evaluation as to their influencers from all angles across a multitude of issues. CSR has led the push for organizations to shift away from a one-way perspective and toward a two-way perspective of engagement, where stakeholder interest directly influences the creation of policy decisions (Bartlett, Tywoniak, & Hatcher, 2007). In today's public relations environment, however, two-way communication has evolved into multiple layers of interconnectedness (Solis, 2010; Coombs & Holladay, 2007).

It is important to understand which stakeholder groups are valued when crafting CSR agendas. Health and Ryan (1989) suggest that those preparing ethical performance codes value internal stakeholders more than external stakeholders. To ensure that internal stakeholders are engaged, organizations need to value corporate governance, transparency, accountability, fairness, and ethics (Dahnesh, 2012). Looking at external stakeholder groups in terms of consumer relations, Ivanov, Sims, and Parker (2013) observed corporate credibility and image as moderators in product introduction and found that publicity-based campaigns generated the strongest attitude toward the brand and purchase intention. This provides a unique opportunity for public relations practitioners to engage the public and provide legal, ethical, and discretionary CSR, while also serving the economic responsibilities of the organization. Proactive engagement

in CSR has been shown to produce the most favorable attitudes and higher purchase intentions (Groza, Pronschinske, & Walker, 2011). Kim and Lee (2012) discussed consumer engagement in social issues and concluded that trustworthiness and purchase intention were higher when consumers saw the companies as sincere in their motives. CSR initiatives related to consumers, investors, employees, and suppliers are of the greatest importance in facilitating mutually beneficial relationships between business and society (Oberseder, Schlegelmilch, & Murphy, 2013).

Public relations' role, however, is not just found in stakeholder engagement but in the management of CSR initiatives. Black and Hartel (2003) discuss the idea of CSR management as an amalgamation of two parts: social responsibility orientation and public relations orientation. Their results supported the stakeholder theory and suggested that when "developing social responsiveness processes within firms, attention to the values and beliefs of employees regarding accountability to stakeholders is perhaps even more important than producing the actual report" (Black & Hartel, 2003, p. 140). As with other public relations initiatives, research has noted that proactive planning and management were necessary to support the interests of stakeholders, outlining a need for a balance between community involvement, fiscal performance, and meeting an organization's needs (Kim & Reber, 2008).

The third research question, then, seeks to understand the role of stakeholder communities within CSR programs:

***RQ3 How are stakeholder groups prioritized and engaged when enacting and managing CSR plans in the U.S. and in China?***

## **Cross-Cultural CSR**

The new global environment of business, public relations, and CSR, has led scholars to explore theory building that can help explain, describe, or predict these practices at different levels and cultural contexts. For decades, public relations theory has been tied to Excellence Theory which presumes a normative stance in which top management understands the value of public relations and in which public relations itself contributes to strategic planning, enacts a managerial role, utilizes the two-way symmetrical model of public relations via skilled practitioners, concedes to activist pressure as incentive for organizational communication, advocates and engages in participative organizational culture, and embraces inclusion (Grunig & Hunt, 1984; Grunig & White, 1992; Grunig, 1992). More recently, however, scholars have explored other aspects of the field, such as relationships between and among organizations and their stakeholders (Ki & Hon, 2007). These kinds of dynamics can be addressed in a global enterprise with a “circuit of culture” via production (giving of meaning to cultural products), regulation (the control of cultural activity), representation (the form a product takes and the message embedded in it), consumption (audiences decoding messages), and identity (the meanings that exist throughout the distribution network) (du Gay, Hall, Janes, Mackay, & Negus, 1997; Curtin & Gaither, 2007). In global CSR, then, public relations professionals should emphasize society as the most important stakeholder in implementing socially responsible agendas (Stark & Kruckeberg, 2005). Research suggests that public relations can use the circuit of culture to navigate national, organizational, and cultural differences.

Another leading influence in studying culturally contextual CSR is Hofstede’s cultural value dimensions, which included: individualism/collectivism (the degree of group reliance), power distance (perception of power distribution), masculinity/femininity (distribution of

emotional roles between genders), uncertainty avoidance (tolerance of uncertainty), and long-term/short-term orientation (planning and time association) (Hofstede, Jonker, & Verwaart, 2011). They have been updated to exclude long-term/short-term orientation and include indulgence (control of desires and impulses) and pragmatism (remaining linked to the past while dealing with the future). For example, Y. Kim and S. Kim (2008) applied these dimensions to understand the role of CSR among Korean public relations practitioners and found that uncertainty avoidance positively affected perceptions of CSR but low power distance did not. Additionally, researchers found that Koreans have a less positive point of view toward CSR than Americans, that Americans preferred involvement between multinational organizations and environmental actions, that internal, environmental, and moral practices are more important in the U.S., and that both Korean and American respondents indicated that interactive communication techniques used to engage the public were necessary and desired (Kim & Choi, 2013). In a sampling of 14 countries, Kang and Alcantara (2011) found that cultures high in uncertainty avoidance and low in power distance were seen to favor business practice-related CSR whereas philanthropy had little impact on organizational appeal among high masculinity cultures. According to Hofstede's cultural dimensions, China is a pragmatic, collectivist country, with a masculine orientation whereas the U.S. is similarly masculine, much less pragmatic, and much more indulgent and individualistic (Hofstede et al., 2011).

The interwoven nature of CSR and public relations provides an important opportunity for a cross-cultural analysis of CSR initiatives by public relations practitioners. The cultural differences and new market similarities between the U.S. and China illuminate an opportunity to develop a more clear understanding of CSR as a Western paradigm or as an idea that can be

further developed cross-culturally. Finally, the localization of CSR activities can be studied on a grand scale to understand to what extent it is possible to standardize the practice.

The final research question will look to develop an understanding of cultural differences between the U.S. and China, as well as a cross-cultural comparison of how global and local CSR is best facilitated:

***RQ4 How do public relations practitioners adjust their roles in CSR when working within the U.S. and in China? When working locally? When working globally?***

## CHAPTER 3

### METHODOLOGY

#### **Grounded Theory Qualitative Approach**

A grounded theory approach using in-depth interviews with public relations practitioners was employed because it provided “the perspectives and voice of the people whom we study” (Strauss and Corbin, 1994, p. 274). Research of this type is a cyclical and interactive process that allows for the continued construction and development of theory throughout the data collection process (Daymon & Holloway, 2011). There are three main elements of this approach: a structured data collection process, a focus on conceptualization and explanation, and the employment of theoretical sampling. Glaser and Strauss (1967) suggest that grounded theory research should be conducted with an open mind and without constructing any assumptions about the direction of the results before the research begins. Accordingly, and in conjunction with the advice and approval of the Institutional Review Board, this study followed their approach and developed organically throughout the data collection process.

Qualitative research is interpretive in nature. It allows for the understanding of how social reality is constructed by the subjects being studied, focusing on communication and relationships, but it faces some criticism from quantitative researchers that it is too subjective, difficult to replicate, and not generalizable. The present study addressed these issues based on previous research that advocates for the ability to establish validity and reliability in qualitative research (Kvale & Brinkman, 2009; Maxwell, 2005; Silverman, 2010). Following their suggestions, reliability was established by constructing a replicable format for the interview

questions. It was further maintained by ensuring that the method clearly outlined the specific approach that the researcher took when assessing the cross-cultural role of CSR in public relations. Validity was provided through the employment of a thesis committee, which reviewed the content and aided the researcher in drawing objective conclusions. Finally, the sampling process allowed for the enrollment of a number of public relations practitioners from a variety of international public relations firms across the two cultures, providing some generalizability across multinational public relations-based CSR efforts.

Public relations practitioners are concerned with intentional, persuasive communication that allows for the reconstruction of social worlds through developing, managing, and actively reconstructing communications for and between stakeholders (Daymon & Holloway, 2011). The value of this research method to public relations is noted below (Daymon & Holloway, 2011, p. 14):

*The primary goal of qualitative enquiry is to reveal and interpret what it means to be involved in or affected by public relations and marketing communications; this includes how stakeholders and practitioners make sense of communication activities, relationships and their worlds, and the subsequent implications for individuals, communities, organizations, professions, and ultimately society.*

The qualitative research approach allows for the development of an analysis of how cultures and realities affect CSR facilitation through public relations, as well as how CSR and public relations facilitation may influence cultures and realities.

### **Sampling**

The sampling process sought to secure the participation of five China-based public relations practitioners and five U.S.-based public relations practitioners, from multinational public relations agencies like Edelman and Ketchum. The U.S. was chosen as a country of interest because it is the base of the majority of top ten international public relations agencies.

Additionally, these agencies are leading the push to incorporate CSR as a strategic offering. China was selected because of its emergence as an economic power, the increase in legitimacy and activity in Chinese public relations, and the emergence of the China-based public relations firm, Blue Focus as a top ten international agency.

Purposive sampling was used to ensure that the participants met a certain niche market that the research hoped to analyze. Participants were identified through a thorough examination of major industry corporate webpages, LinkedIn profile searches, and snowball sampling procedures. A snowball approach allowed for the suggestion and integration of public relations professionals into the analysis based on participant and network connections. Initially participants were contacted via email or social media to obtain their participation in the study. While similar numbers of emails and social media messages were sent to practitioners in the U.S. and China, of the Chinese practitioners that participated in the research four out of five agreed to participate in response to a LinkedIn request, while only two of the six U.S.-based practitioners were found through this communication. Emails were successful only in obtaining U.S.-based participants, having two participants accept via this form of communication; however, one was unable to participate due to scheduling conflicts and suggested a colleague who completed an interview. Networking was the best source of connection for U.S. participants, resulting in three interviews stateside and one in China. All participants were informed of the nature of the interviews, as well as the intended goals of the research.

The value of the subject pool in this research is their collective expertise. It is thus important that anonymity be limited in this research to the extent of referring to individuals by pseudonyms. The selected pseudonyms are in alphabetical order, correlating to the order in which the individuals completed an interview. This approach increases readability and creates a

greater connection between the reader and the content of this thesis. It is interesting to note that those practitioners in China preferred to set interviews within a few days of their initial contact, while U.S.-based practitioners chose a date well in advance. This demonstrates a cultural difference as an influencer on time management and scheduling. It may be possible to identify trends based on gender, age, and nationality; accordingly the necessary demographic characteristics of the participants were collected and referenced in the research (Table 1). The final subject pool consisted of ten public relations practitioners: six U.S.-based and four China-based. This group of ten practitioners represents current employees at Burson-Marsteller, Edelman, Elite PR (China), Hill+Knowlton, Ketchum, and Weber Shandwick. Moreover, their titles and responsibilities represent all levels across a public relations organization, including: two executive vice presidents, three senior vice presidents, two managing directors, and three participants working at the account level, with a combined 120.5 years of public relations experience. Additionally, the eleventh member, and outlier in this research study, was not employed by a public relations agency, but serves as a Chinese CSR consultant. The five China-based participants have a combined 50.5 years of experience working in China. Each group of participants represented a number of cities within their respective countries; in China, participants work in Shanghai, Beijing, and Guangzhou. In the U.S., participants work in New York, Seattle, Washington D.C., and Boston. Most of the participants are American citizens, with New Zealand, Ireland, Hong Kong, and China also represented. Since the interviews were conducted in English, all participants were required to discuss the complex issues of CSR with a sophisticated English fluency. Accordingly language barriers did not impact the quality of the research. More information on the subjects and their basic profiles can be found in Table 1 and Appendix A.

Table 1  
**Interview Schedule and Demographic Information**

Pseudonym	Age Range	Years in PR/CSR	Years in US/China	Gender	Years at Position	Date	Minutes	Seconds	Nationality	Location
A	40-50	18	10	M	7	7/31/14	27	10	American	Shanghai
B	20-30	2.5	1.5	F	1.5	8/1/14	54	36	Chinese	Shanghai
C	20-30	2	6	F	2	8/2/14	34	9	American	Shanghai
D	40-50	15	24	M	12	8/7/14	38	3	New Zealand	Beijing
E	40-50	11	11	F	1	8/7/14	33	16	American	New York
F	40-50	22	19	M	5	8/11/14	41	3	American/Irish	New York
G	20-30	4	4	M	2	8/14/14	32	45	American	Seattle
H	40-50	15	20	M	13	8/15/14	42	45	American	D.C.
I	30-40	16	16	F	5	8/28/14	21	11	American	Boston
J	30-40	11*	9	M	2	8/30/14	31	6	Hong Kong	Guangzhou
K	40-50	15	20	M	13	9/10/14	26	59	American	D.C.

\*This denotes years in CSR communications.

## **Interviews**

In-depth interviews were employed to explore the perspective and perceptions of public relations practitioners in the U.S. and China and their role in CSR efforts. The interviews were collaborative to produce content-rich data, providing further insights into CSR from a public relations platform. Interviewing allowed for clarification of concepts. In accordance with the research protocol, the interviewer had the opportunity to follow up with the participants if a specific idea or concept was not clear in the data analysis process. The subjective responses generated through the interview process provided deeper insight into the cross-cultural differences in CSR concepts and application. The in-depth interview approach functioned to provide a basis upon which the interviewer and interviewee could produce cultural talk and enact cultural meanings (Moisander & Valtonen, 2006). Atkinson and Silverman (1997) established the rhetoric of interviewing, suggesting that it serves to gain access to individual thoughts and feelings. Interviews allowed for the unique opportunity to hear the data (Rubin & Rubin, 2005).

Beyond listening, interviewing also required well-developed analytical-interpretive skills (Kvale & Brinkman, 2009). A list of questions was constructed to provide some structure to the interview process, but interviews sometimes differed in the order in which these questions were presented (Appendix B). This flexibility allowed for an organic progress and flow to develop throughout the individual interviews. A pilot interview was constructed to prepare for the actual interviews. This interview used the proposed question guide and served to validate the direction and function of the intended interview structure. It also provided an opportunity to test the recording process, as well as the use of technology in conducting the interviews.

Prior to the start of the interview process, each participant reviewed a complete informed consent. This document served to inform the participants about the goals and intent of the

research. It outlined the interview process and detailed, as well as identified any risks or benefits to themselves or their organization. They were provided with a clear description of the limited anonymity promised by the researcher, and were instructed as to the voluntary nature of their participation. The informed consent concluded by explaining where the interview recordings and transcripts would be kept, as well as a promising to answer any questions the participants had about the research process.

All interviews were conducted in English via Skype and varied in length from 21 minutes and 11 seconds to 55 minutes and 36 seconds, for an average of 34 minutes and 49 seconds. These variations resulted from participants' availability, engagement with the topic, and the nature of their responses. Each interview was recorded for sound and five of the interviews contained video elements. Upon the conclusion of the interview the participant was again requested to provide their consent for inclusion in the findings of the research. All of the participants consented at the conclusion of the interview and were included in the study. Throughout the interview process saturation was achieved as participants began to share similar ideas to and approaches to those that had been provided in previous interviews. Their recordings were saved in a password-protected folder on a password-protected hard drive that was not connected to the Internet. The recordings were disposed of fully after transcription was complete. The transcripts were saved in the same fashion and will be the sole property of the researcher until the thesis research is completed, at which point they will be thoroughly deleted.

### **Data Analysis and Conclusions**

Throughout the data collection process and between interviews memoing was used to record observations. These memos allowed for grounded theory-based research to be executed in the cyclical process that is necessary to provide valid and accurate results. Transcripts of the

interviews were analyzed to identify recurring themes and links between themes, as well as between themes and the parent bodies of theory described by the conceptual framework. Where possible the actual words of those interviewed were used. Grounded theory functions through the role of constant comparison, which allows for the gradual development of trends and emerging ideas through the data analysis process (Daymon & Holloway, 2011). These ideas were then related back to the data. To control for bias, the thesis chair was involved throughout the coding process and was instrumental in the development of the findings, as well as the construction of the conclusion.

Daymon and Holloway (2011) proposed a three step coding system in the constant comparative method. The first step is open coding, which requires the fragmentation of the data into smaller subsets. The researcher achieved this by first looking through the Chinese-based practitioners data and developing some initial trends by which to make classifications; it was later completed with the U.S.-based participants data. The second step is axial coding, this phase searches for links between codes and begins to group similar themes into categories. This process happened naturally within and across cultures. The final step is selective coding, which relates a core category to other categories. This process is evident in the trends and grouping found throughout the findings of this research. Once the data collection was complete and the data was successfully analyzed, the researcher began to draw conclusions, while discussing themes and directions with the thesis committee to eliminate some researcher bias. Finally, the researcher noted the limitations of the research and made suggestions as to future studies that could help to further develop the concepts and ideas provided by the interviews.

## CHAPTER 4

### FINDINGS

#### **Conceptualizing CSR**

*RQ1 How do public relations professionals working in the U.S. and in China conceptualize and practice different types of CSR in terms of economic, ethical, legal, and discretionary domains?*

When conceptualizing CSR all four rationales outlined by Carroll (1979) were found in the research; however, the findings suggest that, in keeping with the literature, strong CSR efforts contain overlapping elements of the economic, legal, ethical, and discretionary rationales. More specifically, the findings propose that there is a need to look closely at how CSR purposefully aligns with business strategy and the impact that this mutually beneficially relationship has on society. In-depth interviews revealed the same patterns as discussed throughout the literature review in terms of the multitude of definitions assigned to the practice of corporate social responsibility. Results varied by experience rather than geographical location (Table 2). Moreover, the definition of CSR should come from the business itself to allow for a genuine and tangible adaptation, using public relations practitioners and their conceptualization of strong CSR to drive change and support growth.

Consistent with the literature, public relations practitioners in China and the U.S. outlined terms often associated with CSR in the West, while U.S.-based practitioners elaborated on these terms in more detail and provided more examples, they include: strategic philanthropy, community engagement, corporate branding, corporate citizenship, corporate social

Table 2  
**Research Findings by Location and Experience**

	RQ1 Defining CSR	RQ2 Role of PR in CSR	RQ2 Reporting CSR	RQ3 Stakeholder Buy-In	RQ4 Global	RQ4 Local
U.S.	Client Specific Beyond Legal, Moral, Economic Business Strategy Issues Management Positive Impact/Social Solve Genuine Care Mutual Benefit	Understanding Stakeholder Role Active Two-Way Communication Sustained Programs Over Time Project Management Impact on the Issue Measurement with Set KPIs Integration to Business Strategy Creating Shared Value Thought Leadership Creativity	GRI Certified Report Online, Ongoing Communication Two-Way Communication Active, Real Time, Integrated Transparent, Exhaustive Dynamic Reporting Third Party Audit Digital Engagement Building a Dashboard Include Difficulties when Reporting	Audience-Specific Language Educating, Engaging Often Bringing People in Early Showing Impact, Purpose, Efficiency Setting Obtainable KPIs Focusing on Long-Term Forming Integrated Teams	Unite Around Common Theme Focus on Transformation Moving the Needle, Disruptive Macro Impact, Issue Awareness Setting a Path or Standard Changing Major Relationships Implementing in a Local, Culturally-Specific Way Difficult	Execute, Impact Locally Fits Community Need/Want Establishing Roots/Connections Building Trust, Morale, Retention Creating a Local Buzz High Engagement Easier Micro Impact
Junior Level	Shared Value Social Benefit Driving Business Objectives	Managing Relationships Building Capabilities Ongoing Engagement	Standardization GRI Reports IRC Reports	Providing Research/Stats Engaging Often Authentic, Transparent	Hard to Scale Up Global Partnerships Communicated Across All Markets	Corporate Citizenship Understanding the Culture Engagement, Impact Easier
China	Mutual Benefit Logical and Strategic Stakeholder-Focused Long-Term	Supporting Key Stakeholders Building Brand Image/Reputation Aligned with Business DNA Creativity Communication Plan	Annual Reports Amplifying with Impact Over Time Define Measurable Goals Change Awareness Impressions Setting Achievable KPIs Delivering on Clear KPIs	Establishing Dialogue Setting and Sharing Metrics Partnerships and Endorsements Managing Stakeholder Expectations	Generic Global Commonalities Global Partnerships Frame Consistent Story Local Efforts Ladder Up	Locally Relevant Fits Community Need/Want Meets Stakeholder Expectation
Senior Level	Mutual Benefit Connected Long-term Positive News Opportunity to Stand Out	Media Impressions In-Depth Reporting Opportunities Developing Mutual Benefit Building Customer Relationship	Standard Reports Annual Review Visual/Video Include Difficulties when Reporting Press Release CSR Booklet Award Submission Internal Booklet/Newsletter	Find Common Mission Generate Engagement Long-Term, Multifaceted Media Attention Varied Communications	Difficult Due to International Opinions More Lessons Learned Local Efforts Ladder Up	Must Be Personal Education is Key

responsibility, corporate responsibility, social entrepreneurship, public-private partnerships, sustainability, shared value, cause promotions, cause marketing (with a purchase element), green marketing, and cause branding (engagement and impression based).

When conceptualizing CSR trends, a similar definition developed across the two cultures. Key words emerged throughout their descriptions of effective CSR: authentic, real, tangible, genuine, and narrow-focused. As a whole, those practitioners working in China and the U.S. provided an overview of CSR that can be conceptualized as: Doing good through a long-term initiative that is part of the core business strategy and is mutually beneficial to the company and society. Companies that do CSR well understand their role in the community and their impact on multiple stakeholder groups. They develop a sustainable commitment to a specific socially responsible focus and think big picture, as opposed to focusing on one-off events.

Practitioners working in the U.S. and China commented on the necessity to align CSR with the DNA of a company. CSR, they explained, is more than just a tenant to be controlled by the public relations department; it should be aligned with the core business strategy. Franklin, a U.S.-based practitioner with 22 years of experience in public relations, noted, “You’ve seen this shift towards moving away from just a communications based function, into business strategy.” Furthermore participants suggested that, conceptually, CSR provides an opportunity for corporations to be seen as leaders that care in a genuine way. Kristopher, a U.S.-based practitioner working in the CSR space with 13 years of experience at his current position, demonstrated the opportunity for business to lead in the social impact space:

*The reason that it’s so important is because... there are significant large-scale global issues that government and the nonprofit sector and the corporate sector are all collectively working to address, whether it’s climate change, whether it’s poverty, whether it’s access to quality education, and I think what CSR offers is a real opportunity for leadership from the corporate sector.*

## **CSR is defined by the Organization**

Henry, a U.S.-based practitioner with 15 years of experience in public relations, noted that his personal definition of CSR was that “companies, like we as individuals, have a moral obligation to do what it is in their sphere of influence to make a difference.” Interestingly, and not unlike other participants, he further explained that his definition would not influence the conceptualization that his client was ready and willing to apply to their CSR agenda. The research found that top-level public relations practitioners in the U.S. and China believe that there is a need to educate businesses on the trends and most efficient forms of CSR, but also an obligation to let businesses take their time and use their own definition when considering adapting a new CSR agenda. When working with a client, the participants suggested remaining open, flexible, and engaging, to provide the client with thought leadership and execution strategies.

## **Carroll’s Four Rationales**

In addition to identifying the pitfalls of definitional variances, CSR research in communications studies also has frequently focused on investigating Carroll’s four different rationales or classifications for CSR efforts. Throughout these interviews, the concepts were certainly present, but none more so than discretionary, which points to any action taken by a company that is above and beyond its economic, legal, and ethical role in society. CSR theory has used corporate citizenship to explain this role of CSR as the facilitator of good will. Ellen, an American working in New York, spoke to this purpose of CSR in providing a “social solve”:

*There’s a spectrum on which companies can engage in this space, but not matter what that spectrum is or how deep that engagement, it has to be genuine and it has to provide a social solve. Even if that company alone... can only make a slight dent in that social solve. So on my spectrum, I look at everything... philanthropy, corporate social responsibility, and some companies just do... cause-related marketing, or they want to create shared value, or they want to be totally sustainable all of those in my view...*

*ladder up-- and should ladder up, to addressing some kind of social issue and all can then help... be a win-win situation for them and for the social issue.*

Participants' references to functions that reflect Carroll's economic rationale were grounded in their firm belief that any CSR initiative must clearly demonstrate its impact on the business. Yet, they spoke most often to the idea of programs that are mutually beneficial to business and to society. Caitlin, an American with six years of experience in China, defined CSR as "giving back to the community but in a way that reinforces your brand and... creates mutual benefit." The participants further identified benefits to business reputation; employee attraction, retention, pride, and engagement; customer retention; purchase decision-making; and influence over the policy landscape and license to operate.

That companies should be operating within the law was another stated purpose for CSR, but it was less common in the interview conversation and alluded to when discussing what CSR has been. Participants suggested that CSR in its earlier form was put in place to ensure that legal regulations were followed; furthermore practitioners demonstrated that China is just now moving out of this focus on CSR as a tool to ramp up their business practices to meet global expectations through legal requirements. Chinese, and a few U.S.-based practitioners, explained the recent pressure from the Chinese government that is moving corporations in China to be more environmentally sound.

In addition to legal compliance, the participants noted, when attached to business strategy, CSR is pulled through all levels of the organization and has an ethical impact on diversity and inclusion, supply chains, working conditions, and other areas of operation. Moreover, today CSR serves as an important vehicle for addressing corporate governance issues. Making companies more ethically sound, CSR serves to help companies establish values and practices that better serve their stakeholders. Again, China seems to be in a developmental stage

with this area of CSR. However, many of the practitioners pointed to the fact that the problem may not lie culturally, but rather in the maturity and specification of the business practices.

While all four rationales outlined by Carroll were found throughout the interview process, the results suggested that effective CSR plans do not focus on any one purpose. Rather, the participants suggested that a strategic, mutually beneficial CSR agenda tied to the DNA of the business was the most effective engagement at the corporate level. Furthermore, these practitioners conceptualized CSR as a term that is defined by the corporation itself and marked by a genuine, transparent, specific focus that supports key stakeholders and the community at large.

### **The Role of Public Relations**

***RQ2 How do Western public relations practitioners facilitate the adaptation and maintenance of CSR related activities in the U.S. and in China?***

Public relations practitioners have a number of roles in the development, management and implementation of CSR functions. These roles focus on thought leadership and strategic counsel, evaluation and stakeholder management, as well as creativity and idea generation. The findings suggest that corporations define their need for CSR, calling on public relations for support, monitoring, and strategic implementation. Public relations practitioners must understand a business' strategy and core competencies to implement successful programs with buy-in from the top and strategic alignment throughout the organization. Organizational culture influences and is influenced by strong CSR agendas. Transparency and authenticity are two important factors in reporting CSR. The greatest discrepancy in participants answers came in the reporting section, when analyzing effective methods. This difference was again tied to experience over

geographical location (Table 2). Modern reporting should employ third-party auditors, creatively engage digital media, and demonstrate impact over time.

Looking at the adaptation and maintenance of CSR cross-culturally, clear trends emerged. To develop CSR agendas that are part of the organizational culture and demonstrate real and sustained activity not just lip service, many sections of the business must be involved.

Adam, a practitioner with 18 years of experience—10 of those in the U.S.—noted:

*You have to have sophistication far beyond the public relations department because ... it's not a public relations action; it's business [that] needs to take action first and hopefully public relations can guide or make suggestions ... in terms of its long term interests... But if you don't have support from the operational side of an organization then it's useless and it's just... not real and not something that you can really communicate, because it's not tangible if they're not going to take the steps to do it.*

Throughout the interview process it became clear that there are a number of ways that companies will use public relations agencies or departments to develop, maintain, and publicize their CSR initiatives.

### **Corporate Leads Idea Generation**

Participants were asked to discuss how the ideas for CSR initiatives and agendas come about. The desire for a CSR function, they said, must come from the company. Practitioners in the U.S. and China explained that large public-facing (consumer-driven) companies already have a strong culture of CSR throughout their organization. Isabella, a practitioner focusing on CSR and with 16 years of experience in the U.S., noted:

*Those brands that are top tier in consumers' minds often are also expected to act in a certain way, and that's going to be, of course, with the highest integrity, ethics, and good will towards their customer base and the community in which it operates.*

These top performers come to public relations agencies looking for help with providing new ideas, developing a communications strategy, handling relationship management, executing a plan, or building a localized initiative. Some companies go so far as to have CSR embedded in

their brand promise and as a part of their purpose, like TOMS of Maine. TOMS core values have remained the same since 2006, with sustainable products and a commitment to providing a pair of shoes for a child in need for every pair purchased.

Companies that are not public facing may seek help from public relations specialists to align their initiatives and make a greater impact. Henry explained this situation:

*They haven't really thought about it holistically. They have a group over here that's doing product storage, they've got a group over here working on diversity, they've got a group over here working on environment and compliance issues, but they haven't thought about how all of these disparate things, or seemingly disparate things can be brought together under one umbrella—that we can then use to define who we are as a company, what we believe in, what we stand for, how we contribute, and how all that goes above and beyond maybe what our customers and other stakeholders expect the most.*

This provides an opportunity for organizations to reevaluate their CSR agenda and really think about what it means to their stakeholders and their business.

Another influence on the development of a CSR agenda is pressure from outside entities on the C-suite or company management to address a social problem. The participants identified a number of influences that can and have led to the development of specific CSR agendas: pressure from stakeholders and institutional investors, pressure from fence-line communities (the neighborhoods in which a company operates), pressure from media, and effective grass roots advocacy. Adam pointed to Nike's major problems with factory worker conditions in the '90s, and its subsequent transition to an industry leader in the CSR space as an example of how advocates can serve a role. Furthermore participants noted there is a role for NGOs to serve as watchdogs, as well as partners in the implementation of CSR agendas.

The role of public relations practitioners in the idea generation phase lies in regularly evaluating and measuring existing corporate programs to aid them in organically evolving complex CSR agendas that set an example within their industry. By retaining a public relations

firm, these corporations, the participants said, can develop CSR initiatives that are more flexible and strategic. This means that these businesses rely on public relations not only to help identify and enable organic CSR directions to emerge from within those businesses, but also to know the CSR landscape, the clients' stakeholders, and its business objectives to provide effective counsel concerning the approaches to take that would constitute leading examples for those industries. Participants added that it could be helpful for companies to be made aware of opportunities for growth and development. Kristopher said:

*As an agency who is working closely with a range of corporate clients, we're obviously always looking for areas where there are opportunities to advance the business strategy and deepen the brand engagement. And so, we will often identify where we see opportunities for companies to lead and... start a conversation that sometimes will translate into... corporate investment into a particular social issue.*

This opportunity for public relations professionals to identify "white space," or strategic opportunities to expand in different directions is critical to a successfully managed and maintained CSR function. Participants suggested that if public relations counselors stay up on those issues and engage people effectively, they serve a critical role in the innovation and maintenance of CSR programs that fit the organizational culture, the community, and its stakeholder interests.

Corporations lead the development of new CSR agendas, often enrolling public relations agencies for support in idea generation, publications, and other areas. Depending on the nature of the business, CSR initiatives may be more all encompassing and strategic, with consumer facing companies often setting the standard. Outside forces like the media and NGOs often draw an organization's attention to the need for creation of a more strategic CSR initiative. Public relations practitioners can serve to initiate idea generation in CSR when they are already aligned

with an organization and are doing their job to monitor and evaluate current policies and influences.

### **Chinese CSR Alignment**

A key difference was found between cultures in the idea generation phase. A common theme seen by those individuals working with Chinese companies was to have CSR programs that aligned with the interests of management. These programs, that are often disconnected from the business strategy, were also observed in the Western markets but were attributed to a desire to find a common thread for organizations that cross industries; however, in China this approach was seen as a result of the hierarchical society, leading to programs that can feel mandated. David, a New Zealand citizen with 24 years of experience in China, discussed how Chinese companies might differ:

*[With] Chinese companies the situation is probably rather different. I would say [CSR initiatives are] determined by what the boss is interested in, essentially, because Chinese companies tend to be extremely hierarchical and a lot of decisions about where the companies spend the money, a lot of that power, is vested in the boss.*

### **Components of CSR Implementation**

Regardless of where the programs originated, the public relations practitioners in China and the U.S. identified some necessary elements that must be in place for the programs to be successful. First, there must be buy-in from the top. The client must be open to implementing new ideas and willing to wait for results. Additionally, it is necessary that there is a commitment to the initiative at all levels of the organization through strategic organizational alignment and the use of internal stakeholders as champions and ambassadors. The program must come about naturally and organically. They noted that the best way to bring about change is through active collaboration, discussion, and engagement. An organization must integrate a new kind of

governance model and new ways of demonstrating how CSR is of mutual benefit. Finally, organizational culture was a critical factor in the implementation of CSR.

### **Organizational Culture and the Development Process**

Cultures that are open and collaborative with an external focus, the participants noted, tend to lend themselves to the strongest programs. They demonstrate an appetite for risk or experimentation that allow for the design of programs that have a tendency to be more innovative. A culture shift may be necessary for a program to have major impact or be extremely effective. That is, as one participant explained, CSR is not just a reflection of organizational culture but also an influence on it. Ellen clarified the change management necessary for developing strong CSR:

*The right way... is narrow cast aligned with business, what the business has to offer in terms of their core competencies and truly putting a stake in the ground, as if to say I'm going to attempt to achieve the social solve. It actually is a change management. I mean it takes time for the employees to get around it and... it will actually evolve the culture.*

The research found that, culturally, CSR comes easier to companies that are under intense scrutiny and may be more difficult for companies that are operating with less rigorous oversight. Companies used to accountability and transparency, with strict regulatory oversight concerning their disclosure efforts, lend themselves to a more natural development of CSR agendas, while privately held companies often present more of a challenge. Moreover, consumer product companies have a culture of marketing and communications; these companies are essentially branded properties themselves.

Whereas both Chinese and U.S. participants noted the importance of authenticity of CSR in relation to corporate culture, Western public relations professionals went so far as to explain that they would advise a company not to partake in a particular CSR initiative if its corporate

culture did not match. Franklin laid out some key questions regarding institutional readiness that must be answered before an initiative can be implemented:

*Are we ready to sign up to do this, and that can be from sort of a communications operational business standpoint, and [if so] then . . . are we going to follow through, so are we ready and will we do what it takes in order to be successful?*

The participants did all see a strong correlation between organizational culture and effectiveness of a CSR agenda. Furthermore, they noted that institutional buy-in, as well as buy-in from internal and external stakeholders can be provided through a program that is strategically oriented to the corporate culture.

As to the role of public relations in the CSR development process, Adam noted that, “Public relations can only kind of amplify or manage but it can’t fix a business problem.” The key element across both cultures in the development process was a close tie to business strategy.

Adam further suggested a method by which to do just that in China:

*Let’s create . . . what we call a ten-point plan in the areas that we can identify that overlap with China’s development goals and use that as a foundation from which to build, not only communications, but also look at areas where we can take action to make a contribution . . . it’s not just some company tossing a bunch of money, but it’s a company that, for example, . . . [makes] all sorts of different materials that can . . . make vehicles lighter, that means they use less energy, which means less CO2 emissions or insulation for your apartments, which is huge also in China, where there’s just so much energy waste . . . Just identifying little areas where existing business is already done and you can make a contribution.*

Another perspective about building CSR around business objectives concerns getting buy-in from the top and having the support of senior leadership and, sometimes, even industry leaders. This approach, participants explained, can involve in-depth interviews with individuals in management; it can also entail a detailed audit, which explores what is already happening in the CSR space within an organization. These investigations enable the public relations coordinator to develop an understanding of where the CSR program ties or could tie to the

business strategy. Additionally, public relations practitioners' suggested that the best CSR strategies fall into place by giving employees a seat at the table. Providing them with the opportunity to contribute to either the creation or the role out of the program. As Isabella explained:

*At the very beginning, as we are putting together our situation analysis and then identifying gaps in opportunities, we are using both senior leadership and executives as an integral part in laying out what's important, but also the employees to help validate and then pinpoint the direction that would make the most sense within corporate culture.*

The next step in the process is to develop a plan, measurable business goals, and a ladder of support. Franklin explained:

*When you think about operationalizing a communications program, depending on the sophistication or the size of the organization, a communications function is going to need other people. You're going to need other business leaders to either be thought leaders or executive spokespeople. You're going to need site communicators or business communicators. You're going to need internal communicators to help cascade all the messages out, so if you don't have buy-in from the top and then the endorsement, what will happen is it will just sort of fizzle out... Start with "well, what are the business goals that we're trying to achieve... how are we going to track and measure this from a business standpoint?" So it may not be a communications program from a commercial standpoint, we may not be selling product, but we may have other business drivers in mind, so it could be relationship building with... members of the industry, it could be recruiting, it could be retention, sort of employee engagement, sort of awareness profile, it could be reputation or relationship building with elected officials and the influencers around elected officials. So there has to be... some kind of business objective in mind and the way that we'll look at that is we'll start from what are the business goals.*

Participants suggested that it is the role of public relations to evaluate the brand values, core competencies, the market place, competitors, major audiences, and necessary steps to drive growth, and often to create a plan for reporting. The role of a public relations practitioner in terms of relationship management may involve a number of stakeholders, and for multinational organizations often public-private partnerships with NGOs.

The next phase in developing CSR, then, according to participants, is concepting and testing followed by activation. This involves building a program and a plan for how to

effectively deliver it. The final step outlined by the participants is measurement, and this can come in many different packages, but was seen as an utmost priority across the board. A common theme with both sets of participants was the importance of developing clear Key Performance Indicators (KPIs) and driving toward those points. Most importantly for public relations practitioners, they must understand the client's definition of an effective CSR program and deliver in terms that it will appreciate. To make CSR effective for the client, practitioners in the U.S. and China agree it's all about results. These results can mean a number of different markers including: improved media coverage, ability to develop and launch an initiative, ability to sustain a program over time, employee engagement, employee morale boost, problem-solving for the client, effective project management, impact on the social issue, impact for key audiences, customer retention or support, dollar value of media impressions, ability to drive reputation or "brand love," and ability to move the needle (in terms of social impact, profitability, or reputation). The ultimate goal is to position a company with a seamless program that fits its core values and positions it as a CSR and business leader within their space.

### **Evolving Management Trends**

According to this study's participants, management of CSR is influenced less by cultural considerations in the surrounding community and more by the level of sophistication within the business practice. Participants working in the U.S. and China identified two major trends for housing the CSR function. The first was a communications role, although they also suggested that as business sophistication evolves, this role may change. Currently, some companies house their CSR in the communications or marketing department, possibly in a subset of public affairs or government relations. The second place they suggested CSR is housed is in a specific CSR role that is created either for a member of the C-Suite or for someone reporting to that group,

with the support of the communications division. Franklin noted the importance of having a business leader running the CSR focus:

*Over time what I think you're going to see is more and more companies going to identifying the commercial leader or the business leader, and then having a communications person support that leader, because ultimately they'll start to see more and more business opportunities. And what's going to happen with sustainable development goals is there's going to be a greater emphasis on the business's role in driving sort of the end of extreme poverty and improving education, improving global public health, and then more sort of rigorous reform in its evaluation around companies contributions to reducing poverty.*

While the tendency is for companies to house CSR in communications or under the authority of a business leader, participants also suggested, however, that, as the integral role of CSR as a business strategy continues to mature, there may be more decentralization of where the CSR function is housed. Henry said:

*Ideally... it should be found throughout every part of the organization and it should manifest itself in just the everyday working of the organizations. So you should find it on the production line, you should find it at the retail level, you should find it when a customer calls, you should find it in the way a company... houses and manages its information. So it really it should be decentralized.*

The idea of decentralization was further discussed by other participants leading to a list of component parts to a CSR function: the philanthropy department, community outreach, communications, HR diversity and inclusion, and legal for compliance issues. The idea of building a decentralized team to support CSR as an integral part of the business strategy was an interesting finding of this research and is discussed in more detail in the Stakeholder section below.

## **Reporting**

Trends for reporting were the same cross-culturally. Both U.S.-based and China-based practitioners spoke to the value of a certified report, like the International Integrated Reporting Council (IIRC) or the Global Reporting Initiative (GRI). These organizations provide for some

level of standardization in the reporting of CSR initiatives. Ellen suggested the need for a third party audit to demonstrate the genuine commitment that a company has to a socially responsible corporate culture. Almost all of the participants went beyond standard reporting and suggested that digital channels provide a better way to keep stakeholders informed on a regular basis.

Henry noted that:

*The most successful organizations are now communicating it across channels and using every vehicle they can to talk about what it means to be responsible to the them... it's got to be ongoing, it's got to be active, it's got to be integrated, and I think it's got to be two-way.*

Participants further elaborated on the freedom that digital and social channels provide for representation beyond a dedicated corner of the website, and on more of a day-to-day basis. Furthermore, new advances in technology provide an opportunity for two-way communication and new channels for engaging stakeholders in conversations about sustainability and social issues. Participants explained a need for integrated, dynamic reporting through the use of storytelling and visually engaging digital platforms. Some leading examples included developing a dashboard for CSR communications, providing real-time reporting, and measuring an impact over time to amplify results.

Interestingly, very few practitioners mentioned traditional public relations communication efforts like internal newsletters and press releases when discussing best practices in CSR reporting. Moreover, annual reports were seen as still important, but more as a best practice of the past, calling for organizations to also produce more concise, timely reports for better and more timely engagement. Practitioners in the U.S. and China both illuminated the fact that lessons learned or complications that arise have just as much value as success stories and should be included when reporting on CSR initiatives. Bethany, a Chinese National working in Shanghai, took more of a media approach when addressing this question and suggested that

media outreach was extremely important, as well as deep reporting opportunities like documentaries. The participants agreed, however, that CSR reporting was an area of the public relations function that will continue to change and develop.

Accordingly, the role of public relations in the development, management and implementation of CSR functions is to serve as strategic counselors, evaluators, and idea generators. That is organizations lead the creation of CSR plans, using public relations agencies to push their efforts to the top of their industries. Successful programs must have buy-in from the top, as well as alignment throughout the organization and with the business's core competencies. Organizational culture is critical to the development of strong CSR agendas, and managers can be found throughout the organization, but are most likely business leaders or a subset of the communications department. Finally, reporting trends are constantly changing but call for transparency through the employment of third-party audits, real-time engagement through new media, and "moving the needle" by showing a major impact over time.

### **Stakeholder Management**

#### ***RQ3 How are stakeholder groups prioritized and engaged when enacting and managing CSR plans in the U.S. and in China?***

Stakeholder expectations vary between and among stakeholder groups, it is thus the role of public relations practitioners to map these groups for engagement. Tools to provide for stakeholder-specific engagement include: individualized language targeting and communication channels, relationship building, partnerships, thought leadership, and two-way, transparent communications. Internal stakeholders and external stakeholders have different roles to play. It is important that these groups are identified, activated, and engaged to create mutual-benefit and quantifiable results. International NGO's provide support for strategic CSR, but in China these

groups face many difficulties as they must align with a local nonprofit, organizations that often lack legitimacy. The importance of stakeholders was found throughout the interview process. Many of those interviewed included stakeholders from the very beginning when conceptualizing CSR. Additionally, the findings revealed similarities across experience levels and geographical locations when prioritizing and engaging stakeholders (Table 2).

### **Evaluating Key Stakeholders**

The interviews found that evaluating important stakeholder groups was necessary cross-culturally; however, those interviewed who work in the U.S. elaborated more on the process by which stakeholder groups are mapped.

As public relations consultants, there is a conversation that must take place first between the agency and the corporation. At this stage, participants explained, it is best to start by asking the corporation whom they see as the key stakeholder groups. It is also necessary to highlight their business goals to better develop an understanding of the stakeholder framework. The practitioners in the U.S. and China agreed that along with identifying the objectives and strategies for planning and implementing CSR, understanding the desired degree of stakeholder participation is key to an effective CSR program.

In addition to having the C-suite and other employees on board with the program, the practitioners also saw a need for management to engage directly with stakeholders to continue the conversation on sustainability and become a leader within their space. The idea of mapping stakeholders allows for the consideration of all of these interested parties. Bethany noted that, “We need to care about all of these stakeholders especially in China.” She then described the process by which her organization effectively maps for stakeholder engagement. The mapping process starts with research or an internal audit. This involves taking stock of existing

relationships, analyzing the media, activists, regulators, and policy makers on a local, national, and international scale. Practitioners explained that it is necessary to develop an understanding of what the stakeholders want and map them by their interests and expectations. Next public relations practitioners should define opportunities to establish new relationships or dialogues with organizations. The map serves to demonstrate the level of engagement that each stakeholder group needs. Henry said, “The stakeholders are not created equal . . . who they are, their reach, their reputation, their influence, [some] deserve a different level of engagement and others less so.” Stakeholder management must be sustained overtime and requires public relations practitioners to monitor them on a regular basis to better manage issues and stakeholder expectations.

### **Managing Stakeholder Relationships**

Developing an effective communications strategy and targeted messages was a topic discussed in relation to stakeholder management. Practitioners noted that messages need to be clear and in the voice of whatever stakeholder is being targeted. Professionalism was cited as a necessary element of messaging during an interview with a China-based practitioner, suggesting that public relations may lack some legitimacy in that arena and require an increased focus on expertise. Due to the collaborative nature of CSR, partnerships were highlighted as an important function in stakeholder management. Some practitioners even suggested working with all affiliated parties and suppliers to a corporation to garner strong support for a CSR initiative. Partnerships may also include experts within that particular domain.

### **Establishing Buy-In**

Internally, public relations practitioners hope to create a sense of excitement, feelings of inclusivity and cohesion. As Caitlin explained:

*I think internally, if you have such a far reaching campaign that's recognized globally your employees are also going to be... proud of the brand and proud to be involved and ... probably proud to share that concept ... when you have a successful campaign it ends up being unifying.*

Franklin further elaborated on the value of internal stakeholders in stating that:

*Whereas the external is about who can carry our message externally and/or who we need influencing or supporting our position, internally it's a lot of who are the change agents or ambassadors that can help us reach multiple audiences or a wider set of audiences. So that could ... be business leaders, that could be site leaders, so it could line managers, it could be individuals at a site or a manufacturing location ... that tend to be catalysts, but we want to ... find people that are drivers of change.*

The best way to establish buy-in with stakeholders is to show impact, efficiency, and return on investment (ROI). Long-term initiatives targeted at a social solve were suggested as better for fostering buy-in and support. They noted that internal buy-in was best secured through the development of teams of people from multiple departments i.e., human resources, legal compliance, research and development, foundations, marketing, and communications. The participants suggested that it is important to be intentional about bringing people to the table early and giving them a clear view of the journey: with greater internal involvement, a project would have more ownership from key employees. Isabella noted that, “we involve integrated committees from the very beginning and then keep them engaged throughout.” Moreover, statistical findings and quantitative research were suggested as tools for garnering internal buy-in. The participants suggested setting metrics or milestones based on shared interest to engage internally.

Key external stakeholders identified in the U.S. and China included thought leaders, influencers within civil society, elected officials, customers, community leaders, nonprofit leaders, suppliers, and regulators. Suggestions for external stakeholder engagement followed a

desire for authentic, transparent, and genuine programs. George, a practitioner working in the CSR space and based in Seattle, noted that:

*If you asked a company what they thought about gay marriage... 10 years ago they would be like no comment... But now, increasingly all these companies are kind of throwing their hat in the ring and saying ... we support same sex legislation, we support all of these sorts of things, and because it's that rise of the activist consumer ... there are people that are not going to give their dollars to companies unless they know that they believe the same things.*

When reporting to external groups and engaging and maintaining interest and buy-in, participants advocated for day-to-day, two-way communication that makes people care. Bethany explained how her team looks at CSR engagement:

*We have this mission. We feel like we're doing something good for society... in Chinese we say "zheng neng liang"... positive energy. So we feel like we bring this positive energy to ... society and ... we actually bring the public's attention to care about this group of people.*

## **NGOs and Nonprofits**

While the stakeholder mapping process was pretty consistent cross-culturally, NGOs were found to play varying roles in China and the U.S. NGOs can drive international CSR efforts and help companies find better ways to impact society because, as Henry noted, "they've become so vocal . . .":

*It's not like it was even 10 years ago when they were fighting for share of voice, now they're very active and they are often the ones that are knocking on the companies' doors asking them for meetings, asking them to complete questionnaires on things like supply chains and environmental policies.*

Many international NGOs partner with corporations and provide a matured understanding of how CSR is best facilitated. However, some participants in the U.S. and China termed Chinese NGOs as a "gray area," noting that China is a very difficult environment for these organizations to operate in. International NGOs in China are required to form a partnership with a local nonprofit. The research found that while nonprofits in China may have really great

intentions, they lack many resources. Also, nonprofit organizations in China are aligned with and define a key role for the government, which can slow down the nonprofit's ability to make an impact. David reflected on his experience in helping to bring an international NGO to China:

*It's very difficult for foreign entities or international companies ... to set up chartable organizations or nongovernmental organizations in China. The regulations, up until very recently, have not been conducive to setting up this sort of charitable organizations. And it necessitated finding essentially a host organization that would act as the host, essentially for a foreign charity... there's a lot of distrust about many of the official charities and charitable organizations in China itself.*

### **Chinese Government and Media**

Two other stakeholder groups influencing delineation from the Western CSR paradigm in China as identified by the practitioners on both sides of the globe are government and government-owned media. David noted:

*Partnering with a government or quasi-governmental organization, a semi-governmental organization, and essentially getting them to endorse what you are doing-- that has a tremendous amount of influence in China, where the sort of influence and role of the government is obviously much more different than it is in the West. It's much, much, more influential.*

Participants alluded to China's five-year development plans that highlight the government's goals for environmental and sustainable change in China. In contrast to those in the U.S., CSR plans in China must consider this valuable stakeholder and account for these government-mandated five-year plans in their design. Moreover, the Chinese public, according to Bethany, thinks the government should make the society better and that burden should not fall on the people. In China, the government must have a role to play in any CSR initiative.

The influence of the Chinese government extends to the government-owned media. Because nonprofits in China work with the government, they bring in local Chinese media affiliates to cover events. In China, local media see CSR as a fancy, international construct and have little understanding of the practice as a whole. Bethany elaborated as follows:

*The government want[s] their own media-- only their media [to] come. Not the media we invite, so ... [there is a] conflict sometimes...We need to keep communicating with them, at the same time we . . . work for [a] client, we don't work for [the] nonprofit organization... So sometimes we need to stand out... we need to negotiate between two parties.*

She suggests here that public relations practitioners find it difficult to work with nonprofit organizations in China, because the latter are so connected to the government and want to involve solely state-controlled media in the publication process. However, she further explains that as a public relations consultant the major commitment is to the client, and for reporting purposes it may be necessary to work with international media members that are not approved by the client's nonprofit partner.

Public relations practitioners must evaluate stakeholder expectations, understand each group's role, and map for engagement. Furthermore, they must manage stakeholders through the employment of group specific language and communication channels, relationship building focusing on partnerships and thought leaders, and two-way, transparent communications that demonstrate a quantifiable result. Key internal stakeholder groups are found at all levels within an organization and can be activated through successful engagement as brand advocates. Key external stakeholder groups contain many of the same audiences cross-culturally, but the role of NGOs or nonprofits in China, as well as the influence of the government and its role in the media is a variable of culture that good cross-cultural public relations efforts account for.

### **Cross-Cultural CSR**

***RQ4 How do public relations practitioners adjust their roles in CSR when working within the U.S. and in China? When working locally? When working globally?***

This research compared the U.S. and China, two cultures that have extremely different orientations, these differences prove to impact the adaptation and implementation of cross-

cultural CSR. China is developing its approach to CSR, adapting to Western influence, led by the Chinese government and multinational companies. NGOs drive CSR adaptation in the U.S., and these key groups could serve to increase CSR sophistication in China, as restrictions on Chinese nonprofits and international NGOs change. While practitioners in the U.S. and China had similar understandings of the CSR climate in China, differences arose when conceptualizing global and local CSR initiatives. The level of response and understanding of best practices was a product of experience, with senior level practitioners more versed in the global activation process (Table 2). The findings also reveal key differences in local and global CSR implementation, as well as a necessary interaction between both. Local CSR centers on stakeholder engagement, community-specific change, and education; while, global CSR unites an organization around a specific goal and provides a map whereby local initiative can ladder up to increased attention, leading to a global social solve.

### **Comparing China and the West**

The difference in stakeholder roles in China was the first concept that this research uncovered as a variable for differentiating CSR practice. Most importantly the state of CSR in China was seen as developing, lacking legitimacy, and in need of educational support at the local level, David said:

*So, there's a huge amount of skepticism in China about the value of CSR programs. A lot of the time it's increasingly seen as basically just a cheap marketing ploy, and then there's a lot of skepticism about whether or not these programs achieve what they've said they're going to do.*

The U.S. and China both prioritize some similar stakeholders, but nonprofit agencies in China, involvement of the Chinese government, and the impact of the government on Chinese media, all differ from the Western paradigm. The economic position of China at an international level demonstrates another layer of difference between the U.S. and China, due to how fast the

Chinese economy is developing. The sheer size of the Chinese economy, as well as the speed at which it has industrialized has had an impact on the development of CSR. Henry explained:

*Being a relatively new economy and an economy that's still emerging... they're under intense pressure to deliver more with less waste, while at the same time ... there's such an intense need for resources and energy that it's a bit of a dichotomy. You know, on the one hand there are those who are saying ... we can't make the same mistakes that the West did in terms of energy intensive industry, or resource intensive sectors, or things that are going to be destructive to the environment. And, you just have to look at the air quality in Beijing to get a sense for what that is... there's the expectation that they can somehow leap frog ... by establishing some of these things that we didn't do 30-40 years ago. And, at the same time there's just incredible, incredible pressure, intense pressure for them to just deliver to an ever increasing customer base that's more and more demanding and that wants to live the Western lifestyle-- and that dichotomy doesn't work.*

The participants pointed to the fact that in the West, industry is more mature and evolved; product quality, reliability, and safety are now standard. China still lags behind in these areas. In years past, government intervention and regulation may have been lacking, but as these results suggest, the Chinese government is already starting to take an environmental stand and is now a driver of CSR. Looking at the evolution of CSR in China, culture plays less of a role than the current state of business and industry there. As business matures, so do CSR efforts. This can be seen in the development of CSR in the U.S. as the focus shifted from ideas of economics, to legal and regulatory, to ethical standards, and finally to a positive impact on society. Even the level of strategic development and alignment to a business's core competencies that CSR functions at today, comes from developmental origins. The West embraced the role of CSR as a foundation of business only through the evolution of a more sophisticated CSR. Kristopher illustrated this point by saying:

*In the West it used to be that when you talked about CSR you were largely talking about philanthropy and ways that companies could demonstrate that they were invested in local communities. Now, that's still a really important part of what companies are doing in terms of CSR in the West, but it has evolved substantially to now be about ways that companies can shape business strategies that deliver financial result and social impact, which is a phenomenal mindset shift, particularly around expectations that people have*

*of CSR in the West. It's no longer enough for a leading company or a leading brand to talk about CSR in terms of philanthropy, because there's an expectation that you're going to be doing all sorts of extra things as part of your strategy. Whereas, in China CSR is in earlier days, the focus on CSR is ... more often than not, focused more on philanthropy or local community impact...*

Another key aspect of CSR in China, then, lies in understanding the perceptions and attitudes among the general public in regard to CSR. Whereas U.S. business and its stakeholders are not only more familiar with, but more demanding of CSR initiatives, participants in China explained that the average Chinese consumer doesn't really understand the principles and purpose of good philanthropy and good CSR. This makes for a difference in how CSR is facilitated in that practitioners must educate the public about what CSR can and should be. Bethany said, "We spend at least 50 percent of the time to educate the public, then give them like advanced messages about CSR." Furthermore, Caitlin noted the level of conversation happening in the West around CSR and pointed to campaigns such as Patagonia's, "Don't buy this jacket," as examples of how Western CSR pushes more boundaries and takes more risks. The Patagonia brand prides itself on being long-lasting and this campaign demonstrated their commitment to this ends. It told customers not to buy their product (unless it was a necessity) but rather to consume less and consume better. This campaign garnered much attention in the West and was very effective, but Caitlin pointed to the fact that China, a country adapting to the Western consumer mentality, may not be ready for such an extreme message.

A major difference in how CSR is facilitated in China falls to the disconnect between business and CSR efforts: Chinese companies, on the whole, have not integrated CSR into their business strategies. Multinational Western-based companies are readily adapting CSR to their DNA. Joseph is a consultant who helps corporations in China develop their CSR programs. He noted that:

*Most of the companies in China ... are still trying to understand what CSR brings to them and then that's why for most of the companies their major focus on CSR is only on brand building or something like that... Some of the leading companies are facing new challenges, especially those companies, big Chinese companies that are going global, they are facing different kinds of risks than other overseas companies... because most of the companies thinking about CSR are probably thinking philanthropy.*

Nevertheless, there are certainly some strong examples of successful CSR coming out of China, David explained:

*There are companies that are starting to think much more seriously about CSR. Alibaba is a good example... they've actually set up a foundation ... where they are really looking seriously ... at ways to implement good CSR and philanthropic initiatives in China. So, they're going about it in a very systematic and business-like manner—but they're the exception, not the rule. You could probably count on one hand the number of Chinese companies that are taking that approach ... [however] one thing about Chinese companies, when they see something working well, and they see best practices in action, they will pretty quickly follow.*

The participants suggested that as Chinese companies continue to grow they too will quickly adapt to the Western level of CSR engagement. They demonstrated that CSR in the U.S. is mature, while Chinese CSR is still catching up. Most interestingly, Ellen suggested that China has a chance to initiate its own CSR framework, “I think China has an enormous opportunity to do CSR for itself, because they've got so many inherent social issues...that could be addressed.”

For public relations practitioners working cross-culturally, the key differences are founded on the societal level of education and sophistication. The U.S. has been talking about CSR now for many years as an integral part of the business strategy, while in Chinese business it is conceptualized as philanthropic engagement and met with a greater deal of skepticism. Accordingly, CSR programs in the West can be more groundbreaking, while initiatives in China must account for a need to provide education about CSR at a more basic level. Perhaps China's biggest problem comes from the pressure it faces to produce at such a high demand, while being expected to adjust to the legal and ethical compliance standards of the West, that have developed

over the past 90 years, whereas China only opened its doors to free enterprise around 35 years ago.

### **Drivers of CSR in China**

In the West, CSR has become such a standard business operation and so widely demanded by society, that the corporations themselves see the need for implementation. Due to China's position in the development process, it was important to determine what pressures serve the greatest role in pushing Chinese organizations to align with a social purpose. The research demonstrated that there are mixed opinions on the drivers of CSR in China. This is largely due to the vast array of influence calling for change. The primary theme seen throughout the interviews with both sets of practitioners, however, was the influence of the Chinese government on CSR.

Joseph observed:

*For the past six, seven, or eight years the government is that major driver of CSR here in China. The central government [has] released a lot of guidelines or regulations... to promote CSR among different types of companies in China... to encourage them to be more socially responsible. And then, ... the Shanghai stock exchange also released guidelines to ask the listed companies in China to have better CSR exposure. So I mean in theory, CSR in China is more government-led, rather than having a civil society basis or quality approach.*

Western-based multinational corporations are also a driver of CSR in China, according to the participants. The reputations of MNCs' in China are managed through corporate communications and public relations that demonstrate a tie back to CSR. Interestingly, a lot of these plans also tie into the government's five year development plans to demonstrate compliance. Still, in times of crisis, Chinese officials have often singled out international companies rather than blame local providers; this in turn places pressure on Chinese brands.

Another factor that drives CSR is the ability of customers to voice their opinions and have a conversation with brands and companies. As in the West, the practitioners noted open and

active discussions online as a driver that the government, public relations agencies, and companies should think about.

An interesting comment made during the research fell to the role of nonprofits in driving CSR. David said of Chinese nonprofits:

*What you're starting to see now is the emergence of charitable organizations that are actually able to go in and pitch ideas to companies, and say hey, you know we're a locally established charity, but we've got xyz program and we're looking for sponsorship, we're looking for support in some manner or other from the business community. Would you be interested in supporting us?*

For the West, multinational NGOs and mature local nonprofits already provide this level of assistance and outreach. As the state of NGOs and nonprofits in China continues to up-level, this shift could mirror the role and influence of these organizations in the U.S.

Accordingly, drivers of CSR in China at present are the government and Western-based companies. However, there is an opportunity for NGOs to play a greater role as the regulations regarding their license to operate continues to shift. Moreover, as the Chinese public becomes more educated on the role of CSR, societal influence may prove more influential, and eventually, companies may see their own need to implement these policies as a corporate-led strategy, paralleling the West.

### **Localizing CSR Efforts**

Generally, practitioners agree that CSR on the local level is easier to implement and more precise than a global CSR program. There exists a level of education necessary for local media and consumers to engage with a CSR program or agenda. This reinforces the need for local CSR to be relevant and constructed for the local stakeholders. Franklin stated that, "local's about high engagement and building trust." Local CSR needs to demonstrate very plainly the local benefits and inspire word of mouth and involvement of local media. Public relations practitioners can

serve to provide a deeper understanding of the local culture and activate trusted audiences in the communities where they live. Local initiatives must consider the expectations of local stakeholders, and provide programs that solve a local challenge or an issue in a local community. Caitlin pointed to two types of local initiatives. The first is more of an event or publicized short-term engagement that people are involved in, and that may have a greater physical show of support. The second is a genuinely effective long-term program that allows for a powerful example of progress over time. Local CSR initiatives need to fit the communities in which they are built. Adam discussed how multinational corporations implement local CSR, “they essentially try and localize those and create ...a way of implementing a global program... in a locally relevant manner.”

On the local level it’s about stakeholder engagement and education, as well as establishing roots, building trust, and developing deep connections. Local engagement centers on knowing the local culture, understanding local stakeholders, and activating brand ambassadors in the community.

### **Going Global**

Global CSR plans are about transforming industries and making new opportunities for leading businesses in the communities they serve. Isabella explained how local differs from a global/national impact by saying that:

*At the local level it’s about local involvement and local impact. People need to be able to experience it and the value that it provides. And then at the national level it has to do ... with moving the needle in a bigger way.*

National or global plans must consider cultural relevance as they deepen employee engagement and change major relationships with the consumer. Global CSR is much more generic and thus more difficult, because you have to make people care globally. It serves to unite

an organization around a single goal or area of impact and can provide a map for local initiatives. When done well this provides greater awareness, dialog, and discourse around the issues that need greater attention. These initiatives can meaningfully and measurably change the lives of people. A difficulty falls to the fact that global activations are hard to scale up. These programs have to be communicated out and measured across all markets. The participants pointed to global commonalities such as clean air and clean water. Accordingly, it is important on the global level for an organization to identify its priority and, possibly, identify a global charity to help it align its CSR plan cross-culturally. Global programs provide corporations with a consistent story to tell. It then works through the development of a local reach for a global initiative, and further rolling that effort back up to the global level. Good global CSR unites an organization around a strategic goal and provides a map for local initiatives, while allowing those programs to adjust according to the cultures in which they are implemented.

## CHAPTER 5

### DISCUSSION

#### **Conceptualizing a New CSR**

The research demonstrated that the professional practice of CSR, much like academic study in the field, lacks an overarching definition or denotation. Moreover, in conjunction with the literature, many themes and trends develop when conceptualizing CSR. Most importantly, all of the study participants suggested a need for authentic and strategic CSR efforts, this relates to academic demand for dynamic CSR (Zerfass, Linke & Röttger, 2014). When interviewing participants in the U.S., the conceptualization of CSR was more detailed. This difference could be a function of the level of development and sophistication of CSR in China. Although all of the practitioners working in China have, at the very least a Western education, these individuals are operating in a society that is still, at their own admittance, in need of basic education on the purpose and practice of CSR. The individuals in the sample from the U.S. work, or have worked, specifically in the CSR space. Their organizations, while operating in China, are much more aligned with their management systems in the U.S. Accordingly, U.S. participants had more practical experience in facilitating CSR, and were thus more equipped to conceptualize the business purpose. Despite differences in levels of sophistication, the definition that both sets of participants supplied again adds up to: Doing good through a long-term initiative that is part of the core business strategy and is mutually beneficial to the company and society. Companies that do CSR well understand their role in the community and their impact on multiple stakeholder groups. They develop a sustainable commitment to a specific socially responsible focus and

think big picture, as opposed to focusing on one-off events. This conceptualization aligns with much of the academic research by highlighting a need for long-term orientation (Freeman, 2006), mutual-benefit (Heath, 1997), and elevated behavior that manages stakeholder interests (Sethi, 1975).

However, despite whatever definition a practitioner or their agency suggests, the best role that this research found for public relations was to provide thought leadership and education, but to allow the corporation to develop their own conception of CSR. Moreover, it may also serve modern day public relations to draw their client's attention to a focus on long-term CSR that can provide an impact over time. The literature suggests that this impact may be seen on corporate reputation and culture (Branco & Rodrigues, 2006), as well as society at large. Not only do efforts like this provide for a more meaningful impression among key stakeholders, they provide an opportunity for business to truly claim a stake in solving a social problem.

The findings demonstrate that effective CSR should start from a place that is aligned with the values, organizational culture, and core competencies of the business. Practitioner E provided an example of a partnership with the World Food Programme (WFP), the world's largest humanitarian agency, which aligned four key partners with a clear contribution to a social solve. First, because PepsiCo wanted to highlight their healthy Sabra hummus brand it provided the funding to support the development of good quality chickpeas. The WFP wanted to improve its operating efficiency in crisis situations and provide its expertise in manufacturing to make a baby food out of local resources to feed the under-two population in Ethiopia and beyond, in response to growing hunger needs. In the meantime, the United States Agency for International Development (USAID) wanted to improve global agriculture and provided their expertise and technological advancement in efficient and effective farming techniques. And, finally, the big

winner in this partnership was the government of Ethiopia, which was able to provide local farms for the growth of these chickpeas, in turn supporting the local economy. This partnership was a huge success for all parties involved and goes to demonstrate how connecting CSR to business strategy can serve to “move the needle” in a bigger way.

Looking to academia and how CSR has been theoretically conceptualized, Carroll’s four rationales (1979) serve as a strong basis for modern day academic understanding. The present study, however, found that CSR has moved beyond Carroll’s conception and is at present pervasively operating within all four domains. Building from the literature, Stohl et al. (2007) explained that there no longer exists clear distinctions between such terms as ethics and profitability. The practitioners in this study demonstrated that the modern day CSR model doesn’t break the role of CSR into economic, legal, ethical, and discretionary considerations, rather it calls for organizations to find a level of alignment with corporate culture, and a level of commitment to society that best fits their organization. Thirty years after Carroll conceptualized his theory, it is time for scholars to expand beyond his four rationales, developing themes or spectrums by which to measure CSR, considering the ability of a business to develop a strategic, mutually beneficial CSR agenda that is tied to the DNA of the business.

### **Public Relations’ Role in CSR**

CSR is so integral to business functions that it requires input from all levels and departments across an organization. So what then is the role of a public relations agency? Corporate clients want public relations agencies to help them find legitimacy. They want society to see their company as a leader within their field. Accordingly, it is the role of public relations practitioners to lead; provide input; manage relationships; monitor current practices, competitors, stakeholders, and issues; guide alignment to a business’s core competencies; generate new,

groundbreaking ideas; and create and implement communications plans. Throughout the development process public relations can continue to provide this level of support, building from previous literature which suggests that this is done by balancing a firm's actions with its social values, norms, and expectations (Dowling & Pfeffer, 1975). Moreover, public relations practitioners specialize in reporting and engaging with stakeholders. This research found that much like other reporting trends, CSR reporting is constantly changing. When discussing best practices, practitioners moved away from traditional forms of public relations reporting in favor of new, interactive methods, and calling for a focus on two-way communication and transparency, which mirrors that of previous research (Surma, 2006). Interviewees spoke to annual reports but further illuminated the more personal, real-time impact that smaller, more timely publishing efforts can have on corporate reputation, citing best practices from corporations like Unilever and Starbucks.

The process of CSR requires that buy-in come from the C-suite, and permeates the organizational culture, naturally aligning with the values and function of the business. Decentralization of CSR was suggested as a way of involving and supporting internal stakeholders, as well as a best practice in CSR management, and a possible trajectory for future management patterns. Similarly, the function of CSR is best served when it is allowed to expand across all levels of an organization. Echoing Black and Hartel (2003), the findings here suggest that best practices for CSR management center on social responsibility orientation and public relations orientation. In other words, public affairs can serve to pull CSR through an organization's business strategy and aid in the management of a decentralized agenda.

Some organizations, especially those that are consumer facing and highly regulated, are more connected with their branding and reputation management efforts, and thus more

advantaged in the implementation of CSR. Regardless, CSR can benefit an organization no matter the industry, as long as its CSR is genuine and tied to business strategy. Public relations can serve to bridge the legitimacy gap for organizations through the implementation of CSR programs that inspire stakeholder support and build trust. This correlates with previous research that demonstrates the use of CSR to bridge the legitimacy gap (Heath, 1997; Yin & Zhang, 2012).

### **Stakeholders Tie CSR to Public Relations**

The audiences that impact an organization continue to grow more numerous and become more vocal. Public relations practitioners are uniquely equipped with the necessary tools and overarching view of organizational operations to provide counsel in evaluating stakeholder expectations. The literature reveals that practitioners play a role as consensus builders with the public (Katzman, 1993). All of the agency professionals interviewed for this study had a process by which stakeholder mapping was facilitated, helping them manage communications with stakeholders, monitor their key issues, and organize and prioritize those groups that give life to the corporation.

Internal stakeholders not only provide an opportunity for public relations practitioners to activate brand champions, but they also allow for a unique path by which to decentralize CSR and public relations. Through the employment of decentralized teams of key employees, an organization can organically pull its CSR programs throughout its business function and areas. Similarly, external stakeholders need to be engaged in a conversation that includes everyone from local regulators and policy makers to nonprofit partners and NGOs. The worst thing an organization can do is to present or implement a program that is disingenuous or inauthentic. Following previous research (Makower, 1994), this study found that stakeholders need to see a

clear alignment between strategy, values, and CSR. Moreover, with the rise of the activist consumer, Western public relations agencies understand that customers have the technology to develop a complete understanding of the economic, legal, ethical, and discretionary efforts of an organization, and moreover multiple platforms from which to voice their opinion. Effective and sustainable CSR programs, then, require businesses to clearly define them, consistently engage in dialogue about them, and transparently present their commitment to them. This reflects the necessity for a two-way CSR perspective (Bartlett, Tywoniak, & Hatcher, 2007), as well as interconnected communications (Solis, 2010; Coombs & Holladay, 2007).

Examining CSR from the nonprofit perspective, it was found that NGOs and grassroots activism serve two roles. Adam said, “There’s a role to play for the Green Peaces of the world [and] there’s a role to play for the WWFs of the world.” More specifically, some organizations support and partner with companies to build global CSR agendas, while others serve as a watchdog, ensuring that business functions in the best interest of society. A major difference between China and the U.S. falls to the legitimacy of nonprofits operating within China, and, for an international NGO to operate there, it must partner with one of these quasi-governmental organizations. This supports previous finding that NGOs have a limited voice in China (Tang, 2012).

Other key differences in terms of major stakeholders when enacting CSR in China are the Chinese government and Chinese government-owned media operations. The government must have a role in CSR agendas in China, whereas in the West, CSR agendas are so specialized that they reach far beyond government mandates. While in the U.S., business should share some of the government’s responsibility for social and environmental issues (Freeman, 2006), the Chinese public at a cultural level still see this role aligning with the CCP. Media in China needs

to be better engaged and dialogues need to continue to upgrade the understanding of CSR by Chinese society, moving away from a dependence on comparison to Western practice (Yin, 2007).

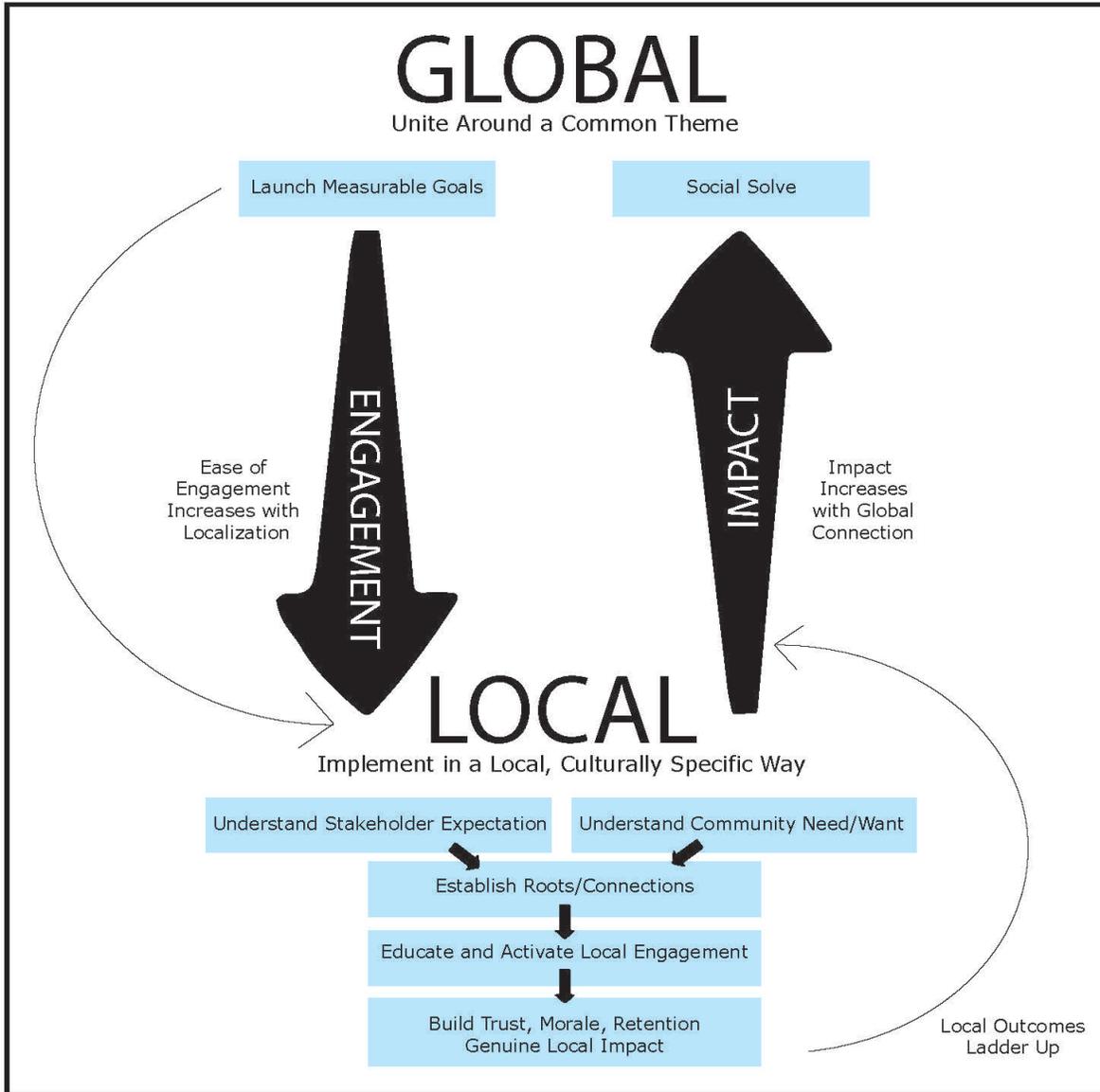
### **Cross-Cultural CSR Centers on Sophistication and Localization**

The Chinese public is skeptical of CSR, so continued education efforts are necessary if CSR is to become more sophisticated and mainstream in Chinese society. Western CSR is much more developed, as a result of the West's long-term commitment to free market commerce. Some in China are trying to meet Western standards, but they lag behind in adopting the Western paradigm, causing an unbalanced dichotomy. Modern day CSR for multinationals, and even national organizations within the U.S., is highly sophisticated and tied to business strategy, whereas in China, CSR is still very much seen as philanthropy with a focus on disaster relief, like research has demonstrated (Lin, 2006; Tang, et al., 2014). The Chinese government, having had outside influence from the UN and other major world players, is now driving a move toward sustainability. The role of *guanxi* in Chinese society places emphasis on hierarchy and ensures that government must have a partnership with nonprofits and local media, as well as a role in their operations. In keeping with past research, the participants in this study pointed to NGO and nonprofit operations in China, as well as local media relations as lacking credibility due to factors such as *gao guanxi* (Huang, 2001). However, NGOs and nonprofits are slowly finding legitimacy and ways to gain a foothold in China, and they have the potential to accelerate CSR development public support and strategic public-private partnerships. Accordingly, while culture affects the speed and development of CSR cross-culturally, these findings suggest that, using China as a comparison, the Western conceptualization of CSR very much reaches into the East. Research has found that the level of institutionalization of a country serves as a fair predictor of

CSR adaptation (Tang et al., 2014). China does not have its own CSR paradigm, but participants did identify a different rate of development and implementation toward the epistemologically Western ideals of CSR. One practitioner in this study noted that art was a focus of Chinese CSR in 2013, suggesting a transition in the direction of western practice and away from the norms of disaster relief. Following neo-institutionalism theory (Meyer & Rowan, 1977; Meyer & Scott, 1983; Zucker, 1977), this suggests that perhaps there is no Western paradigm of CSR, but rather a cross-cultural paradigm that is influenced by business sophistication. That is, CSR might not be grounded in Western culture so much as to the levels at which a business operates in a free-market system—including its management, communication, production, and stakeholder operations—regardless of its cultural orientation.

“Glocalizing” CSR provides a unique opportunity to make a major impact, to develop a specific focus, to stake a claim as to what an organization hopes to change, and to impact a social issue over time. Firms that effectively leverage “glocalized” CSR can impact the world. Picking a focus that strategically aligns with core competencies at the global level is the first step, followed by implementation at the local level. These findings led to the development of the global activation process of effective CSR (Figure 1). So, while concepts and areas of focus are developed at the global level and move downward, implementation begins locally and ladders up, blurring the lines between local and global (Stohl et al., 2007). It must seek to educate, engage, and impact local stakeholders in the neighborhoods where they live. That local engagement and impact must then also coincide with the organization’s efforts in other places, so that a comprehensive CSR program resides at the global level. Isabella exemplified Western Union’s “Our World Our Family” campaign, which called for, “a commitment to helping people who were on a journey to better life, or migrants.” This campaign focused on education, financial

Figure 1  
Global Activation Process of Effective CSR



literacy, public advocacy, and other measures, and led a realignment of not only Western Union's own policies, but also grants, issue based advocacy, volunteerism, and HR policies, reaching through all levels of the organization. Here, CSR started locally, building up through its operations to a global organizational investment goal of \$50 million over five years. More importantly, however, is that Western Union made a major impact on and called international attention to these fundamentally important social issues in all of the communities it serves, as well as on the world stage. Its claim to create social change was so strong, so authentic and sincere, that its commitment to its CSR program drove changes in organizational culture and structure, working from the top down and the bottom up to create a proactive, long-term, and sustainable program at the global level that was as relevant to each set of community stakeholders as to the C-suite. Findings suggest, then, that good global CSR impacts on a large scale through the implementation of local efforts and activations, mirroring previous research emphasizing local stakeholders (Stark & Kruckeberg, 2005).

## CHAPTER 6

### CONCLUSION

An analysis of these in-depth interviews with public relations practitioners in the U.S. and China led to a list of key characteristics among best practices of CSR, including: mutually beneficial, genuine, strategically aligned with business objectives and corporate culture, integrated, and stakeholder-focused. Moreover, this research suggests that CSR theory should move beyond the original classifications of CSR as posited by Carroll (1979), and look for a new tool by which to measure and define organizational commitment to CSR as it aligns to core business competencies and provides mutual benefit to society.

The role of public relations practitioners in implementing, managing, and reporting on CSR initiatives was validated, nevertheless, as being central to effective CSR for two main reasons: public relations practitioners hold a unique position and perspective within an organization and focus on stakeholder relations. This twofold advantage positions public relations practitioners to better develop CSR agendas that pull through every level of business practice. Additionally, public relations agencies should continue to develop thought leadership in the CSR space and offer their clients the opportunity to develop groundbreaking best practices in CSR. As such, public relations professionals have an opportunity to serve as drivers of not only social change but also organizational change when developing high-level CSR initiatives that evolve the corporate culture. Likewise, reporting techniques need to be very forward thinking, connecting stakeholders with the organization and with one another, and learning from examples

to develop exciting new platforms and methods with which to engage an increasingly vocal public.

CSR engagement also was found to be related to organizational policy. Global CSR policies should align an organization with a cause or social issue to draw attention and interest at the top levels, while enabling local programs to activate stakeholders and promote engagement in related initiatives in their communities. In turn, these local activations ladder up to an authentic global impact that genuinely provides a social solve (Figure 1).

Finally, the findings indicate that CSR is not paradigmatic by region so much as by business experience. That is, an overarching cross-cultural CSR paradigm emerged in this study that correlated effective CSR programs with levels of experience in running a business in the free-enterprise system. The sophistication and development of this cross-cultural paradigm is in turn affected by: the role of government in CSR, *guanxi*, legitimacy, and public understanding and acceptance of CSR.

### **Limitations and Future Research**

The format of this research through the application of grounded theory and the constant-comparative method allowed for a detailed examination of Chinese and U.S. public relations approaches to CSR. The interviews allowed for a fluid, natural, real-time conversation to happen, which led to greater insight and better engagement throughout the interview process. Trends emerged during the interview process and additional literature was discovered to support the findings discussed above.

While the involvement of the researcher in qualitative methods has been at times challenged as a hindrance to rigor because it can affect subject responses, my own experiences working and living in China for two years in fact enhanced this study. First, I was able reach out

to participants in China in Mandarin, as a way to gain their attention (subsequent contacts all were in English). Additionally, my firsthand knowledge of the business climate there informed the directions I took with my inquiries, as did my experiences working in government-run schools. Finally, as I've gained more insights and experiences as a public relations practitioner, I came to these interviews with an added sensitivity concerning my participants' apprehensions about breaching client confidentiality and/or proprietary information regarding their firms' operations. It should be noted, though, that because of the subject of this study, my inquiries largely tapped information that was already public knowledge; accordingly participants seemed very comfortable discussing their work.

As with most qualitative work, the tradeoff in not enabling generalizability is the rich mining of data enabled by the in-depth interview process. Nevertheless, because participants in this study represented multinational public relations agencies working in the U.S. and China, much might be learned by those working in smaller firms and in-house communications there or even in other nations, where the public relations practitioners within an organization could be seen as thought leaders within the public relations profession and the CSR space. The subject pool was very representative of the public relations international agency environment, featuring a range of ages, genders, and professional experience; however, the confidentiality of their identities and those of their clients was upheld unless participants gave explicit permission otherwise. Nevertheless, the large amounts of data emerging from these interviews and the levels of competence within the subject pool provide two means by which to assess the rigorous nature of this research.

The findings of this research suggest that a natural direction for future research would be to find new theories or spectrums by which to conceptualize CSR, including new scales by which

to measure and report CSR initiatives, tools that focus on evaluating benefit and integration to core business strategy. Additionally, a better understanding is needed concerning the roles of public relations practitioners across cultures as strategic counsel in facilitating the adaptation of CSR throughout all levels of an organization, monitoring, engaging, and responding to key stakeholders. Future research also could investigate the conclusion here that CSR is more of a cross-cultural, business-oriented paradigm than specifically regional. This could include understanding more about the process whereby local activations ladder up to global impact.

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## APPENDIX A

### SAMPLE

This sample includes representatives in four U.S. cities and three Chinese cities who work at Burson-Marsteller, Edelman, Elite PR (China), Hill+Knowlton, Ketchum, and Weber Shandwick.

- A. Adam is a managing director at a public relations firm in Shanghai with experience running the corporate practice. He currently works with one client, managing all the communications firms around the Asia-Pacific region.
- B. Bethany is an account supervisor in Shanghai and manages multiple accounts for both Chinese and international companies. She also manages a team for her agency and has been involved directly with Chinese CSR initiatives.
- C. Caitlin is a senior account executive in Shanghai. She works in the corporate practice with employee engagement, product launches, and other communication programs with two retainer clients.
- D. David is a general manager at a public relations firm in Beijing. He acts as the senior counselor and strategic counselor to their major clients.
- E. Ellen is a senior vice president and group manager at a public relations firm in New York. She helps corporations create reputation-enhancing opportunities through CSR activities. She has experience managing CSR partnerships for an international NGO.
- F. Franklin is an executive vice president for a public relations firm in New York. He works in the corporate and public affairs practice to provide senior counsel to clients in areas that include CSR strategy, media relations, integrated marketing communications, change management.
- G. George is an account executive working in the CSR space of an agency in Seattle. He participates on account teams, working with brands, non-profits, and corporations to develop CSR strategies.
- H. Henry is a senior vice president and chief talent officer for a public relations agency in Washington, D.C. He has extensive experience in CSR communications and has been tasked with the role of talent development.
- I. Isabella is a senior vice president in the CSR space for a public relations agency in Boston. She is in charge of client services and provides consulting for corporations,

brands, and non-profits. She is also active in thought leadership and training within her firm and their global CSR practice.

- J. Joseph serves as a CSR consultant in Guangzhou and Hong Kong for companies working in China. He is currently working for a globally integrated professional services organization. He also works as a lecturer and conducts independent CSR research projects.
- K. Kristopher is an executive vice president at a Washington D.C. public relations firm where he leads a global team that works at the intersection of CSR, sustainability, and social issue work.

## APPENDIX B

### INTERVIEW QUESTIONS

- 1) What is your official title?
- 2) Please describe your role within your organization.
- 3) How would you best define CSR and why should businesses use it?
- 4) What is an example of a successful CSR initiative that you have helped an organization to develop? Please describe the campaign and why it was successful.
- 5) In your experience, how do ideas for CSR initiatives come about? Do they originate with the client, as part of a larger public relations plan, or from the grassroots?
- 6) How do you work with a business to develop an initial CSR plan?
  - (a) What role does organizational culture play in that development?
- 7) How do you identify and prioritize the most important internal and external stakeholder groups when developing CSR initiatives?
- 8) How do you establish and maintain buy-in to support CSR initiatives?
  - (a) From key internal stakeholders?
  - (b) From key external stakeholders?
- 9) What makes a CSR initiative “effective”?
  - (a) For the client?
  - (b) For its stakeholders?
  - (c) At the local level?
  - (d) At a global level?
- 10) Who manages the implementation and development of the CSR function? Does it vary? Please give examples.
- 11) What do you consider to be best practices in reporting CSR initiatives and outcomes—and why? Please give examples.

#### Cultural Differences

- 1) How does the practice of CSR differ in China and in the West (e.g. in rationale, strategy, implementation)?
- 2) Who are the drivers of CSR practice in China (e.g. corporate, external grassroots, public relations)?

#### Demographic Questions

- 1) What is your nationality?
- 2) What is your gender?
- 3) What is your age division on a ten-year scale (i.e. 20-30, 40-50)?
- 4) How many years have you worked in PR?
- 5) How many years have you work in China/U.S.?
- 6) How many years have you worked in your current position?

## APPENDIX C

Office for Research  
Institutional Review Board for the  
Protection of Human Subjects

THE UNIVERSITY OF  
**ALABAMA**  
R E S E A R C H

June 11, 2014

Sarah Morrow  
Dept of Advertising & Public Relations  
College of Communication & Information Sciences  
Box 870172

Re: IRB#: 14-OR-223 "Understanding the Cross-Cultural Social Purpose of PR  
an Analysis of the Role of Public Relations Practitioners as Facilitators of  
Organizational CSR in China and the US"

Dear Ms. Morrow:

The University of Alabama Institutional Review Board has granted approval for  
your proposed research.

Your application has been given expedited approval according to 45 CFR part  
46. Approval has been given under expedited review category 7 as outlined  
below:

(7) Research on individual or group characteristics or behavior (including, but  
not limited to, research on perception, cognition, motivation, identity, language,  
communication, cultural beliefs or practices, and social behavior) or research  
employing survey, interview, oral history, focus group, program evaluation,  
human factors evaluation, or quality assurance methodologies

Your application will expire on June 10, 2015. If your research will continue  
beyond this date, complete the relevant portions of the IRB Renewal Application.  
If you wish to modify the application, complete the Modification of an Approved  
Protocol Form. Changes in this study cannot be initiated without IRB approval,  
except when necessary to eliminate apparent immediate hazards to participants.  
When the study closes, complete the appropriate portions of the IRB Request for  
Study Closure Form.

Please use reproductions of the IRB approved stamped consent form to provide  
to your participants.

Should you need to submit any further correspondence regarding this proposal,  
please include the above application number.

Good luck with your research.

Sincerely,



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Box 870127  
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St [REDACTED]  
Chair, Non-Medical Institutional Review Board  
The University of Alabama