Can CSR be used to increase loyalty among Chinese employees in China?

A study from a Western perspective

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ABSTRACT

Title: Can CSR be used to increase loyalty among Chinese employees in China? *A study from a Western perspective*

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One of the largest difficulties faced by multinational firms operating in China is the high turnover rate among their Chinese employees. In fact, in 2013, it was rated by US firms to be a larger problem than for example restrictions on foreign investment, transparency and problems related to protection of intellectual property rights (USCBC, 2013). Studies have been made, which shows that other things than only monetary incentives can work to motivate Chinese employees, but there are still much research to be done in the area. Simultaneously, research on Western employees has shown that a company's work with CSR can increase loyalty. Whether a possibility for the same connection of CSR and loyalty can be found in China, is a question which has not yet been properly addressed. This thesis therefore aims to provide a deeper understanding on whether there is a possibility for Western firms in China to use CSR as a way to increase loyalty among their Chinese employees. In order for the answers of this thesis to be applicable on a longer term perspective, the focus is not only on individuals who are currently employed, but also on future employees, i.e. mostly students. The questions aimed to be answered are;

- Can CSR strategies and implementation be used by Western firms which are active in China to increase loyalty of Chinese current and future employees?

- Is it important for Chinese current and future employees if their employer are behaving responsibly or not?

The research for this thesis has been conducted through a qualitative online survey on Chinese citizens and trough an interview with a manager at a Western company in China. It is concluded that there are indications that Chinese find CSR important. There are however differences within the Chinese society which has an effect on the perception of CSR and its importance, and thereby on the possibility for Western firms to use CSR to increase loyalty. Lastly, findings from the survey show that there are differences between China and West in which types of CSR efforts are perceived to be most important.

Acknowledgments

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1 INTRODUCTION

1.1 PROBLEM DISCUSSION

Since the opening up of China, the country has come to experience a vast inflow of direct investments from foreign companies (Chen, Chang & Zhang, 1995) and the inflows have remained high through the global financial crises, much thanks to the continuously high growth rate in China (UNCTAD, 2013. p 3). Despite the many efforts of the Chinese government to open up the country, and to make it easier for foreigners to invest in China (e.g. Kanbur & Zhang, 2005:1 & Chinese Gov., 2014), the country do, however, score as low as 96 on the list of 'ease of doing business' (IFC & The World Bank, 2014:3). Even though many difficulties can be attributed to the rigorous political and legal environment in China, other aspects, such as problems of understanding cultural differences also contribute (Ghemawat, 2001:6).

One of the difficulties faced by multinational firms operating in China is the high turnover rate among their Chinese employees (Zheng & Lamond, 2010:439). In fact, in 2011, US companies rated talent recruitment and retention to be the largest problem of all when doing business in China. Company managers then stated that they had problems finding the right people for management as well as factory workers and all levels between (USCBC, 2011). The 2013 version of the same survey, had the same issue fall in the list, however down only to a third place, and was thus thought to be a larger problem than for example restrictions on foreign investment, transparency and problems related to protection of intellectual property rights (USCBC, 2013). At a lecture held on the 25th of March 2014 at Gothenburg University of Business, Economic and Law, Tom Johnston, CEO of the Swedish company SKF, also mentioned retention of Chinese workers to be the largest problem of the company operations in China. Johnston's statement is yet another confirmation of the problem; moreover, it indicates that not only companies which are newly established in China have these problems. SKF did, namely, enter China in 1912, making 2012 the 100th anniversary of SKF China activities (SKF, 2012:5). Despite being a large problem for companies in China, the subjects on employee turnover, as well as what could be done about it, has not yet been properly researched (Zheng & Lamond, 2010:439). For this thesis, it is therefore argued, that there is a need of further research to be made on Chinese employee retention.

Considering the fact that Western companies have problems with keeping their Chinese employees, leads to the conclusion that incentives and benefits provided are either not large enough, or these incentives and benefits are not things which motivates Chinese employees. Research has, for an

example, shown that, due to the low supply of skilled workers, Chinese managers can gain a high salary raise if they change job (Hornby & Durfee, 2012 & Dobbs et al, 2012). One conclusion from this could be to say that Western companies need to make sure to pay their workers competitive pays (Shi & Handfield, 2012:177). Studies on Western companies and their employees do, however, show that many other aspects than payment are important for employees when they choose their employer (Franklin, 1997:21-24). The fact that other things than purely monetary incentives can be used for employee retention of Western employees, combined with the fact than companies in China are increasingly complaining about raising labor costs (USCBC, 2011), leads to the question on whether other things than payment can work to motivate Chinese employees.

A study made by Fisher and Yuan (1998) on Chinese employees in Shanghai showed that there are other things than payment which are important to Chinese employees. The study concluded that these 'other things' includes; good working conditions and loyalty shown from the organization towards the individual (Fisher & Yuan, 1998:522). Although studies on Chinese labor retention have been made, there are, however, yet several unanswered questions on how to best motivate, attract and keep Chinese workers (Zheng & Lamond, 2010:439). In addition to being an obvious lack in research, the lack of knowledge in this area also cost firms large amounts of money (US-China Business Council, 2013). Not knowing how to best motivate employees makes it impossible to know which incentives are most resource efficient (e.g. Carr & Nanni, 2009:23), which increases the risk for firms to waste money on things that employees do not view as most important and most motivating. The subject is furthermore increasingly relevant when considering that production in China is becoming more complicated and technically advanced, and cost of labor is increasing (Li, Li, Wu & Xiong, 2012:72). Considering these issues, it is apparent that there is a need for research which targets the possibility of using other things than pure monetary incentives to decrease the employee turnover in China.

Combining employee turnover in China, with pressure from Western stakeholders

In addition to companies having to cope with a high employee turnover rate in China, there is also a pressure from Western stakeholders of having a CSR strategy which is applicable on a global scale. The pressure to work properly with these types of issues comes from multiple sources. One example of this is Western consumers, who are become increasingly aware of the whole supply chain of companies, which makes it important for companies to act responsibly throughout the whole value chain (Liu, Anderson & Cruz, 2012). As for the Chinese side of the issue, awareness of environmental and social problems are rising here too (Zhu, Sarkis & Geng, 2005:464), something which might presumably increase the importance of all companies which are active in

China to act in a responsible manner not only towards their employees, but also in a broader social and environmental context. There is thus a need for companies which are active in China to find ways to combine the interests of Western stakeholders in terms of work with CSR, with the Chinese perceptions of CSR.

Recent research has shown that Western employees can be motivated by working for socially responsible companies (Mirvis, 2012:93-114). Research has further pointed out this feature to be one of the main arguments for companies to set up sound CSR strategies (Heslin & Ochoa, 2008:129). Knowing that CSR can work as a way of attracting, motivating and retaining Western employees, raises the question of whether or not this is a connection which can be made in a Chinese context, for Chinese labor. Whether or not CSR could also work as a motivating factor in China has, however, not yet been properly assessed. To examine this possibility would not only increase the theoretically important knowledge on motivation and loyalty of Chinese employees, but also be of practical value for companies, if they can find new ways for more efficient retention of Chinese employees.

Much of the research done in international business and management trend to focus on the Western perspectives. This can, however, lead to serious misconceptions and is not a sufficient way of doing research (Tsui, 2007:1354 & Werner, 2002:278). To simply take the Western concept of 'CSR' and apply it to a Chinese context, would therefore most probably not be very effective. To understand the possibility of using CSR to increase employee loyalty in China, two things must therefore be recognized. First, the terms of 'CSR' and, the closely related term, 'sustainability' might have different meanings to Chinese than they have to Western employees. Second, current and future employees' perceived importance of their employer to behave responsibly might be different in China than in the West. These considerations might, among other things, lead to a conclusion on how much efforts and resources a company, from a strict retention perspective, should spend on issues related to CSR.

A good CSR performance can strengthen the sense of trust among investors and shareholders (Rosetta, 2009:305-313). On the demand side, a responsible company can strengthen its brand and increase sales, through for example 'green marketing', which applies to certain costumers will to identify themselves with 'responsible' companies (Bickart &. Ruth, 2012:62). On the supply side, a strengthen brand and a good reputation can, as mentioned earlier, help companies to attract and keep high quality labor in the West. A report by the Nielsen Company has, for an example, showed that 62% of their collected sample stated that they prefer to work for companies which are engaging in responsible corporate activities (Nielsen, 2012).

Starting by presenting a conceptual understanding of the Western definitions of CSR, sustainability, motivation, employer branding and communication, a foundation for understanding the empirical findings of this thesis is built. The empirical findings are derived from an online survey made on Chinese citizens, which will facilitate an understanding of the Chinese perception of CSR and sustainability and opinions on whether these issues are considered important or not. For an insight in the Western approach on CSR in China, a semi structured interview with a Western individual employed at an office of a Western company in China was made. The thesis is finished off with an analysis, a discussion, a conclusion and suggestions on further research.

1.2 THE CONTRIBUTION OF THIS THESIS IN RELATION TO WHAT HAS BEEN FOUND SO FAR

Ramasamy, B & Yeung, M. (2009, 88:119-132) have found that CSR is perceived to be important for consumers in Shanghai and in Hong Kong. Though this is an interesting finding, we argue that this perceived importance can be different if asked from an employee perspective, which makes it important conduct such research. Furthermore, Welford (2004), have found that the most important factor of CSR in Asia was 'engagement with the local community', while 'labor standards in the supply chain' were ranked last. This study does, however, not show whether or not it is important for employees that their employee works actively with CSR. Nor does it give a specific picture of China, which is what is sought after in this thesis. Wu (2013) have further conducted a 'survey-based discussion on perception and attitude towards CSR in China', which has an employee perspective. This survey is, however, examining mainly what the respondents perceive CSR to be, not whether or not it is perceived to be important. We therefore agree with Gao (2009), that there is a need of further studies on Chinese perceptions on CSR.

Another study made in a closely related area examines differences in the perception on CSR among Western and Chinese managers (Xu & Yang, 2010). The results of this survey shows differences in the perception of CSR, which suggests that it would be interesting to conduct further research on the Chinese employee perceptions on CSR. In 2010, Zhu et al. presented an article on whether CSR efforts can affect the loyalty of Chinese employees. The study had 438 respondent from four different Dalian companies and finds that, in these cases, CSR efforts could increase the commitment of employees towards their employers. We therefore argue that it would be interesting to examine if similar tendencies can be found among respondents of a more diverse group of respondents. In our survey, this diversity regards both age and geography. Combining findings of a survey on perceptions of CSR among Chinese current and future employees from different parts of China, with an in depth interview with a Western manager and the findings in the survey of Xu

and Yang (2010) would create a good starting point for answering the research questions of this thesis.

1.3 AIM OF THE STUDY AND RESEARCH QUESTIONS

This thesis aims to provide a deeper understanding on whether there is a possibility for Western firms in China to use CSR as a way to increase loyalty among their Chinese employees.

The questions which are aimed to be answered are;

- Can CSR strategies and implementation be used by Western firms which are active in China to increase loyalty of Chinese current and future employees?
- Is it important for Chinese current and future employees if their employer are behaving responsibly or not?

1.4 RESEARCH LIMITATIONS

This thesis does not aim to provide an answer on how a CSR strategy should be set up, implemented or communicated. The parts of the thesis which touches upon these issues are included with a strict intention of an understanding of the possibilities to use CSR for increased loyalty in China. Since the focus is on Western firms, the aim is not to provide answers regarding the same issues for Chinese firms. The online survey which is made does not provide large enough evidence to give answers which can be generalized, but should be seen as an initial step towards a deeper understanding of the Chinese perceptions in these matters.

This thesis focuses mainly on the most commonly used theories that have pioneered the subject of motivation, taking its starting point in Abraham Maslow's theory of the hierarchy of needs from the 1940's. Although not perfect, Maslow's theory is useful, mostly due to it being easily comprehended and since it has been extensively used for further research. Based on Maslow's theory two other theories became popular, Frederick Herzberg set up a theory of the two-factors at a workplace in the 1950's and Douglas McGregor's set up theories of managers' perception of their employees to fit either under the so called X or the Y theories in the 1960's.

1.5 DEFINITIONS OF TERMS

The terms of corporate social responsibility (*CSR*), sustainability, motivation and loyalty are all frequently used in this thesis. The terms are all explained in depth in the theoretical framework, but the definitions used in this thesis are now presented; CSR will be used as a very broad concept of different ways in which companies are engaging in work connected to helping society with social

and ecological issues. Economic concerns are also included in that 'CSR' can include things like transparency and fighting corruption. There are many definitions of CSR, this thesis does not pick one particular definition but looks into what the common denominator are. CSR will therefore be defined as the engagement by firms in protecting the well-being of employees, communities and the environment in a way which go beyond simple legal compliance (Heslin & Ochoa, 2008). It is recognized that expressions like 'good' or 'high' CSR performance or 'responsible companies' etc. are subjective. These types of terms will be used to describe features of good practice, or companies which are generally considered by literature or by public to perform well in issues concerning CSR. Since this thesis does not aim to make an absolute decision on who are responsible or not, this will be considered to not harm the analysis or findings of this thesis.

'Sustainability' in this thesis will be defined as it is defined in the Brundtland report (1987), and will be assumed to be an expression closely connected to CSR, since achieving sustainability should be the ultimate goal of any firm which is taking their work on CSR seriously.

As for the term '*motivation*' the definition of factors, both internal and external, which affect a person's behavior in order to reach their needs will be used. As will be further presented in part 2.4, motivated workers will in this thesis be assumed to be more loyal to a company.

It is recognized that '*loyalty*' acts like a barrier against negative effects and therefore makes people devoted enough to give up some personal benefits in order to stay with where their loyalty lies. Therefore will loyal employees more likely stay at a company and reduce the labor turnover.

Some terms in the questionnaire, e.g. *'local'* has been undefined and left to the interpretation of the respondent. It could differentiate from person to person what the term local could mean and it does not lies in this thesis interest to be specific enough to define exactly what those means. If the local environment are an important factor for CSR and loyalty then it lies in future research to find out exactly what those definitions are.

1.6 THESIS STRUCTURE

Introduction: In this part, the reader will be introduced to the subject discussed in this thesis. A problem discussion is provided, with the aim of having the reader understand why we have chosen to study the possibility of Western firms to use CSR strategies and implementation as a way to increase the loyalty of Chinese employees in China. The main points here are that it has been found that Western employees can be motivated by work with CSR, and that there is an empirical problem of firms in China facing high turnover rates. Furthermore, there have not been many studies made on the Chinese perception on CSR. These considerations makes it interesting to conduct a survey

on Chinese perceptions of CSR, which in turn can provide information on whether CSR can be used to reduce turnover rates in China. Answering the theoretical question of Chinese perception on CSR and what motivates them, can thus to provide guidance on an empirical problem.

Theoretical Framework: The theoretical framework gives deeper insight to concepts of; sustainability, CSR, motivation and loyalty. These presentation of these concepts are finished with a proposition based on these theories. This proposition is called the 'CML proposition', and is used for the analysis and discussion.

Method: This part of the thesis presents the methods used for the construction of the thesis, and how these was executed through a case study which involved an online survey as well as interview with a Western company in China. This part also includes the motivations why these choices were made and how it stands in a validity and reliability perspective.

Empirical Studies: The empirical studies present the primary data collected for this thesis. This includes an online survey on Chinese perception on CSR and on what is important for Chinese to feel motivated. The results from an interview with a manager at a Western company's regional headquarter located in China, are also presented.

Analysis: This part analyses the empirical data which has been collected for this survey. In this part, the thoughts behind the later coming conclusions are presented. There will therefore be an analysis of whether or not it can be stated that CSR motivates Chinese employees. The effects on CSR perceptions of the vastly heterogeneous features of the Chinese society are also analyzed.

Discussion: In the final parts of this thesis, a discussion on whether there are signs in the results of the collected data which indicates differences between the Chinese and the Western perceptions of CSR is presented.

Conclusion: The conclusion presents the main findings from our thesis, which are based on the analysis of the data collected for this thesis. These findings include, among others, that there are indications that the Chinese could possibly be motivated by a company's work with CSR.

Future Research: The future research presents subjects which are related to the research made, but is outside of the scope of this thesis and would thus be interesting to examine further. Examples of this includes exactly which types of CSR issues are perceived to be most important for Chinese employees.

2 THEORETICAL FRAMEWORK

The theories in this chapter will provide a basic understanding of the concepts of CSR, motivation and loyalty of employees. The concepts will then be connected through a proposition in the form of a formula which will be used for analyzing the empirical data found in the research for this thesis.

2.1 CORPORATE SOCIAL RESPONSIBILITY

To examine the possibility for Western companies of using good CSR practices to attract and retain Chinese employees, one must recognize the fact that the expressions of 'sustainability' and 'CSR' might have a different meaning in China than it has in Western cultures. This section presents how CSR has come to be an important concept for Western companies to work with.

China is considered a laggard when it comes to the practices of CSR (Welford, 2004), which was not introduced before the late 90's (Zhou, 2006:5-7). China has also been low on the 'CSR take up rate' (Baskin, 2006:31). Much environmental legislation of today are on a high European level but the country has, however, problems with almost non-existent implementation of those laws (Anderlini & Dyer, 2007). Much of the problem is due to the implementation lying on the sub-national governments (Harper Ho, 2013:28). Chinese citizen and companies has become aware of CSR, however, they had in many cases misunderstood the meaning of it and associate CSR with charity (Qingfen, 2006:11), which was also the traditional Western view on CSR for a long time (Hathaway, 1981: 49).

2.1.1 The emergence of the concept of 'Sustainability' in the West

The term 'sustainability' has been used in the Western society as a way to describe human activities, carried out in a way which will preserve the resources of the earth, since the 1970s (Basiago, 1995). The concept of 'sustainability' was, for an example, discussed in 1972 at a UN Conference on the Human Environment in Stockholm (UNEP, 1972).

The probably most widespread definition of the closely related term, 'sustainable development', was first used in the UN report 'Our common future' from 1987, (Peacock, 2008) ordered by the UN World Commission on Environment and Development which, at that time, was chaired by Norwegian Gro Harlem Brundtland (Basiago, 1995:2). The report defined 'sustainable development' as 'development that meets the needs of the present, without compromising the ability of future generations to meet their own needs'. According to the report, the goal of sustainability could only be achieved by aligning social, economic and environmental responsibility (Brundtland Report, 1987:41). This thus signals a more holistic view on sustainability than the

original, environmentally focused definition, and this definition is also the one used by many companies when they set up their CSR strategies (EUROPEAN COMMISSION, 2011:6)

As mentioned earlier, in China, the knowledge of the environmental issues might not be the same as in the West. The central government has legislated many regulations but it has been implemented poorly (Anderlini & Dyer, 2007).

2.1.2 Definition of CSR

In 1970, Milton Friedman argued that the social responsibility of business consists purely of increasing its profits (Friedman, 1970). Like Friedman, Carroll also stresses economic responsibility to be the main responsibility of a company. He does, however also recognize the importance of other responsibilities (legal, ethical and philanthropic) of a company, see Appendix A1 (Carroll, 1991).

Today, there is a general understanding among many companies as well as researchers and the society as a whole, that companies should take a wider responsibility of the implications of their actions (e.g. United Nations Agenda 21, 1992:). The World Business Council for Sustainable Development states that; 'corporate social responsibility is the continuing commitment by business to contribute to economic development while improving the quality of life of the workforce and their families as well as of the community and society at large' (WBCSD, 1999:6).

There is today, yet no universally accepted definition of CSR. The common denominator, which is applicable to most viewpoints, is that CSR has to do with companies' engagement in protecting the well-being of employees, communities and the environment in a way which go beyond simple legal compliance. Moreover, strategic CSR can describe as CSR which tries to this while still at the same time creating tangible business benefits of the sustainability work (Heslin & Ochoa, 2008:126). Marrewjiik concludes that instead of finding a definition of what is sustainable for a company which suits all companies; specific strategies should be developed for each company to fit their development, awareness and ambition level (Marrewjiik, 2003:103)

2.1.3 Why companies engage in CSR

Having a working CSR strategy is essential for companies by a number of reasons. These include compliance with regulation, keeping good community relations, cost and revenue impacts and societal and moral obligations (Epstein, 2008:21). Many large companies are therefore taking on new, innovative ways of working with CSR. This is a big change from a few decades ago, when pioneers in the field, such as Ben and Jerry's and The Body Shop were quite alone in taking CSR issues seriously (Epstein, 2008:25). Furthermore, in 2006, approximately 10% of assets under

management in the US were invested in companies which were known to perform well in terms of corporate social responsibility. In 2007, 64% of the Fortune Global 100 companies published reports on their sustainability performance (Heslin & Ochoa, 2008:125).

Chad Holliday, former CEO of DuPont, a company often used as an example of 'best practice' in the field of CSR, said once that *'[…] ultimately companies will find that they can generate substantial business value through sustainability while both enhancing the quality of life throughout the world and protecting the environment'* (Holliday, 2010:134). High CSR performance can help a company to increase its market share (Manning, 2014:42-43) and raise (Callado-Muñoz & Utrero-González, 2011:755) or at least keep its margins at average industry level (Blomgren, 2010:272). Regulators also tend to be less controlling over companies and industries which have a reputation of behaving well (Cordeiro & Tewari, 2014:12). Furthermore, lower costs of capital (Reverte, 2011) and a greater ability to strategically plan for the future (Martinuzzi & Krumay, 2013:425) are commonly experienced by companies which are behaving responsibly. A working CSR strategy requires proper communication between divisions; focus on innovation of processes and products and continuous loops of measurement and feedback, factors which can be connected to a better overall company performance (Epstein, 2008:56).

In a Western context, a reputation of being a socially responsible firm will also help to attract and motivate its employees. Research has shown that potential employees in Western countries are more attracted to socially responsible organizations (Heslin & Ochoa, 2008:129) and that some employees are also willing to take jobs with a lower salary if the firm is more socially responsible. A company's perspective on responsibility thus affects how employees feel about the organization and how they act while working. A survey made by Net Impact on MBA students from the US has shown that 59% out of 2,100 respondents intended to apply for seek socially responsible after graduating. 79% stated that they would, at some point, apply for a job in a socially responsible firm (Net Impact, 2006). Based on these findings, it could thus be argued that there is evidence which suggests that companies would benefit from engaging in social and environmental matters in order to be able to attract and retain skilled workers in the West. For employees who are interested in environmental and/or social issues, a responsible company can also provide a higher motivation among its employees, thus increasing their productivity and in an extension, increasing the efficiency and financial performance of a firm (Heslin & Ochoa, 2008:129). For the sake of answering our research question, our empirical work must examine whether a similar connection could be found in China.

2.1.4 How companies work with CSR

As there are different definitions of CSR, there are also many different frameworks which are set up to help companies on an effective implementation of their CSR strategies. Although many attempts have been made to create one, universal framework, one could claim that there is still much work to be done in the area (Maon, Lindgreen & Swaen, 2008:1). Heslin & Ochoa stresses the importance of not just imitating other organizations and so called 'best practice' CSR strategies, since all organizations are different and thus need to have a CSR strategy which is adjusted to the specific company characteristic and the environment in which it operates (Heslin & Ochoa, 2008:125).

A comprehensive model on how to set up a working CSR strategy, is provided by Marc J Epstein in his book 'Making sustainability work: Best practice in Managing and Measuring Corporate Social Environmental and Economic impacts' (Epstein, 2008). Epstein recognizes that sustainability should be integrated in the corporate strategy, that leadership must be committed to building a sustainable organization, that the sustainability strategy must be supported with management control and that performance and reward measures must be developed. Furthermore, the strategy must be supported with a strong mission, culture and people. Managers must integrate sustainability into all parts of the company too and formalize support for the strategy (Epstein, 2008:26). Moreover, increasing sustainability performance should be viewed not only as a means of compliance and of avoiding risk, but also as an opportunity to create a competitive advantage (Epstein, 2008:123). Epstein's model of how to set up a working CSR strategy thus include inputs, processes, outputs and outcomes (Epstein, 2008:46).

Epstein's framework can help companies make an analysis of the key drivers of performance and measurement of both drivers and the linkages between them (Epstein, 2008:57). It also provides an understanding of impacts of corporate activities and how these impact stakeholders. Successful strategies require a better understanding of the implications of management decisions. This includes a careful analysis of the key drivers of performance as well as measurement of both the drivers and the linkages between them. It also requires a clear understanding of the broad set of impacts that are caused by corporate activities and to understand this impact on a broad set of stakeholders (Epstein, 2008:54). Finally, Epstein stresses the importance of continuous feedback and evaluation throughout the process (Epstein, 2008:56).

2.1.5 Connecting CSR to employee motivation, retention and attraction

As performance measurement is essential for the success of a sustainability strategy, global corporations must find a way to measure sustainability performance at each regional site. This puts

large pressure on the company intranet and on employees understanding the importance of reporting and to do so correctly (Epstein, 2008:86).

A common way to work with social responsibility for increasing employee motivation is to work in collaboration with NGO's (Caliguri, Mencin & Jiang, 2013:32.). It is, however, not without complications to do so. For the collaboration to be successful, it is important that there is a logic 'fit' between the company and the organizations activities but also that employee's feel engaged in the collaboration. One example of a bad choice of collaboration partner is therefore if the CEO chooses one to which cause he himself feels strongly for, but that employees do not. However obvious this might seem, it is still a common thing happening in companies (Lerner & Fryxell, 1994 & Borghesi, Houston & Naranjo, 2014). This shows the importance of management understanding of which types of CSR efforts employees actually find to be important, in order for them to be motivated by them.

Literature puts large weight in being proactive when working with social responsibility. CSR must be more than a reactive risk-avoiding strategy (Epstein, 2008:104-124). To properly assess different types of risk, companies must consider the different sources of risk which could come from product or service, media, industry, employee, customer base, location, process or suppliers (Bakefi & Epstein, 2006.) Risk from unsatisfactory CSR performance connected to employees includes examples like increased absenteeism due to illness, high employee turnover rates, more industrial accidents and angers in consumer markets about child labor etc. (Epstein, 2008:117).

In order for a company to be able to implement CSR strategies in a successful manner, proper performance measures must be in place. The measures should include a mix of input processes, output and outcome measures. This means that each measure of the model should be converted to a performance indicator (Epstein, 2008:127) and one measure must be logically connected to the next. Furthermore, performance measures must capture the logic behind it and show this logic to each individual, who must understand the connection of their day-to-day activities to the overall company performance. Proper measures thus provides the advantages of allowing discussion and agreement on corporate strategy, encouraging communication of the corporate strategy throughout the organization, and tracking the evolution of the organization and its strategy (Epstein, 2008:128). In addition, the performance indicators must be connected to reward systems and employee satisfaction should be included in a balance scorecard of sustainability (Epstein, 2008:138).

2.1.6 CSR to strengthen the internal and the employer brand

As described above, CSR can be used to increase motivation and loyalty among Western employees. In this part, it is shown that CSR through this also can strengthen the employer brand of companies. This does, however, make it

important for the company to be able to communicate its CSR efforts in a proper way, in order for the employees to feel engaged in the work. This connection is important to understand, since if companies in China are to use CSR as a factor of motivation; they must not only understand what and how CSR should be worked with, but also how they should communicate this work to their employees.

Foster, Punjaisri & Wilson (2007) describes the term of 'internal branding' as the way companies view their employees as 'internal customers' and through this help the employees to embrace company values. Studies have shown that internal branding can be used to engage employees in their job and their company, making them more satisfied with their jobs and more loyal to their company (Lee, Kim & Kim, 2013). As CSR works as a motivator in Western companies, the question is whether this is true also in China. There might be differences in the way work with CSR should be carried out, but also in how the internal brand is strengthen through communication; thus how the CSR efforts should be communicated internally to employees.

Mishra, Boynton & Mishra (2014) writes that internal communication can help engaging employees and to build a culture of transparency in an organization. If a company is increasing its CSR efforts in China, and if CSR efforts work as a motivator for Chinese employees, then companies should benefit from communicating their efforts to their employees as effectively as possible. Communication is thus not only an inevitable component of working reporting systems needed for high CSR performance, but also a means of engaging employees. A study described by Carroll (2006:1) states that an enjoyable workplace for employees is somewhere where they 'trust the people they work for, have pride in what they do and enjoy the people they work with'. Although the study was conducted in a Western context, it is probable that the same might be true in China.

It would be logic that organizational initiatives which would engage employees should be encouraged in a firm (Caywood, 1997). In order for employees to feel engaged, the feeling of contribution among employees is vital. Mishra et al. (2014), finds that one of the respondents in their survey states that it is essential for employees 'to be aware of and have access to information' in order to become engaged employees. Connecting this to the subject of CSR as a motivator, companies should thus find activities which engage employees, communicate efforts on CSR properly, and set up CSR strategies in collaboration with employees, in order for the CSR strategy to have a positive effect on employee engagement, loyalty and motivation. Again, this do of course include defining what employees perceive to be 'responsible' behavior and if it is important for the employees that the company is accordance to this.

The reader should from the theory presented so far keep in mind some key inputs; there might be a difference in the perception of CSR and whether this is important for companies to work with. CSR can possibly be a way to increase loyalty, but this is dependent on the employees finding CSR important. In addition to this, from a pure 'motivational' perspective, management must also target CSR efforts which employees view to be the most important ones. It must therefore be remembered that Chinese might have other priorities on which types of CSR efforts are most important to work with. If a company has come this far in their understanding, they must then examine how they should communicate the work with CSR to their employees. This is important, since the Chinese might not have the same knowledge of the topic, and they prefer a different way of communication, than Westerners do in general.

Foster, Punjaisri & Cheng (2010) brings forth the term of 'employer branding' as a continuation of internal branding; and which looks at the external potential employees rather than the existing personnel. A well performed employer branding, allows the company to differentiate themselves from other companies and therefore attract the employees they want. This thesis will band those two terms of branding together as one and call it employer branding to make it less confusing. It is important for a company to work with its brand on all sides to stay as an attractive employer.

2.2 MOTIVATION

With research showing that CSR can work as a motivational factor among employees in Western countries (Heslin & Ochoa, 2008:129) a further understanding on how motivation works and is conceived both in the West and Chinese business cultures is needed in order to understand whether the same or a similar connection between CSR and loyalty is apparent in China.

2.2.1 What is motivation

Encyclopedia Britannica (Petri, 2014) defines 'motivation' as *'forces acting either on or within a person to initiate behavior'*. Graham and Weiner (2000) describe motivation as how *'people think and behave as they do'*.

Every action a person decides to do or not to do is connected to his or her motivation. It could be a rational (Döring, 2007) or an emotional (de Rivera et al, 1994:91) decision, alternatively a natural instinct (Loewald, 1971). Whichever of these is behind an act, it is based on a motivation factor of an individual (Maslow, 1943). Motivation can be affected by both internal and external factors (Plant & Devine, 1998).

2.2.2 Maslow's Hierarchy of Needs

Maslow's most widely known theory argues that the needs of a human being can be described as a pyramid, where the need were originally divided into 5 stages, see Appendix A2. The needs in a previous stage most likely have to be fulfilled before an individual will feel the motivation to satisfy stages further up in the hierarchy (Maslow, 1943).

1. Physiological needs are those of imminent survival as an individual and race, and include satisfying needs like breathing, thirst, hunger, sleep and reproduction.

2. Safety needs includes such as clothing, shelter and health, as well as societal safety; such as employment.

3. Need of love is a person's needs to feel belongingness; to a family, to friends and the search of sexual relationships.

4. Need of esteem relates to an individual's search for self-respect, self-esteem, achievement and acknowledgement from those around and the society, which will lead to confidence.

5. Self-actualization consists of the search for what a person is made for, i.e. the search for the purpose of their life.

The steps of Maslow's hierarchy should not be seen as absolute rules, but the theory does provide a starting point for a basic understanding of what motivates individuals.

Primarily two aspects of Maslow's theory have been criticized. Originally containing only 5 stages, the theory was argued to be too shallow, and to stack too much into the level of self-actualization (Koltko-Rivera, 2006). Maslow also later found that some people who had found their place in life, thus fulfilled the stage of self-actualization, also felt that they wanted to help others to reach this level. Maslow called this the need of 'transcendence', thus added a sixth step to the hierarchy (Maslow, 1967). Critics also believed that the step from self-esteem (fourth step) to self-actualization (fifth step) to be too steep (Koltko-Rivera, 2006:309). Based on the knowledge an individual finding himself in the fourth level possesses, he or she cannot be certain of what the stage of self-actualization consists of in his specific case. There is therefore a cognitive need which needs to be fulfilled before he can reach the level of self-actualization. This requires knowledge about oneself as well as about the purpose of what ones actions in life do (Koltko-Rivera, 2006 & Maslow, 1970). To find self-actualization; for example to become a musician, one most likely has to feel appreciation to what one creates; in this case the music. This is a need which is not presented in any of the other current existing levels, and an eight level has thus been added in between the cognitive needs and the self-actualization needs, the aesthetic needs (Maslow, 1970).

The current hierarchy of needs thus consists of the following eight levels of needs: (1) physiological; (2) safety; (3) love; (4) esteem; (5) cognitive; (6) aesthetic; (7) self-actualization; and (8) transcendence. See Appendix A3 for the full pyramid.

The second aspect of critique was presented by Geert Hofstede (1984). According to Hofstede's own theories, different cultures views differently on, for an example, collectivism where the U.S is defined as one of the most individualistic countries, in contrast to China, which is a very collectivistic one. Studies have, for an example, shown that when managers in 14 different countries were asked to list the importance of different needs, there were clear differences in the perceived importance of needs, depending on which culture the manager belonged to (Hair, Ghiselli & Porter, 1966). Based on this empirical material, Hofstede later sorted the needs into the different levels of Maslow's hierarchy. Hofstede then found that the only country that put the needs in the order Maslow had stated them was the U.S., the country on which Maslow based his research. Maslow's theory can therefore be seen as a model for how motivation generally looks in, primarily, the U.S. and to some degree countries that can be defined as the 'West'. Hofstede argues further on that there has to be other pyramids which examine the needs which differ for a single individual compared to a group.

2.2.3   Nevis' Hierarchy of Needs

Edwin Nevis (1983) compared the American concepts of Maslow's model with concepts found in Chinese culture. The assumptions on Chinese management styles, which were a result of Nevis own study, include statements as; you should be loyal primarily to the country, hold your family, elders and tradition highly and that equity is more important than wealth, thus indicating a high value in savings. This summarized to the need of the group is prioritized over the need of the individual. The statements on American management styles, which are based on an study from W.H. Newman (1972), includes a high belief in that the individual can change the future and therefore individualism is encouraged highly. The man is entitled to have the freedom of opinion, the equality to get opportunities and that group and individual needs shall be based on fair principles.

Based on his findings, Nevis created a new pyramid for the Chinese, see Appendix A4 for the Nevis pyramid. In this model, the foundation lies within the (1) belongingness to the group; i.e. the need of the individual is secondary to the need of the society as a whole in Nevis pyramid. Only thereafter should the needs of the individual be fulfilled. These needs includes only the (2) physiological and (3) safety aspects of the Maslow's hierarchy. With these needs satisfied, individuals should then be focused on the society once more and become (4) self-actualized in

whichever way they serve the society best. This is something which takes its form through the concept of 'face', which has a larger relationship to group dynamics rather than individual needs (Jackson & Bak, 1998).

The statement of Nevis, Hofstede and others, that China is a highly collectivistic society is, however, not free from criticism. Edward Wong (2001) looked into the general assumptions that Chinese has a collectivistic view throughout the entire society. Wong's findings show that Chinese show high loyalty to primary one type of collective, their family. Being in an organization which does not have any ties to the family, e.g. a foreign company; does not create a loyalty based on a collectivistic basis among Chinese individuals. Wong's findings further shows that a shift in the collectivism and individualism among managers in Shanghai, influenced by the Western style of individualism, was apparent already in 1995. If this is a trend which has continued, it would indicate that the Chinese society of today, at least in the cities, are quite different from the findings of Nevis.

2.2.4 Herzberg's two-factor theory

Herzberg's two-factor theory is based on Maslow's theories and applies these to a workplace (Herzberg, 1966). Herzberg set up a two-factor model on how motivation and needs at work function, see Appendix A5. The model states that there are factors which lead to 'satisfaction' while other factors lead to 'dissatisfaction' and that those two are independent of each other. He categorizes them under 'motivators' and 'hygiene factors'. Motivators are factors which will enhance the employees work and satisfying them brings a sense achievement or self-esteem. This could take its form through challenging tasks or responsibility. The hygiene factors are on the other hand the basic needs that employees require at work such as a salary, security and the working condition. The important aspect of this theory is that the absence of any motivator will not make the employee dissatisfied and the hygiene factors by themselves will not improve the satisfaction. However, the lack of a hygiene factor will increase the dissatisfaction and at the same time an additional motivator could increase the satisfaction.

Jackson & Bak (1998) examines Nevis hierarchy of needs and argues that the belongingness to a group would by Chinese be considered a 'hygiene' factor. This means that if they do not feel the belongingness to the company or workplace it would become a dissatisfaction factor and thus something important for the company to work with. Wong's (2001) findings that Chinese does not feel the same need to belong to non-family owned business can, however, lessen the effect of this as a 'hygiene factor'.

2.2.5 McGregor's Theory X and Theory Y

Another common used motivation theory that takes its origin in Maslow's hierarchy of needs is McGregor's theories about employee X and employee Y, see Appendix A6 (McGregor, 1957). These theories examine how management perceives its employees. Which theory is said to be applicable to a management perception, X or Y, thus also shows how management is likely to perceive motivation.

Theory X describes employees as a passive workforce that needs to be actively motivated and controlled to be able to fulfill what the company deems as needed. Furthermore, theory X states that employees are lazy by nature, i.e. they do not have motivation within the plan of self-actualization. According to this theory, employees are also reluctant to any types of change. They are, however, not smart and therefore easily changeable. According to McGregor, coping with people which could be described with the X-theory requires management to take a so called hard approach (stick) where they, by strong leadership and supervision, decide on all actions of the employees. The opposite, a soft approach (carrot), where the management instead tries to persuade the employees with e.g. money and less supervision, could however lead to the personnel doing as little as possible and changes will not happen, something which could jeopardize the future of the company.

In theory Y, on the other hand, the development of both the company and the individual person is a great motivational factor for the employee. According to this theory, the work force being passive would be a result of something that comes from previous experience of bad management, and not something that lies within a person's nature, as theory X would state. The passiveness of employees can thus be turned around by giving employees responsibilities and challenges to fulfill the needs of self-actualization through a soft approach. A too hard approach of the management here will dissatisfy employees and risk their loyalty, as they will then feel choked under what they would perceive as harsh restrictions. However, if management is far too loose on directions, a risk of uncoordinated operations might occur.

Hofstede's (1980) criticism to this model is that it, like Maslow's hierarchy, is based on only one country, the U.S. According to Hofstede, U.S stands in the middle when it comes to what he calls power distance, the acceptance of unequal power distribution. China, in this case, has according to Hofstede a higher acceptance for power distance. Which, applied to the theories of X and Y, would mean that the employees are more likely to accept a hard approach and therefore more likely to be seen as employees of theory X. This hypothesis is also mentioned by Evans, Hau & Sculi (1989),

who states that theory X is more applicable on Chinese norms while theory Y works better in the West.

Criticism to Hofstede here is taken forth by Jackson & Bak (1998), and includes that much of Hofstede's statements and data about China are based on Hong Kong and Taiwan, two areas which have been heavily influenced by the West in comparison to mainland China.

In conclusion there has been a lot of research done on motivation throughout the years, both on a nationalistic and cultural level as well as within companies and management styles. Much of the research has its origin in an American point of view and has been criticized to not be applicable on a Chinese context mainly based on the cultural differences and that China has a lot more collectivistic society than the individual Americans. However, more recent research shows that Chinese employees are moving towards a more individualistic style when it comes to motivation, in a sense a 'Chinese individualism' (Wong, 2001). Especially when the company they work for does not has any ties to their own family as the case is with most foreign companies operating in China.

2.3 LOYALTY

Motivation is a factor which makes individuals join a company and to do a certain work. In order to understand how this connects to employee turnover, the concept of loyalty of employees needs to be presented. Loyalty is a positive outcome of high motivation, and determines how likely someone is to stay at a company.

2.3.1 What is loyalty

Royce (1908:16-17) states that loyalty is a 'thoroughgoing devotion of a person to a cause'. Being loyal thus comes with a personal sacrifice, and is therefore not connected to an ulterior motive. This is, however, something which has changed in modern ages where there has become a two-way communication (Abbasi & Hollman, 2000). This concept means that the employer has to earn the loyalty of its employees. One way to do this is by concentrating on the motivation factors (ibid).

Hirschman (1970:79) describes loyalty as a rational mechanism which allows employees and customers to stay with a company longer than what would be expected based on their personal expectations that they have. Loyalty acts therefore like barrier and allows a higher negative factor, e.g. lower wages, before a person decided to leave a company, a phenomena Hirschman defines as a 'barrier to exit'. Loyalty is therefore a very important tool for companies in keeping a high retention rate among their employees.

2.3.2   Passive- and Active-constructive loyalty

There are two types of work enacted loyalty; passive-constructive and active-constructive (Withey & Cooper, 1992). Farrell (1983) states that the behavior of staying at a company can be seen as a non-action statement in comparison to leaving the company or trying to express what the employee finds to be wrong and trying to change it. With a high loyalty comes a high belief in that the company will change to the better.

Studies of what people consider as acts of loyalty (Cooper, Dyke & Kay, 1990) have, however, showed that the actions associated with the theories of Farrell et al. ranked first at 99, 101 and 102. These studies instead defined loyalty as working late and to do something extra when it was required, i.e. active-constructive loyalty. Cooper et al suggests a connection of the results of their study to the self-actualization from the Maslow's theories, mainly in combination of self-promotion. Loyalty is a relationship between two parts and in order to get a promotion an important factor is therefore to be loyal toward the company. These kinds of actions could be a sign of extrinsic motivation, which means that a promotion lies as a reward in the end to enact actions of loyalty (Ryan & Deci, 2000).

In conclusion loyalty therefore is perceived differently from an employers and employees point of view with different goals in mind. Employers want loyal employees to ensure they have a work force that stays and believes in the company. Employees on the other hand view it as actions which will help them fulfill their needs of primary self-actualization within the company.

2.4   PROPOSITION - THE CML CONNECTION

To create an understanding of the connection between companies work with CSR and employee's motivation and how these affects loyalty, a proposition was set up to give guidance on which empirical gatherings to make, and to help the analysis and discussion of this thesis.

The proposition is based on the theory presented so far in this thesis, and on assumptions made by the authors. The reader should thus remember, that whenever the proposition is used in this thesis, these assumptions and the validity of those will play an important role. It is, furthermore, important to point out that this proposition was set up before any data was gathered. The proposition and its assumptions is thus based exclusively on existing theories and data.

The first factor of the proposition is called the 'CSR factor', and stands for companies work on CSR. Work on CSR includes setting up a strategy, and the implementation of this. As mentioned in the theory chapter, insufficient work with CSR can have negative impacts on stakeholder relationships. A company which is considered by society to work well with CSR related issues, on

the other hand, is perceived by stakeholders to be a 'responsible company', and can thus enjoy benefits arising from the positive effects of CSR on stakeholder relations.

A central assumption of this proposition is thus that good work with CSR has a positive effect on general Western stakeholder relations, while insufficient work on CSR has a negative effect on these relationships.

The factor of 'CSR' can take values in the range of -1 to $+1$. To explain this, the example of Sweden is used. In Sweden, environmental and social regulations (e.g. labor laws) are relatively strict, there are a range of active NGO's working with trying to affect companies (such as Amnesty & Greenpeace) and the general awareness among companies and society of social and environmental issues are relatively high, compared to other parts of the world (Borglund, De Geer & Hallvarsson, 2009 & Swedish Institute, 2013). This means that a Swedish company, or a company active in Sweden, needs to live up to a certain level of 'CSR work' in order to e.g. comply with regulations (Forest & Stavins, 2010), and to avoid different types of negative publicity and effects of this (Morsing & Schultz, 2006 & Thorne, Mahoney & Manetti, 2014:6). A Swedish company which is perceived by the Swedish society to be 'responsible' will thus have a positive value of the CSR factor. This company will then benefit from positive effects of stakeholders. A company which is considered by society to be 'irresponsible' will have a negative value of the CSR factor. Lastly, a company which are merely living up to the basic values of society, thus only using their work on CSR as a risk-avoiding strategy (Pedersen, 2010), will have the value of 0 on the CSR factor. Such a company's work, or lack thereof, with CSR thus makes stakeholders indifferent.

It is important to notice that the described view of society in the proposition is an average one; thus even if society as a whole have a level which is perceived to be the 'compliance level', there can be groups of, or individual stakeholders who thinks this level is too high or too low. One example of this could be Greenpeace, a NGO which can be said to think that the 'compliance level' of most societies is too low in many cases (Greenpeace, 2014).

As will be further discussed, the 'compliance level' can lie on different levels also among different groups or between individual employees. The 'compliance level' for employees will be called the 'hygiene level', as a reference to Herzberg's theories (1966). It is thus important for the reader to remember, that the 'compliance level' is a perception of the society as a whole, while the 'hygiene level' of CSR refers to a specific group of stakeholders; employees. The most beneficial position for a company would be if it could satisfy perceptions of both society as a whole, and its employees.

CSR $= \mathbf{0}$: The company's work with CSR is equal to 'the compliance level'. Where this level is depends on the context of the company (Martin, 2002). For an example; environmental laws are

generally tougher in Western more developed countries (Dryzek, 2013:10), something which might contribute to raise the bar on the criteria's for companies to reach to this 'compliance' level.

$0 > CSR \geq -1$: The company's work with CSR is below the 'compliance' level, and thus risks to experience negative effects on stakeholder relations.

$0 < CSR \leq +1$: The company's work with CSR is above the 'compliance' level, and can thus experience positive effects on stakeholder relations.

As suggested, the second assumption made for this proposition, is that: *The 'compliance level' is at different levels in different societies. Consequently, what is perceived by stakeholders to be 'bad' or 'good' CSR performance, have different levels in different environments.* Since this thesis focuses on Western firms, the CSR factor is describing the firms' performance as perceived by Western stakeholders.

The second factor of the proposition is 'M', which stands for the motivation of Chinese current and future employees. According to Mirvis (2012), a good CSR-strategy improves the motivation of the employees. There are, however, also other factors which can potentially motivate employees (Kovach, 1995). All employees do not have the same set of motivation factors. To be able to examine the effects on loyalty which can potentially be created by companies work with CSR, 'M' is divided into two sub factors;

$$M = X + M_{CSR}$$

The first sub factor is called 'factor X' and consists of all motivational factors other than a company's work with CSR. To be able to gain a meaningful analysis without considering data of these other factors, these will be given the constant value 0. For the aim of this thesis, it does not make a difference, which factors are included in X. The important thing is that all other motivation factors are included, meaning that a different set of motivation factors in China vs. the Western context, and the importance of these factors, will not bias our result. Weights to the different components will thus not be given, since this proposition is set up only to provide a conceptual understanding and not exact calculations.

The second sub factor of 'M', represents motivation which is affected by a company's work with CSR; M_{CSR}. This sub factor can take values ranging from -1 to $+1$. Positive values of M_{CSR} signals that the employee is motivated by a company's work with CSR. Negative values indicates that the employee is demotivated by a company's work with CSR. A value of M_{CSR} below 0 would thus be the case if the employee thinks the company should engage as little as possible with CSR, or if the company is working with CSR issues which the employee thinks are unnecessary. As a

Chinese friend of one of the authors described it: *'Who would choose such a stupid company that wastes money on environment and social responsibility ahead of my salary and the company's development'*. As an analogy to the CSR factor, there is a level of M_{CSR} which indicates that the employee is indifferent to the company's CSR efforts. This is called the 'hygiene level' of CSR, to describe that if the company does not live up to this level, it will decrease the motivation of the employee, while performance above this level is motivating for the employee. The logic is analogous to the theories of Herzberg (1966) and to the findings of CSR as a motivating factor for Western individuals (Gond, El-Akremi, Igalens & Swaen, 2010).

$0 > M_{CSR} \geq -1$: The motivation of a current or future employee is negatively correlated to high CSR performance. This scenario can appear, if for an example, the employee finds that the company should neglect all types of CSR work, and instead focus all its resources on traditional 'value creation'. This view would be consistent with what Friedman stated on the responsibility of a company in year 1970.

$M_{CSR} = 0$: An employee is indifferent on whether the company works with CSR or not.

$0 < M_{CSR} \leq +1$: An employee is motivated by a company's work with CSR, if the company's work on CSR is above the employee's level of 'hygiene CSR'.

One of the positive outcomes of motivated employees, is an increased loyalty toward the company, and thus a lower employee turnover rate (Jiang, Lepak, Hu & Baer, 2012:1264). This gives us the following formula:

$$\boxed{CSR * M = L}$$

Where CSR stands for the work with CSR of a company, M for the motivation factors, and L for the loyalty of employees.

Integrating the above given possible values of CSR and M, gives the following possible scenarios;
Scenario 1: $-CSR \times (-M_{CSR} + 0) = +L$
Scenario 2: $-CSR \times (+M_{CSR} + 0) = -L$
Scenario 3: $+CSR \times (-M_{CSR} + 0) = -L$
Scenario 4: $+CSR \times (+M_{CSR} + 0) = +L$

The scenarios show, that if a company works with CSR on a level which the employee finds appropriate, there is a match of values, and the employee is motivated by the company's approach to CSR. A good match would thus increase loyalty, while a bad match would decrease it. As all

other factors of motivation are set at constant values, this would mean that a match of values concerning CSR will mean that the loyalty is rising in a correlation to this.

It has been found in complementary research, that the Western situation in general corresponds much to scenario 2 and 4, i.e. employees are, in general, motivated by high performance in issues connected to CSR and do not like to work for companies which are performing under a certain level of responsibility (Jones, Willness & Madey, 2014). What is unknown, is whether a similar connection can be made in China.

Using the example of a Swedish firm which is active in China shows which practical implications this has for companies which are acting in another country than their country of origin. A Swedish company has to perform in line with the Swedish 'compliance level', in order to not risk having negative reactions from Swedish stakeholders, such as e.g. Swedish investors, customers or employees of Swedish offices. Taking the proposed formula to a Chinese context makes an interesting scenario, since the 'compliance level' of CSR is assumed to be higher in Western contexts, than it is in China. This means that, as the Western Company must comply with Western values and regulations, scenario 1 and 2 are generally not applicable. A Western company could invest so few resources, and perform so badly in CSR related issues that the factor 'CSR' has a value of zero, or a negative value in a Chinese context (thus the company performs lower than the 'compliance level' as it is perceived by the Chinese society). The company would however then presumably face a highly increased risk of obtaining substantial negative publicity in the West.

Scenario 1: The Western company are performing work on CSR related issues on a level which is below the Western 'compliance level'. Since Chinese current and future employees, in this scenario, are demotivated by work with CSR, this 'bad performance' increases loyalty of the employees. This scenario is, however, not very likely, since the company will face too large pressures from requirements of Western stakeholders.

Scenario 2: The loyalty of Chinese employees is lowered by the fact that the company is performing lower than the Western 'compliance level', while employees have values which requires high performance. Following the same logic as for scenario 1, scenario 2 is not very likely to be practical for a Western firm in China. In this case, the company would need to increase its work with CSR for reasons connected Western stakeholders, as well as the retention of Chinese employees.

Scenario 3: In this scenario, the company is performing above the 'compliance level', but this does not motivate the Chinese employees, as they are not motivated by a company's work with CSR.

The employees could be indifferent, behaving similar to McGregor's description of an 'X worker'. Worst case, they would be demotivated by higher than average performance. It could also be, that the employees find some type of CSR important, but the company is not engaging in these types of CSR work, thus the loyalty of employees is still not increased.

Scenario 4: Considering that scenario 1 is unlikely for Western firms, scenario 4 is the ideal scenario for a company to motivate its employees. In scenario 4, the company satisfies Western stakeholders, and benefits from its CSR work even further, since it also motivates its Chinese current and future employees. In this scenario, the company has a competitive advantage against other firms, by the fact that they can more easily retain a certain group of labor; the internal brand is thus strengthened.

The CML proposition and its possible scenarios can be presented visually as follows;

$$CSR \times M_{CSR} = L$$

THE CML CONNECTON

+/- CSR performance level | +/- Motivation by CSR

	-CSR	**+CSR**
-M$_{CSR}$	**SCENARIO 1** - Dissatisfy Western Stakeholders + Motivate Employees + Value Match + Loyalty	**SCENARIO 3** + Satisfy Western Stakeholders - Demotivate Employees - Value Discrepancy - Loyalty
+M$_{CSR}$	**SCENARIO 2** - Dissatisfy Western Stakeholders - Demotivate Employees - Value Discrepancy - Loyalty	**SCENARIO 4** + Satisfy Western Stakeholders + Motivate Employers + Value Match + Loyalty **IDEAL!**

Figure 1: The CML Connection

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3 METHODOLOGY

In order to answer the questions of this thesis, an online survey, targeting Chinese respondents was conducted. In addition to this, qualitative interview with a Western company regionally headquartered in Hong Kong were conducted. The following data was thus gathered; the view of a Western firm on CSR, motivation and communication in China and Chinese employees view on CSR, as well as what motivates them at work. This chapter describes and motivates the methods chosen for the research, design and analysis of data. The chapter is finished off by a discussion about the criteria of evaluating the research through the aspects of validity and reliability.

3.1 RESEARCH APPROACH

With research questions which look into the behavioral examination instead of numerical, a qualitative approach shall be taken (Quinlan, 2011:420). This means that the ontological view of the reality is one of multiple realities instead of one single one. With multiple possible realities, an understanding of the reality that different groups and people live by is the need. With the approach on reality set, the next step is to decide which epistemological approach to take, i.e. how the knowledge of that holistic view can be known. One can have either have an objective view, which means one believes everyone to look at information in the same way, or one can have a subjective view, and thus believe information to be interpreted differently by different individuals.

The view on multiple realities comes with a subjective view on how knowledge is gained (Quinlan, 2011: 96). This leads to a perspective of either; social constructivism, where meaning and knowledge are developed by interaction between individuals, or interpretivism, where knowledge is developed by the individual alone (Quinlan, 2011: 99). This thesis will look into the understandings of Chinese as a group, rather than a unique individual's view at motivation and meaning. The individuals view is therefore assumed to be affected by interaction with others, and the society. With a research about perception of CSR, motivation and loyalty among employees, this thesis therefore becomes the one of the hermeneutic research. Hermeneutics is the art of interpretation where the targets view and how they make interpretations of this view are examined (Sjöström, 1994). Due to a reality that differs and change it is important to understand how the human actions are affected by the intentions and motivations. Because of this the interpretation of the research plays an important role and the knowledge that there can be different interpretations taken which does not make another one wrong (Eriksson & Kovalainen, 2008: 20).

3.1.1 Abductive Approach

There are generally three different approaches which can be taken to conduct a research; deductive, inductive and abductive. In a deductive approach, theories are used as a framework which is then tested through collection of data (Bryman, 2011). The inductive approach, goes the other way around, and new theories are established through observations and analyzes of data (Bryman, 2011). A combination of the inductive and the deductive approach is called an abductive approach (Aliseda, 2006:28). The main idea is to take an incomplete research and/or unexplained problems and from this attempt to find the best possible solution or explanation. Reichertz (2010) argues that in research concerning humans, there are constant changes occurring around them in the social sphere, which makes it hard, if not impossible to isolate it enough for a study. All the data gathered will therefore be in a state of 'chaos'. Reichert describes that the approach of abduction will create a possibility to approach matters which has no set rules or explanations. The research for this thesis takes its basis in an existing problem where companies have problems with a high employee turnover rate in China. The hermeneutic research then proposes a usage of an inductive approach. The research is therefore not taking its starting point in collected data. There are now existing research made in the areas of CSR, motivation and loyalty. The research is, however, mainly done within the Western sphere and has not looked upon at the approach of using CSR as a tool for increasing motivation and loyalty in China. Based on the already set framework of the Western CSR-strategies, deductive research are most appropriate. However, with the, in comparison, unknown context of China, both deductive and inductive approaches are applicable to some extent for this thesis. An abductive approach, which can be seen as a combination of them both, will therefore be most appropriate in assisting the attempt to fill some areas of this research area.

3.2 RESEARCH METHOD & DESIGN

3.2.1 Qualitative & Quantitative Methods

With the choice of taking an abductive approach made, the choice of conducting the research with a quantitative or with a qualitative method has to be made. Quantitative research methods measures the characteristics of a set population by using the statistical data gathered through different of collection methods, mainly numerical ones (Kothari, 2004 & Trost, 2012:23). Qualitative research methods, on the other hand, takes a more in-depth approach and tries to examine human reasons and behavior behind action and decisions (Kothari, 2004 & Trost, 2012:23). The qualitative data can be collected by observing people and then analyzed (Denzin & Lincoln, 2011:3). Hermeneutic research and 'generalization' both encourage a combination of quantitative and qualitative research methods to enhance findings and make them more valid. As this thesis aim to examine if CSR can

increase loyalty among current and future Chinese employees and if it's important with responsible employers, primarily a qualitative research method is used in this thesis. Bryman (2011) states that qualitative research does not exclude a quantitative one; the barriers between the two different strategies are hard to distinguish, as this barrier focuses on the interpretation of data. Where the qualitative data focuses on the gatherings from individuals and the interpretation of this, the quantitative data involves a large amount of data to analyze and to make categorizing and 'generalizations' for a group. This thesis will contain data collected through two different types of methods; an online survey, which will collect both qualitative and quantitative data, among Chinese citizens and a qualitative interview with an employee on a Western company in Hong Kong.

3.2.2 Case Study

To answer a research question which require a deeper understanding of social studies in a real life context Yin (2009) argues that the strategy of using case studies are the most preferred. Through qualitative research will we conduct a case study to examine about how the Chinese view CSR and motivational factors. To get an understanding of such a large group as the Chinese population, a survey was chosen as research method. The goal with the online survey was to examine if CSR used by Western firms active in China to increase loyalty of Chinese current and future employees. This is in line with what Yin (2009) calls an 'analytic generalization'. The population examined were Chinese citizens, mainly those living within the borders of China.

3.3 DATA COLLECTION

3.3.1 Primary & Secondary Data

Primary data can be collected through an array of different styles; observations, interviews or surveys (Kothari, 2004). Based on this approach, it was decided that the data needed should be collected through a combined qualitative and quantitative online survey made on Chinese individuals, as well as with a qualitative interview with a Western company in China.

This thesis also uses studies made by e.g. Fisher & Yuan (1998) and Net Impact (2006) as theoretical sources, these studies referrers to collections gathered and analyzed by other researchers which is called secondary data and is often used to ease the study for the researcher (Kothari, 2004).

3.3.2 Case Study: Chinese view on CSR – Online Survey

The research for this thesis includes an examination of Chinese perceptions of CSR and whether or not it motivates them if their employee work with issues related to the concept. A qualitative study; in our case a survey, was used to find this data to later be able to make an interpretation for an analytic generalization (Trost, 2012). As the target population for this survey is Chinese individuals in China, an online survey, which could be widely spread through social media used in China, was a good option. The survey was a general data collection which relied on how widely it was spread geographically, as well as on the number of respondents. The data gave an image appropriate for an analytical generalization (ibid). Since the respondents were asked to answer questions on things like gender, age and highest level of education, segmentation of the sample was also possible.

Creating the questionnaire, a set of certain rules had to be followed to make the survey reliable. As Ejlertsson & Axelsson (2005) mentions, the questions of the survey should only be able to be interpreted in one way, and one way only. They further explains that the questions should be as open as possible, thus not directed, something which could otherwise affect the answers. Ejlertsson & Axelsson advice was followed by best ability of the authors of this thesis, and the questions were reviewed and commented on by individuals in China before the survey was published. It is however, very hard to ask questions which are completely objective. Critique can be given to the fact that the questions of the survey were stated in a way which reflects Western views on CSR and motivation. This might have biased the answers related to CSR, making it seem as even though CSR is less important to Chinese than is the actual case. However there is research done that tells us that much of the research within the subjects of international management and business are focused on the Western and primarily North American context (Werner, 2002:278-279). Even many Asian and Chinese researchers base their study on the Western theories and can be considered biased from a Chinese aspect (Tsui, 2007:1354). Patel & Davidsson (2003) states that it is important that the survey should be based on theories of the research, which then has a clear Western perspective. The effects of this are further discussed in the analysis. This includes also, if possible, the data gathered from the interviews. However, with the strict time limit, to base our questions on the interview was not possible.

Ejlertsson (2005) further emphasizes the importance of the language of a survey, especially when the research is made in a foreign country. To increase reliability and to not exclude those who do not understand English, the survey was constructed in simplified Chinese. The survey was translated by a contact who are fluent in Chinese and English, and then controlled by Chinese natives. The solution was not flawless and a few spelling errors occurred. The mistakes were,

however, checked on with other natives, who stated that those mistakes did not change the interpretation of the questions.

The survey had to be short enough to not lose the interest of respondents, although still include enough questions to obtain the data needed to answer the research questions. Control questions were needed, since characteristics of respondents, such as work situation and income might have effects on motivation factors and perception of CSR. Furthermore, the survey held two ordinal rating scale questions. The selection of the different factors for these questions was based on the theories of motivation and of CSR. The selected factors e.g. for the first of these questions included factors connected to Maslow's hierarchies of needs, as well as factors connected to companies work on CSR. Lastly, there were three discrete method questions, i.e. yes or no.

China has taken a strong stand on censoring the intra web in China. This means platforms such as Google cannot be used, and another reliable platform had to be found. After a consultation with contacts in China, a decision to use the site diaochaquan.cn (调查权, diàochá quán) was made. The negative impacts from the site were the limited customization when it came to forming the questionnaire, especially the ranking questions. There was no option to use a safety function, meaning that the respondents had the opportunity to give the same value to multiple answers. To eliminate some of the inflation or deflation this caused, the ranking in each sample was weighted towards the average mean of the idealistic setup (i.e. if the respondents would all have used each scoring point only once). Numerically, this meant that for the overall average value on question B became 3.68; this is higher than the idealistic average of $3.5 = \left(\frac{1+2+3+4+5+6}{6}\right)$. To weight the number each value given was therefore divided; e.g. Option 1. Big company: 3.74, was divided by 3.68 and then multiplied by 3.5 giving it a new value of 3.56. This made it more comparable to other sub-samples, e.g. different income levels; see Appendix B for the full data of these calculations.

As most major Western social media sites are blocked in China, Chinese counterparts, e.g. Weixin and QQ, was used to spread the survey. Western social media sites were also used to reach out to friends, families and Chinese exchange students, who had their own contact networks and could help to expand the reach of the survey. Being limited by distance as well as by technology, this meant that the form of the samples took a non-probability form through availability samples. Availability samples are using both by convenience and through volunteering, (O'Leary, 2004:110-111) in this case both are valid. This meant that the sample obtained is not entirely dependent on the source of the authors' friends. Initially, the reach of the survey was not at all living up to expectations; something which was later attributed to two possible explanations. Firstly, the survey

was first released during the time around the 1st of May, which is a public holiday in China, and students usually have a few days off from school. The number of respondents did, however, rise dramatically when the holiday was over. Secondly, the format of the survey is not suited for being answered from a smartphone, which has probably reduced the final amount of answers obtained since many Chinese are using smartphones instead of computers. These both obstacles are yet other examples of the importance to thoroughly consider cultural differences before conducting any sort activity in China. In total, the survey had 81 respondents, a number which will be assumed to be sufficient to make analyzes on. The survey has an acceptable spread in terms of age, gender and type of income, residence and highest education, however somewhat biased towards young females. The typical respondent of the survey is a female student in her 20's, who study at a University in Beijing and comes originally from Inner Mongolia. She lives either alone or with her parents, is unmarried, no kids and has an income below CNY 1000 per month.

3.3.3 Case Study: Chinese view on CSR – Interview

To obtain the qualitative data on how companies uses CSR strategies, an interview was held with a manager who are in charge of issues connected to CSR in the North Asian region, including China. The company has wished to be anonymous and will therefore from here on be called 'Company A'. Due to the authors of this thesis being relatively inexperienced in making interviews, the quality of the interview relied much on pre-interview research on the theories connected to this method.

Interviews are ideal when a research requires deep and detailed information on a subject (Eman, 1996). As this thesis aims to explore perceptions of individuals, an interview provided a more comprehensive picture of the possibilities of using CSR as a way to increase employee loyalty in China. This method allows for following up on certain questions in cases of unclear answers. This is an important feature of the method, since much about CSR can be sensitive and give the risk of the respondent to give 'PR' answers which might not be untrue, but however not revealing the full story. It is recognized in this thesis that the use of interviews will not eliminate this risk, but will at least decrease it, when a more personalized relationship is created with the respondent, than would be the case of for an example, a questionnaire. Interviews are appropriate when an understanding of others subjective understanding is wished for (Seidman, 1996).

There are different types of interview techniques; structured, usually with a structured questionnaire; semi-structured, open ended questions; and depth, one or two issues covered in great detail and questions are based on what the interviewee says (Pope and Mays, 2008). Since the research of this thesis aims to obtain a broad picture of how work with CSR are done in a company, as well as a deeper insight in the perception of CSR and sustainability of a Western manager, the

interview were conducted in a semi structured manner, but with a few questions which were covered in greater depth.

Problems connected to an interview can arise already at a planning stage. These can include changes of time by the participants or them canceling the interview altogether. For this thesis, two appointed interviews were cancelled. This was handled by replacing one of the companies, a Nordic company with its regional Asia office in Hong Kong, with another Nordic company which are also regionally headquartered in Hong Kong. This means that instead of the planned two interviews, only one could be held, and this interviewee was also not employed at the company which was originally thought of. The 'new' interviewee holds a position similar to the first thought of interviewee. The companies are further both large with operations in most parts of the world. It was therefore concluded that the answers of the new interviewee would provide information of the same quality as answers of the first interviewee would have given. For this thesis, it is argued that the interviewee who was in the end interviewed for this thesis, is a valid replacer of one of the cancelled interviews. This does, however, not remove the fact that it is very risky to draw any conclusions from only one interview. To assess this problem, earlier made surveys were examined. One of these studies, examines the differences of perceptions of CSR between Chinese and Western managers (Xu & Yang, 2010). Key findings from this study includes, among other things, that important Western dimensions such as 'Staff promotion' and 'Meaning and satisfaction of work' are not reflected in the Chinese perception of CSR. This could benu indications on that the Chinese workers are further down at the hierarchy of needs, and/or that they are, in McGregor's (1957) terms, better described as X, than Y, workers. The study (Xu & Yang, 2010) is quite recently made and includes responses from 630 CEOs from Western and Chinese companies. The study do therefore have significantly better chances of providing results which can be generalized (Gromm, Hammersley & Foster, 2000:105-106) than the findings from the interview made for this thesis. For this thesis it is, however, argued that the interview is still providing important insights for the conducted research. Since the interview were semi-structured, it provided the interviewer the possibility to gain a much deeper understanding of the perceptions of the interviewee, something which would not have been possible if solely looking at the studies similar to the one made by Xu and Yang (2010).

In order for the interviewer to not miss any important information, the interview were recorded (Weiss, 1994) and then later transcribed and sent to the interviewee for confirmation on that nothing had been misunderstood by the interviewer.

There are different techniques which we used that should be used during the interview in order for it to be successful; listening, ask questions (to follow up and to clarify), be respectful of boundaries, be wary of leading questions, do not interrupt and make the participant feel comfortable (Seidman, 1996). Due to limited experience of using the techniques, there is a clear risk that these techniques were not perfectly followed. The techniques were, however, all used by the interviewer according to best ability, which will be assumed to be enough for the information collected to be useful for a further analysis and comparisons with data collected through the web survey.

Since interviewer is no expert on interviews, there are clear risks of biased answers trough the interviewer affecting the answers, as well as gaining only a distorted picture of reality. Interviews further do not offer a good base for quantitative analysis, since it cannot be assumed that the answers given by interview respondents are applicable to a larger sample of a population (Weiss, 1994).

3.4 DATA ANALYSIS

The analysis of the data from the online survey and interview used a model described by Christine Quinlan (2011: 336). She describes the data analysis method as one of an endless circular procedure, where the last step continues back to the first. The model consists of (1) description, (2) interpretation, (3) conclusion and (4) theorization. The chapter of 'Empirical Results' describes the data gathered, and the 'Analysis' chapter holds an interpretation of the data. Lastly follows the chapter of 'Conclusion'. Noteworthy is, however, that it is not attempted in this thesis to reach the step of theorization. The aim is instead to contribute to this field of research in such a way that other researchers can carry on the research to later theorize the findings.

The approach to the interpretation and analysis step takes a so called 'simple approach' to qualitative data analysis (Quinlan, 2011: 425). The main idea of this approach is to make continuous studies of the collected data and to stating all key ideas and themes of the findings in a list. This list shall then become more and more compromised through abstraction, where the different themes are categorized together. The findings are then translated to an interpreting text.

By using the theory of pattern matching making in the analysis can we compare different patterns, both empirical and predicted, with each other to see the connections and differences (Yin, 2009)

3.5 RESEARCH CREDIBILITY

What is always discussed when it comes to a research study are the aspects of credibility through reliability and validity (Bryman, 2011).

3.5.1 Validity

To ensure validity, Yin (2009) explains that there are three steps one can take. The first one is to construct validity by taking the correct measurements needed for the study. A larger number of sources of information gives a more authentic representation of the collective and therefore a more valid generalization. However, the goal of this research is not to give a definitive answer, but to find correlations and connections between different theories and respondents, which can later be further researched. The theories that are stated in this study that are examined in the data collection and analysis are how motivation is connected to loyalty, what the perception of CSR are, and if CSR can motivate Chinese employees. It is also important to consider all possible factors that could be considered a weakness of the study, and if these could alter the results (Yin, 2009); possible weaknesses of the study made for this thesis are discussed further under '1.4 Research Limitations' and '5 Analysis'.

The second step, according to Yin (2009), is to do an internal validity of the research, which means that all the explanations and argumentation shall keep an analytical approach to minimize biases in inputs. These problems are discussed further under '1.5 Definitions of Terms', '3.3.2 & 3.3.3 Case Study: Chinese view on CSR' and '5 Analysis'.

The last step according to Yin, is the one of external validity, which concerns the question on to which degree the result can be generalized. Lincoln & Gruba (1985:110) argues that the only generalization that can be made is one which says that there is no generalization. This statement refers all things being specific to the time and to the context in which they appear. Since time and context is never constant, an overall generalization is not possible according to this view (ibid). Yin (2003:31-33) writes about another kind of generalization, analytical generalization, which will be assumed to comply with the purpose of this thesis. Analytical generalizations, in comparison to overall generalizations, focuses on bringing forward concepts which are based on information from samples, which can then be applied to a population. These concepts can then lead to theories, which in the end can be applied to other areas and samples. Sjöström (1994) states that there are signs of possible generalization within answers from an individual respondent. If one makes the data collection wide enough to get information from many individuals, a general pattern then can be discerned. With an approach of hermeneutic and analytical generalization, this thesis therefore aims to provide a starting point for further studies which should ultimately aim to make a generalization of how Chinese individuals are motivated and of their perception of CSR. It is, however, not within the scope of the thesis to gather the amount of data needed for an overall generalization. This is mostly due to the fact that China is an enormously large country

with aspects such as economic development and culture widely differing among the different regions (Gong, Chow & Ahlstrom, 2011).

We agree that the segmentation of the survey respondents can be considered too strict and leaves us with too small groups to actually draw good conclusions. However we feel it was necessary to keep them in this state as we are able to see clear enough connection and differentiation between e.g. the different income levels. Rather than to ignore them all together or lose it by have them in too large spans of limitations.

3.5.2 Reliability

The term of reliability means that if another researcher would do the same study as the one made for this thesis, through the same steps, he or she would have the same result (Yin, 2009:45). Through a high transparency, gained by adding all the questions of the survey, as well as the results in Appendices B, C & D we give future researcher the opportunity to reenact the study in an identical manner. However, due to the sample of this survey consisting of only 81 respondents, which is a very small proportion of the whole Chinese population, the result will most probably not be completely identical. For the interview being two people, recording it and a transcription afterwards it keeps the problems of misunderstanding low and allow the analysis to be more reliable.

3.5.3 Criticism of Literature

To keep the research as balanced as possible so is it important to look at all theoretical framework through several point of views and show the criticism. The criticism and in some cases the criticism of the criticism of the theories stated in this study can be found after each segment in the chapter '2 Theoretical Framework'.

4 EMPIRICAL DATA

Introduction: This chapter presents the data collected for this thesis. First comes the online survey among the Chinese citizens and then the interview with the Western company which has a regional headquarter in Hong Kong,

4.1 CHINESE CITIZENS VIEW ON CSR AND MOTIVATION

This section exhibits the results of the online survey conducted among Chinese citizens. In the initial section of the survey, the subjects filled in 12 questions of background information. Further information about the background information can be found as tables in Appendix C.

81 subjects completed the survey and of them, 63, 7% were females and were 36, 3% males. The age span among the respondents largely centered around a younger population where 96, 2%, 77

persons, where between 18 and 35 years old. 2 respondents was younger than 18 years old and one was older than 35. Two questions were asked about provinces, one on where they are originally from, and one on where they live now. A small amount, 6 respondents, currently lives abroad. A majority of all respondents, 50 people, lives in one of province-level municipalities (Beijing, Chongqing, Shanghai, Tianjin as well as Hong Kong, which are some of the largest cities in China (CIIC, 2014)), and primarily in Beijing, which has 38 respondents. Living in one of the other provinces does not, however, exclude the possibility of the respondent living in a large city.

The data about where the respondents are from shows that many of them have moved, as only six of those 38 currently living in Beijing originate from Beijing. The largest amount, 22 people, comes originally from Inner Mongolia and 10 still lives in the province. 22 out of 34 provinces in China have representation as an origin province in this survey. 51 of the respondents are currently students. 29 respondents are currently working, out of which six are self-employed. The respondents have a generally high level of education. 31 has graduated in university or are studying above Bachelor level. 32 respondents are currently on a Bachelor or has that as their highest completed level. Based on the amount of students and the income level of under CNY 1000 per month indicates that 14 students has an extra job that brings them more than CNY 1000 per month. In 2013, the average monthly income in China was almost CNY 3900 which is about USD 625 (Trading Economics, 2014), the average income from province to province however differ a lot (China Daily, 2012). Among the respondents in this survey who currently makes more than the minimum wages, (CNY 1000 in the poorest regions and above CNY 1600 in the richest) (MOHRSS, 2014), 22 have a salary below the average income, and 18 have a salary above. 93,8% of the respondents are unmarried and only two of the respondents have children, in each of this case only one child.

A large amount, 34 of the respondent still live at home, either with parents and/or with their grandparents. The remaining 47 do not currently live with their parents; the status of living alone is however only a statement of not living with their family. This can include living on a campus which is most likely with other students. An aspect of the Chinese work life is the fact that many do not live with their families and has to live and work in another city and/or province to make money for the family. This means that there are people who send home some of the money they earn from work. 10 respondents, or 12, 5% in our survey send home money to their family whereas 70 do not.

The second part of the surveys was connected to the thesis, and asked about which factors would be most important for the respondents in the choice of a job. The respondents were asked to rank

14 choices from 1 to 14 where 1 was the most important factor. This number was then given a value; 1 was worth 14 points and 14 were worth 1 point. Based on the number of points each factor then got a value. As there was a possibility to give several factors the same rank, there was the risk of inflation or deflation of points and a weighted value was calculated based on the mean of each factor given a unique rank. The factors about responsibility; local environment, environmental protection and social does however land on a value between 5,5 and 6,5 which is far behind the rest of the factors.

Overall, the Chinese respondents rank reasonable working hours as the most important factor when picking a new job, then followed by the opportunities to get bonuses as health insurance and vacation as well as to be promoted. In the bottom three, the respondents answer that a company that works for keeping the emissions down is a more important factor than working with social responsibilities in other countries or working for the local environment like planting trees or make donations.

A. 您认为在选择一份工作时最重要的条件是什么？请按照对你来说最重要的条件到不太重要的条件，降序为以下选项排列出顺序{ 注意 1是最重要的} **What do you think, when choosing a job, is the most important factor? Rank the most important factor to the least where 1 is the most important.**			
		Weighted value	Ranked value
Reasonable working hours	合理的工作时间	8,54	1
Bonuses and benefits (vacation, health, pension, insurance)	奖金和福利（度假，养生，养老，保险）	8,21	2
Possibilities to get promoted	可能性得到提升	8,16	3
Salary (guaranteed minimum wage)	工资（最低保障收入)	8,02	4
Safe working conditions	安全的工作条件	7,94	5
High salary	高工资	7,93	6
Praise and recognition	赞美和认可	7,88	7
Friendly co-workers	友好的同事	7,87	8
Job security (to have a permanent job)	工作安全性（有一个固定的工作）	7,63	9
Creative and challenging work tasks	创造性和挑战性的工作任务	7,53	10
Varied work	多样化的工作	7,27	11
That the company takes responsibility for environmental protection, e.g. keeping the emissions low	公司重视环保，在生产经营过程中能达到国家排污标准	6,34	12
That the company takes social responsibility in other countries	对于公司证明在其他国家企业社会责任	6,05	13
That the company takes responsibility for the local environment, e.g. donations, plant trees	该公司承接了当地的环境责任，如捐款，种树	5,63	14
		Answered question	79
		Skipped question	2

Table 1 - Question A: What is the most important factor when choosing a job?

What makes Chinese individuals proud of their work were also examined. The ranking and calculation of these answers was set up the same manner as for question A.

All the answers hover around the median value of 3, 5. What makes them most proud at their company is that take social responsibility, closely followed by the company being profitable. The factor that would give them least proudness of the 6 given was that it was a foreign owned company.

B. 什么样的工司能让你感觉引以为豪? 请按照对你来说最重要的条件到不太重要的条件，降序为以下选项排列出顺序{ 注意 1 是最重要的} What makes you feel the most proud of your workplace? Rank the most important factor to the least where 1 is what makes you the most proud.			
		Weighted value	Ranked value
That the company takes social responsibility	该公司重视社会责任	3,84	1
That the company is profitable	该公司是盈利的	3,78	2
That the company is large	该公司是个大公司	3,56	3
That the company takes environmental responsibility	该公司重视保为责任	3,46	4
That the company is a State-Owned Enterprise (SOE)	该公司是一家国有企业	3,32	5
That the company is a foreign owned enterprise	该公司是一家外商独资企业	3,04	6
		Answered question	79
		Skipped question	2

Table 2 - Question B: What makes you feel the most proud of you workplace?

67 of the respondents feel it's important for them to feel proud of their company. More than half of the respondents, 42, could imagine lowering their wages to work for a company that makes great contributions to the environment and society. Whereas 37 cannot imagine lowering their wage in order to work for such a company. In the future so do a majority of the respondents, 96,2%, plan to work for a social responsible company; only three people doesn't plan to do so.

C. 你觉得对你来说选择进一家让你值得骄傲的公司很重要吗? Is it important for you to be able to feel proud about your company?			
		Response Percent	Response Count
Yes	是	83,7%	67
No	否	16,2%	13
		Answered question	80
		Skipped question	1

Table 3 - Question C: Is it important for you to be able to feel proud about your company?

D. 您能否想象在这样一个公司工作，它只能提供的较低的薪酬，但此公司对环境和社会的巨大贡献? Could you imagine working for a company that offers less pay but who has made a great contribution to the environment and society?			
		Response Percent	Response Count
I can	能	53,2%	42
I can not	不能	46,8%	37
		Answered question	79
		Skipped question	2

Table 4 - Question D: Could you imagine working for a responsible company for less payment?

E. 您是否打算为一个对社会作出贡献的公司工作? Do you plan to work for a social responsible company in the future?			
		Response Percent	Response Count
Yes	是	96,2%	77
No	否	3,8%	3
		Answered question	80
		Skipped question	1

Table 5 - Question E: Do you plan to work for a social responsible company in the future?

Appendix D displays the result of table A and B with more in-depth graphs, where the results has been looked upon based on the parameters from the background information. From this data can the following is apparent:

For the male part of the sample, work with social and environmental responsibility is what would make this group of respondents most proud of the given choices. For the female sample on the other hand, working for a big and profitable company is what makes them most proud.

Student ranks benefits and career opportunities to be most important factors. Workers value reasonable working hours, minimum wages and challenging work tasks. Self-employed thinks recognition and high wage is important. Self-employed respondents have all passed the stage of minimum wages and have the need for higher wages. Students and self-employed are motivated by benefits. Workers want a more challenging work situation, self-employed has the freedom to self-choose what to do, something which workers probably do not have. All categories of occupation-categorized respondents, except for the self-employed, ranks all issues connected to CSR to be the bottom three. Both students and workers rank local environmental efforts to be least important. Workers rate social responsibility at place 13 out of 14, student have national environment at place 13. Self-employed ranks social responsibility as the least important factor. Students ranks local responsibility higher than those that work (6% higher) or are self-employed (10% higher). Reduced emissions matter most for those that work. Students also rate global social responsibility 11% higher than those that work, and self-employed states it as 53% less important than the students do.

It is apparent from the survey, that educational level has a large effects the perceived importance of responsibility highly. Both medium and high education is similar when it comes to motivation about global effects but is 30% less motivated about the emission levels.

For the lowest income level, social responsibility together with a profitable company makes the respondents proud. For the second lowest income level, social responsibility remains important, but instead of profits, the company being a SOE is important. For the income level CNY 3000-5000, a profitable company together with environmental issues is most important. Among the group which makes CNY 5000-7000 per month, no CSR connected issues are most important, but instead size and the company being a SOE is most important. This group is, however an outlier, and the responses in this group might be biased since it only consists of four respondents, out of which three are male. Among the respondents in the second highest income group, profits, size and the feature of a foreign company is most important, and no factor connected to CSR is considered to be among the most important. In the highest income group, CNY 9000 and higher,

social responsibility, together with size and profits, are important. For all income levels, except for the group earning CNY 5000-7000, some type of issue connected to CSR, most often social issues, is among the things which make employees in China most proud. Social responsibility is important for those with a low or the highest income. SOEs are more important for those in the span of CNY 1000-9000, than for those with a very low or a very high income, with an exception for those in the CNY 3000-5000 group, which is more proud of environmental responsibility than any of the other income segments. The motivation of the global social responsibility decreases from low income (students) up to an income of CNY 9000. For those who earn more than CNY 9000, the importance of global social responsibility is about the same as the students. Apart from those who earn CNY 5000-7000, the importance of reduced emissions is similar for all groups which earn more than CNY 1000. Those with the highest income cares 43% less about the local environment than the other groups.

Married respondents have a low motivation for challenges, diversity and recognition and, compared to most other segments, a very high motivation for all kinds of CSR related responsibilities. Married people care about emissions (i.e. national environmental responsibility) 10% more and 45% about local social responsibility and global social responsibility than unmarried. The same is true for those living with their parents, where all CSR related responsibilities are considered 20-30% more important than those who live without their families.

For those that send money so are both environmental and social responsibility something that makes them proud. For those who not send so are social responsibility and profitable important. Those who send money has local environment (which includes donations) on a 4th place after high wages, recognition and working hours. Those who not send money has local environment on the last place. The ones who send money home to their family care 50% less about the local environment where they currently live than those who do not send home money. This can be seen as they care more about their families that live in another part of China and are more concerned about their local environment.

4.2   COMPANY A AND THEIR VIEW ON CSR

The interviewee has been employed at Company As office in Hong Kong, where he has been for one year, but has been employed within the same company group for three years. Responsibilities of the interviewee consist of two main areas; one is strategic purchasing for the whole region of north Asia, which includes China, Korea and Taiwan as well as being regionally responsible for health, safety, security and environmental issues in the region. The other main area of responsibility

of the interviewee is handling contacts with a team in Shanghai, which are all Chinese and are experts in the same area as the interviewee.

The interviewee describes the working environment at the Hong Kong office to be more closed, employees focusing to a larger extent on their own tasks than would be the case at a Western office. This is something which the interviewee believes to be originated from the Asian culture, much more than from the company culture of his employer. Based on what the interviewee has heard from employees at Chinese firms, he does, however, believe the office where he is working to be influenced by the company culture in a way which makes it more open and free spoken than a typically Asian office. This is probably much due to the fact that Hong Kong is a regional headquarter, which means the company has chosen to have management at this office to consist largely of Westerners.

Problems with communication arise mainly due to differences in culture and language. According to the perspective of the interviewee, Westerners are generally more direct in their way of communicating, which can sometimes offend the locally employed who are used to a more indirect way of communicating. The directness of Westerners can thus make local employees 'loose face', and is something which must be considered by the Westerners when they communicate with locals. Another factor connected to the reluctance of locals to 'loose face', is that they rarely share to others if they are having problems with their work and it takes much time to create a level of trust among employees which is high enough to have them confide in you. Open dialogues and problem discussions are therefore sometimes a problem at the office to have. The Asian culture is also more hierarchical than the Western, a feature which is lessened at the office of the interviewee by the fact that the employer is a Western company, but still present to a larger extent than would be the case in a typically Western office.

The interviewee spends some 70-90 % of his time in contact with local employees, of which a large part is mainland Chinese. Offices of the company in mainland China are largely staffed with locals, something which the interviewee says to be due to practical matters such as the complex culture and language of the mainland. He confesses, that he himself for an example would have a hard time performing in an optimal manner in mainland China, since he does not understand the language, nor fully comprehends the cultural differences.

As for the communication, the interviewee emphasizes once more that the language as well as the directness of the Westerners can be a problem. He explains that the locals sometimes have difficulties expressing themselves as well as understanding what the interviewee tries to communicate to them. He also agrees when the interviewer expresses that, when working in

Shanghai, she experienced that the Chinese rarely told her if they did not understand her directives or what she was trying to tell them. Instead, there is a tendency that the Chinese chooses to pretend that they actually understood. This is something which can yet again be connected to the Chinese not wanting to lose face, which they might do if showing that they do not understand. It can therefore sometimes be more important for a Chinese to keep up a façade, than to be able to follow orders correctly.

The interviewee explains that the three main reasons for him choosing to work at his current job, was the location; being able to work in Asia, especially in Hong Kong, which is by many described as 'Asia light', i.e. Asian, but easier for Westerners to fit in to, since many speaks English and many things are similar to a Western lifestyle. He also values the experience of his boss, as well as the responsibilities which he has at the Hong Kong office.

The interviewee positions the three pillars of sustainability, as described by the Brundtland report, in the following order: economic, social and environmental. As we will see from the web-survey, if analyzed on a very shallow level, this is not very different from the Chinese point of view. The interviewee expresses that he finds it important that the company he works with CSR to such a level that it complies with what is in line with his own ethical standards. He is, however, firm in his explanation that all of his employers so far have done more than enough to follow his standards, which leads to him not so far to have had to really consider these issues. The interviewee has thus never been in a situation where his employers' behavior was in conflict with his own standards. To conclude; the interviewee does not chose employer primarily on the basis on what the company does in terms of CSR, but it does make him proud of his company that it follows FNs conventions etc.

The work with CSR at Company A is both centrally planned and locally driven. Some examples of work with CSR are the volunteer work in which employees engage. In Asia, the company has been helping schools in Chengdu (main city in the Sichuan province of mainland China) and more local projects in Hong Kong, including collections of things to those in need, as well as cleaning up in the environment.

In a yearly employee engagement survey, which examines employees view on working environment and the Company A etc., the interviewee states that CSR scored high marks on being important to the employees in the Hong Kong office of the company. The interviewee explains it as the employees thinking that much is done, that this is appreciated but that more can be done. There is an open dialogue on the subject and it gains much attention from management as well as from local employees.

The work with CSR is communicated in mainly three ways; in Hong Kong and the China region, articles on things like customer meetings, things which has been well executed as well as CSR initiatives and many other things are published once a week. A monthly newsletter is also sent regionally and the company has a globally presented 'sustainability report' which is published once yearly.

The interview is finished off with questions which are not presented to the interviewee beforehand. This is done in order to obtain as spontaneously stated answers as possible regarding the interviewee's personal view on sustainability and CSR.

The first of these questions is on what is the first thing is which comes into the interviewees mind when he thinks of the word 'sustainability', not from a company perspective, but in general. The interviewee then says that the first thing he thinks of is the environment in general, but also the working environment and that all employees within the company shall have the possibility to live under conditions which are sustainable. On the question on what CSR means, and what the responsibility of companies consists of, the interviewee mentions that much of this is included in the UN 'code of conduct' (this is UN Supplier Code of Conduct and can be further examined on United Nations, 2013).

For the interviewee personally, the work his employer does on CSR makes him proud since he knows that the company are striving for a honorable way of working with these issues and that these strives are also prioritized within the company. Considering the professional role of the interviewee, it includes making sure the company complies regionally with what is expected from headquarters in terms of sustainability.

The last question of the interview is a spontaneous one from the interviewer and regards the interviewees' beliefs on which question within the area of CSR he believes to be most important to Chinese individuals. The interviewee then describes something which he has experienced when in contact with his colleagues in Shanghai; that their focus tends to be towards very local problems, in the Shanghai case appearing as a wish from the Shanghai employees that Company A works mostly with improving the air quality in Shanghai. This is also something which the interviewee have experienced in other contacts with Chinese employees, that they tend to consider their own local environment more important to protect, than to look at sustainability from a larger perspective, an approach which the interviewee point out to be more common among Westerners.

5 ANALYSIS

This thesis aims to provide a deeper understanding on whether there is a possibility for Western firms in China to use CSR as a way to increase loyalty among their Chinese employees.

The questions which are aimed to be answered are;

- *Can CSR strategies and implementation be used by Western firms which are active in China to increase loyalty of Chinese current and future employees?*
- *Is it important for Chinese current and future employees if their employer are behaving responsibly or not?*

The answer to these question can have both theoretical and practical value. Theoretically, the answer provides a deeper insight in Chinese perception of CSR, and on whether this is a factor which motivates Chinese individuals at work. In practice, this knowledge can be useful since companies can understand whether or not they can expect their work on CSR to motivate their Chinese employees, or if they should, from a motivational perspective, instead use the resources exclusively on motivating with other methods. The fact that future employees are included in the research, is intended to make the results more applicable also in some years ahead. The respondents are treated as individuals who are or will soon be, employees. Exactly which company they are employed at is, however, not important, which makes it possible to include also individuals who are answering the survey on the basis of how they want their future employer to behave. In this section, the research questions of the thesis are analyzed based on the main findings from the conducted research. The CML proposition, which is presented in the theory chapter will be used for this analysis, and he the reader is therefore encouraged to keep the features of the proposition fresh in mind.

As presented in the theory chapter of this thesis, the situations which can occur as a result of a company's work with CSR, or the lack thereof, can be described with four main possible scenarios.

Scenario 1: $-\text{CSR} \times (-\text{M}_{CSR} + 0) = +\text{L}$

Scenario 2: $-\text{CSR} \times (+\text{M}_{CSR} + 0) = -\text{L}$

Scenario 3: $+\text{CSR} \times (-\text{M}_{CSR} + 0) = -\text{L}$

Scenario 4: $+\text{CSR} \times (+\text{M}_{CSR} + 0) = +\text{L}$

As also discussed in the theory chapter, scenario 1 and 2 are unlikely to be compatible with demands from Western stakeholders, which leads the focus on this thesis to be on the two last scenarios; 3 and 4. In these two scenarios, a Western company in China works with CSR in a way which satisfies Western stakeholders; i.e. Western stakeholders perceive the company to be 'responsible'.

• Scenario 3 occurs if the Chinese current and future employees find this level of work with CSR to be too high, i.e. the Chinese current and future employees thinks the Western company are wasting resources on work with CSR, resources which should be spent otherwise. Scenario 3 thus have employees which are demotivated by work with CSR, which makes them less loyal to the company, if the company make large CSR related efforts.

• Scenario 4 occurs if the Chinese current and future employees finds CSR important, and finds the Western company's efforts on CSR motivating, thus making them more loyal to the company.

The aim of this thesis is very much in line with examining whether it is possible for a Western company in China to find themselves in a situation similar to scenario 4. This would require the company to have current and future employees who are motivated by work with CSR which is at a level which is also accepted among Western stakeholders. Since 'motivation' is a very abstract concept, for this thesis, it has instead been examined whether or not Chinese employees feel work with CSR is important or not. An employee which thinks CSR is important are thus assumed to be more likely to be motivated by CSR efforts, than an employee which finds CSR unimportant.

Is CSR important to Chinese employees?

The results gained from the question in the survey of this thesis which asks respondents to rank different features of a company which could potentially make respondents proud of their employer, show that social responsibility is the feature amongst the alternatives provided, which would make the respondents most proud of their employer. It must, however, be remembered, that even though a respondent states social responsibility to make him or her proud, it does not mean that social responsibility would be more important than other factors for the respondent when choosing a workplace. Furthermore, it must be recognized, that the alternatives provided cannot possibly cover all factors which might be important for a Chinese employee. In fact, the question that asks respondents to rank social and environmental responsibility towards other features of an employment (question A), shows that CSR, at least as it is described by the survey, is not considered to be among the most important factors for the respondents when choosing a job. Considering that 'make most proud' and 'is most important' is two very different things, makes it important to combine the question of 'make proud' (question B) with a question on whether it is important for the respondent to be able to feel proud of his or her employer. Combining the result of social responsibility to be the thing which makes the respondents most proud with the fact that a majority of the respondents also feel that it is important to be able to feel this proudness, indicates that many Chinese employees' feels it is important that companies engage in work related to social responsibility.

Further findings from the online survey, is that 96, 2% of the respondents plan to work for a social responsible company and a slight majority of the respondents can also imagine lowering their wages to work for a company that makes great contributions to the environment and society. These two questions, and especially the first one, might be questions which gives answers which are not compatible with how the respondents would actually act in a real life situation, but can still be indications on that CSR is found important by Chinese employees.

One other important factor to keep in mind is, however, that the high ranking of the factor of 'social responsibility' does not make it possible to conclude that the Chinese find all types of work with CSR, as interpreted by Westerners, important. This is apparent from the fact that 'environmental responsibility' is not ranked as highly as 'social responsibility' in the question of what makes respondents proud. This would thus indicate that the Chinese find it important for a company to be socially responsible, but being environmentally responsible is not perceived to be as important. According to these results, a company which wishes to work with CSR to motivate its Chinese employees, would probably find it more effective to concentrate on work which targets social issues. As will be discussed further in this analysis, it is, however, also important to remember that the Chinese might not think that the same types of social issues as Westerners find most important. Furthermore, the Chinese society is one of great variety, indicating that different Chinese individuals might find CSR differently important, and there might also be differences among the Chinese population in which types of CSR is perceived to be most important.

The survey made for this thesis thus show indications on that Chinese employees feels it is important that their company work with CSR, indicating a possibility for Western companies to use CSR as a motivational factor for Chinese employees. This conclusion is drawn by combining the results of the question on which factors make the respondent proud of the company, with the results from the question on whether it is important for the respondent to be proud of his or her employer. The conclusion is further backed by a majority of the respondents answering that they plan to work for a responsible company in the future. Furthermore, a slight majority also stated that they can imagine to work for a company which provides lower salary, but have made great contributions to the society.

The diverse China

The fact that China is a highly diverse society (Gong, Chow & Ahlstrom, 2011), makes it vital to remember that it is very hard, and potentially risky, to try to draw any major conclusions on the Chinese society as a whole (Wong, 2001:7). The questions of the online survey made for the sake of this thesis which regards background information of the respondent, is therefore important,

since it has a positive impact on the reliability of the analysis. In addition to make it possible to analyze different groups of respondents, the background information have also made it possible to see whether or not the Western theories on loyalty and motivation presented in the second chapter of this thesis can be used for analyzing the collected data.

Starting with a comment on the usability of Western theories on motivation and loyalty, it is possible to see clear signs of the Chinese society being more 'Western' than e.g. Nevis (1983) have stated. As can be seen from the results of the survey made for this thesis, the Chinese respondents show many indications of values which are more in line with Maslow's theories (1943 & 1970) than the critique of Maslow might imply (Hofstede, 1984 & Nevis, 1983). Examples of this includes;

• The importance of creative and of challenging work tasks increases with the income level of the respondents. The same is true for diversity of work tasks; a factor which is rated as quite unimportant all the way up until the monthly income level of CNY 7000, with an exception of the income group of CNY 3000-5000. Benefits, such as sick leaves etc. are more important for respondents with low incomes, than for those with high incomes.

• The factors of safe working conditions are generally lower in importance for respondents at higher income levels, something which might be connected to the types of jobs the respondents have. A big difference between the genders lies in women being more concerned about having a safe working environment and getting a minimum wage, while males are more motivated by career opportunities and challenging work tasks. Males are also not as concerned about minimum wage as females. This could be a sign of women in China currently possessing a less secure position in society, making them more vulnerable and dependent on a male to support them financially.

• The factor of friendly co-workers hover in the middle of the needs through all income levels. This might be connected to the critique of the description of China as 'collectivistic'.

• The possibility to make a career are generally scoring high, and is one of the top three motivating factors of the average Chinese.

As apparent from the theory chapter of this thesis, these indications on China being more similar to the West than e.g. critiques of Maslow have implied, can be due to two things. Firstly, the Chinese society is not collective in the same way as for example Japan, thus focusing on the family instead of society as a whole (Wong, 2001). Secondly, Western influences, especially in the larger cities, might have made the Chinese society more individualistic (Ralston, Gustafson, Terpstra & Holt, 1995). As stated, these similarities with the West has implications for the usability of Western

motivation and loyalty theories. It does, however, also have potential implications for the analysis of Chinese perception of CSR.

If grouping together things which are most important to Chinese employees, it can be seen that CSR efforts closely connected to the own working environment (including minimum wage, safe working conditions etc.) are overall most important factors among the Chinese respondents when choosing their employer. These factors are things which are focusing on lower parts of Maslow's hierarchy of needs and which are often considered as hygiene factors by Western employees (Herzberg, 1966). This could be an indication on that the general Chinese and the general Westerner are on different levels of needs, and are thus focusing on different sets of needs.

The reader should here be noticing that CSR is a very wide concept, which can apply to many types of issues. As indicated, CSR efforts can include things like minimum wages and safe working conditions at all production plants of a company. Since these types of things are often considered by Westerners to be hygiene factors, these types of efforts are rarely referred to as 'CSR' if made in Western contexts. If a company, on the other hand makes a promise of providing minimum wages at all sites, also in undeveloped countries with insufficient labor laws, this is something which is above mere compliance of regulations, and therefore often referred to as 'CSR'. This is also a distinction which is in line with Heslin & Ochoa (2008), which is the one used for this thesis.

As apparent from the answers on what is most important for the respondents in an employer, we can see that CSR efforts, which are focusing on lower parts of the hierarchy of needs, are the ones which would generally motivate Chinese employees the most. Other interesting findings from the survey do, however, indicate that not only these types of efforts are important, but also CSR efforts which are targeting issues which are not in an immediate relation to the respondents own working conditions. The most evident sign of this (the results from the question on proudness) have already been discussed.

Since these types of efforts are helping others, they should, according to the logic of Maslow, lay on a higher level of the hierarchy of needs, indicating that only individuals which have already had their basic needs fulfilled, should be interested in these types of efforts. This do, yet again, bring forward the importance of the survey having included questions on the respondents' background; with information on things like education, income level, gender and age. By analyzing the answers of different groups of respondents, it has become apparent, that interests in CSR efforts which are targeting other things than the own working conditions are positively correlated to features of the respondents which indicates a higher placement in the hierarchy of needs. This would indicate that a company with employees which can be assumed to be on a lower level of the hierarchy of needs,

would be more effective in motivating its employees by first making sure that basic needs of the employees are fulfilled. Companies with a large percentage of its employees being on a higher level of needs (such as high skilled labor with higher salaries), on the other hand, could benefit more from engaging in CSR efforts which are targeted at helping others.

Only the highest levels of income have reached high enough on Maslow's hierarchy to be able to focus on other things than their own wellbeing. The finding connected to CSR from question A, where CSR were ranked towards other aspects of a workplace, shows that all of the aspects connected to CSR, which does not apply to the respondents own working conditions scores very low on most income levels. This is true for all except for the highest income levels, where income level CNY 7000-9000 places national environment at place number 9 and local environment at place 11. National environment ranks as number 10 in the highest income level. It must, however, be remembered that 'high' income levels in this survey (i.e. above CNY 7000) is equivalent to USD 1120 a month. This means that, even after taking into account the higher purchasing power of the Chinese Yuan in China, also the 'middle' income respondents of this survey have a very limited amount money to spend. It should therefore be very logic, that also the 'middle' income respondents are not as high up their respective hierarchy of needs as an average Western middle income individual would be. Considering work with CSR, targeted to other things than those immediately effecting the employees own working environment, to appeal mostly to those who have already reached the higher levels of the hierarchy, it makes sense to say that Chinese in general should logically think it is less important to work with this type of CSR.

For students, and for respondents belonging to the two highest level of income, it is found to be more important than average to be proud of their company. It could therefore be said that those who are earning more money, and those who might have hopes to earn high incomes in the future, i.e. the students, are more concerned to be proud of their employer. This would also make it more important for companies which hire mostly skilled workers to behave responsibly, than for companies which are mostly hiring blue collar workers

This part of the analysis have aimed to stress the fact that one should be careful with making generalizations on the Chinese society as a whole. In this section, the fact that China is so diverse has implication both for how important CSR is perceived to be, and which types of CSR efforts are perceived to be important. These differences can have many reasons, but one thing which is apparent from the made survey, is that respondents which can be assumed to be on a lower level of the hierarchy of needs, as described by Maslow (1943) have ranked CSR issues which are more related to their own working environment higher than the respondents which should find

themselves on higher levels have. Respondents which presumably have more of the basic needs fulfilled have, on the other hand, rated CSR efforts which are targeted to help others slightly higher than those with lower incomes have. This indicates that CSR can be used to motivate employees, but that concern has to be given to which types of efforts are made.

Other interesting findings of the survey which shows the large difference among different groups of respondents, is that issues related to CSR scored much higher points among younger respondents (up until the age of 23), than among the older group. For the young respondents, environmental responsibility is also ranked much higher than average in the question on what makes the respondent proud of its employer. Considering that these individuals are the future of the Chinese workforce, it could be seen as an indication on that it will be increasingly important for companies, which are operating in China, to work properly with CSR.

CSR is perceived differently in China than in the West

Comparing the rankings given to CSR-related issues in questions A and B of the online survey gives completely different results. When looking at motivational factors in question A, all the CSR factors are rated in the bottom and environmental issues are in many cases ranked above the listed social responsibility. The opposite is true for question B, where social responsibility is ranked at the top, and environmental responsibility is ranked lower than social responsibility. As discussed already, this might be an effect of the different meanings of 'most important' and 'makes proud'. The difference can, however, have been further strengthened by the fact that in question B, there are no definitions of social and environmental responsibility, and it was thus up to the respondent to decide on what constituted 'social' and 'environmental' responsibility, and then according to these definitions decide whether this is something which makes him or her proud.

In the question about motivation, i.e. question A, the factors concerning CSR (local environment, social responsibility and global environment) were thus followed by a definition. These definitions were made from a Western viewpoint, thus defining the concept as it would be stated by a Western individual. Responsibility for local environment were described with examples of donations and planting trees in the community. Responsibility for national environment were described with an example of reducing CO_2 emissions. The factor of social responsibility were described as social responsibility targeted towards other countries (since this is often the case in Western firms; i.e. social efforts of Western firms are often things like building schools in Africa, or helping farmers plant cotton with less pesticides in India (Munro, 2013)).

Question A, is also different from question B regarding that environmental issues ranks higher than social issues. This could, by an initial look at it, seem as though the data is just inconsistent, but again looking at the definitions, might shed some light to the reasons for these results. In question A, the factor of 'environmental responsibility' were explained with 'reducing emissions', which is a very 'Western' way of presenting the problem (Munro, 2013). This is the case, since many developed countries rarely face acute, local environmental issues (Denyer & Johnson, 2014). Therefore, when 'West' talk about environmental problems, emissions, greenhouse gases, especially CO_2 and global warming comes to many minds.

In China, the global warming might not be the first thing what comes into mind when thinking about emissions, but the polluted cities can be. The polluted cities, and the alarmingly bad air quality is something many Chinese know about (Denyer & Johnson, 2014), and can relate too, and might therefore have gained a higher ranking than something which was explained as something going on in a far away, foreign country (i.e. social responsibility, e.g. building schools in Africa). This finding can be an indication that Chinese have other sets of values on which type of CSR is important.

If the above stated is true, this might have interesting managerial implications; even though the Chinese might have a different reason for wanting to reduce emissions than Westerners do, the implication is the same; to cut the CO_2 emissions. This could possibly make it easier for Western firms in China to be able to have a globally cohesive CSR strategy, since it implies that the same types of efforts can be used to satisfy Western stakeholders, as well as to motivate Chinese employees.

6 DISCUSSION

A major thing to bear in mind when examining the results of the survey, is that it asked questions of CSR as it is interpreted by Westerners. The implications of this is especially apparent from the very different rankings of the importance of CSR in question A and question B. While much of the difference is probably due to the difference in 'most important' and 'making most proud of', another possibly contributing factor, is that the question on which factors where most important (question A), had the factors related to CSR explained in a way which is compatible with a 'Western' view of CSR. This could imply that even though Chinese find it important that company's work with CSR, they think that other types of CSR efforts are more important than those often made by Western firms (e.g. planting trees etc.). Relating back to the CML proposition, this would suggest that a company which does not understand the importance of adjusting their CSR efforts to a

Chinese context, would find themselves in a situation similar to scenario 3, which would in this case be unnecessary since there are (due to the fact that the Chinese find some type of CSR important) possibilities to create a scenario 4. The managerial implication of this finding would thus be that if a company wishes motivate its Chinese employees with CSR efforts, it should first make sure to find out more closely what types of CSR efforts are found important among their employees. As discussed in the analysis, some hints on which types of CSR efforts will possibly be found motivating can be gained by considering the income- and educational level, as well as some other features of their employees. It is however, important to keep in mind the vast diversity of the Chinese population, and it might therefore make sense for a company to examine which type of efforts would motivate their employees on a case-by-case basis.

The Western manager stated in the interview, that the Chinese tend to focus their concerns to issues which are closer to themselves, rather than to more global issues. There are thus indications on that Chinese employees do care about for e.g. the environment, but that they have a focus which is connected to local environment. This would in that case be consistent with what Welford (2004) findings, where a factor which indicated work with CSR which targeted the local community were found most important in Asia, and 'labor standards in the supply chain', which is a factor targeting further from the own society were ranked last.

If not analyzing the subject properly, this might lead to a conclusion by a Westerner that the Chinese are more 'selfish', only wanting to protect things which are close to home. In addition to being rather narrow minded and probably wrong, it is also a statement which does not make a difference from the need to adjust to this. If a company wishes to engage in CSR in China, they must do it in a way which suits the Chinese values; both to have the work go smoothly (since work with CSR is very dependent on proper measurement, feedback and communication (Epstein, 2008)) but also from a motivational perspective.

The feature of the Chinese focusing on matters which are closer to themselves, could have different reasons. This thesis discusses two possibilities which are not counter to each other. This features are in line with the critique presented against Nevis theories (1983), as well as from the survey. The first reason for the lack of care of actions targeting global issues could be that the Chinese society is still undeveloped to an extent which makes the average Chinese to still be on a lower level of their hierarchy of needs. The second reason could be that the care for others in China are, due to cultural differences from the West, more focused on the family, which is the central entity in China, than is the case for Westerners. This indicates that companies, which hopes to motivate their

Chinese employees with work with CSR, should to concentrate their work on CSR on things which could be connected to the employees' family and close environment.

As touched upon earlier, it is important for multinational companies to have a cohesive vision across regions (Arthaud-Day, 2005). To be consistent, the CSR strategy should also be somewhat cohesive, thus the overall values should be same in order to not upset stakeholders in the West. This is further strengthened by the fact that CSR is generally considered to be something which benefits from being run in a top-down manner (Jørgensen, Pruzan-Jørgensen, Jungk & Cramer, 2003:22-26). This could create problems for companies in many ways, since there are, as suggested in this thesis, indications that the Chinese have different preferences on which type of CSR efforts are most important for companies to engage in. If the company then wants to increase its CSR efforts in China, it would be sensible for them to do it in a way which both complies with the requirements from the West, and goes with the Chinese values. This would suggest that the company might find themselves in a situation where they have to choose to act in ways which would put them in either a scenario 2 (motivated employees, but dissatisfied Western stakeholders) or a scenario 3 (satisfied Western stakeholders but demotivated Chinese employees). It is unlikely that the Western company would deliberately choose a scenario 2 situation but, as we will see, it might be possible for the company to instead turn a scenario 3 into a scenario 4. To talk about this possibility is mainly outside of the scope of this thesis, but a few suggestions will be presented.

One commonly mentioned issue, is Western companies complaining about unfairly strict regulations in their country or origin, regulations which are stricter than for an example, in China. The issue is then, from a company perspective, that the Chinese companies, which have the less strict regulations from the Chinese government, can have lower costs of e.g. pollution cleanup and other environmental of social efforts. Companies can also 'blame' poor regulation and state that in order to stay competitive, they have to be 'less' responsible since all the others are. We do agree that a continuous work with common regulation is important, and would benefit the work on CSR. We do, however, question whether this is the only way to deal with the problem. From what we have found in the empirical data, there is not a complete lack of interest of CSR in China. It could therefore be useful for a Western company to find out more about what the Chinese find important in terms of CSR, and then engage in these issues as a way to increase loyalty, thus creating a competitive advantage against companies which do not do this, and thereby lowering their costs if high turnover rates. To educate Chinese employees in social and environmental issues and show what could be done to help this, and show how the company does it, could be another way for the company to help retention, thus turning a scenario 3 into a scenario 4. This would then be consistent with a finding of Graafland & Zhang (2014) that even though not being the most

important factor, lack of awareness of CSR is still found by 38% of the respondents in this survey to be a problem when implementing CSR strategies.

7 CONCLUSION

It has been found in this thesis that there are clear indications on that CSR could be used by Western firms in China to increase their loyalty. It has, however, also been pointed out that the perceptions on how important CSR is, and also which types of CSR is most important, differs among different segments of the Chinese employee base. This can thus indicate that Western companies must first make sure they have the proper knowledge on he perceived importance of CSR as a whole, but also of individual CSR efforts before using CSR for the purpose of employee retention. It is further pointed out, that there are indications in the collected data, which show that there are differences in the Western and in the Chinese perceptions of CSR, something which might affect the possibility of using Western CSR in China.

This thesis aims to provide a deeper understanding on whether there is a possibility for Western firms in China to use CSR as a way to increase loyalty among their Chinese employees.

The questions which were aimed to be answered are;

- *Can CSR strategies and implementation be used by Western firms which are active in China to increase loyalty of Chinese current and future employees?*
- *Is it important for Chinese current and future employees if their employer are behaving responsibly or not?*

Prior research have shown, that Western employees are motivated by CSR. Studies has also been made on Chinese motivators, and it has been found that Chinese employees are motivated not only by monetary rewards, but also other things (Fisher & Yuan, 1998). What was not known before the research for thesis were conducted, was whether or not Chinese employees can be motivated, and trough this be more loyal to their employers, by work with CSR. Critique on the concept of simply taking a Western concept, and apply it to China has been presented (Tsui, 2007:1354 & Werner, 2002:278), and thus indicates a need to examine how the Chinese perceive CSR, in order to know whether or not they can be presumed to an employer's work with CSR motivating.

The answer to this question could have both theoretical and practical implications. Theoretically, the answer provides a deeper insight in how Chinese employees are motivated, as well as whether the Western concept of 'CSR' has a need of adjustment before it is applied to China. In practice, this knowledge can be useful since companies can understand whether or not they can expect their

work on CSR to motivate their Chinese employees, or if they should, from a motivational perspective, instead use the resources exclusively on motivating with other methods

The results of this thesis suggests that Chinese employees find it important that their employer are working with CSR. This conclusion is based on the fact that the respondents of the online survey conducted for this thesis ranked social responsibility to be the factor which would make them most proud of their company, combined with the result that a majority of the respondents also find it important to be able to feel this proudness.

Furthermore, the analysis show, that the vastly heterogeneous Chinese society might have an effect on the perceived importance of different CSR efforts. These conclusions have been made by an analysis on the answerers from different groups of respondents. The results from the made online survey show that individuals which can be presumed more focused on lower level of needs (i.e. those with low levels of education and/or income), as presented by Maslow (1943), are more interested in CSR efforts which are closely connected to their own working environment. Individuals which are better educated and/or have higher incomes show greater tendencies towards appreciating CSR efforts which are helping a larger part of the society or the environment.

It is further important to remember that even though the Chinese respondents have shown clear indications of an interest in social responsibility, it is not certain that they find the same types of social issues to be the most important ones, as in the West. Indications on that the Chinese might find other types of work with CSR more important than some of the 'typical' efforts made by Western firms, was found when comparing the results of a question where the respondents own definition of CSR was used, as compared to results from a question where CSR were defined in a typically 'Western' manner. Considering the findings of this thesis, it is argue by the authors, that the thesis contributes to an increased understanding of Chinese perceptions of CSR, which was pointed out in the introduction to not be properly researched yet, as expressed of e.g. Gao (2009).

This thesis does not aim to provide an answer on how a CSR strategy should be set up, implemented or communicated. Though the results have given indications that CSR efforts in China should benefit from being adjusted to interests of Chinese employees, it is outside of the scope of this thesis to find exactly which types of work with CSR this should include. The parts of the thesis which has touched upon these issues are thus included with a strict intention of understanding of whether or not it is possible for Western firms to use CSR for increased loyalty in China. Since the focus is on Western firms, the aim is thus not to provide answers regarding Chinese firms. The online survey which was conducted does not provide large enough evidence

to give answers which can be generalized, but should be seen as an initial step towards a deeper understanding of the Chinese employees' perceptions of the importance of CSR.

8 SUGGESTIONS FOR FURTHER RESEARCH

This thesis have provided insights in the Chinese perceptions of CSR, knowledge which can be used for understanding whether CSR can be used by Western firms for retention of Chinese employees. What is outside of the scope of this thesis is however, to examine which types of CSR efforts are most effective to increase motivation and loyalty in China. This would therefore be an interesting field for future researchers. Another interesting thing to examine further, is the role of communication when working with CSR in China; both in terms of how it should be handled for more effective work with CSR, but also how CSR efforts should be communicated in order for them to have the largest possible positive effect on employee retention in China.

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10 APPENDICES

APPENDIX A – THEORETICAL MODELS

APPENDIX A1: CARROLL'S CSR PYRAMID

Figure 2: Appendix A1 – Carroll's CSR Pyramid

APPENDIX A2: MASLOW'S HIERARCHY OF NEEDS - 5 steps
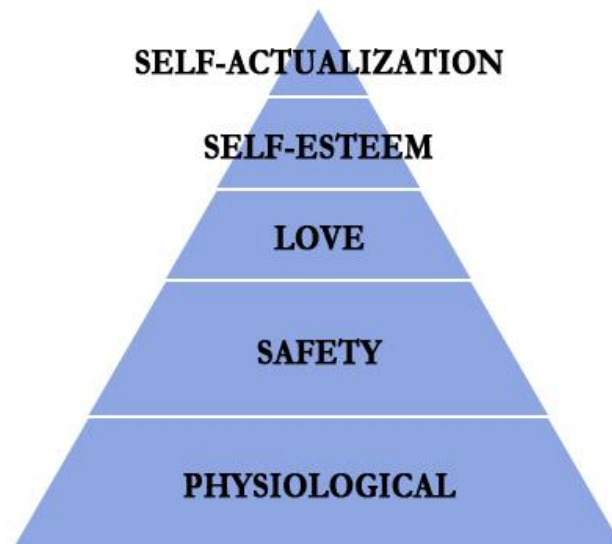
Figure 3: Appendix A2 - Maslow's Hierarchy of Needs - 5 steps

APPENDIX A3: MASLOW'S HIERARCHY OF NEEDS REVISED - 8 STEPS
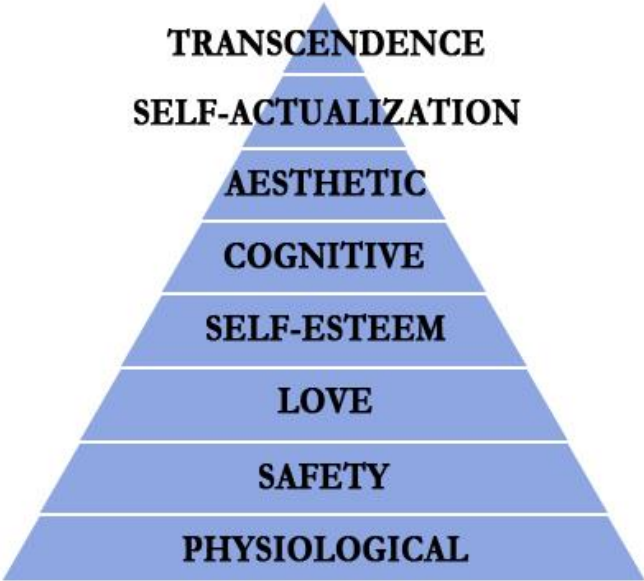
Figure 4: Appendix A3 - Maslow's Hierarchy of Needs Revised - 8 steps

APPENDIX A4: NEVIS CHINESE HIERARCHY OF NEEDS - 4 STEPS
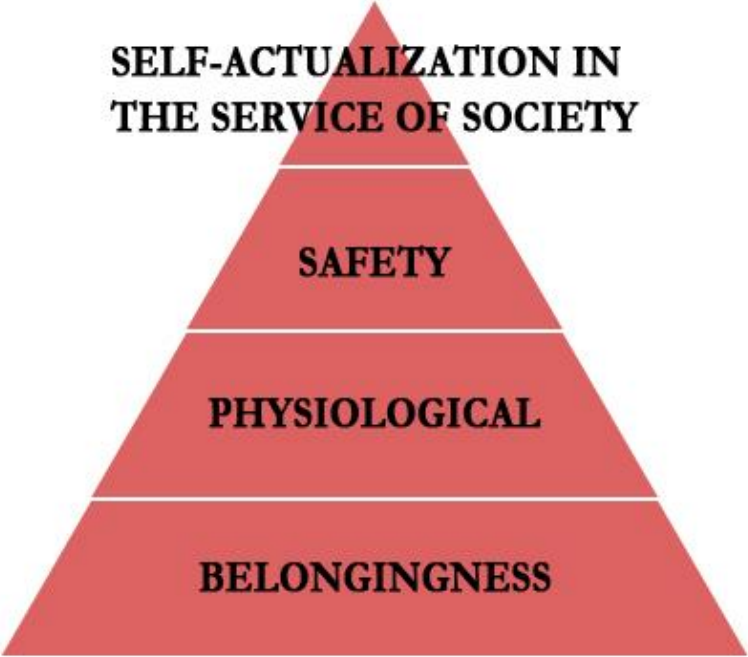
Figure 5: Appendix A4 - Nevis Chinese Hierarchy of Needs

APPENDIX A5: HERZBERG'S TWO-FACTOR THEORY

PRESENT		ABSENT
Satisfaction		No satisfaction

MOTIVATORS

HYGIENE FACTORS

No dissatisfaction		Dissatisfaction

Figure 6: Appendix A5 - Herzberg's Two-Factor Theory

APPENDIX A6: MCGREGOR'S THEORY X & Y

THEORY   X   &   Y

	+	-
	-	+
	[lazy]	[motivated]

Figure 7: Appendix A6 - McGregor's Theory X & Y

APPENDIX B – EXCEL DATA & CALCULATIONS

Table 6: Appendix B1 - Excel Data: Overall, Gender, Age & Province

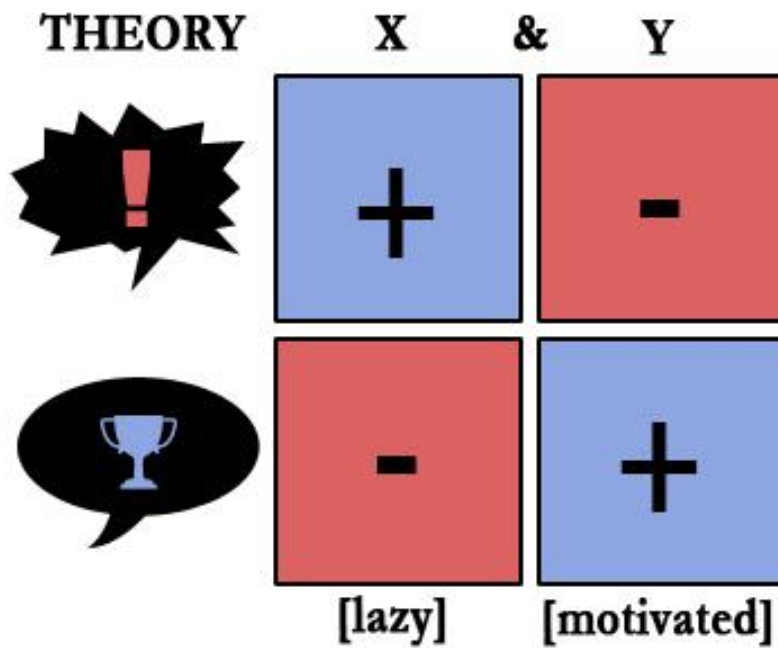|	PRIMARY	VALUES	Overall	Male	Female	1-23	24-49	City	HK	Other	Non CN
#	**Respondents**		81	29	51	22	58	46	4	25	6
A	What is the most	Crea/Chall	8,68	9,00	8,61	10,40	8,15	9,26	6,25	7,95	8,83
	important factor	Diverse	8,38	7,86	8,84	10,33	7,79	8,49	7,00	8,08	9,83
	Scale 1-14	Career	9,41	9,29	9,47	11,70	8,56	9,77	7,00	9,52	8,00
	14 = Most important	Recognition	9,09	8,74	9,21	9,95	8,73	9,21	5,75	9,87	7,50
	1 = Least important	Friendly	9,08	8,57	9,40	10,29	8,63	8,74	5,75	9,75	11,00
		Safe working	9,16	7,56	10,09	10,50	8,71	8,76	6,67	10,35	8,67
		Job security	8,80	8,07	9,26	9,85	8,43	9,00	5,50	9,09	8,50
		High wages	9,15	8,31	9,64	10,33	8,62	9,14	8,00	9,71	8,00
		Min wages	9,25	7,89	9,98	10,75	8,66	8,86	8,00	10,33	8,50
		Working hours	9,84	9,71	9,90	10,33	9,64	9,77	5,75	10,92	8,83
		Benefits	9,47	8,21	10,17	10,30	9,14	9,65	7,00	9,46	9,83
		Local env.	6,49	6,11	6,81	7,95	6,04	6,57	4,25	7,39	4,00
		National env.	7,31	7,74	7,17	9,05	6,80	7,24	4,25	8,32	6,17
		Social resp.	6,97	6,89	7,13	10,11	5,94	7,45	3,75	7,09	5,00
B	What makes you	Big company	3,74	3,10	4,10	4,24	3,54	3,58	3,50	3,78	5,00
	the most proud	Profitable	3,97	3,39	4,32	4,50	3,78	3,72	4,50	4,39	3,83
	Scale 1-6	SOE	3,49	3,31	3,54	3,38	3,48	3,38	3,00	3,96	2,83
	6 = Most important	Foreign	3,19	3,28	3,17	3,90	2,95	3,20	3,00	3,26	3,00
	1 = Least important	Environmental	3,64	3,72	3,60	4,57	3,30	3,69	3,75	3,91	2,17
		Social resp.	4,04	4,24	3,94	5,00	3,70	4,07	3,25	4,26	3,50
C	Important to be	Yes	82,72%	79,31%	84,31%	90,91%	79,31%	82,61%	100%	80%	83,33%
	proud of company	No	16,05%	20,69%	13,73%	9,09%	18,97%	15,22%	0%	20%	16,67%
D	Work in a company	Yes	51,85%	51,72%	50,98%	68,18%	44,83%	43,48%	75%	56%	83,33%
	with lower salary, but	No	45,68%	44,83%	47,06%	31,82%	51,72%	52,17%	25%	44%	16,67%
	with contr. to CSR										
E	Do you intend to	Yes	95,06%	96,55%	94,12%	95,45%	94,83%	93,48%	100%	96%	100%
	work for a company	No	3,70%	3,45%	3,92%	4,55%	3,45%	4,35%	0 %	4%	0%
	with CSR										
	WEIGHTED	**VALUES**	**Overall**	**Male**	**Female**	**1-23**	**24-49**	**City**	**HK**	**Other**	**Non CN**
A	What is the most	Crea/Chall	7,53	8,29	7,19	7,70	7,52	7,97	7,73	6,53	8,23
	important factor	Diverse	7,27	7,24	7,38	7,65	7,18	7,31	8,66	6,64	9,16
	Scale 1-14	Career	8,16	8,56	7,91	8,66	7,90	8,41	8,66	7,82	7,46
	14 = Most important	Recognition	7,88	8,05	7,70	7,36	8,05	7,94	7,11	8,11	6,99
	1 = Least important	Friendly	7,87	7,90	7,86	7,61	7,96	7,53	7,11	8,01	10,25
		Safe working	7,94	6,96	8,43	7,77	8,03	7,55	8,24	8,50	8,08
		Job security	7,63	7,44	7,74	7,29	7,77	7,75	6,80	7,47	7,92
		High wages	7,93	7,66	8,05	7,65	7,95	7,87	9,89	7,98	7,46
		Min wages	8,02	7,27	8,34	7,96	7,99	7,63	9,89	8,49	7,92
		Working hours	8,54	8,95	8,27	7,65	8,89	8,41	7,11	8,97	8,23
		Benefits	8,21	7,57	8,49	7,62	8,43	8,31	8,66	7,77	9,16
		Local env.	5,63	5,63	5,69	5,89	5,57	5,66	5,26	6,07	3,73
		National env.	6,34	7,13	5,99	6,70	6,27	6,23	5,26	6,83	5,75
		Social resp.	6,05	6,35	5,96	7,48	5,48	6,42	4,64	5,82	4,66
B	What makes you	Big company	3,56	3,10	3,80	3,48	3,58	3,47	3,50	3,37	5,16
	the most proud	Profitable	3,78	3,39	4,00	3,69	3,83	3,61	4,50	3,91	3,96
	Scale 1-6	SOE	3,32	3,30	3,28	2,77	3,52	3,28	3,00	3,53	2,93
	6 = Most important	Foreign	3,04	3,27	2,94	3,20	2,98	3,11	3,00	2,91	3,10
	1 = Least important	Environmental	3,46	3,72	3,34	3,75	3,34	3,58	3,75	3,49	2,24
		Social resp.	3,84	4,23	3,65	4,10	3,74	3,95	3,25	3,80	3,61
	RANKED	**VALUES**	**Overall**	**Male**	**Female**	**1-23**	**24-49**	**City**	**HK**	**Other**	**Non CN**
A	What is the most	Crea/Chall	10	3	11	4	10	4	7	12	4
	important factor	Diverse	11	10	10	5	11	11	3	11	2
	Scale 1-14	Career	3	2	6	1	8	1	3	7	9
	14 = Most important	Recognition	7	4	9	11	3	5	8	4	11
	1 = Least important	Friendly	8	5	7	9	6	10	8	5	1
		Safe working	5	12	2	3	4	9	6	2	6
		Job security	9	8	8	12	9	7	11	9	7
		High wages	6	6	5	5	7	6	1	6	9
		Min wages	4	9	3	2	5	8	1	3	7
		Working hours	1	1	4	5	1	1	8	1	4
		Benefits	2	7	1	8	2	3	3	8	2
		Local env.	14	14	14	14	13	14	12	13	14
		National env.	12	11	12	13	12	13	12	10	12
		Social resp.	13	13	13	10	14	12	14	14	13
B	What makes you	Big company	3	6	2	4	3	4	3	5	1
	the most proud	Profitable	2	3	1	3	1	2	1	1	2
	Scale 1-6	SOE	5	4	5	6	4	5	5	3	5
	6 = Most important	Foreign	6	5	6	5	6	6	5	6	4
	1 = Least important	Environmental	4	2	4	2	5	3	2	4	6
		Social resp.	1	1	3	1	2	1	4	2	3

Table 7: Appendix B2 - Excel Data: Occupation & Education

PRIMARY	VALUES	Inner M.	Student	Worker	Self-emp.	College	Bachelor	Graduate
# Respondents		22	51	23	6	16	32	31
A What is the most	Crea/Chall	8,75	8,67	9,14	8,00	10,14	8,87	7,83
important factor	Diverse	7,95	8,71	7,83	9,17	9,38	9,03	7,28
Scale 1-14	Career	9,52	9,66	8,91	9,17	10,81	9,41	8,62
14 = Most important	Recognition	9,95	8,96	8,59	11,33	10,56	9,07	8,07
1 = Least important	Friendly	9,00	9,04	8,77	10,67	11,13	9,67	7,38
	Safe working	9,86	9,13	8,73	10,83	10,13	9,59	8,17
	Job security	9,75	8,68	8,71	10,17	10,25	9,36	7,52
	High wages	9,61	9,04	8,65	11,17	9,63	9,93	7,93
	Min wages	9,27	9,06	9,43	9,50	9,69	10,00	8,14
	Working hours	10,81	9,52	10,18	11,00	11,50	9,77	8,86
	Benefits	9,23	9,72	8,48	11,00	9,63	9,67	9,10
	Local env.	7,60	6,72	6,14	6,67	8,40	5,86	6,17
	National env.	7,62	7,18	7,59	8,17	10,25	7,11	6,11
	Social resp.	7,50	7,51	6,52	5,33	8,31	6,96	6,14
B What makes you	Big company	3,57	3,78	3,59	3,83	3,94	4,07	3,37
the most proud	Profitable	4,15	4,04	3,90	3,67	4,19	4,14	3,70
Scale 1-6	SOE	3,57	3,37	3,59	3,67	3,75	3,33	3,37
6 = Most important	Foreign	2,80	3,35	2,95	3,00	3,69	3,10	3,10
1 = Least important	Environmental	3,90	3,69	3,59	3,50	4,63	3,37	3,43
	Social resp.	4,14	4,24	3,68	3,83	4,88	3,70	3,90
C Important to be	Yes	68,18%	86,27%	78,26%	66,67%	75,00%	87,50%	80,65%
proud of company	No	31,82%	11,76%	21,74%	33,33%	25,00%	12,50%	16,13%
D Work in a company	Yes	50,00%	54,90%	47,83%	33,33%	56,25%	56,25%	41,94%
with lower salary, but	No	50,00%	41,18%	52,17%	66,67%	43,75%	43,75%	51,61%
with contr. to CSR								
E Do you intend to	Yes	90,91%	94,12%	95,65%	100,00%	100,00%	93,75%	93,55%
work for a company	No	9,09%	3,92%	4,35%	0,00%	0,00%	6,25%	3,23%
with CSR								

WEIGHTED	VALUES	Inner M.	Student	Worker	Self-emp.	College	Bachelor	Graduate
A What is the most	Crea/Chall	7,27	7,48	8,16	6,36	7,62	7,49	7,66
important factor	Diverse	6,61	7,52	6,98	7,28	7,04	7,63	7,12
Scale 1-14	Career	7,91	8,34	7,95	7,28	8,12	7,95	8,43
14 = Most important	Recognition	8,27	7,73	7,66	9,00	7,93	7,66	7,89
1 = Least important	Friendly	7,47	7,81	7,83	8,47	8,36	8,17	7,22
	Safe working	8,19	7,89	7,79	8,61	7,61	8,10	8,00
	Job security	8,10	7,50	7,77	8,08	8,70	7,90	7,35
	High wages	7,98	7,81	7,72	8,87	7,23	8,39	7,76
	Min wages	7,70	7,83	8,42	7,55	7,28	8,45	7,96
	Working hours	8,98	8,22	9,08	8,74	8,64	8,25	8,67
	Benefits	7,66	8,40	7,56	8,74	7,23	8,17	8,91
	Local env.	6,31	5,81	5,48	5,30	6,31	4,95	6,04
	National env.	6,33	6,20	6,77	6,49	7,70	6,00	5,98
	Social resp.	6,23	6,49	5,82	4,24	6,24	5,88	6,01
B What makes you	Big company	3,39	3,53	3,54	3,74	3,30	3,93	3,39
the most proud	Profitable	3,94	3,78	3,85	3,58	3,51	4,01	3,72
Scale 1-6	SOE	3,39	3,15	3,54	3,58	3,14	3,22	3,39
6 = Most important	Foreign	2,66	3,13	2,91	2,93	3,09	3,00	3,12
1 = Least important	Environmental	3,70	3,45	3,54	3,42	3,88	3,26	3,46
	Social resp.	3,93	3,97	3,63	3,74	4,08	3,58	3,92

RANKED	VALUES	Inner M.	Student	Worker	Self-emp.	College	Bachelor	Graduate
A What is the most	Crea/Chall	10	11	3	12	7	11	8
important factor	Diverse	11	9	11	9	12	10	11
Scale 1-14	Career	6	2	4	9	3	7	3
14 = Most important	Recognition	2	8	9	1	4	9	6
1 = Least important	Friendly	9	6	5	6	2	4	10
	Safe working	3	4	6	5	8	6	4
	Job security	4	10	7	7	5	8	9
	High wages	5	6	8	2	10	2	7
	Min wages	7	5	2	8	9	1	5
	Working hours	1	3	1	3	1	3	2
	Benefits	8	1	10	3	10	4	1
	Local env.	13	14	14	13	13	14	12
	National env.	12	13	12	11	5	12	14
	Social resp.	14	12	13	14	14	13	13
B What makes you	Big company	4	3	3	1	4	2	4
the most proud	Profitable	1	2	1	3	3	1	2
Scale 1-6	SOE	4	5	3	3	5	5	4
6 = Most important	Foreign	6	6	6	6	6	6	6
1 = Least important	Environmental	3	4	3	5	2	4	3
	Social resp.	2	1	2	1	1	3	1

Table 8: Appendix B3 - Excel Data: Income

	PRIMARY	VALUES	0-1000	1000-3000	3000-5000	5000-7000	7000-9000	9000+
#	**Respondents**		37	18	9	4	4	5
A	What is the most	Crea/Chall	8,11	8,86	9,67	8,00	7,50	9,60
	important factor	Diverse	7,77	9,00	8,56	7,00	8,00	9,60
	Scale 1-14	Career	9,06	11,13	8,33	10,50	5,75	9,00
	14 = Most important	Recognition	8,55	10,94	9,89	7,00	4,75	9,40
	1 = Least important	Friendly	8,18	10,75	9,22	9,25	6,25	9,00
		Safe working	8,64	11,25	8,22	8,50	5,25	9,00
		Job security	8,03	10,88	7,25	10,50	6,75	8,00
		High wages	9,06	10,75	6,78	9,25	7,75	7,75
		Min wages	8,32	11,29	9,44	10,50	6,50	7,40
		Working hours	9,20	12,25	10,22	9,00	6,75	9,40
		Benefits	9,59	11,41	8,00	9,25	5,00	7,40
		Local env.	6,76	7,67	6,89	3,25	5,00	4,80
		National env.	6,53	9,31	7,78	5,25	5,50	7,40
		Social resp.	7,06	8,50	5,88	4,75	3,00	7,00
B	What makes you	Big company	3,66	4,41	3,78	3,50	2,00	3,60
	the most proud	Profitable	3,77	4,63	4,22	3,00	3,25	3,60
	Scale 1-6	SOE	3,23	4,65	3,33	3,75	3,00	2,20
	6 = Most important	Foreign	3,00	4,00	2,67	3,33	3,00	3,40
	1 = Least important	Environmental	3,40	4,53	3,89	2,50	2,75	3,40
		Social resp.	4,09	4,82	3,56	3,00	2,50	3,80
C	Important to be	Yes	86,49%	83,33%	55,56%	75,00%	100,00%	80,00%
	proud of company	No	10,81%	16,67%	44,44%	25,00%	0,00%	20,00%
D	Work in a company	Yes	48,65%	61,11%	44,44%	50,00%	25,00%	60,00%
	with lower salary, but	No	45,95%	38,89%	55,56%	50,00%	75,00%	40,00%
	with contr. to CSR							
E	Do you intend to	Yes	94,59%	94,44%	88,89%	100,00%	100,00%	100,00%
	work for a company	No	2,70%	5,56%	11,11%	0,00%	0,00%	0,00%
	with CSR							
	WEIGHTED	**VALUES**	**0-1000**	**1000-3000**	**3000-5000**	**5000-7000**	**7000-9000**	**9000+**
A	What is the most	Crea/Chall	7,42	6,46	8,74	7,50	9,40	8,78
	important factor	Diverse	7,10	6,56	7,74	6,56	10,03	8,78
	Scale 1-14	Career	8,28	8,11	7,53	9,84	7,21	8,24
	14 = Most important	Recognition	7,81	7,98	8,94	6,56	5,96	8,60
	1 = Least important	Friendly	7,47	7,84	8,34	8,67	7,84	8,24
		Safe working	7,89	8,20	7,43	7,97	6,58	8,24
		Job security	7,34	7,93	6,56	9,84	8,46	7,32
		High wages	8,28	7,84	6,13	8,67	9,72	7,09
		Min wages	7,61	8,24	8,54	9,84	8,15	6,77
		Working hours	8,41	8,93	9,24	8,44	8,46	8,60
		Benefits	8,76	8,32	7,23	8,67	6,27	6,77
		Local env.	6,18	5,59	6,23	3,05	6,27	4,39
		National env.	5,97	6,79	7,03	4,92	6,90	6,77
		Social resp.	6,46	6,20	5,31	4,45	3,76	6,41
B	What makes you	Big company	3,63	3,43	3,70	3,85	2,55	3,78
	the most proud	Profitable	3,75	3,59	4,13	3,30	4,14	3,78
	Scale 1-6	SOE	3,21	3,61	3,26	4,13	3,82	2,31
	6 = Most important	Foreign	2,98	3,11	2,61	3,67	3,82	3,57
	1 = Least important	Environmental	3,38	3,52	3,81	2,75	3,50	3,57
		Social resp.	4,06	3,75	3,48	3,30	3,18	3,99
	RANKED	**VALUES**	**0-1000**	**1000-3000**	**3000-5000**	**5000-7000**	**7000-9000**	**9000+**
A	What is the most	Crea/Chall	9	12	3	9	3	1
	important factor	Diverse	11	11	6	10	1	1
	Scale 1-14	Career	4	5	7	1	8	5
	14 = Most important	Recognition	6	6	2	10	13	3
	1 = Least important	Friendly	8	8	5	4	7	5
		Safe working	5	4	8	8	10	5
		Job security	10	7	11	1	4	8
		High wages	3	8	13	4	2	9
		Min wages	7	3	4	1	6	10
		Working hours	2	1	1	7	4	3
		Benefits	1	2	9	4	11	10
		Local env.	13	14	12	14	11	14
		National env.	14	10	10	12	9	10
		Social resp.	12	13	14	13	14	13
B	What makes you	Big company	3	5	3	2	6	2
	the most proud	Profitable	2	3	1	4	1	2
	Scale 1-6	SOE	5	2	5	1	2	6
	6 = Most important	Foreign	6	6	6	3	2	4
	1 = Least important	Environmental	4	4	2	6	4	4
		Social resp.	1	1	4	4	5	1

	PRIMARY	VALUES	Un-married	Married	No children	Children	Live alone	With parents	Send money	Not send
#	Respondents									
A	What is the most	Crea/Chall	8,86	3,50	8,78	1,00	7,87	9,43	6,00	8,93
	important factor	Diverse	8,58	4,40	8,61	1,00	7,80	8,93	6,33	8,57
	Scale 1-14	Career	9,38	6,75	9,41	5,00	9,18	9,28	6,33	9,66
	14 = Most important	Recognition	9,38	5,00	9,33	1,00	9,15	9,07	7,11	9,42
	1 = Least important	Friendly	9,14	7,00	9,20	1,00	8,68	9,43	5,56	9,54
		Safe working	9,14	5,75	9,18	1,00	8,38	9,71	5,88	9,36
		Job security	8,79	7,75	8,97	1,00	8,61	8,90	5,67	9,21
		High wages	9,06	6,50	9,16	1,00	8,13	9,96	7,78	9,09
		Min wages	9,34	6,80	9,42	4,50	8,23	10,45	6,11	9,62
		Working hours	9,86	7,50	9,99	1,00	9,72	9,73	7,11	10,12
		Benefits	9,48	5,60	9,58	1,00	8,68	9,93	5,44	9,77
		Local env.	6,38	6,50	6,49	5,00	5,18	7,97	6,56	6,36
		National env.	7,42	5,75	7,52	1,00	6,33	8,66	5,33	7,63
		Social resp.	7,13	7,00	7,31	1,00	5,97	8,68	5,22	7,42
B	What makes you	Big company	3,70	3,00	3,74	1,00	3,58	3,77	3,00	3,75
	the most proud	Profitable	3,97	2,50	3,97	1,00	3,50	4,37	3,44	3,95
	Scale 1-6	SOE	3,42	3,00	3,47	1,00	3,60	3,13	3,22	3,43
	6 = Most important	Foreign	3,12	2,50	3,15	1,00	3,10	3,07	2,56	3,17
	1 = Least important	Environmental	3,76	1,75	3,72	1,00	3,30	4,10	3,67	3,64
		Social resp.	4,09	3,25	4,13	1,00	3,68	4,53	3,67	4,10
C	Important to be	Yes	82,09%	100,00%	82,61%	100,00%	82,93%	83,87%	88,89%	82,54%
	proud of company	No	17,91%	0,00%	17,39%	0,00%	17,07%	16,13%	11,11%	17,46%
D	Work in a company	Yes	50,75%	80,00%	52,17%	100,00%	46,34%	61,29%	44,44%	53,97%
	with lower salary, but with contr. to CSR	No	47,76%	20,00%	46,38%	0,00%	53,66%	35,48%	55,56%	44,44%
E	Do you intend to	Yes	95,52%	100,00%	95,65%	100,00%	92,68%	100,00%	88,89%	96,83%
	work for a company with CSR	No	4,48%	0,00%	4,35%	0,00%	7,32%	0,00%	11,11%	3,17%
	WEIGHTED	**VALUES**	**Un-married**	**Married**	**No children**	**Children**	**Live alone**	**With parents**	**Send money**	**Not send**
A	What is the most	Crea/Chall	7,63	4,28	7,50	4,12	7,39	7,61	7,29	7,52
	important factor	Diverse	7,39	5,38	7,36	4,12	7,32	7,21	7,69	7,22
	Scale 1-14	Career	8,07	8,26	8,04	20,59	8,61	7,48	7,69	8,14
	14 = Most important	Recognition	8,07	6,12	7,97	4,12	8,59	7,32	8,64	7,94
	1 = Least important	Friendly	7,87	8,57	7,85	4,12	8,15	7,61	6,75	8,04
		Safe working	7,87	7,04	7,84	4,12	7,87	7,84	7,14	7,88
		Job security	7,57	9,48	7,66	4,12	8,07	7,18	6,88	7,75
		High wages	7,80	7,95	7,82	4,12	7,63	8,04	9,45	7,65
		Min wages	8,04	8,32	8,05	18,53	7,72	8,43	7,42	8,10
		Working hours	8,49	9,18	8,53	4,12	9,12	7,85	8,64	8,52
		Benefits	8,17	6,85	8,18	4,12	8,14	8,01	6,61	8,22
		Local env.	5,49	7,95	5,54	20,59	4,86	6,43	7,96	5,36
		National env.	6,39	7,04	6,42	4,12	5,94	6,98	6,48	6,42
		Social resp.	6,14	8,57	6,25	4,12	5,60	7,00	6,34	6,25
B	What makes you	Big company	3,52	3,94	3,54	3,50	3,62	3,44	3,22	3,58
	the most proud	Profitable	3,78	3,28	3,76	3,50	3,54	3,99	3,70	3,76
	Scale 1-6	SOE	3,26	3,94	3,29	3,50	3,64	2,87	3,46	3,27
	6 = Most important	Foreign	2,97	3,28	2,98	3,50	3,14	2,80	2,74	3,02
	1 = Least important	Environmental	3,58	2,30	3,52	3,50	3,34	3,75	3,94	3,47
		Social resp.	3,89	4,27	3,91	3,50	3,72	4,15	3,94	3,91
	RANKED	**VALUES**	**Un-married**	**Married**	**No children**	**Children**	**Live alone**	**With parents**	**Send money**	**Not send**
A	What is the most	Crea/Chall	9	14	10	4	10	6	8	10
	important factor	Diverse	11	13	11	4	11	10	5	11
	Scale 1-14	Career	3	6	4	1	2	8	5	3
	14 = Most important	Recognition	3	12	5	4	3	9	2	6
	1 = Least important	Friendly	7	3	6	4	4	6	11	5
		Safe working	6	9	7	4	7	5	9	7
		Job security	10	1	9	4	6	11	10	8
		High wages	8	7	8	4	9	2	1	9
		Min wages	5	5	3	3	8	1	7	4
		Working hours	1	2	1	4	1	4	2	1
		Benefits	2	11	2	4	5	3	12	2
		Local env.	14	7	14	1	14	14	4	14
		National env.	12	9	12	4	12	13	13	12
		Social resp.	13	3	13	4	13	12	14	13
B	What makes you	Big company	4	2	3	1	3	4	5	3
	the most proud	Profitable	2	4	2	1	4	2	3	2
	Scale 1-6	SOE	5	2	5	1	2	5	4	5
	6 = Most important	Foreign	6	4	6	1	6	6	6	6
	1 = Least important	Environmental	3	6	4	1	5	3	1	4
		Social resp.	1	1	1	1	1	1	1	1

APPENDIX C – ONLINE SURVEY QUESTIONER: QUESTIONS 1-11 & ANSWERS

Table 10: Appendix C1 - Question 1: Gender?

1. 您的性别? Gender?		Response Percent	Response Count
Male	男	36,3%	29
Female	女	63,7%	51
	Answered question		80
	Skipped question		1

Table 11: Appendix C2 - Question 2: Age?

2. 您的年龄？ Age?		Response Percent	Response Count
	~17	2,5%	2
	18-23	25,0%	20
	24-35	71,2%	57
	36-49	1,3%	1
	50-60	0%	0
	60~	0%	0
	Answered question		80
	Skipped question		1

Table 12: Appendix C3 - Question 3: Where do you currently live?

3. 现居住省份？Where do you currently live?			
Provinces		Response Percent	Response Count
Ānhuī	安徽	0%	0
Àomén (Macao)	澳门	0%	0
Běijīng	北京	48,8%	39
Chóngqìng	重庆	0%	0
Fújiàn	福建	2,5%	2
Gānsù	甘肃	0%	0
Guǎngdōng	广东	1,3%	1
Guǎngxi	广西壮	0%	0
Guìzhōu	贵州	1,3%	1
Hǎinán	海南	0%	0
Héběi	河北	0%	0
Hēilóngjiāng	黑龙江	0%	0
Hénán	河南	0%	0
Húběi	湖北	1,3%	1
Húnán	湖南	0%	0
Jiāngsū	江苏	1,3%	1
Jiāngxi	江西	0%	0
Jílín	吉林	0%	0
Liáoníng	辽宁	1,3%	1
Inner Mongolia	内蒙古自治区	12,5%	10
Níngxià	宁夏回	0%	0
Qīnghǎi	青海	0%	0
Shǎnxī (Shaanxi)	陕西	3,8%	3
Shāndōng	山东	1,3%	1
Shànghǎi	上海	7,5%	6
Shānxī	山西	0%	0
Sìchuān	四川	1,3%	1
Tiānjīn	天津	1,3%	1
Hong Kong	香港	5%	4

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Xīnjiāng	新疆	0%	0
Xīzàng (Tibet)	西藏	0%	0
Yúnnán	云南	1,3%	1
Zhèjiāng	浙江	1,3%	1
Other Asian country	其他亚洲国	1,3%	1
Non-Asian country	亚洲外的国家	6,2%	5
	Answered question		80

Table 13: Appendix C4 - Question 4: Where are you from?

4. 现居住省份？Where are you from?			
Provinces		Response Percent	Response Count
Ānhuī	安徽	0%	0
Àomén (Macao)	澳门	0%	0
Běijīng	北京	7,7%	6
Chóngqìng	重庆	0%	0
Fújiàn	福建	2,6%	2
Gānsù	甘肃	1,3%	1
Guǎngdōng	广东	1,3%	1
Guǎngxi	广西壮	5,1%	4
Guìzhōu	贵州	3,8%	3
Hǎinán	海南	0%	0
Héběi	河北	5,1%	4
Hēilóngjiāng	黑龙江	3,8%	3
Hénán	河南	2,6%	2
Húběi	湖北	2,6%	2
Húnán	湖南	0%	0
Jiāngsū	江苏	0%	0
Jiāngxi	江西	1,3%	1
Jílín	吉林	0%	0
Liáoníng	辽宁	2,6%	2
Inner Mongolia	内蒙古自治区	28,2%	22
Níngxià	宁夏回	0%	0
Qīnghǎi	青海	0%	0
Shǎnxī (Shaanxi)	陕西	6,4%	5
Shāndōng	山东	2,6%	2
Shànghǎi	上海	2,6%	2
Shānxī	山西	6,4%	5
Sìchuān	四川	1,3%	1
Tiānjīn	天津	2,6%	2
Hong Kong	香港	2,6%	2
Xīnjiāng	新疆	0%	0
Xīzàng (Tibet)	西藏	0%	0
Yúnnán	云南	2,6%	2
Zhèjiāng	浙江	2,6%	2
Other Asian country	其他亚洲国	1,3%	1
Non-Asian country	亚洲外的国家	1,3%	1
	Answered question		78
	Skipped question		3

Table 14: Appendix C5 - Question 5: Occupation?

5. 您目前的职业? Occupation?		Response Percent	Response Count
Student	学生	63.7%	51
Enterprise	企业	28,7%	23
Self-employed	个体户	7,5%	6
Retirement	退休	0%	0
	Answered question		80
	Skipped question		1

Table 15: Appendix C6 - Question 6: Highest education level?

6. 您的学历？Highest educational level?		Response Percent	Response Count
Junior high and below	初中及以下	5,1%	4
High school	高中，中专，技校	6,3%	5
College	大专，职高	8,9%	7
Bachelor	大学本科	40,5%	32
Graduate and above	研究生及以上	39,2%	31
	Answered question		79
	Skipped question		2

Table 16: Appendix C7 - Question 7: Income per month (CNY/month)

7. 您个人的当前的月收入情况: Income per month (CNY/month)		Response Percent	Response Count
Less than CNY 1000	1000 元以内	48,1%	37
CNY 1000-2000	1000-2000 元	11,7%	9
CNY 2000-3000	2000-3000 元	11,7%	9
CNY 3000-4000	3000-4000 元	5,2%	4
CNY 4000-5000	4000-5000 元	6,5%	5
CNY 5000-6000	5000-6000 元	1,3%	1
CNY 6000-7000	6000-7000 元	3,9%	3
CNY 7000-8000	7000-8000 元	0%	0
CNY 8000-9000	8000-9000 元	5,2%	4
CNY 9000-10000	9000-10000 元	2,6%	2
Over CNY 10000	10000 元以上	3,9%	3
	Answered question		77
	Skipped question		4

Table 17: Appendix C8 - Question 8: Marital Status?

8. 您的婚姻状况? Marital Status?		Response Percent	Response Count
Unmarried	未婚	93,8%	76
Married	已婚	6,2%	5
	Answered question		81
	Skipped question		0

Table 18: Appendix C9 - Question 9: Do you have children?

9. 是否有儿女? Do you have children?		Response Percent	Response Count
No	否	97,%	78
1	一个	2,5%	2
2	两个	0%	0
3	三个	0%	0
4	四个以上	0%	0
	Answered question		80
	Skipped question		1

Table 19: Appendix C10 - Question 10: Do you live with relatives?

10.您是否与父母或其他亲属同住? Do you live with relatives?		Response Percent	Response Count
Living alone	独自居住	58%	47
Living with parents	与父母同住	37%	30
Living with parents and grandparents	与父母及爷爷奶奶同住	4,9%	4
	Answered question		81
	Skipped question		0

Table 20: Appendix C11 - Question 11: Do you regulary send money to family?

11. 您会定期汇款给家人吗? Do you regularly send money to family?		Response Percent	Response Count
Yes	是	12,5%	10
No	否	87,5%	70
	Answered question		80
	Skipped question		1

APPENDIX D – IN DEPTH GRAPHS OF QUESTIONS 15 & 16

Table 21: Appendix D1 - Graph: Proud & Gender
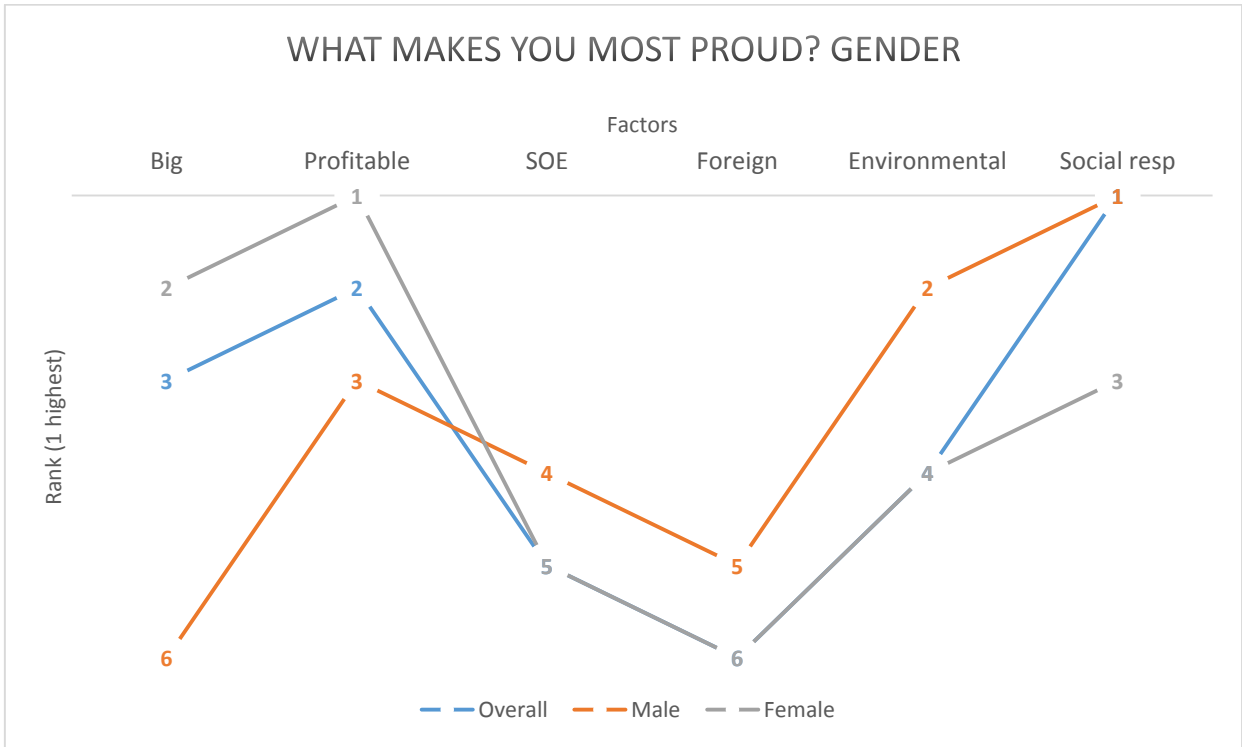
Table 22: Appendix D2 - Graph: Proud & Age

WHAT MAKES YOU MOST PROUD? PROVINCE
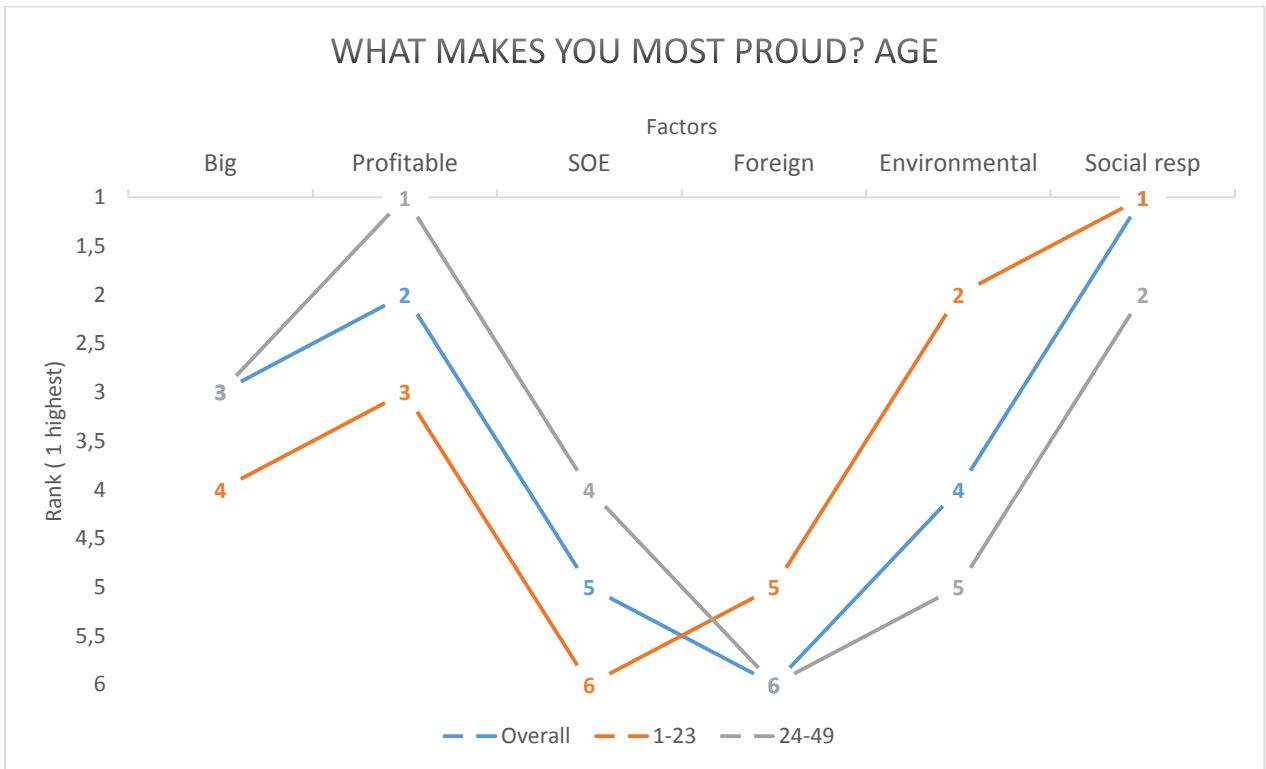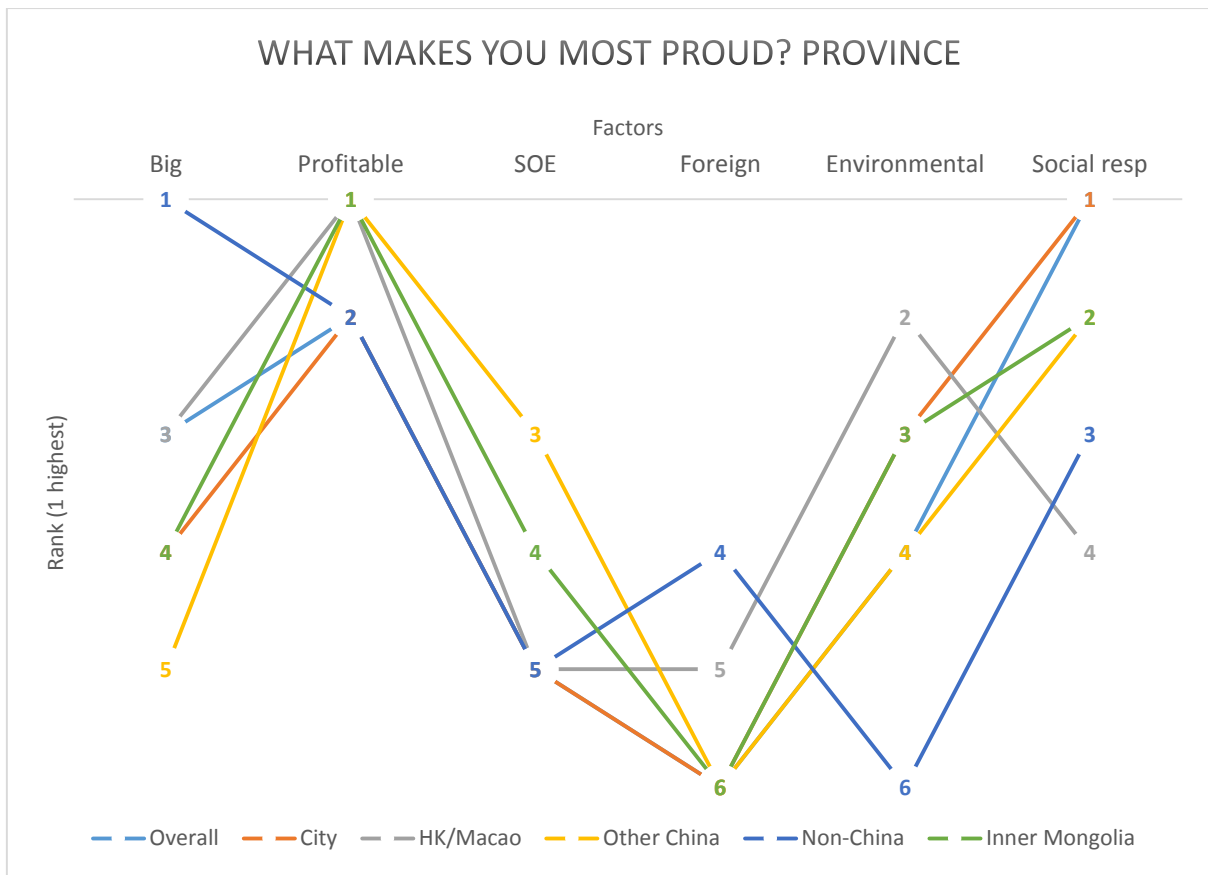
WHAT MAKES YOU PROUD? OCCUPATION
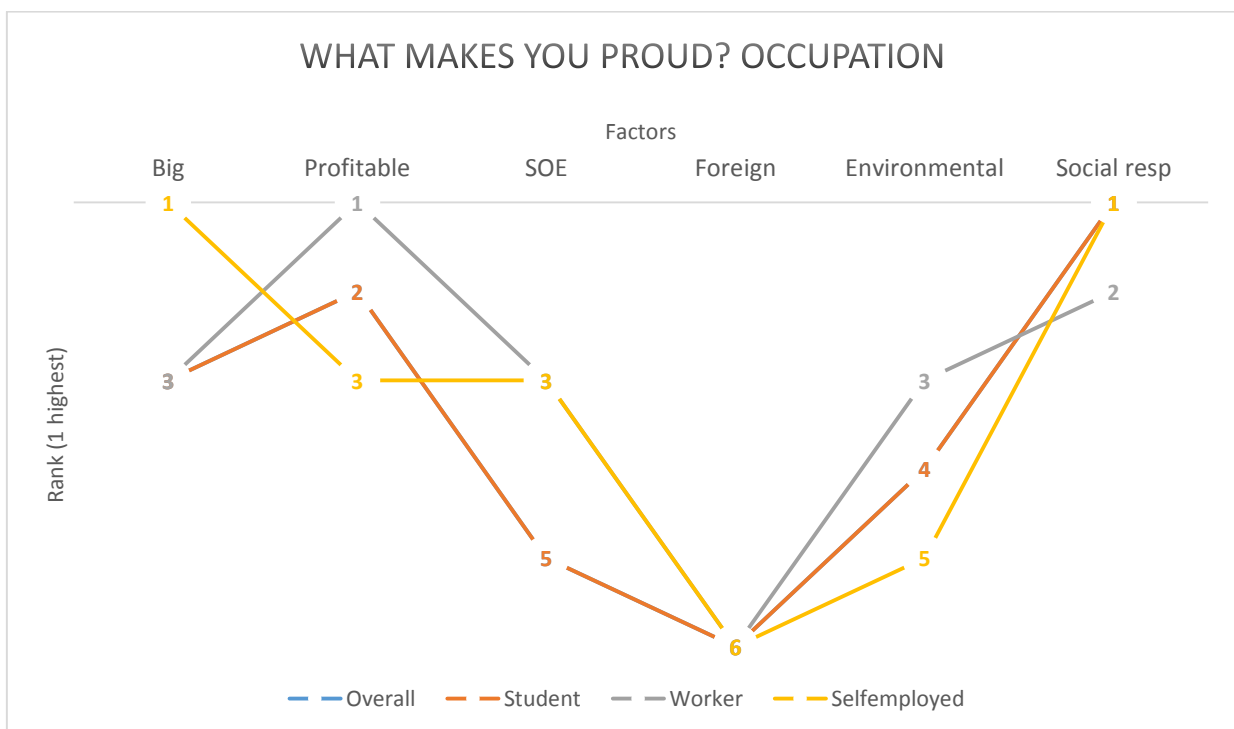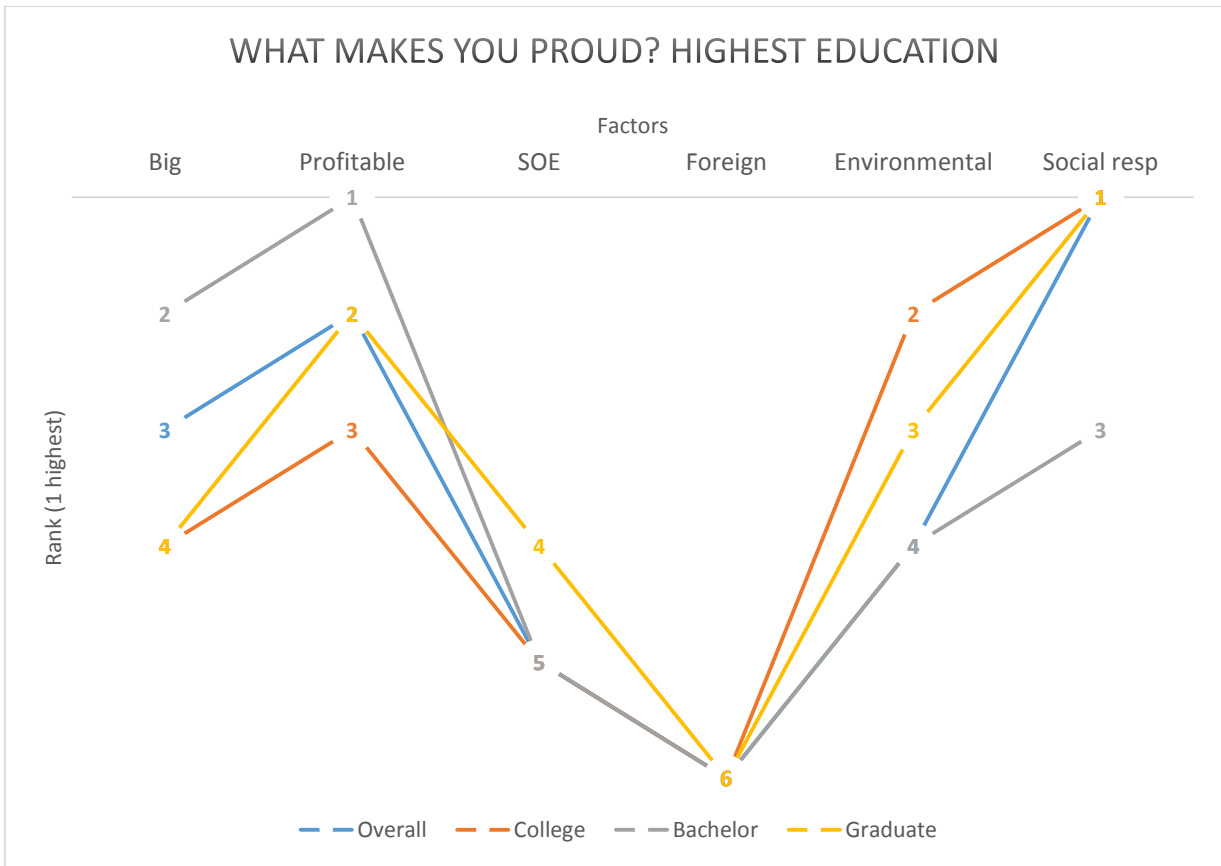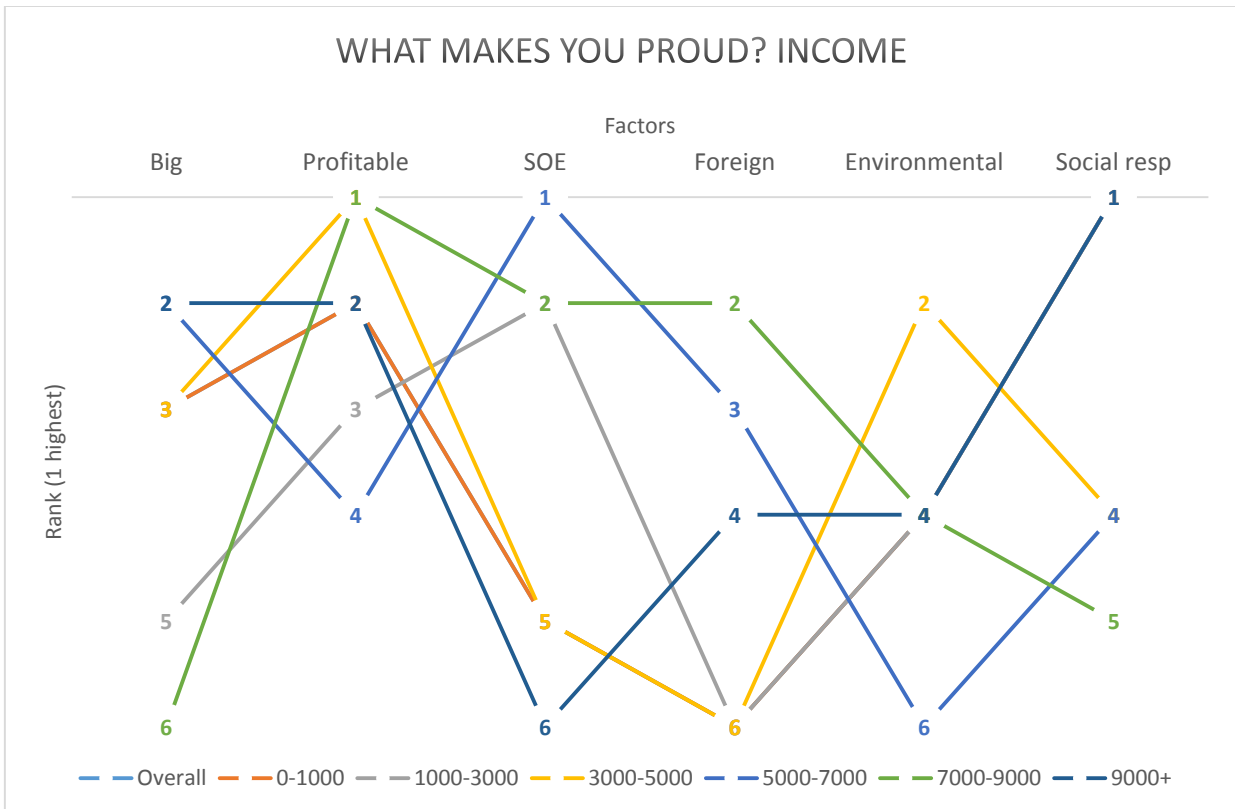
Table 27: Appendix D7 - Graph: Motivation & Gender

WHAT IS THE MOST IMPORTANT FACTOR? GENDER

Factors

Rank (1 highest)

Legend: Overall, Male, Female
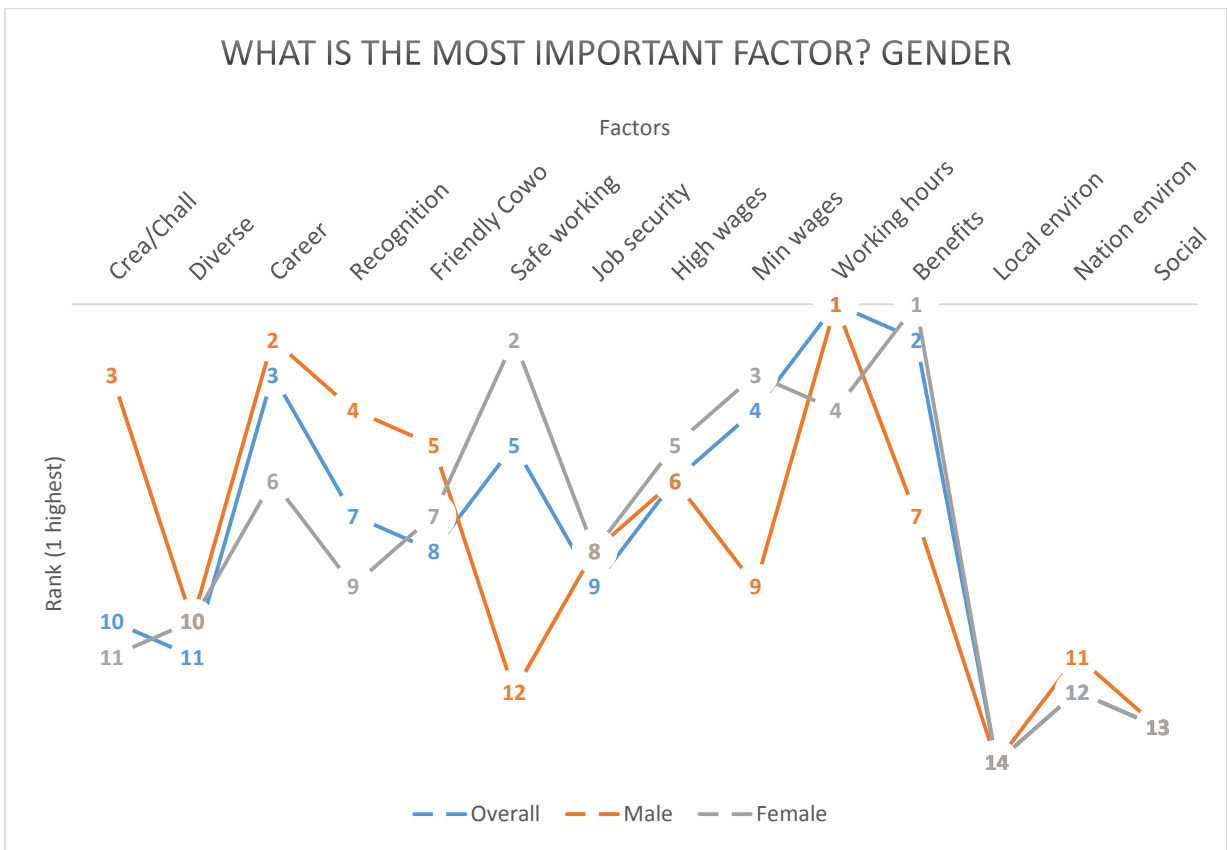
Table 28: Appendix D8 - Graph: Motivation & Age

WHAT IS THE MOST IMPORTANT FACTOR? AGE

Factors

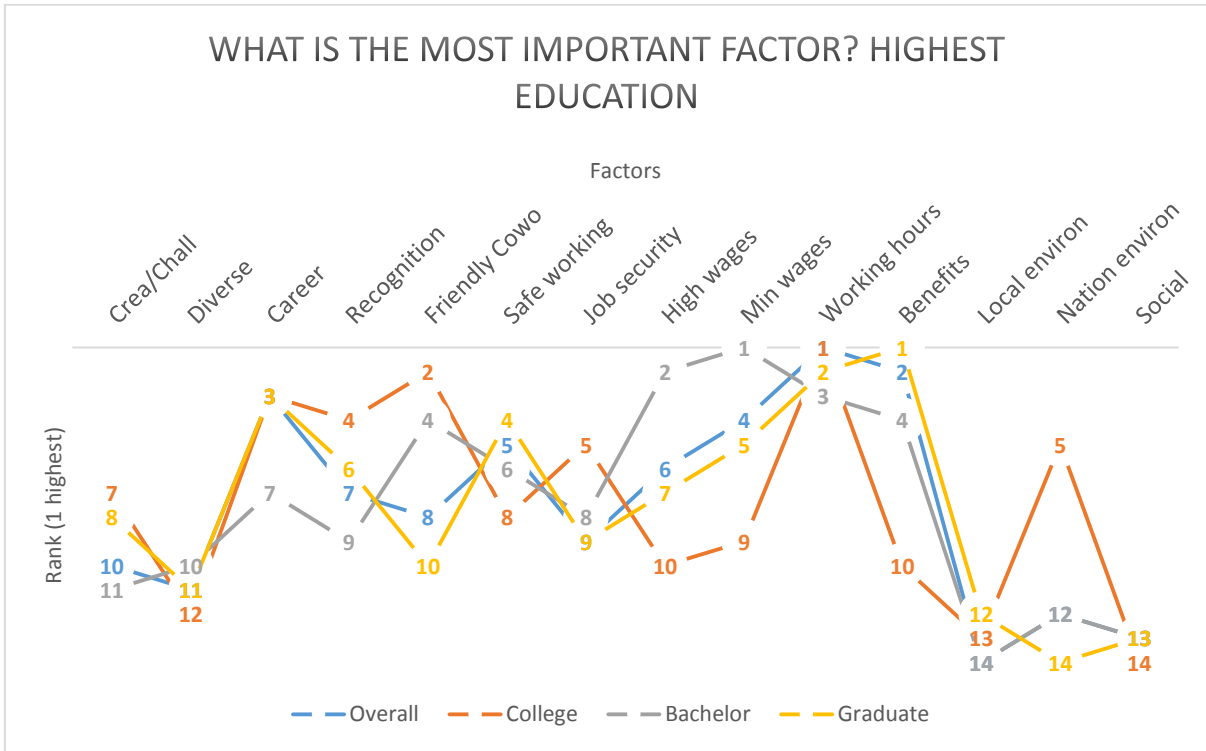Rank (1 highest)

Legend: Overall, 1-23, 24-49
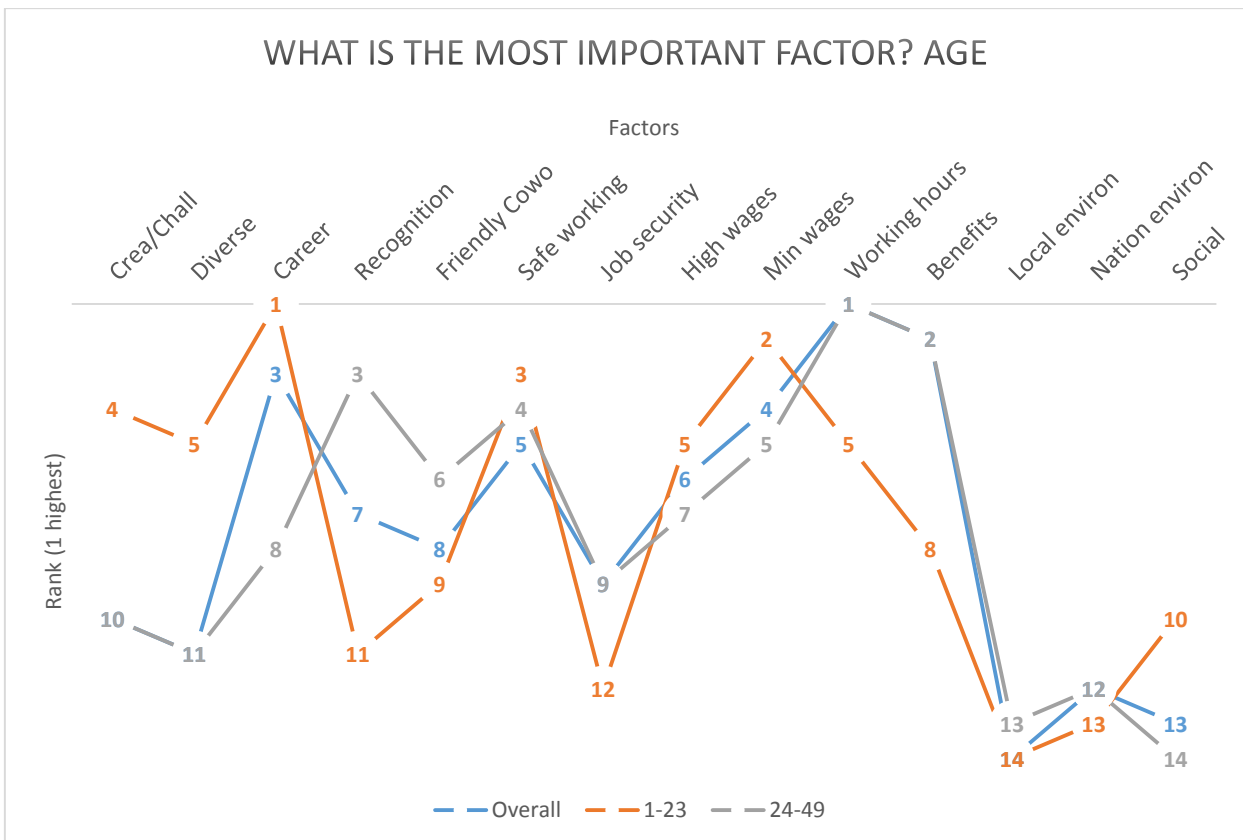
WHAT IS THE MOST IMPORTANT FACTOR? PROVINCE
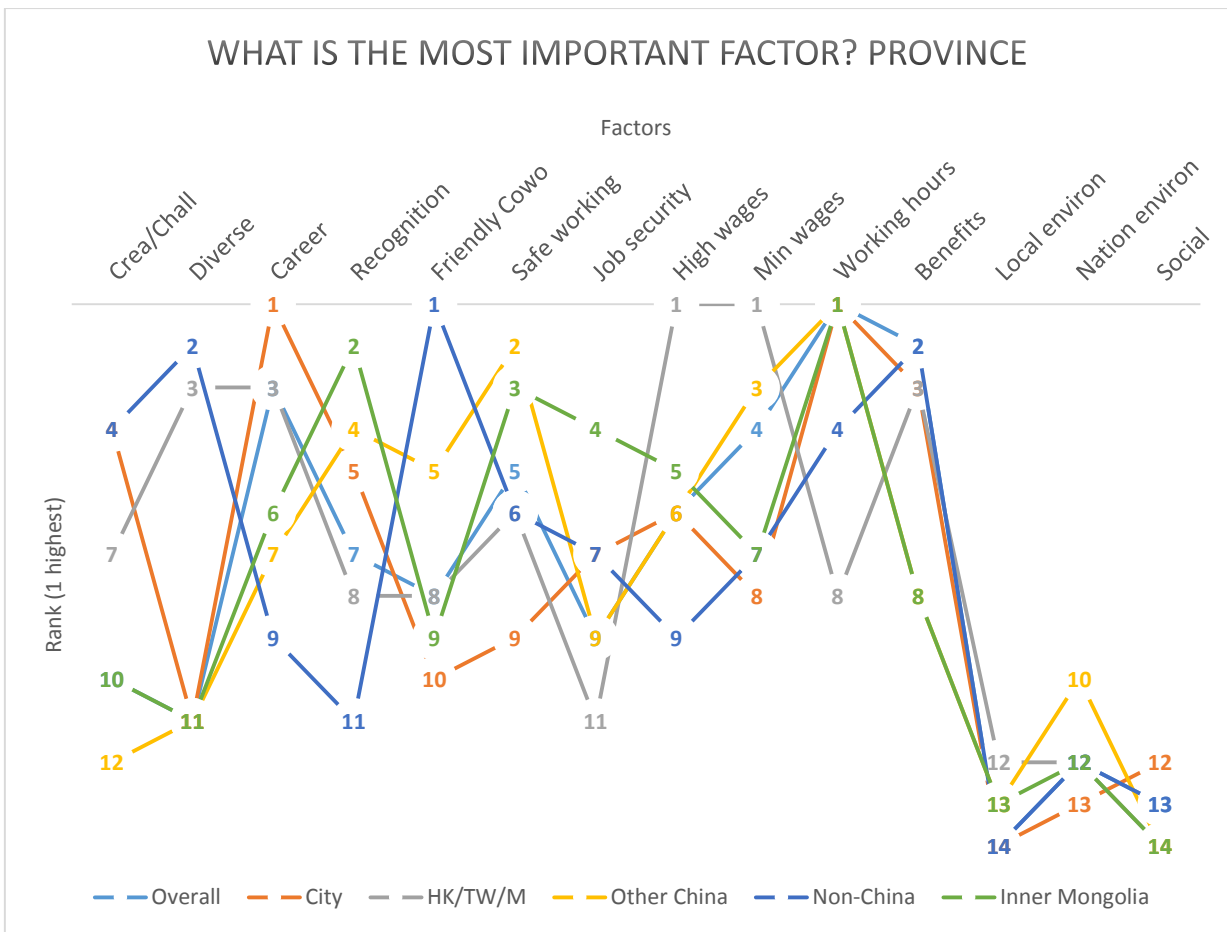
Table 30: Appendix D10 - Graph: Motivation & Occupation

WHAT IS THE MOST IMPORTANT FACTOR? OCCUPATION

WHAT IS THE MOST IMPORTANT FACTOR? HIGHEST EDUCATION

WHAT IS THE MOST IMPORTANT FACTOR? INCOME