



**The Dynamics of Corporate Social Responsibility in Asia: a 6  
Country Study.**

**By Wendy Chapple<sup>1</sup>, Jeremy Moon<sup>2</sup>, Rieneke Slager<sup>1</sup> and Christian  
Herzig<sup>3</sup>.**

---

<sup>1</sup> ICCSR, Nottingham University Business School.

<sup>2</sup> Copenhagen Business School.

<sup>3</sup> University of Kassel.

## **The Dynamics of Corporate Social Responsibility in Asia: a 6 Country Study.**

### **Abstract**

In light of the evidence of the rapidly changing landscape of Corporate Social Responsibility(CSR) in Asia, this paper seeks to analyse the dynamics and evolution of CSR in Asia, including the degree of variation and homogeneity within various Asian countries. We explore one proposition that isomorphism has occurred between 2002 and 2009, due to the adoption global CSR systems such as the UN Global Compact and the Global Reporting Initiative. We compare this to the alternative proposition that distinct national differences remain in Asia, due to differing national characteristics and business systems. This paper analyses CSR data collected from the CSR reports of the top 50 companies in China, India, Malaysia, Philippines, Singapore and Thailand. Our preliminary findings suggest that there has been a significant increase in both the levels and depth of reported CSR during the time period, suggesting an increase in CSR in these 6 Asian countries. However, we do not see standardised patterns, as suggested by the isomorphism argument. Nor do we see each country exhibiting very distinct patterns. Instead we see two very distinct national CSR patterns for two countries, and clusters of similarity in CSR between others.




## **The Dynamics of Corporate Social Responsibility in Asia: A 6in Country Study.**

### **Introduction**

The last decade has witnessed increasing interest in Corporate Social Responsibility (CSR) both as a management practice and as a field of research (Lockett, Moon, & Visser, 2006; Moon & Shen, 2011). In line with these developments globally, evidence suggests that the attention for issues related to sustainable development and business responsibilities for society is growing in Asian countries. For example, whilst still representing a small proportion of the number of companies worldwide which use the Global Reporting Initiative (GRI) to report on CSR, the number of Asian companies using GRI has grown rapidly in recent years (GRI 2010). There are also signs that the institutional environment is changing, for example mandatory requirements for CSR reporting have been developed in Indonesia, and in both Malaysia and the Philippines national stock exchanges have adjusted their listing requirements to encourage greater corporate transparency on environmental and social issues.

Whilst differences in the institutional environment and related variance in national approaches to CSR in Western countries are relatively well documented (Jackson & Apostolakou, 2010; Matten & Moon, 2008), less is known about the state of CSR in Asian economies. Research into the changing dynamics of CSR in Asia has been relatively scattered across various fields of research. Most of the research on CSR in Asia consists of country specific case studies, whilst relatively few comparative cross-country analyses exist that comparing CSR practices in emerging economies across the world (Welford, 2005).



In light of the evidence of the rapidly changing dynamics of CSR in Asia, this study seeks to update and expand the findings of Chapple and Moon (2005), who examined CSR reporting in seven Asian countries based on data from the year 2002. In doing so, we examine the dynamics of CSR in Asia, including its spread and development across Asia, and the degree of variation and homogeneity within various Asia countries. In particular, we explore the contribution of globalization to the growth of CSR in Asia and the role of national business systems (Whitley, 1999) in explaining differences in national approaches to CSR.

The paper's approach is distinctive in a number of key respects. First, whereas many studies regarding CSR in emerging economies are based on a single country, we examine here CSR in six different Asian countries (i.e. China, India, Malaysia, the Philippines, Singapore and Thailand). This represents a good spread of countries by geographic, economic, political and social criteria. Secondly, whereas many studies are based on the analysis of a single case, company, sector or issue, our analysis is based on data regarding approximately 400 companies from various sectors, whilst examining the full range of the CSR issues these companies address. Thirdly and perhaps most distinctively, whilst most studies of CSR in Asia provide snapshots grounded in one point of time, our analysis is dynamic and longitudinal. We are able to capture trends by comparing data gathered in at different points in time in the period between 2002 and 2010. This allows us to provide a much fuller picture of the dynamics of CSR in Asia, and examine the degree of both divergence and convergence in national CSR approaches over time.

### **Growth, convergence and divergence of national CSR approaches**


In the early 2000s there was relatively little attention from scholars for the topic of CSR in Asia (but see Birch and Moon 2004, Chapple & Moon, 2005), as the majority of studies on national approaches to CSR were focused on comparing the US and Europe ((Maignon & Ralston, 2002, Matten & Moon, 2008). Comparative case studies of CSR in Asia rarely examine national differences in CSR approaches *amongst* Asian countries. Evidence suggests that, between Europe and the United States as well as within Europe, there are substantive national differences in the approach that business takes towards CSR related issues, and that this can be traced back to institutional arrangements and characteristics of national business systems (Gond, Kang, & Moon, 2011; Matten & Moon, 2008). Whilst there is increasing interest in the specifics of national business systems in Asia (Andriessse and van Helvoirt, 2010, Whitley, 1999), this stream of literature is rarely connected to the research on CSR in Asia. The recent surge of interest in CSR from management practitioners in Asia and accompanying institutional developments however raise important questions that could be more effectively answered by connecting the two sets of literature. To what extent does an Asian model of CSR exist? Are there significant differences between the various countries within Asia with regards to dominant CSR practices? These questions suggest we should study national characteristics of CSR in Asia in their own right rather than, implicitly or explicitly, comparing Asian CSR practices to dominant Western approaches.

Globalisation has been attributed as one of the main factors in the increasing popularity of CSR around the world (Scherer & Palazzo, 2011), including in Asia (Higgins & Debroux, 2009).

Liberalisation and internationalisation of production and trade has seen increased activity of

Western businesses in Asia, which bring with them CSR policies (Chapple & Moon, 2005). In the wake of globalisation and weakened state regulation an ‘international accountability infrastructure’ has emerged in the last decade (Gilbert, Rasche, & Waddock, 2011) consisting of voluntarily defined principles, standards, codes and certification schemes aimed at governing responsible business practices. This accountability infrastructure is imported into developing countries by subsidiaries of Western multinationals (Husted & Allen, 2006; Christmann, 2004), through supply chains (Chatterji & Toffel, 2006; Egels-Zanden, 2007; Krueger 2008; Lund-Thomsen & Nadvi, 2010), and fair trade production standards (Blowfield, 2004). In addition, increasing pressure from stakeholders including consumers, watchdog organisations, NGOs and investors have resulted in companies becoming more explicit about CSR policies and practices (Matten & Moon, 2008).

The convergence thesis holds that dominant forms of CSR, based on the international accountability standards, will be diffused and absorbed into approaches to CSR across the world, and may be evidenced in increased adoption of a CSR discourse in developing countries (Jamali & Neville, 2010). Various surveys point to an increasing uptake of CSR standardization initiatives by companies in Asian countries, such as the Global Reporting Initiative (GRI), ISO14000, Global Compact etc. (Baskin, 2006). Globalisation may therefore drive a standardization of what CSR practices ‘look like’ across the region, as the modes of presenting CSR practices to stakeholders through codes of conduct, certified management systems or CSR reports, become increasingly similar. Whilst this does not necessarily mean that these standardised modes are always fully implemented in day-to-day practices (Behnam & MacLean,




2011; Chatterji & Levine, 2006), the push for transparency through audits and the increased scrutiny of NGOs and watchdog organisations leaves companies less room to buffer their day-to-day operations from standardised CSR modes and structures (Bromley & Powell, 2012).

On the other hand, evidence suggests that distinct national differences between approaches to CSR across countries and regions remain around the world. Comparative institutional analysis has proved a fruitful theoretical framework to advance the study of comparative CSR in recent years (Williams & Aguilera, 2008). Comparative institutional analysis of CSR builds on conceptual frameworks developed in political economy such as varieties of capitalism (Hall & Soskice, 2001) or national business systems (Whitley 1992a, 1992b). The general argument here is that national characteristics of the institutional environment of firms, such as the organisation of labour markets, systems for education and finance, and political and cultural institutions, influence business structures and strategies for obtaining competitive advantage. This argument has been applied to comparative CSR research to suggest that, despite the process of globalisation, national institutions remain distinct and will shape the conceptualisation of corporate practices related to CSR across countries (Chapple & Moon, 2005; Matten & Moon, 2008; Jamali & Neville 2010; Kimber and Lipton 2005).

Comparative CSR research has mainly focused on the differences in dominant conceptualisations of CSR between Europe and the US (Matten & Moon, 2008) or across European countries (Gjølberg, 2009; Jackson & Apostolakou, 2009). Whilst some comparative research on CSR in Asia does exist, this has not generally compared the influence of national institutions and





business systems on trends and developments related to CSR in Asian countries. Conversely, much of the comparative research based on the varieties of capitalism framework initially focused on the most distinctive forms of enterprise found in the region, notable the *keiretsu* in Japan and the *chaebol* in South Korea, whilst current work increasingly acknowledges that national variations exist beyond these two dominant forms (Carney et al, 2009). For example Millar et al (2005) highlight that business systems in Asia's emerging economies are generally characterized by a concentration of ownership and control of corporations by families or the state, and differences exist in the extent to which international corporate governance standards have been implemented, with Indonesia, the Philippines and Thailand trailing behind Malaysia (Millar et al, 2005). Redding and Witt (2009) argue that the Chinese business system is unlikely to converge with the dominant business systems of the West and will develop its own unique form of capitalism (Redding & Witt, 2009). Given the strong role of the state in many Asian economies and markets, the institutional environment plays a particularly important role in governing firm behaviour in this region (Tipton, 2009).


The two sets of literature on CSR in Asia and on comparative business systems- have so far not been integrated to examine current developments in CSR in Asia. Integration of the two sets of literature will enable us to examine whether national CSR practices in Asia are converging due to globalization effects, remain different, or are even diverging due to national institutional arrangements. The next sections describe the hypothesis tested in the research and the methodology employed in the study to research these questions.

## **Hypotheses**

Our analysis is built around three main hypotheses, which build upon or replicate those addressed by Chapple and Moon's (2005) study based on the 2002 data. A key difference here, however, is that because our analysis is dynamic we are able to build rates of change into our approach.

Our first hypothesis is distinct from those of Chapple and Moon (2005) and arises precisely because we are able to bring data from three different dates, 2002, 2005/06, and 2009/10. Our hypothesis is simply that there has been an increase in CSR in the period in question. This hypothesis is informed by a great deal of qualitative evidence and by the small number of other dynamic studies available (Welford, 2005). To test this hypothesis we examine patterns of CSR discourse across the six Asian countries in our dataset over time. We deploy several additional measures of CSR growth. The first is simply the number of companies reporting CSR on their websites. We also deploy a second measure of companies with 'accountability reporting' by which we mean the number of companies with a CSR or sustainability report. This measure is supported by the analysis of CSR sections within annual reports of those CSR companies which do not publish a CSR or sustainability report.

*Hypothesis 1 There has been a growth of CSR in Asia between 2002 and 2010*



Our second hypothesis is based on the ‘convergence’ argument highlighted above. The convergence thesis holds that as CSR in Asia increases, developing countries will witness an increase in dominant CSR discourse (Jamali & Neville, 2010). Following Chapple and Moon (2005) and Moon (2002) we analyse the content of this discourse by distinguishing three waves of CSR: community involvement, socially responsible production processes and socially responsible employee relations. Community involvement refers to the traditional assumptions about CSR that it is removed from the main business activity and is outside of the firm. Socially responsible production refers to the ability of the company to demonstrate that both its supply chain and on-site operations are conducted in a socially responsible fashion. Employee relations pertain to the issues of employee welfare and employee engagement (Chapple & Moon, 2005: 425).

Secondly, we examine the modes in which CSR activities are undertaken, for example through partnerships, sponsor relationships, adopting codes of conduct, encouraging employee volunteering and by integrating activities more fully into their operations. In coding modes, we distinguish those that use the relatively traditional philanthropic mode from those that better institutionalize and embed the ways in which their CSR is employed (Chapple & Moon, 2005). We coded these categories based on the CSR reporting by companies, using the categories first distinguished in Chapple and Moon (2005), whilst remaining open to any new categories that emerged inductively. We hypothesise that the waves that are addressed and modes in which CSR activities are undertaken have become more similar across the Asian countries in our dataset:

*Hypothesis 2 CSR has become more similar across Asian countries and follows similar patterns.*

Our third hypothesis is based on the opposing argument put forward by the literature on National Business Systems (NBS) and Varieties of Capitalism (VoC), which states that the national characteristics of the institutional environment will shape national approaches to CSR to the extent that they remain distinct from each other. We explore the type of issues addressed within the waves of CSR and by the modes of activity highlighted above. For example, within community involvement the type of issues addressed could be related to education, housing, sports or arts and culture. Issues were identified from the data collected and were categorized into the three waves. Included in the community-involvement wave, we include general community issues, agriculture, local economic development, arts and culture, community development, education and training, environment and conservation, health, housing, religion, sport, welfare (including poverty and emergency relief), youth and children-related projects, and other. The socially responsible production wave included issues relating to the environment, health and safety, human resources, and ethics. The final wave, employee relations, pertains to the issues of employee welfare and employee engagement. We hypothesise that although CSR discourses increasingly address dominant aspects of CSR (as captured in the wave categories) through similar modes, the type of issues companies address within these categories remain distinctly different across the countries in our dataset.


*Hypothesis 3 CSR continues to vary among Asian countries*

## **Method**


### *Data*

To examine our hypotheses, we analysed the CSR reporting of the top 50 companies in a group of six Asian countries (i.e. China, India, Malaysia, the Philippines, Singapore and Thailand). Data were collected in three rounds, covering the years of 2002/03 (the dataset which forms the basis of the study reported in Chapple and Moon 2005), the years 2005/06 and 2009/10. Chinese companies were added to the data-set from 2005/06 for the fairly obvious reason of China's significance for the world economy and in international trade, in particular. It should be noted that it was not possible to include China in the 2002/03 analysis as there were insufficient companies with English-language websites. We also made the decision to drop out two countries in the two subsequent studies for practical time and resource reasons. It was decided to drop Korea and Indonesia to keep a good spread of countries by geographic, economic, political and social criteria.

The websites of the top 50 companies in each of the six countries were examined for any CSR information. The companies were selected on the basis of market capitalisation in 2005/06 and 2009/10, and on the basis of the availability of a website in English. Where a company did not have a corporate website or where this website was not available in English, the company was excluded from the analysis and the next largest company was added. This procedure was repeated until we had a sample of 50 companies per country (Maignan and Ralston, 2002; Fukukawa and Moon, 2004; Chapple and Moon 2005).




The decision to base our analysis on information provided on corporate websites is reflective of a general trend to carry out research through the medium of the internet (Cooper and Schindler, 2006). It takes advantage of remotely studying business in Asia through a functionally uniform unit of analysis as opposed to representing the interpretation of CSR policies and practices by individual company officials for example through a questionnaire based survey (Chapple and Moon, 2005). Our use of websites as a vehicle for the analysis is also motivated by an ever increasing growth in internet usage in most Asian countries in the last decade. Although the internet usage rates by percentage of the population in Asia (27.5% on average) are still trailing behind those of Europe and North America (63.2% and 78.6% respectively), the region presents the largest group of internet users worldwide based on total number of users (Internet World Statistics, 2012). Several of the countries included in our sample are amongst the World's top countries by internet use, with China leading the nations and India in the third place (Internet World Statistics, 2012). It should be noted though that the internet usage between the countries in our datasets varied significantly in both absolute and relative terms. Nevertheless, we were easily able to identify 50 companies per country in all three rounds, with an increasing availability of websites in the first 50 companies over time. Between the first (2002/03; and 2005/06 for China) and the most recent survey (2009/10) the percentages of companies in the first 50 companies listed which did not have accessible corporate websites decreased to 20% (China), 16% to 0% (India), 6% to 0% (Malaysia), 18% to 4% (the Philippines), 16% to 8% (Singapore), and 18% to 4% (Thailand).



We analysed only the largest companies in each country and thus acknowledge that the data is limited in fully representing all business in these countries. However, it is the largest companies which face pressure for greater CSR from a range of stakeholders and which are found to be responsive to embedding a higher level of social responsibility in their supply chain processes, ultimately leading to higher CSR in smaller organizations (Millington, 2008). Moreover, it is with the largest companies that agenda setting is likely to be found (Owen and O'Dwyer, 2008). Greater financial and other resources have also led to greater CSR engagement which represents another reason why large companies have been subject to other national and comparative CSR studies (e.g. Maignon and Ralston, 2002; Fukukawa and Moon, 2004; Welford, 2005; Chaudhri and Jian Wang, 2007).

If information about company initiatives, codes and policies that involve positive stakeholder interaction or impact was found on a company's website, we considered it to be a 'CSR company'. This departs from Chapple and Moon's (2005, Table 1) term 'CSR penetration' study which refers to the same issue (see also Chaudhri and Wang, 2007). We use a second measure of CSR reporting which is whether, in addition to the website reporting noted above, the company had some sort of distinctive CSR, sustainability, triple bottom line report or, in the case of the Philippines, a public accountability statement. Where there was a distinctive and substantial CSR section in an annual report this was only included, but if this was simply a few paragraphs and pages. Although the websites of the companies (including sections which were published in the language of the country) have been carefully scanned for such reports we wanted to make sure that we capture all of them and thus sent an email to request the latest annual report and any




non-financial/CSR/sustainability reports – either in English or the language of the country. As a result of our email request and website analysis, we identified two CSR reports which have been published solely in Asian language and could not be taken into account. The analysis of the largest CSR reporting data base, corporateregister.com, revealed no further CSR reports which have been overlooked during the analysis of the individual corporate websites.

### *Coding and Analysis*

For the coding of the data we relied on the original study by Chapple and Moon (2005) which distinguishes between waves, modes and issues of CSR (see also Moon (2005) and above). This model has received increased attention in the literature (Amaeshi et al 2006, Muthuri et al 2009, Lehmann et al 2010, ) and generated studies on the formation of CSR in countries such as Japan (e.g. Fukukawa and Moon, 2004), Kenya (Muthuri and Gilbert, 2011), Nigeria (Ameshi et al., 2006) or China (Wong, 2009). In this literature, authors have argued that the conceptualisation of CSR in form of waves, issues and modes represents a useful framework for studying the nature of CSR, and its widespread application demonstrates that it is receptive for various national business contexts.

As our aim was to discover general CSR patterns in the data, we deliberately adopted a flexible approach to coding the data that allowed emerging from the data what is relevant to the area





under study (Strauss and Corbin, 1990). We built up on the codes which had been developed by Chapple and Moon in their inquiry into CSR in Asia in 2005 and were reflective of further codes which emerged during the two successive surveys. Notes of these emerging codes and their relationship with other codes were taken and discussed, and—where appropriate—integrated in the coding scheme employed.

Over the three rounds, data were commonly coded by two researchers and moderated by two additional researchers who were involved in all three data collection stages to ensure consistency in coding. Coding agreement was generally high. Where ever possible, we electronically saved the relevant content of the websites together with reports for future reference.

Statistical analysis was carried out with SPSS 21. We used non-parametric tests and analysed variances with the Kruskal-Wallis test. We first compared the nonadjusted outcome among all countries. If the overall test for differences among our constructs was significant at the 0.05 level, we analysed differences between two countries (pairwise comparisons). All tests were two-sided and  $P < .05$  was considered statistically significant.

## **Findings**

In accordance with Hypothesis 1 we find growth in CSR reporting in all countries under study for the period 2002 to 2010. Table 1 presents a vivid picture of overall growth in CSR companies in Asia. It appears that almost every company sees it as appropriate to provide some level of information on their CSR practices within each of the countries in the dataset. The mean percentage of these companies, labelled CSR companies, has grown from 43% in 2002/03 to 70% in 2005/06 and 96% in 2009/10 (five country mean). That represents an increase of 125% on average over the period of study. It should also be noted that the dynamics of CSR growth are broadly similar for the five country cohort that was used across all three time points and for the six country cohort (including China) used only for these latter two time points.


As can be seen in Table 1, the disparities between the different countries as reported in Chapple and Moon (2005) have diminished. Some of the countries that were lagging behind in 2002, such as the Philippines and Malaysia, show the greatest change in the percentage of companies reporting on CSR. Most of this growth occurred in the period between 2002 and 2006 compared to 2006-2010.

-----  
PLEASE INSERT TABLE 1 ABOUT HERE  
-----

Turning to our second measure, of accountability reporting we again find strong evidence of growth. Whereas in 2002 Chapple and Moon found only 2% of Asian companies had a free-standing CSR report we can report that this had risen across all five (six) countries under study to 6% (8%) in 2006 and to 17% (18%) in 2010. Although this represents a much more modest finding than for the growth in CSR companies and for CSR reporting in other countries such as Japan (Fukukawa and Moon 2004), it nonetheless constitutes evidence of further dynamism in CSR in Asia. It seems that although the percentage of CSR companies in the sample rose fastest between 2002 and 2006, the percentage of companies publishing CSR rose faster between 2006 and 2010.

-----  
PLEASE INSERT TABLE 2 ABOUT HERE  
-----

In addition we see an increase of CSR reporting through annual reports. In 2010, more than half of those CSR companies (59%) which do not publish a free-standing CSR report include a separate chapter on CSR in their annual reports (Table 2). This is a notable increase compared to the 13% of companies using annual reports in 2006 and evident across all countries. The attention given to this form of CSR reporting is further reflected in the extent of the distinctive CSR sections (see Appendix 1). In 2006 the majority of these sections were minimal, that is, 1



to 5 pages, whereas in 2010 CSR sections of more than 5 or 10 pages have become more frequent. A few companies integrate sections of 20 or more pages in their annual reports. The adoption of such integrative approaches to CSR reporting provides further evidence of the dynamics of CSR in Asia.

In summary, we see not only an increase in the number of companies employing CSR discourse across all countries in the sample, but also a deepening of associated CSR reporting practices. Overall, we conclude that Hypothesis 1 is confirmed.

Turning to hypothesis 2, we test the convergence hypothesis and find some interesting results. If we look at the aggregated wave level, Community, Product and Process and Employee (FIG 2), we can see that there are distinct differences in patterns emerging over time. When we looked at the different time points in the data, we can see that over time, waves between countries have become more distinct. A Kruskal-Wallis test for similarity in population of medians of the waves across countries show that in 2005, we could only reject the hypothesis that the populations were similar at the 5% level for one wave, wave 2: product and process CSR. The statistical results suggest that community or employee waves were not distinct across countries in 2005. Therefore, the main significant differences between countries in 2005 was in product and process related CSR. When we ran the same test for 2009/2010, we found that we could reject the null hypothesis of similarity in medians across all three waves at the 5% level. This initial finding seems to reject the convergence of CSR activities.

-----

PLEASE INSERT FIG 1 ABOUT HERE

---

Figure 1 demonstrates over time, that distinctions have emerged, with China and India demonstrating very distinct patterns of CSR activity. India and China have very distinct business/society systems (Witt and Redding, 2013) which could be argued have led to divergent patterns of CSR. However, if we focus on Malaysia, Thailand, Singapore and Philippines, similar patterns do seem to be emerging (fig 2). The pattern between waves are similar, with Malaysia and Thailand showing higher absolute levels within Waves 1 and 2.

---

PLEASE INSERT FIG 2 ABOUT HERE

---

Therefore, although distinct national patterns are emerging in certain countries (India and China), in other countries there seems to be a pattern of convergence.

To investigate this phenomena further, we analysed the issues and modes within the waves to understand if distinct differences were emerging.

---


PLEASE INSERT TABLE 4 & 5 ABOUT HERE

-----

From the pairwise analysis of CSR issues 2005, it can be seen that China is quite distinct from many countries, particularly around product and process CSR, where China was reporting more activity and Community CSR initiatives such as community education and health, where China was engaging much less. India was distinct in its community agricultural and development initiatives, however there was no other distinct patterns of difference apart from differences between Malaysia, Thailand, Philippines and Singapore on community focused environment and conservation initiatives. Otherwise there was a lot of similarity between countries on reporting of issues.

In 2009, a different pattern emerged. China still was distinct, particularly with regards product and process CSR, and on community initiatives. However, India has emerged as distinct from other countries, particularly on community based initiatives and product related CSR. Again, Malaysia, Thailand, Philippines and Singapore remain quite similar, however some differences have emerged around religious initiatives and education, training and the environment.

Turning to modes of CSR, in 2005 China was systematically distinct from other countries with much less philanthropy and sponsorship activity taking place relative to other countries. Other differences apparent in 2005 were differences between the countries in the use of Tri-sector partnerships and levels of volunteering. The Philippines was distinct from the other countries with regards to tri-sector partnerships, whilst there seemed to be differences between countries




on the use of volunteering, with China, India and Malaysia having the highest levels of volunteering in 2005. On all other modes, there was very little significant difference in the mechanisms used to deal with CSR issues.

In 2009, India emerged as being distinct in modes of operationalization, with a much higher reliance on the partnership mode of CSR, alongside the use of systems and codes of practice relative to other countries, otherwise there was no real systematic distinction between countries in modes of CSR.

Therefore, at this preliminary stage, we find mixed evidence for hypothesis 2, the convergence hypothesis. We find that evidence to suggest that Singapore, Philippines, Malaysia and Thailand do exhibit similarities in their approaches to CSR, and these similarities held in 2005 and 2009, giving partial support for the convergence hypothesis. However, we also find evidence to support hypothesis 3, that national distinctiveness prevails. India has grown more distinct overtime, as both the issues and modes are statistically different from other countries. China is not so distinct in modes, but has exhibits differences from the other countries in the issues that the top companies are engaging in.

## **Conclusion**

Our first and most compelling conclusion is that reporting CSR is part of business as usual among large companies in Asia. This represents a dramatic change since 2002 in terms of the




overall proportion of leading companies which report CSR on their websites. Whereas in 2002 fewer than half of the companies provided any CSR information on their websites, by 2010 nearly every company (96%) in the sample of six countries (n= 300) did so. Moreover, there was also a marked increase in the number of companies in the sample which provide some stand alone report or devote a section of their annual report to the topic.

However, our evidence does not present a picture of an overarching model of “Asian CSR”. In other words the balances of waves and issues to which CSR is directed and the modes by which it is enacted were neither similar nor even converging among the whole sample of six national cohorts of companies. However, neither do we find a picture of entirely individual Asian national CSR profiles. . For one group of countries (Malaysia, the Philippines, Singapore, Thailand) we see patterns of similarity and convergence.

Interestingly it is the two economic giants, China and India which are set apart from the trend of increasing comparability in the issues and modes among the other four countries. In particular, both China and India give much more attention to labour issues than do companies in the other four countries. This is not to say that China and Indian CSR are similar in every respect: far from it. For example, companies in China give a distinctive emphasis to product and process issues whereas companies in India give distinctive stress to community issues.

We are still to work through explanations for these patterns systematically. At first blush it is interesting to note that the four converging countries, whilst possessing quite distinctive national business systems, nevertheless have all been quite integrated into the international economy for





many decades now. It will be interesting to investigate the extent to which this has been mirrored by the adoption of international CSR standards and practices which have been associated with the spread of CSR (Matten & Moon, 2008, Gilbert et al. 2011).

In contrast, China and India have both been slower integrators into the international economy, particularly India. It is particularly interesting to note the stress on products and processes given by Chinese companies as these have been precisely the issues which have dogged Chinese business in the western media in recent years. It is also interesting to note the stress on community issues among Indian companies as this has been a cultural priority at a societal and business level (e.g. among the parsees who founded the emblematic Tata Group).

Finally, it is also interesting to note that not only are China and India relatively late integrators, in both cases the economies are still much more dominated by the state as a rule maker and as an owner of the means of production. Given the preoccupations of these respective governments in the post-war period, it is hardly surprising that they were not at the forefront of the movement to assign social responsibilities to business, even though both have turned to this more recently.

Two important limitations to the study should be noted. First, we will need to check for sectoral effects which might have impacted upon our findings i.e. are the Chinese and Indian companies doing a very different sort of business than those in the other four countries? Equally, do sectoral differences get over-ridden in the CSR of the companies in Malaysia, the Philippines, Singapore and Thailand? Secondly, is this a representative story of Asia? There is clearly great



scope for our analysis being applied to other Asian countries as different as Indonesia, Japan, Pakistan and Vietnam.

## References

- Amaeshi, K., Adi, A. B. C., Ogbechie, C. and Amao, O. O. 2006. Corporate Social Responsibility in Nigeria: Western Mimicry or Indigenous Influences? **Journal of Corporate Citizenship**, 24(Winter): 83-99.
- Andriesse, E. and van Helvoirt, B.J. 2010. Regional business systems and private sector development in Southeast Asia. **Asia Pacific Business Review**, 16(1-2): 19–36
- Baskin, J. 2006. Corporate Responsibility in Emerging Markets. **Journal of Corporate Citizenship**, 24: 29-47
- Behnam, M. and Maclean, T. 2011. Where is the Accountability in International Accountability Standards? A Decoupling Perspective. **Business Ethics Quarterly**, 21(1):45-72
- Birch, D. and Moon, J. 2004. Introduction, **Journal of Corporate Citizenship**, Vol.Special Issue 13, pp.18-23
- Blowfield, M. 2004. Implementation Deficits of Ethical Trade Systems. **Journal of Corporate Citizenship**, 13: 77-90
- Bromley, P. and Powell, W. 2012. From Smoke and Mirrors to Walking the Talk: Decoupling in the Contemporary World. **Academy of Management Annals** , 6(1) 483-530.
- Carney, M.; Gedajlovic, E.; Yang, X. 2009. Varieties of Asian capitalism: Toward an institutional theory of Asian enterprise. **Asia Pacific Journal of Management**, 26: 361-380.
- Chapple, W. and Moon, J. 2005. Corporate Social Responsibility (CSR) in Asia: A Seven Country Study of CSR Website Reporting , **Business and Society**, 44 (4): 415-441.
- Chatterji A. and Levine, D. 2006. Breaking down the Wall of Codes: Evaluating Non Financial Performance Measurement. **California Management Review**, 48(2).
- Chatterji A. and Toffel, M. 2010. How Firms Respond to Being Rated. **Strategic Management Journal**, 31: 917-945.
- Chaudhri, V. and Wang, J. 2007. Communicating Corporate Social Responsibility on the Internet: A Case Study of the top 100 IT companies in India. **Management Communication Quarterly**, 21: 232-247.

Christmann, P. 2004. Multinational Corporations and the Natural Environment: Determinants of Global Environmental Policy Standardization. **Academy of Management Journal**. 47(5): 747-60

Cooper, D. and Schindler, P. 2006. Business Research Methods (th ed.). New York, NY: McGraw-Hill.

Egels-Zanden, N. 2007. Suppliers' Compliance with MNCs' Codes of Conduct: Behind the Scenes at Chinese Toy Suppliers. **Journal of Business Ethics**. 75(1):45-62

Fukikawa, K. and Moon, J. 2004. A Japanese Model of Corporate Social Responsibility?: A Study of Website Reporting. **Journal of Corporate Citizenship**, 16: 45-59.

Gilbert D., Rasche, A. and Waddock, S. 2011. Accountability in a Global Economy: The Emergence of International Accountability Standards. **Business Ethics Quarterly** , 21(1) : 23-44.

Gjolberg, M. 2009. Measuring the immeasurable? Constructing an index of CSR practices and CSR performance in 20 countries. **Scandinavian Journal of Management** 25: 10-12

Gond, J.-P., Kang, N. and Moon, J. 2011. The government of self-regulation: on the comparative dynamics of corporate social responsibility. **Economy and Society**, Vol.40 (4):640-671

Hall, P. and Soskice, D. (eds.) 2001. **Varieties of Capitalism: the institutional foundations of comparative advantage**. Oxford: Oxford University Press.

Higgins, C. and Debroux, P. 2009 Globalization and CSR in Asia. **Asian Business and Management**, 8 (2): 125-127

Husted, B. and Allen D. 2006. Corporate Social Responsibility in the Multinational Enterprise: Strategic and Institutional Approaches. **Journal of International Business Studies**, 37:838-849

Jackson, G. and Apostolakou, A. 2010. Corporate Social Responsibility in Western Europe: CSR as an Institutional Mirror or a Substitute? **Journal of Business Ethics**, 94 (3): 371-394

Jamali, D. & Neville, B. (2011). Convergence versus divergence of CSR in developing countries: an embedded multi-layered institutional lens. **Journal of Business Ethics**, 102(4):599-621

Kimber, D. and Lipton, P. 2005. Corporate Social Responsibility in Mexico and France: Exploring the Role of Normative Institutions. **Business & Society**, 49: 216-251.

- Lehmann, M., Toh, InnLin., Christensen, P. 2010 Responsible Leadership? The development of CSR at Danfoss, Denmark. **Corporate Social Responsibility and Environmental Management**. 17(3): 153-168.
- Lockett, A. Moon, J. and Visser, W. 2006. Corporate Social Responsibility in Management Research: Focus, Nature, Salience and Sources of Influence. **Journal of Management Studies**,43(1):115-136.
- Lund-Thomsen, P. and Nadvi, K. 2010. Clusters, Chains and Compliance: Corporate Social Responsibility and Governance in Football Manufacturing in South Asia. **Journal of Business Ethics**, 93(2):201-222.
- Maignon, I. and Ralston, D. 2002. Corporate Social Responsibility in Europe and the US: Insights from Businesses' Self Presentations. **Journal of International Business Studies**, 33(3):497-514
- Matten, D. and Moon, J. 2008. 'Implicit' and 'Explicit' CSR: A Conceptual Framework for a Comparative Understanding of Corporate Social Responsibility .**Academy of Management Review** 33 (2)
- Millar, C., Eldomiaty, T., Choi, C. and Hilton, B. 2005. **Journal of Business Ethics**. 59:163-174.
- Millington, A. 2008. "Responsibility in the supply chain", Crane A., McWilliams A., Moon J., Siegel D. (eds),**The Oxford Handbook of Corporate Responsibility**, Oxford University Press, New York, pp 363–383
- Moon, J.; Shen, X. 2010., CSR in China Research: Salience, Focus and Nature, **Journal of Business Ethics**, 94 (4), 613-629
- Muthuri, J., Gilbert, V. 2011. An institutional analysis of corporate social responsibility in Kenya, **Journal of Business Ethics**, 98 (3) :467-483
- Muthuri, J., Chapple, W. and Moon, J. 2009. An integrated approach to implementing 'community participation' in corporate community involvement: lessons from Magadi Soda Company in Kenya. **Journal of Business Ethics**, 85 (2): 431-444.
- Owen, D. and O'Dwyer, B. . 2008. "Corporate Social Responsibility: The Reporting and Assurance Dimension", Crane A., McWilliams A., Moon J., Siegel D. (eds),**The Oxford Handbook of Corporate Responsibility**, Oxford University Press, New York.
- Redding, G. and Witt, M. 2009. China's Business System and its future trajectory. **Asia Pacific Journal of Management**. 26(3) : 381-399.

Scherer A. and Palazzo G. 2011. The New Political Role of Business in a Globalized World: A Review of a New Perspective on CSR and its Implications for the Firm, Governance, and Democracy. **Journal of Management Studies**. 48 (4):899-931.

Strauss, A., & Corbin, J. 1990. **Basics of qualitative research: Grounded theory procedures and techniques**. Newbury Park, CA: Sage Publications, Inc.

Tipton, F. 2009. Modelling National Identities and Cultural Change: The Western European, Japanese and United States Experiences Compared. **International Journal of Cross Cultural Management**. 9(2):145-168.

Welford R. 2005. Corporate social responsibility in Europe, North America and Asia: 2004 results. **Journal of Corporate Citizenship** 17: 33–52.

Whitley R. 1999. **Divergent capitalisms: The social structuring and change of business systems**. Oxford: Oxford University Press.

Whitley, R. 1992a. **Business systems in East Asia -firms, markets and societies**. London: Sage.

Whitley, R. 1992b. Societies, Firms and Markets: the Social Structuring of Business Systems. In Whitley, R. **European Business Systems: Firms, Markets in their National Contexts**. London: Sage.

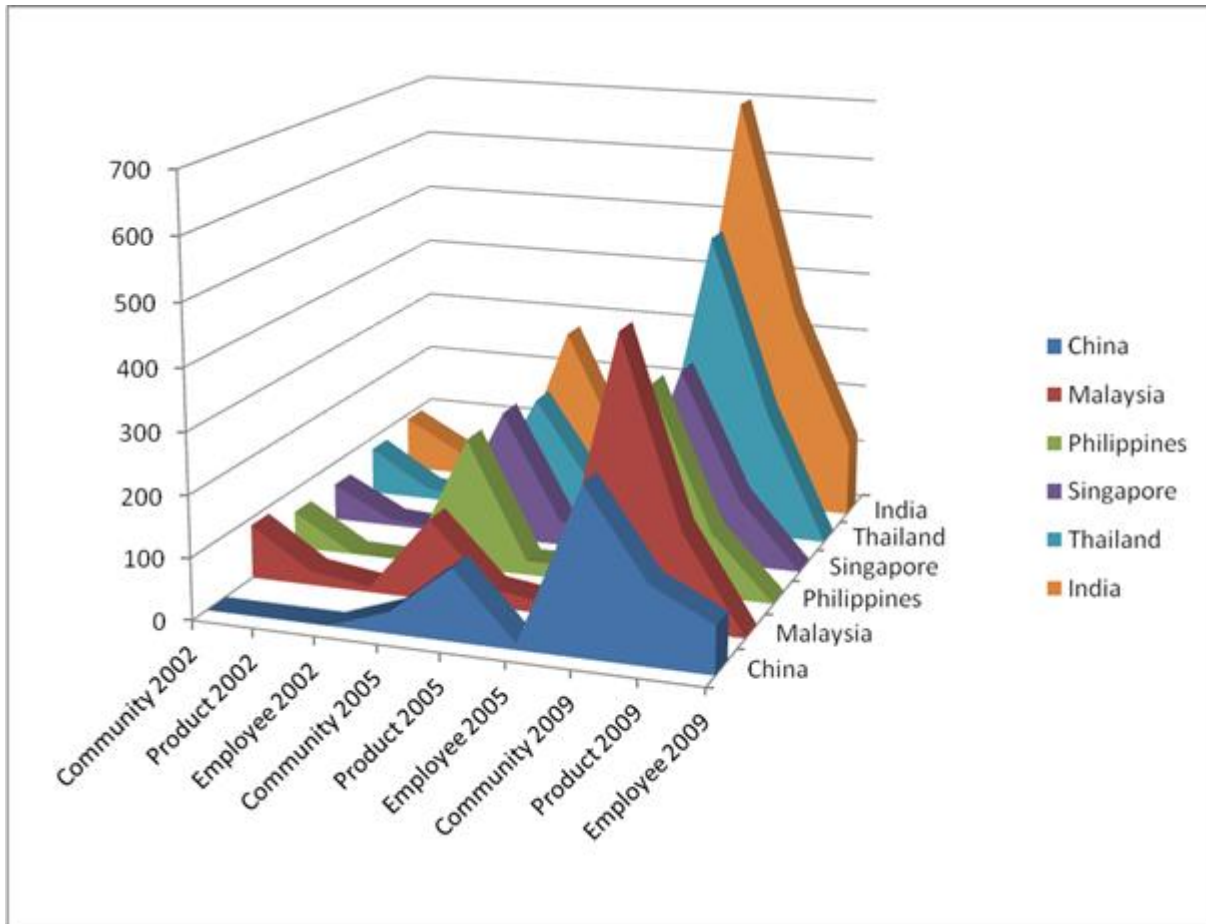
Williams, C. and Aguilera, R. 2008. “Corporate Social Responsibility in Comparative Perspective.”. In A. Crane, A. McWilliams, D. Matten, J. Moon and D. Siegel (Eds.), **Oxford Handbook of Corporate Social Responsibility**. Oxford: Oxford University Press pp452-472.

Witt, M. and Redding, G. 2013. Asian Business Systems: Institutional Comparison, Clusters and Implications for Varieties of Capitalism and Business Systems Theory. **Socio- Economic Review**. 11 :265-300.

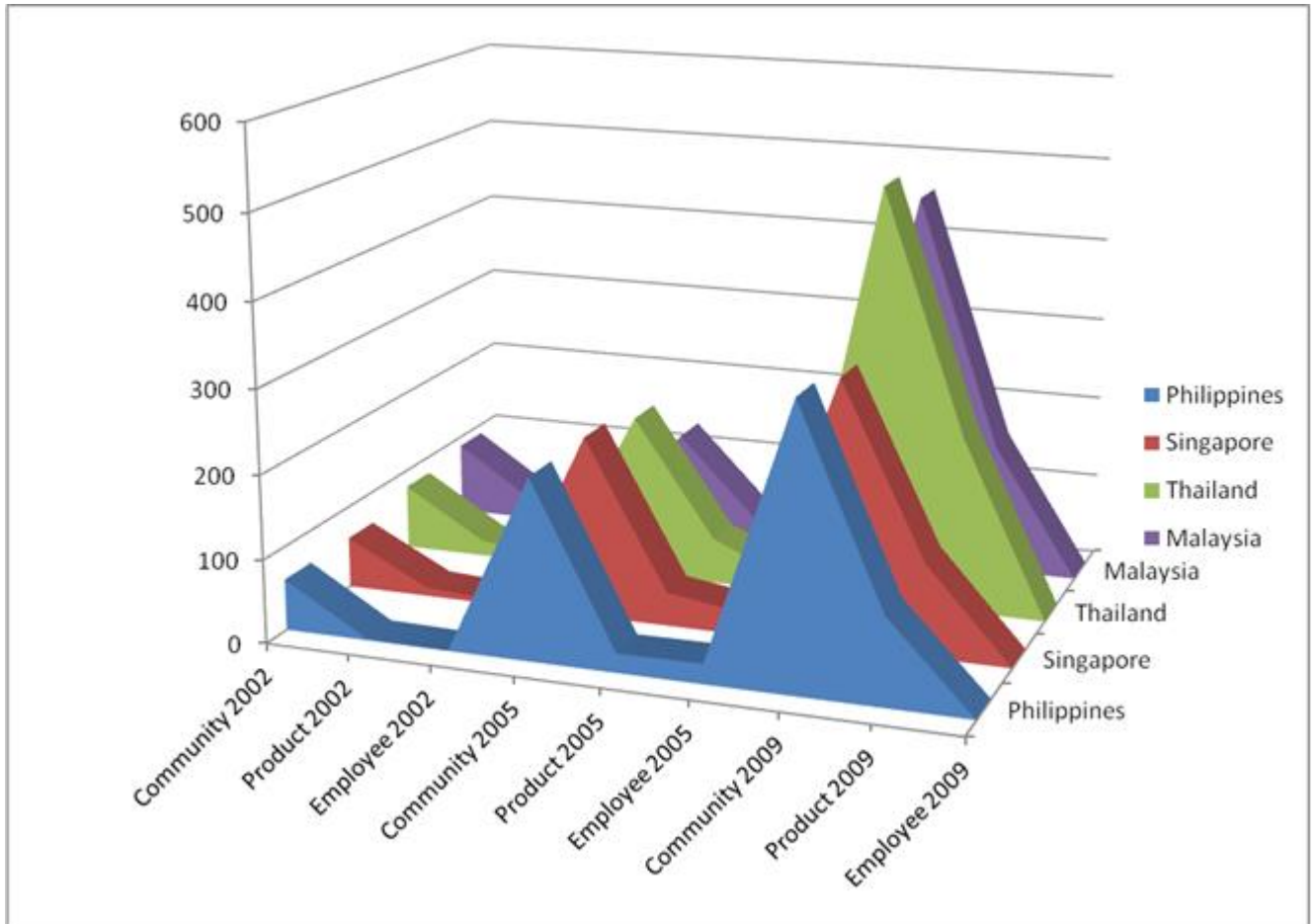
Wong, L. 2009. Corporate Social Responsibility in China: Between the Market and the Search for Sustainable Growth Development. **Asian Business and Management**. 8: 129-148.

**Figures:**

**Figure 1: Patterns of CSR Waves within Countries over Time**



**Figure 2: Patterns of Waves of CSR within Malaysia, Philippines, Singapore and Thailand over time.**





## Tables

**Table 1.** Growth of CSR companies in Asia 2002/03 - 2009/10

	2002/03		2005/06		2009/10		2002/03 - 05/06	2005/06 - 09/10	2002/03- 09/10
	abs	%	abs	%	abs	%	%	%	%
<b>Overall growth</b>									
Total, 5 countries* <sup>1</sup>	107	42.8	175	70.0	241	96.4	+63.6	+37.7	+125.2
Total, 6 countries* <sup>2</sup>	---* <sup>4</sup>	---* <sup>4</sup>	211	70.3	284	94.7	---* <sup>4</sup>	+34.6	---* <sup>4</sup>
<b>Growth per country*<sup>3</sup></b>									
India	36	72	42	84	50	100	+17	+19	+39
China	---* <sup>4</sup>	---* <sup>4</sup>	36	72	43	86	---* <sup>4</sup>	+19	---* <sup>4</sup>
Malaysia	16	32	33	66	49	98	+106	+48	+206
Philippines	15	30	30	60	43	86	+100	+43	+187
Singapore	19	38	36	72	49	98	+89	+36	+158
Thailand	21	42	34	68	50	100	+62	+47	+138
5-country mean	21.4	42.8	35.0	70.0	48.2	96.4	+63.6	+37.7	+125.2
6-country mean	---* <sup>4</sup>	---* <sup>4</sup>	35.1	70.3	47.3	94.7	---* <sup>4</sup>	+34.6	---* <sup>4</sup>

\*<sup>1</sup> : n = 250; \*<sup>2</sup> : n = 300; \*<sup>3</sup> : n = 50; \*<sup>4</sup> : China was not included in the 2002/03 survey

**Table 2.** Growth of CSR reporting in Asia 2002/03 - 2009/10

	2002/03		2005/06		2009/10		2002/03	2005/06	2002/03-
	abs	%	abs	%	abs	%	- 05/06	- 09/10	09/10
<b>Overall growth</b>									
Total CSRep (5 countries)* <sup>1</sup>	4		14		43		+250	+207.1	+975
% of all companies		1.6		5.6		17.21			
% of CSR companies		3.7		8.0		7.8			
Total CSRep (6 countries)* <sup>2</sup>			15		55			+266.7	
% of all companies	---* <sup>3</sup>	---* <sup>3</sup>		5.0		18.3	---* <sup>3</sup>		---* <sup>3</sup>
% of CSR companies	---* <sup>3</sup>	---* <sup>3</sup>		7.1		19.4	---* <sup>3</sup>		---* <sup>3</sup>
Total ARep, 6 countries	---* <sup>4</sup>	---* <sup>4</sup>	25	12.8	136	59.4	---* <sup>4</sup>	+444.0	---* <sup>4</sup>
<b>Growth per country*<sup>5</sup></b>									
China: CSRep	--* <sup>3</sup>	--* <sup>3</sup>	1	2.8	12	27.9	--* <sup>3</sup>	+1,100	--* <sup>3</sup>
China: ARep	--* <sup>3,4</sup>	--* <sup>3,4</sup>	0	-	6	19.4	--* <sup>3,4</sup>	-	--* <sup>3,4</sup>
India: CSRep	1	2.8	3	7.1	18	36.0	+200	+500	+1,700
India: ARep	---* <sup>4</sup>	---* <sup>4</sup>	3	7.7	11	34.4	---* <sup>4</sup>	+266.7	---* <sup>4</sup>
Malaysia: CSRep	2	12.5	3	9.1	9	18.4	+50	+200	+350
Malaysia: ARep	---* <sup>4</sup>	---* <sup>4</sup>	3	10.0	32	80.0	---* <sup>4</sup>	+966.7	---* <sup>4</sup>

Singapore: CSRep	1	5.3	3	8.3	4	8.2	+200	+33	+300
Singapore: ARep	---* <sup>4</sup>	---* <sup>4</sup>	9	27.2	35	77.8	---* <sup>4</sup>	+288.9	---* <sup>4</sup>
Thailand: CSRep	0	0	4	11.8	6	12.0	-	+50	-
Thailand: ARep	---* <sup>4</sup>	---* <sup>4</sup>	4	13.3	29	65.9	---* <sup>4</sup>	+625	---* <sup>4</sup>
Philippines: CSRep	0	0	1	3.3	6	14.0	-	+500	-
Philippines: ARep	---* <sup>4</sup>	---* <sup>4</sup>	6	20.7	23	62.2	---* <sup>4</sup>	+283.3	---* <sup>4</sup>
5-country mean									
CSRep	0.8	3.7	2.8	8	8.6	17.8	+250	+207.1	+975.0
ARep	---* <sup>4</sup>	---* <sup>4</sup>	5.0	15.5	26.0	65.7	---* <sup>4</sup>	+420	---* <sup>4</sup>
6-country mean									
CSRep	--* <sup>3</sup>	--* <sup>3</sup>	2.5	7.1	9.2	19.4	--* <sup>3</sup>	+266.7	--* <sup>3</sup>
ARep	---* <sup>3,4</sup>	---* <sup>3,4</sup>	4.2	12.8	22.7	59.4	---* <sup>3,4</sup>	+444.0	---* <sup>3,4</sup>

CSRep : CSR reports; ARep : Annual reports with CSR section of other CSR companies; \*<sup>1</sup> : n = 250; \*<sup>2</sup> : n = 300;  
\*<sup>3</sup> : China was not included in the 2002/03 survey; \*<sup>4</sup> : ARep were not analysed in the 2002/03 survey; \*<sup>5</sup> : n = 50

**Table 3:** Growth of CSR sections in annual reports of CSR companies 2005/06 - 2009/10

Number of pages	China		India		Malaysia	
	2005/06	2009/10	2005/06	2009/10	2005/06	2009/10
1-2	-	1	1	3	-	8
3-5	-	4	2	4	2	12
6-10	-	1	-	3	1	8
11-20	-	-	-	1	-	3
≥21	-	-	-	-	-	1
<b>Total</b>	0	6	3	11	3	32

Number of pages	Singapore		Thailand		Philippines	
	2005/06	2009/10	2005/06	2009/10	2005/06	2009/10
1-2	5	16	1	7	5	8
3-5	1	12	2	9	1	11
6-10	1	3	1	11	-	3
11-20	1	3	-	2	-	-
≥21	1	1	-	-	-	1
<b>Total</b>	9	35	4	29	6	23

Number of pages	Total		Total		Total
	2005/06	2009/10	2005/06	2009/10	2005/06 - 2009/10
	abs	%	abs	%	%
1-2	12	6.1	43	18.8	+206.7
3-5	8	4.1	52	22.7	+456.3
6-10	3	1.5	29	12.7	+727.4
11-20	1	0.5	9	3.9	+670.3
≥21	1	0.5	3	1.3	+156.8
<b>Total</b>	25	12.8	136	59.4	+365.6

Table 4: Comparisons of Issues within Countries in 2005 and 2009

	Employee Engagement09	Employee Welfare09	Product/Process Quality09	Product/Process Ethics09	Product/Process Human Resources09	Product/Process Health and Safety09	Product/Process Environment09	Community Youth, Children 09	Community Welfare09	Community Sports09	Community Religious09	Community Housing 09	Community Health and Disability09	Community Environment and Conservation09	Community Education and Training09	Community Development09	Community Arts and Culture09	Community Agriculture and local Development09
China-Malaysia																		
China-Singapore																		
China-Thailand																		
China-India																		
China-Philippines																		
Malaysia-Singapore																		
Malaysia-Thailand																		
Malaysia-Philippines																		
Singapore-Thailand																		
Singapore-Philippines																		
Thailand-Philippines																		
India-Philippines																		
Thailand-India																		
Singapore-India																		
Malaysia-India																		
Employee Engagement05																		
Employee Welfare05																		
Product/Process Quality05																		
Product/Process Ethics																		
Product/Process Human Resources05																		
Product/Process Health and Safety05																		
Product/Process Environment05																		
Community Youth, Children 05																		
Community Welfare05																		
Community Sports05																		
Community Religious05																		
Community Housing 05																		
Community Health and Disability05																		
Community Environment and Conservation05																		
Community Education and Training05																		
Community Development05																		
Community Arts and Culture05																		
Community Agriculture and local Development05																		

	Employee Engagement09	Employee Welfare09	Product/Process Quality09	Product/Process Ethics09	Product/Process Human Resources09	Product/Process Health and Safety09	Product/Process Environment09	Community Youth, Children 09	Community Welfare09	Community Sports09	Community Religious09	Community Housing 09	Community Health and Disability09	Community Environment and Conservation09	Community Education and Training09	Community Development09	Community Arts and Culture09	Community Agriculture and local Development09
China-Malaysia																		
China-Singapore																		
China-Thailand																		
China-India																		
China-Philippines																		
Malaysia-Singapore																		
Malaysia-Thailand																		
Malaysia-Philippines																		
Singapore-Thailand																		
Singapore-Philippines																		
Thailand-Philippines																		
India-Philippines																		
Thailand-India																		
Singapore-India																		
Malaysia-India																		
Employee Engagement05																		
Employee Welfare05																		
Product/Process Quality05																		
Product/Process Ethics																		
Product/Process Human Resources05																		
Product/Process Health and Safety05																		
Product/Process Environment05																		
Community Youth, Children 05																		
Community Welfare05																		
Community Sports05																		
Community Religious05																		
Community Housing 05																		
Community Health and Disability05																		
Community Environment and Conservation05																		
Community Education and Training05																		
Community Development05																		
Community Arts and Culture05																		
Community Agriculture and local Development05																		

