BALL STATE UNIVERSITY

A CONTENT ANALYSIS OF CORPORATE SOCIAL RESPONSIBILITY REPORTED IN
THE CORPORATE WEB SITES OF THE FORTUNE GLOBAL 500, TOP 50 ASIAN
COMPANIES

RESEARCH PAPER
SUBMITTED TO THE GRADUATE SCHOOL
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This study analyzes websites of Fortune Global 50 leading Asian corporations to examine the current status of corporate social responsibility communication as reported in their Web pages. Furthermore, analysis of sample of 50 corporations provides the structure of web communication and the specific issues in which companies aim to take part or whether there is difference depending on their country or industry.

The main objective of this study is to investigate how the world’s leading Asian companies use the corporate Website as a tool of communication for corporate social responsibility. The combination of CSR and corporate Web site is investigated in this study through a content analysis of the corporate Web sites by the top 50 Asian corporations in seven countries: China, India, Japan, Malaysia, South Korea, Taiwan, and Thailand of Fortune 500 Global ranking 2009.

To understand CSR activities in the corporate Web sites in each company, this research will look at how companies involve with CSR in terms of three legitimacy theories and three
types of legitimacy: pragmatic legitimacy, moral legitimacy, and cognitive legitimacy by examining legitimacy theory.
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CHAPTER I
INTRODUCTION

In recent years, the need for the proactive and transparent communication about corporate social responsibility is widely acknowledged among the world’s leading corporations. Corporate social responsibility (CSR) also has been investigated by numerous researchers in the past decade. Javalgi et. al. (1994) highlighted that CSR helps increase the reputations of businesses and potentially result in greater profits while also helping society through the support of worthy causes.

Since corporations have acknowledged the impact that corporate citizenship can have on their image and sales, they have begun to disclose their efforts on their Web sites. Thus, it is true that the corporate Web site has become an image management tool used to disseminate information to publics, especially CSR information. Corporate Web sites have long been used as an image management tool, and companies are now promoting their CSR efforts to be reviewed as socially responsible by stakeholders who view their site (Esrock and Leichty 1998).

Today’s corporate responsibility has become a prominent issue globally and business leaders understand that a positive reputation is important to their business success because a company’s reputation directly affects its ability to sell products and services, maintain customers and investors, and hire talented staff. Thus, businesses may spend millions of dollars on
participating in many types of social responsibility activities from involving community relations to supporting environmental friendly planning in order to look better as good corporate citizens.

The main objective of this study is to investigate how the world’s leading Asian based companies use the corporate Web site as a tool of communication for corporate social responsibility. Thus, the combination of CSR and the corporate Web site are investigated in this study through a content analysis of the corporate Web sites of companies by the top 50 Asian corporations in seven countries: China, India, Japan, Malaysia, South Korea, Taiwan, and Thailand, according to the Fortune 500 Global ranking 2009.

This study will analyze websites of Fortune magazine’s Global 50 leading Asian corporations to examine the current status of corporate social responsibility communication as reported in their Web pages. Furthermore, analysis of sample corporations provides the structure of web communication and the specific issues in which companies aim to take part.
CHAPTER II

LITERATURE REVIEW

*Corporate Social Responsibility*

Today’s global corporations understand that a positive reputation is important to its business success. A corporation’s reputation affects its ability to sell products and services, maintain and obtain customers, and attract investors and its stakeholders. Therefore, global corporations spend millions of dollars each year on contribution in order to be seen as good corporate citizens because of these reasons. Corporations participate in many types of social responsibility activities, from supporting community education development to promote community relations to involving environmental friendly program to manage environmental impact.

Attributing to corporate social responsibility is showed with many different ways to attract their stakeholders and publics. Therefore, companies and organizations typically describe them as a good corporate citizen with this statement by disseminating CSR report.

Corporate Social Responsibility (CSR) is in the best long-term interest of the business to become involved in and to promote and improve the communities in which it does its business. It has been investigated by numerous researchers in the past decade. There are many concepts of social responsibility and some focus on ethical and philanthropic perspective in defining social
responsibility. The proposed definition of CSR is based on the concept developed in North America.

Davis and Blomstrom (1975) defined that corporate social responsibility takes action as the managerial obligation to protect and improve both the welfare of society and the interest of organizations. Strand (1983) described social responsibility as four concepts; the cultural and economic environment; material, social, and psychological experience of constituents; social demands and exceptions placed on organizations; and the environmental texture of organizations. Carroll (1991) also brought the four concepts of corporate social responsibility and the concept of CSR is explained as corporate engagement in social behavior responsibly and social behavior is involved with the economic, ethical, philanthropic, and legal expectations of society. According to Kelly (2001), social responsibility means that organizations act as good citizens and it is presented in that organizations are interdependent with people and other organizations in their environment.

Hopkins (2003) describes the definition of corporate social responsibility as:

CSR is concerned with treating the stakeholders of the firm ethically or in a responsible manner. Ethically or responsible means treating stakeholders in a manner deemed acceptable in civilized societies. Social includes economic and environmental responsibility. Stakeholders exist both within a firm and outside. The wider aim of social responsibility is to create higher and higher standards of living, while preserving the profitability of the corporation, for peoples both within and outside the corporation. (15-16)

Davidson (1994) defines social responsibility as “responsible action that organization takes advantage of opportunity from the society in general”. This fits into four categories of social responsibility; maintaining community relations through charitable activities and financial support; contributing to humanistic efforts such as equality in the workplace; expressing
environmental obligations that affect air and water; and giving a priority to customers with fair pricing and safety issues.

The roles and responsibilities of business in society are being defined more broadly by an expanding range of stakeholders. The form of corporate giving as a company policy is very unique and mutually beneficial for corporations and communities that they serve. The new role of private sector is not only a philanthropic gesture but it also is a good business strategy. The concept of corporate giving has evolved as a business strategy as well as a social necessity.

The Role of the corporate Web site on CSR Reporting

In recent years, the Internet has become an essential tool of CSR communication via the corporate Web site. For corporate communications, not only has the Internet offered lots of possibilities to companies but also has remarkably changed the way in which corporations communicate with their audiences by disseminating information efficiently and easy-to-update, especially their CSR communication. With the idea of disseminating its CSR information via the corporate Web site, it is obvious that companies and organizations easily approach and obtain its corporate reputation as a corporate citizen.

Esrock and Leichty (1998) believe that corporations and organizations can communicate its corporate social responsibility by utilizing the Internet networks. In addition, they mention that Web pages help companies and organizations to self-present with several attractive features:
They tend to serve audiences that are more active in how they seek and process information than the more passive publics who are reached via traditional mass media. One can also design messages that are unencumbered by temporal restrictions or the dictates of gatekeepers in print and electronic journalism. Hence, WWW pages offer corporations as opportunity to participate in “setting the agenda” on public policy issues. Web sites can also employ interactive features to collect information, monitor public opinion on issues, and proactively engage citizens in direct dialogue about a variety of matters. (306)

Esrock and Leichty (1998) found that 90% of Fortune 500 corporations have online Web site and these corporations significantly use the media as interactive tool in which to market and sell products and services. Unlike traditional mass media channels, it is obvious that the interactive functions of the Internet and the Web have multiple purposes to reach different stakeholders and distinguish from traditional mass media as communication tool for companies and organizations. Corporate public relations practitioners can proactively use not only to disseminate its information about CSR but also monitor its publics’ reaction or opinion and their interests through online-feedback.

Companies have their own unique set of corporate responsibility issues depending on the type of business it is as well as its location, size, and other factors like its status of business between national or multinational. Therefore, these factors affect to distinguish a company’s report as it communicates performance on the economic, environmental, and social issues that concern them (The KPMG International Survey of Corporate Responsibility Reporting 2008).

Moreover, the KPMG 2008 international survey shows that corporate responsibility reporting has moved mainstream. Nearly 80% of the largest 250 world leading companies issued reports in comparison to the result of the survey in 2005. Furthermore, the survey indicates that code of conduct or ethics in relations to corporate governance and supply chain were the main
topics in corporate responsibility reporting in 2008 as well climate change has emerged as one of the most important and urgent corporate responsibility issues.

Weber (1996) studied how corporations are using Web sites in terms of social responsibility standards and potential agenda-setting activity. Some assert that the Internet and the Web page will ultimately lead companies and their publics to efficient communication, and that empowered publics will increasingly demand information which is two-way communication. According to Heath and Ryan (1989), not only does the advent of the Web sites of corporations provide the information that diverse publics need in timely manner, but also when corporations’ good citizenship activities are disseminated, the Web sites becomes an important tool of an image building approach to social responsibility. This is why improving a company’s reputation and giving the public a positive image by doing good corporate social responsibility are becoming the main objectives of corporations. Golob and Bartlett (2007) found that reporting on the corporate social responsibility forms an integral part of communication with stakeholders and disclosing transparency and relevant information about corporate sustainability can have benefits for stakeholders, its society, and itself.

Hooghiemstra (2000) studied why corporations pay more attention to corporate social reporting than another and indicated that companies use four strategies to respond to their public by reporting corporate social responsibility; inform stakeholders about the intentions of the company to enhance its social performance; try to influence stakeholders’ perceptions concerning certain (negative) events; but without changing actual behavior; distract attention away from the legitimacy threatening event by emphasizing more positive actions which are not necessarily have to be related; and try to influence external or stakeholder’s expectations about is behavior.
Esrock and Leichty (2000) claim that some public relations practitioners and scholars assess the Internet and the Web pages as one more channel for communication with its publics. With the corporations’ ability of using the Web sites to communicate with their publics and provide information directly to their audience without having the gatekeepers of the news media, the corporate Web site could be used to express the organizations’ position on policy issues.

Legitimacy Theory

A large amount of research has demonstrated the importance of legitimacy for the success of both individual organizations and the industries because legitimacy theory is primarily contribute to effectiveness and relevancy of CSR. Thus, the issue of legitimacy has been taken for granted in business. Oliver (1992) believes the loss of legitimacy in organization can aggravate the long-term management and relationship of corporation so that organizations and business leaders should exert themselves to preserve legitimacy as one of the most important tasks of business.

Over the years, social scientists have offered a number of definitions of legitimacy. Legitimacy has been defined as the “Generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions” (Suchman 1995, 574). According to legitimacy theory, corporate social reporting is aimed at providing information that legitimizes company’s behavior by intending to influence stakeholders and eventually society’s perceptions about the company (O’Donovan, 1997). Moreover, in the business context, legitimacy helps to improve the ability of
organization to compete for resources, exert authority, and garner stakeholder approval and provide a crucial support during when organizations have crisis.

There are three different perspectives to contribute earning and sustaining legitimacy in a number of ways: institutional theory, resource dependency theory, and population ecology theory.

Meyer and Rowan (1977) stated that “institutional theory” emphasizes organizational adaptation to the socio-cultural environment. Institutional theory suggests that legitimacy is earned by adopting normative and widely endorsed organizational characteristics and sustained by conforming to culturally grounded values, customs, and practices expected from related organizational forms. In the other hand, legitimacy is potentially compromised or lost if the organization fails to shift changes, such as moral expectations, political power, new economic system, technological development in the institutional environment.

Pfeffer and Salancik (1978) adopted “resource dependency theory” and it conforms to a more strategic model that legitimacy is seen as an operational resource that organizations extract from their environments and which they employ in pursuit of their goals. According to resource dependency theory, organizations can build and preserve legitimacy by manipulating proactive efforts in order to garner societal support and by using verbal explanations to avoid blame of crisis or controversial events.

Hannan and Freeman (1977) depicted that “population ecology theory” establishes an empirical basis for legitimacy by identifying communities of organizations that engage in similar activities and observing the performance of these populations over extended periods of times. In other words, legitimacy is derived from empirical observation of population density which is the
number of formal relations between the members of a populations and key institutions in the population’s environment.

Recent research indicates that a corporate record for citizenship has become increasingly important for assessments of pragmatic legitimacy among key stakeholders groups. For example, Aguilera et. al. (2007) found that customers, employees, and other stakeholders want the organization to display environmental stewardship, promote human rights, consider the impact of corporate actions on community welfare, assist public agencies in solving social problems, and monitor social practices across the supply chain. In other words, failure of fulfilling citizenship obligation can cause withdrawal of stakeholder support and boycotts of their products and services.

Gardberg and Fombrum (2006) finally emphasize that citizenship programs are important to globalizing corporations because citizenship program and their initiatives of citizenship function help them not only to overcome barriers of nationality and building local advantage, but also build and maintain positive image and reputation as international status and they concluded that corporate citizenship is a key component of reinforcing cycle through which global companies create legitimacy.

CSR in Asia

Research indicated that there are very different levels of CSR penetration within Asian countries. In addition, it claims that there is considerable national distinctiveness in the CSR issues targeted and the modes of CSR deployed.
Chaudri and Wang (2007) supported that India has been historically dominated by a philanthropic approach consistent with the long-standing tradition of close business involvement in social development needs. Mohan (2001) noted that CSR in India is now very significantly growing to longer-term and business development initiatives. CSR reporting in India most extensively reports its practices of corporate responsibility and it is focusing on community involvement, such as education, training, health, and disability. In addition, production processes and environmental responsibility are also much focused. According to Chaudri and Wang (2007), companies in India clearly realize the need and importance of presenting their social engagements in a prominent manner.

Chambers et. al. (2003) found that South Korea is ranked second in penetration of CSR and the community involvement, environmental issue and education were the main contents of CSR activities. Recent surveys in the KPMG *International Survey of Corporate Responsibility Reporting 2008* shows that there is growing awareness of the importance of corporate social responsibility reporting in South Korea. With the growing perspective and expectation of corporate responsibility reporting, CSR reporting is considered itself as a “must”, not an “option”, in corporate management (The KPMG *International Survey of Corporate Responsibility Reporting 2008*).

Thomson and Zakaria (2004) found that a strong role from the government in Thailand is required in order to improve environmental disclosure and that a more thorough understanding of the relationship between corporate environmental responsibility and corporate financial performance needs to be made. Thailand focused on the issue of environmental and arts.
Otherwise, Malaysia had substantial interests of production process as well as environmental issue (Chambers, Chapple, Moon, & Sullivan 2003). Thomson and Zakaria (2004) also found that Malaysian companies make most disclosure on employees and human resources, products and consumers, and community involvement in order, but environmental issue is very low interests in Malaysia. Malaysia has exceeded the standard of corporate governance and transparency in an attempt to progress into a developed county. Ahmad and Rahim (2003) found factors that could contribute to the growing report of CSR in Malaysia, for instance, development and economic affluence, higher level of education, active non-governmental organizations, and stiffer competition.

Public relations in Taiwan was first used during the nation building phase (1945-1978), and the Public Relations Foundation was founded in 1956; however, most Taiwanese did not understand what public relations was and how it would benefit organizations. Smith (1994) pointed out a corporate-giving strategy in Taiwan that helped the company bypass international companies.

According to the KPMG International Survey of Corporate Responsibility Reporting 2008, companies in Japan are particularly aware of corporate responsibility and corporate social reporting is an expected practice of any national or multinational company in Japan. This survey indicates that corporate responsibility in Japan is deemed as a key issue for shareholders, investors, and other stakeholders. (The KPMG International Survey of Corporate Responsibility Reporting 2008). Lewin et. al. (1995) found that Japanese companies were highly aware of CSR and use cultural mechanisms, such as philosophy and guiding principles to address such issues. Wokutch and Shepard (1999) discussed that Japanese companies follow moral values, but only
within carefully circumscribed communities or interest, that is, excluding minorities, foreigners, and various other individuals on the fringes of Japanese society.

The past research provides that community involvement of CSR activities in Asia were engaged in the philanthropic issues, such as community partnerships, volunteering, and foundations. There were no significant links or relationships in the assumption that the relationship between the importance of national level of GNP per capita and a higher level of wealth would reflect relatively greater resources that could be reinvented in the society through CSR (Chambers, Chapple, Moon, & Sullivan 2003).

Chambers et. al. (2003) found that there was no similarity among Asian countries because they have different national systems of business society relations. In addition, CSR in Asia lags behind that in the Western countries. Kemp (2001) stated that many developing countries have numerous obstacles to achieve corporate responsibility because the institutions, standards, and systems are relatively weak compared to the Western countries. CSR is usually considered as a function of economic wealth but Asian countries have been associated with lower levels of economic wealth and system than western systems. As a result, western governance is more developed and thus encourages greater CSR than in Asia.

The following research questions have been developed:

RQ1: To what extent do businesses in Asia discuss CSR in their Web sites?

RQ 2: Which managerial CSR processes companies in Asia concentrate on their business and their corporate Web site?
RQ3: Which stakeholder issues are presented by businesses in Asia as the main targets of their CSR practices?

RQ 4: To what extent do businesses by industry in Asia CSR in their Web sites?

RQ5: Which responsibility is introduced by businesses in Asia as CSR initiatives based on information found on their Web sites? (Based on Carroll’s 1991 study)
CHAPTER III
METHODOLOGY

Content Analysis

The research method used for this study is a content analysis. Content analysis is an appropriate method for this research because it is used to study and analyze communication in a systematic, objective, and qualitative manner for the purpose of measuring variables. “A content analysis is an observational research method that is used to systematically evaluate the symbolic content of all forms of recorded communication”. (Kolbe and Burnett, 1991) The use of content analysis includes describing communication content, testing hypotheses of message characteristics, and comparing media content to the real world (Wimmer and Dominick 2006).

Content analysis allows for unobtrusive appraisal of communications. This unobtrusiveness is particularly valuable in situations in which direct methods of inquiry might yield bias responses. Second, content analysis can assess the effects of environmental variables (e.g., regulatory, economic, and cultural) and source characteristics (attractiveness, credibility, and likeability) on message content, in addition to the effects (cognitive, affective, and behavioral) of different kinds of message content on receiver response. Content analysis provides an empirical starting point for generating new research evidence about nature and effect of specific communication. Further, content analysis has potential as a companion research method in multi method studies. (Kolbe and Burnett, 1991, 244)

This study focuses on issues related to the corporate Web site for corporate social responsibility. The Top 50 Asian companies with corporate Web sites in each of the seven Asian countries were chosen by the Fortune magazine Global 500 ranking 2009 and analyzed. The
Web sites of each company were examined for any CSR activities. The CSR of these companies was classified in various ways. In addition to the above, CSR content of the Web sites was coded for the motivating principles behind the CSR efforts and their type of CSR processes in which the company participated. To analyze this, statements from the CSR pages of each Web site are categorized by principles motivating CSR which are taken from Maignan and Ralston’s 2002 study.

These are the principles and examples of principles motivating CSR which is studied from Maignan and Ralston (2002):

1) Value-driven CSR: CSR is presented as being part of the company’s culture, or as an expression of its core values.

   Example: Canon aims realize a society that promotes both enriched lifestyles and global environment. (http://www.canon.com/environment)

2) Performance-driven CSR: CSR is introduced as a part of the company’s economic mission, as an instrument to improve its financial performance and competitive posture.

   Example: Some of our contributions are financial in nature, but we also aim to go beyond this by making full use of the resources built up through our business activities, such as our expertise and our facilities, to carry out sustainable activities. (http://www.nissan-global.com/EN/CITIZENSHIP/POLICY/)

3) Stakeholder-driven CSR: CSR is presented as a response to the pressures and scrutiny of one or more stakeholder groups, or as a way to benefit one or more stakeholder groups.

   Example: POSCO integrated its diversified efforts for win-win cooperation between large enterprises and smaller companies into the company-wide system while it established Inter-corporate Coordination in charge of support for the SMEs in order to strengthen the future partnership with the SMEs. (http://www.posco.com/homepage/docs/eng/html/sustain/social/s91d2050130c.html)
A value-driven CSR principle serves as a mission or guideline for corporations to be self-motivated in becoming a good corporate citizen. Value-driven principles also place CSR as one of the company’s core values and cultures.

Performance-driven CSR is similar to the utilitarian perspective, where CSR is used to help achieve profitability, return on investment, or sales volume. This principle directs CSR initiatives to be integrated into the corporations’ economic mission as a means to improve financial performance.

Stakeholder-driven CSR leads corporations to implement CSR activities as a result of pressures from stakeholder groups. This principle is viewed as a negative obligation because companies take a reactive role in responding to communities needs.

In the formal research, while Wood (1991) described CSR processes in terms of environmental management, issues management, and stakeholder management, the process in this research is using the categories which was also used in Maignan and Ralston’s 2002 study in Europe and the U.S. The categorization follows:

**CSR Processes**

1) *Philanthropic programs*: The Company presents a formalized philanthropy program made of a clear mission and application procedures to allocate donations and grants.

   Example: *Since 1991, Toyota has contributed more than $464 million to philanthropic programs in the U.S.* ([http://www.toyota.com/about/philanthropy/](http://www.toyota.com/about/philanthropy/))

2) *Sponsorship*: The Company introduces sponsorships as a type of responsibility initiative aimed at providing assistance either financial or in-kind to a cause or charity.

   Example: *Sony Pictures Entertainment Inc. has donated Sony electronics equipment to the Sony Pictures Media Arts Program (SPMAP), a program of the City of Los Angeles Department of Cultural Affairs in partnership with the California Institute of the Arts*
(CAL ARTS) Community Arts Partnership (CAP) and Sony Pictures Entertainments Inc. (http://www.sony.com/SCA/philanthropy.shtml)

3) **Volunteerism:** The Company presents programs that allow employees to work for a good cause during paid working hours.

Example: *The LG Welfare Foundation conducted social volunteer services in Vietnam, improving school environments for physically disabled people and providing occupational education for them.* (http://lg.com/about/social/philanthropy.jsp?section=objc_social&from=main)

4) **Code of ethics:** The Company discusses the content and/or implementation of a code of ethics or conduct.

Example: *In January 2006, ‘Code of Conduct’ and ‘Business Conduct Guideline’ were amended to coherently reflect mission, our value, and SK-way to achieve our value of SK.* (http://www.sk.com/happycontribution/about/about.asp)

5) **Quality programs:** The Company describes a formal product/service quality program as a form of responsibility initiative.

Example: *Nissan’s philosophy toward the environment, “Seeking a symbiosis of people, vehicles and nature,” describes our ideal for a sustainable mobile society, now and in the future. We launched the Nissan Green Program with specific objectives to realize this goal, and we are pursuing it energetically.* (http://www.nissanusa.com/about/green-program/index.html)

6) **Health and Safety programs:** The Company introduces formal health and safety programs aimed at one or more stakeholder groups as a form of responsibility initiative.

Example: *For worker’s safety and health, our business partners shall provide a hygienic and functional workplace environment and ensure that hygienic restrooms and drinking water is available for workers.* (http://www.7andi.com/en/csr/fair-trade.html)

7) **Management of environmental impacts:** The Company discusses activities aimed at diminishing the negative impact of productive activities on the natural environment.

Example: *Toshiba strives to create environmentally conscious products (ECPs) with minimal environmental impact throughout their lifecycles.* (http://www.toshiba.com/csrpub/jsp/home/SResponsibility.jsp)
The coding scheme used in this study was patterned after Maigan and Ralston’s study (2002). Three categories of conceptualization of CSR-motivating principles, processes, and stakeholder issues were examined. CSR principles were observed on an “about us” page or on the main web page of corporate social responsibility information. CSR principles were coded from the company’s mission statements or an introduction paragraph of a corporate social responsibility page.

CSR processes were categorized into seven categories: philanthropic programs, sponsorship, volunteerism, and code of ethics, quality programs, health and safety programs, and management of environment impacts. CSR processes were also observed on the “about us” page or on a main web page of CSR. The difference between CSR processes and CSR issues was the length of explanation on the topics. For example, when a company includes a brief discussion on environment, it would be counted as environment protection under CSR issues, but when a company deliberately explained the position and process in detail, the message would be counted as management of environment impacts under the CSR processes.

CSR issues were classified into five stakeholder groups: community, customer, employee, shareholder, and supplier. The community stakeholder was divided into arts and culture, education, quality of life, safety, and protection of environment. Customer stakeholders were divided into product and service quality and safety and employee stakeholders were divided into equal opportunity and health and safety issues. CSR issues were mainly observed from the corporate social responsibility page.

In addition to the above, the categories of the stakeholder issue discussed in each Web site were defined as follows:
Community Stakeholders

1) *Arts and culture*: The company discusses its support of organizations, activities, actors, and objects linked to the arts or the national culture.

2) *Education*: The company presents its support of activities aimed at improving educational opportunities and the quality of the education received by populations outside the firm.

3) *Quality of life*: The company expresses its dedication to improving the quality of life and well-being of the communities in which the firm operates, or of society as a whole.

4) *Safety*: The company displays concern for the safety of the persons in the communities surrounding its productive operations.

5) *Protection of the environment*: The company show concern for the preservation of the natural environment either in general or in the communities where the firm operates.

Customer Stakeholders

1) *Quality*: The company presents the achievement of high product/service quality as a part of its commitment to social responsibility.

2) *Safety*: The company displays concern for the safety of its customers in relations with its production activities or product/services.

Employee Stakeholders

1) *Equal Opportunity*: The company expresses its commitment to giving the same chances in recruitment and promotion to all employees regardless of race, gender, age, or handicap.

2) *Health and Safety*: The company expresses its concern for protecting the safety of employees in the working along with their overall health level.

Shareholders
The company expresses its commitment to the involvement of stakeholders in corporate governance and/or to the proper information of shareholders.

- Suppliers

The company expresses its dedication to giving equal opportunities to suppliers in terms of gender, race, and size, and/or to assuring suppliers’ safety.

Maignan and Ralston (2002) found that the quality of life and education were the two issues the most mentioned by U.S. firms and the protection of the environment was the issue by far most mentioned by European companies. Thus, these three stakeholder issues help this research to demonstrate whether there are differences among stakeholder issues in 50 different companies in seven Asian countries. In addition, the industries where the companies operated were classified into the following categories: petroleum refining, electronics and computers, insurance and bank, trading, utilities and material, automobile, and food and drug.

The study performs a content analysis of corporate Web sites to assess how CSR was discussed on their Web sites. Fifty of corporate Web sites, 12 from China, 28 from Japan, six from South Korea, and one each from India, Thailand, Taiwan, and Malaysia, were analyzed. These company lists were obtained by the Fortune magazine Global 500- Asian 50 companies. To code this, the researcher pulled statements from the CSR pages of each Web site and categorized them by company for the coder to analyze. Every word of CSR related page was read and coded.
CHAPTER IV

FINDINGS

The Web sites of the 50 companies in Asia were coded for CSR principles, CSR processes used, and CSR issues presented by each of web sites of corporations. Research question (RQ) 1 asked to what extent companies in Asia discussed messages about their corporate social responsibility activities on their Web sites. To assess that, the coder looked at the link of “about us” and “company information”. In addition, CSR report and the link of corporate social responsibility on the corporate Web sites are coded. Research question was assessed by counting the total number of contents which are related to each of principle, process, and stakeholder issue. All of 50 companies in 7 countries discussed about at least one CSR principles. The analysis shows that most of companies have two CSR principles in their Web sites.

Japanese companies used 63 principles in total, 15 principles in Chinese and South Korean companies, and 8 principles in others which are included Hong Kong, Taiwan, Thailand, Malaysia, and India in the Fortune magazine Global 500 Asia Ranking in 2009.
Table 4.1. Principles Motivating CSR by Country

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</tbody>
</table>

In this study, the stakeholder-driven approach is the most preferred principle among the categories except in China. In addition, no significance difference between the value-driven and the performance-driven among these countries.

Research question (RQ) 2 asked, “Which managerial CSR processes companies in Asia concentrate on their business and their corporate Web sites?” To assess this research question, the coder looked at their CSR report and their disclosed corporate social responsibility information on their Web sites. As Table 2 shows, management of environmental impact in the categories of CSR processes were the most discussed process in 50 companies in seven countries. Moreover, philanthropic programs were more likely mentioned in each company and sponsorships and volunteer programs were mentioned together almost all companies. Code of ethics or conducts was found in every seven country but not all companies. While four out of six companies had code of ethics or conducts on their Web sites in South Korea, code of ethics was the least mentioned CSR process compared to other processes in Japanese and Chinese companies. In all seven countries, quality, health and safety programs were found in common.
Table 4.2. CSR Processes by Country

<table>
<thead>
<tr>
<th></th>
<th>Japan</th>
<th>China</th>
<th>South Korea</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Companies</td>
<td>28</td>
<td>11</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>Philanthropic programs</td>
<td>21</td>
<td>5</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>Sponsorships</td>
<td>19</td>
<td>6</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Volunteerism</td>
<td>21</td>
<td>6</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Code of ethics</td>
<td>16</td>
<td>3</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Quality program</td>
<td>17</td>
<td>6</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Health and safety program</td>
<td>20</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Management of environment impact</td>
<td>24</td>
<td>6</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Total</td>
<td>121</td>
<td>35</td>
<td>32</td>
<td>25</td>
</tr>
</tbody>
</table>

Research question (RQ) 3 asked which stakeholder issues were presented by businesses in Asia as the main targets of their CSR practices and it showed that different countries and industries focused on different CSR issues. The coder classified by each of stakeholder: community, customer, employee, shareholder, and supplier. Community stakeholder issue was the most mentioned issue on the corporate Web sites in 50 companies. In community stakeholder issue, 50 companies demonstrated their most focused commitment is quality of life and environment issue. In addition, their commitment to the arts and culture was also most likely discussed on their Web sites. All of 50 companies in seven countries focused on both quality and safety issue of customer stakeholders and equal opportunity and health and safety issues of employee stakeholder were mentioned very highly in seven countries. In China, only one out of total eleven companies discussed supplier. In contrast, Japan and South Korea has made an outstanding commitment to supplier and shareholder stakeholders, compared to total number of companies.
Table 4.3. CSR Issues Categorized by Stakeholder Groups

<table>
<thead>
<tr>
<th></th>
<th>Japan</th>
<th>China</th>
<th>South Korea</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Community Stakeholders</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Arts and culture</td>
<td>21</td>
<td>5</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>- Quality of life</td>
<td>25</td>
<td>7</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>- Safety</td>
<td>19</td>
<td>4</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>- Environment</td>
<td>27</td>
<td>7</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td><strong>Customer Stakeholders</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Quality</td>
<td>19</td>
<td>6</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>- Safety</td>
<td>14</td>
<td>2</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td><strong>Employee Stakeholders</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Equal opportunity</td>
<td>21</td>
<td>4</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>- Health and safety</td>
<td>22</td>
<td>4</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td><strong>Shareholders</strong></td>
<td>21</td>
<td>4</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td><strong>Suppliers</strong></td>
<td>18</td>
<td>1</td>
<td>4</td>
<td>2</td>
</tr>
</tbody>
</table>

Research question (RQ) 4 asked, to *what extent companies by industry in Asia discussed messages to demonstrate their corporate social responsibility commitment on their Web sites*. To assess this, the coder classified by industry: petroleum refining, electronics and computer, insurance and bank, trading, utilities, and material, automobile, and food and drug industry, to look at their CSR principles, CSR processes, and stakeholder issues. Among six industry categorization, stakeholder-driven CSR principle is the most preferred principle among six industries.
Table 4.4. Principles Motivating CSR by Industry

<table>
<thead>
<tr>
<th></th>
<th>Petroleum Refining</th>
<th>Electronics/Computer</th>
<th>Insurance/Bank</th>
<th>Trading, Utilities/Material</th>
<th>Automobile</th>
<th>Food/Drug</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Companies</td>
<td>8</td>
<td>13</td>
<td>7</td>
<td>10</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Value-driven</td>
<td>5</td>
<td>10</td>
<td>3</td>
<td>6</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Performance-driven</td>
<td>5</td>
<td>9</td>
<td>4</td>
<td>8</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Stakeholder-driven</td>
<td>7</td>
<td>13</td>
<td>6</td>
<td>9</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Total Principles</td>
<td>17</td>
<td>32</td>
<td>13</td>
<td>23</td>
<td>11</td>
<td>4</td>
</tr>
</tbody>
</table>

*Six companies do not have English version of CSR information on the Web sites and those are not counted.

As shown in Table 4.5, management of environment impact was the most preferred CSR process among all industry, except insurance and bank industry. Philanthropic, sponsorships, and volunteerism were easily found in all industry categories. On the contrast, sponsorships and volunteerism issue were not discussed in insurance and bank industry as much as others do and code of ethics and quality program were the least mentioned CSR processes by industry. Health and safety issues were also most likely mentioned in all industries except in insurance and bank industry. Moreover, all of the categories of CSR processes were mentioned openly in automobile industry with four companies in two countries.
Table 4.5. CSR Processes by Industry

<table>
<thead>
<tr>
<th></th>
<th>Petroleum Refining</th>
<th>Electronics/Computer</th>
<th>Insurance/Bank</th>
<th>Trading, Utilities/Material</th>
<th>Automobile</th>
<th>Food/Drug</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Companies</td>
<td>8</td>
<td>13</td>
<td>7</td>
<td>10</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Philanthropic</td>
<td>6</td>
<td>11</td>
<td>4</td>
<td>8</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Sponsorships</td>
<td>8</td>
<td>12</td>
<td>2</td>
<td>8</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Volunteerism</td>
<td>7</td>
<td>12</td>
<td>5</td>
<td>7</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Code of ethics</td>
<td>3</td>
<td>10</td>
<td>1</td>
<td>6</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Quality program</td>
<td>6</td>
<td>8</td>
<td>5</td>
<td>5</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Health and safety</td>
<td>6</td>
<td>9</td>
<td>2</td>
<td>6</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Management of Environment impact</td>
<td>8</td>
<td>12</td>
<td>3</td>
<td>10</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>44</td>
<td>74</td>
<td>22</td>
<td>50</td>
<td>26</td>
<td>12</td>
</tr>
</tbody>
</table>

As Table 4.6 shows, environment issue in community stakeholder interests was the most discussed in the corporate Web sites in all industries. Customer’s quality was also most mentioned stakeholder issue in customer stakeholder and except insurance and bank industry, other industries highly focused on employees’ health and safety issue. The least discussed issue was equal opportunity in petroleum refining industry, but other industries discussed openly about equal opportunity.
Table 4.6. CSR Issues Categorized by Stakeholder Groups by Industry

<table>
<thead>
<tr>
<th></th>
<th>Petroleum Refining</th>
<th>Electronics/Computer</th>
<th>Insurance/Bank</th>
<th>Trading, Utilities/Material</th>
<th>Automobile</th>
<th>Food/Drug</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Community</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arts and culture</td>
<td>6</td>
<td>12</td>
<td>5</td>
<td>7</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Quality of life</td>
<td>7</td>
<td>12</td>
<td>7</td>
<td>9</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Safety</td>
<td>7</td>
<td>9</td>
<td>2</td>
<td>7</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Environment</td>
<td>7</td>
<td>13</td>
<td>7</td>
<td>10</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td><strong>Customer</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quality</td>
<td>7</td>
<td>10</td>
<td>6</td>
<td>5</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Safety</td>
<td>5</td>
<td>5</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td><strong>Employee</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equal opportunity</td>
<td>3</td>
<td>12</td>
<td>4</td>
<td>7</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Health and safety</td>
<td>7</td>
<td>12</td>
<td>3</td>
<td>7</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td><strong>Shareholders</strong></td>
<td>6</td>
<td>10</td>
<td>5</td>
<td>7</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td><strong>Suppliers</strong></td>
<td>2</td>
<td>11</td>
<td>1</td>
<td>6</td>
<td>4</td>
<td>1</td>
</tr>
</tbody>
</table>

Research question (RQ) 5 asked which responsibility by businesses in Asia as CSR initiatives based on information found on their Web sites, based on Carroll’s 1991 study. The coder categorized by economic, legal, ethical, and philanthropic components and the companies in this research were classified into by following categories: international and local companies with regional characteristic where the companies operated and by country. Generally, international business companies mentioned legal responsibilities highly and philanthropic and ethical responsibilities were also discussed on the corporate Web sites. On the other hand, local based businesses focused on economic responsibilities and ethical responsibilities were the least mentioned issue.
Table 4.7. Components of Corporate Social Responsibility (Carroll, 1991)

<table>
<thead>
<tr>
<th></th>
<th>International Companies</th>
<th>Local Companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Companies</td>
<td>15</td>
<td>29</td>
</tr>
<tr>
<td>Economic Responsibilities</td>
<td>11</td>
<td>19</td>
</tr>
<tr>
<td>Legal Responsibilities</td>
<td>14</td>
<td>17</td>
</tr>
<tr>
<td>Ethical Responsibilities</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>Philanthropic Responsibilities</td>
<td>13</td>
<td>13</td>
</tr>
</tbody>
</table>

*Six local companies were excluded due to absence of English version of CSR information.
CHAPTER V

SUMMARY AND CONCLUSION

Summary

This study analyzed corporate websites of the Fortune Global 500, leading Asian 50 companies in seven countries: China, Japan, India, Malaysia, South Korea, Thailand, and Taiwan to examine the current status of corporate social responsibility communication as reported in their corporate Web pages.

In recent years, there has been a significant increase in the number of major companies to consider their social responsibility credentials and produce Web based report to be appeared as a good corporate citizen. Furthermore, a large amount of research has demonstrated the importance of corporate social responsibility in past the decades. Companies have begun to report corporate social responsibility or sustainability report on their Web sites by using the benefits of the Internet. Shareholders and the communities demand the organization to be more socially responsible and to communicate transparently with them. Thus, more companies disclose their CSR report voluntarily to position themselves as a good corporate citizen.

This study looked at managerial approaches to CSR, especially CSR principles, CSR processes, and CSR stakeholder issues in China, Japan, India, Malaysia, South Korea, Thailand, and Taiwan. The researcher performed a content analysis of corporate Web sites to assess how
CSR was discussed on their Web sites. Fifty of corporate Web sites, 12 from China, 28 from Japan, six from South Korea, and each one from India, Thailand, Taiwan, and Malaysia, were analyzed. These company lists were obtained by the *Fortune* magazine Global 500-Asian 50 companies.

The findings show that there are no significant similarities among seven countries in terms of CSR principles. Stakeholder-driven CSR principle was the most preferred CSR principle across the seven countries, while performance-driven and value-driven were rarely used. The fifty companies in Asia mentioned similar CSR processes in the result but there is different priority in each country.

Similarities of CSR processes across the seven countries were found. Philanthropic programs, sponsorships, volunteerism, and management of environmental impact were the most mentioned issues in fifty companies in seven countries, while code of ethics was the least mentioned CSR process in the result. This research also found similarities of CSR stakeholder issues among seven countries. Environment issue and quality of life in community stakeholders were discussed by many companies in seven countries.

Moreover, the study found differences and similarities across seven countries by industry categories: petroleum refining, electronics and computer, insurance and bank, trading and utilities, automobile, and food and drug. In all industries, stakeholder-driven CSR principle was highly mentioned in all countries. This study also found that management of environmental impact was the most discussed issue in all industries and philanthropic programs, sponsorships, and volunteerism were followed, while insurance and bank industry was the only one industry which did not much focused on these issues of CSR processes.
Protection of the environment was also the most addressed issue in community stakeholder issues among all industries. On the other hand, petroleum refining and insurance industry were two industries which did not address employee stakeholders and suppliers on their Web sites. In terms of the characteristics of the industry, the industries which are not operating their business with the environmental issues, such as insurance and bank did not focused on their CSR commitment with environmental issue and health and safety issue at all. On the other hand, electronics and computer, petroleum refining and automobile industry which are primarily related to natural and environment issues highly focused on protection of environment and supplier stakeholders and shareholders.

The study found that international based corporations discussed legal and philanthropic responsibilities, while national local based corporations addressed economic and legal responsibilities on their Web sites. The following presents a brief summary of each country.

All Japanese companies (28) in this study had two or three CSR principles and stakeholder-driven was the most mentioned on their Web sites. In addition, management of environmental impact was the most discussed issue among CSR processes; on the other hand, code of ethics was the least discussed issue. In stakeholder issues, Japanese companies frequently mentioned protection of environment and quality of life issues.

In China, performance-driven CSR principle was the most discussed issue and value-driven was the least discussed issue among three CSR principles. Chinese companies frequently mentioned philanthropic programs, sponsorships, volunteerism, and management of environmental impact, but code of ethics was the least discussed issue. Chinese companies also
focused on environment issue and quality of life highly and only two companies addressed customer safety issue on their Web sites.

All South Korean companies in this study discussed stakeholder-driven and value-driven CSR principles, but only three companies discussed performance-driven issue on their Web sites. Philanthropic program was the most addressed CSR process and sponsorships, volunteerism, and management of environment impact were the most likely mentioned issues in South Korea. However, health and safety issue was the least mentioned issue among CSR processes. Community stakeholders, included arts and cultural support, quality of life, safety and environment issues, were frequently discussed in South Korea with five out of six companies.

In Thailand, Taiwan, India, and Hong Kong, stakeholder-driven principle was the most discussed issue and they frequently stated community stakeholders on their Web sites. While sponsorships and volunteerism were the most mentioned issues, code of ethics was the least one.

O’Donovan (1997) noted that corporate social reporting is aimed at providing information that legitimizes company’s image by influencing stakeholders and perceptions about the company. Legitimacy theory primarily contributed to effectiveness and relevancy of CSR and the loss of legitimacy in organization aggravate the long-term relationship between the company and shareholders. Thus, organization should preserve legitimacy as one of the most important tasks of business to be a good corporate citizen.

This study found that companies in seven countries are exerting themselves to contribute earning and sustaining legitimacy in a number of ways. The corporations in this study sustained legitimacy by adopting cultural environment where they operate their business. In addition,
organizations built and preserved legitimacy by supporting their community stakeholders and pursuing their economic goals.

**Limitations**

There are limitations to this study. The study was limited in scope. Only 50 companies in seven countries were examined for the study, which made the results unclear and unable to conclude a business characteristic in each country and industry. In addition, this study analyzed only English-based Web sites. Several of companies in the list of the *Fortune* magazine Global 500- leading Asian 50 corporations disclosed less information on their English Web sites or did not even have English-version information at all. Moreover, it is possible that there are some companies that publish different types of CSR report or information to disseminate to their stakeholders instead of the corporate Web sites. However, it is fairly assumed that companies will report more on their Web sites based on the literature review.

**Suggestions for Further Research**

Further research is needed to find whether the company which has pertinent and effective CSR information and report on their Web site is consistent with their socially responsible activities outside of the Web site because there is formal research that some of companies which contribute their effort to protection of environment are not consistent with their commitment of environmental issue. In addition, based on the result of this study, future study could be detailed to focus on the government related organizations’ CSR activities: CSR principles, processes, and
stakeholder issues to find differences and similarities of CSR reports of private organizations. Furthermore, because environmental practice was the most discussed issue among seven countries and fifty companies, future study could be broadened to focus on their effort to management of environmental impact and issue, whether there are differences or similarities in the same area of industry in different countries or the same countries in different industries.

Conclusion

The current research shows CSR motivating principles, processes, stakeholder issues, and components of CSR are reported on the corporate Web sites in Japan, China, South Korea, India, Hong Kong, Thailand, Taiwan, and Malaysia in the Fortune magazine Global 500 Asia Ranking in 2009. Japanese corporations show concern for stakeholder-driven CSR motivating principle and CSR processes (management of environmental impact, philanthropic programs, volunteerism, and health and safety programs) and CSR issues (community environment and quality of life, employees’ health and safety, and arts and culture). Chinese corporations show concern for performance-driven and CSR processes (sponsorships, volunteerism, and management of environmental impact), and CSR issues (community environment and quality of life, and customers’ quality). South Korean corporations show concern for value-driven and stakeholder-driven CSR principles and CSR processes (philanthropic program, sponsorships, volunteerism, and management of environmental impact), and CSR issues (community related issues- arts and culture, quality of life, safety, and environment, and shareholder issues). Other countries shows concern for stakeholder-driven CSR principle and CSR processes (sponsorships and volunteerism) but the fewest code of ethics CSR process in this group. India, Hong Kong,
Thailand, Taiwan, and Malaysia show concern for CSR issues (community quality of life, environmental issue, employees’ health and safety and customers’ quality).

However, some corporations in this research do not produce a CSR report or English version of CSR information on their Web sites while some just give out a minimal amount of information. Thus, the companies should produce CSR report and information to better communicate what has been successfully done with accountability, transparency, and honesty.

A primary goal of reporting is to contribute to an ongoing stakeholder dialogue. Reports alone provide little value if they fail to inform stakeholders or support a dialogue that influences the decisions and behavior of both the reporting organization and its stakeholders. (Cooper and Owen, 2007, 650)

Maintaining stakeholder accountability via the corporate report and information on their Web sites is significantly important aspect to be showed as a corporate citizen and to give responsible impression to different publics (community, consumer, employee, and shareholder) who demand company’s socially responsible behavior. Companies should also ensure their social, environmental, and economic impact by placing a duty to consider mandatory reporting of their CSR, and social, environmental and economic matters.

To communicate CSR on the corporate Web sites effectively, companies should consider reporting CSR and their impact to social, environmental, and economic according to different stakeholder. Most of Japanese corporations show their effort and concern on their Web sites effectively in terms of communicating CSR. However, Chinese corporations need to more focus on value-driven CSR principle and code of ethics. In addition, Chinese corporations should address both shareholder issues and safety issues. In South Korea corporations, performance-driven CSR principle and health and safety programs are needed. India, Hong Kong, Thailand,
Taiwan, and Malaysia need to address code of ethics and safety issues. Moreover, companies in the industry of petroleum refining, insurance and bank, and food and drug need to be proactive and also need to address code of ethics on CSR process. All industry categories in this research which are petroleum refining, electronics and computers, insurance and bank, trading, automobile, and food and drug also need to concentrate on shareholder, supplier, and employee issues by addressing their effort and concern on their CSR report and Web sites.

This research suggests that environmental issue and the management of environmental impact are the most concerned CSR issues in all 50 companies, but some of corporations in each country need to be proactive to report CSR communication. Many global audiences and stakeholders may obtain CSR information and a company’s concern for social and environment by looking at the corporate Web sites and CSR report. Thus, reporting CSR information with honesty, credibility, and transparency will be an important contributor to maintain and obtain companies’ positive reputation and long-term relationship with their stakeholders.
APPENDIX A

INSTRUCTIONS FOR CODING

Principles Motivating CSR

For this category of statement coding, please code the statements based on the following category definitions:

1) Value-driven CSR: CSR is presented as being part of the company’s culture, or as an expression of its core values

2) Performance-driven CSR: CSR is introduced as a part of the company’s economic mission, as an instrument to improve its financial performance and competitive posture.

3) Stakeholder-driven CSR: CSR is presented as a response to the pressures and scrutiny of one or more stakeholder groups, or as a way to benefit one or more stakeholder groups

CSR Processes

For this category of statement coding, please code the statements based on the following definitions:

CSR Processes

1) Philanthropic programs: The Company presents a formalized philanthropy program made of a clear mission and application procedures to allocate donations and grants.

2) Sponsorship: The Company introduces sponsorships as a type of responsibility initiative aimed at providing assistance either financial or in-kind to a cause or charity.

3) Volunteerism: The Company presents programs that allow employees to work for a good cause during paid working hours.

4) Code of ethics: The Company discusses the content and/or implementation of a code of ethics or conduct.

5) Quality programs: The Company describes a formal product/service quality program as a form of responsibility initiative.

6) Health and Safety programs: The Company introduces formal health and safety programs aimed at one or more stakeholder groups as a form of responsibility initiative.

7) Management of environmental impacts: The Company discusses activities aimed at diminishing the negative impact of productive activities on the natural environment.
Stakeholder Issues

For this category of statement coding, please code the statements based on the following definitions:

- Community Stakeholders
  1) *Arts and culture*: The company discusses its support of organizations, activities, actors, and objects linked to the arts or the national culture.
  2) *Education*: The company presents its support of activities aimed at improving educational opportunities and the quality of the education received by populations outside the firm.
  3) *Quality of life*: The company expresses its dedication to improving the quality of life and well-being of the communities in which the firm operates, or of society as a whole.
  4) *Safety*: The company displays concern for the safety of the persons in the communities surrounding its productive operations.
  5) *Protection of the environment*: The company shows concern for the preservation of the natural environment either in general or in the communities where the firm operates.

- Customer Stakeholders
  1) *Quality*: The company presents the achievement of high product/service quality as a part of its commitment to social responsibility.
  2) *Safety*: The company displays concern for the safety of its customers in relation with its production activities or product/services.

- Employee Stakeholders
  1) *Equal Opportunity*: The company expresses its commitment to giving the same chances in recruitment and promotion to all employees regardless of race, gender, age, or handicap.
  2) *Health and Safety*: The company expresses its concern for protecting the safety of employees in the working along with their overall health level.

- Shareholders
  The company expresses its commitment to the involvement of stakeholders in corporate governance and/or to the proper information of shareholders.

- Suppliers
  The company expresses its dedication to giving equal opportunities to suppliers in terms of gender, race, and size, and/or to assuring suppliers’ safety.

Components of CSR

1) **Economic Responsibilities**: Whether the company performs in a manner consistent with maximizing earnings and is committed to being as profitable as possible

2) **Legal Responsibilities**: Whether the company performs in a manner consistent with expectations of government and law and is a law-abiding corporate citizen

3) **Ethical Responsibilities**: Whether the company performs in a manner consistent with expectations of societal and ethical norms and recognizes corporate integrity and ethical behavior

4) **Philanthropic Responsibilities**: Whether the company performs in a manner consistent with philanthropic and charitable expectations of society and assists the arts and culture
APPENDIX B
CODING SHEET

Coding Sheet
Company:
Country:

**CSR Principles**

<table>
<thead>
<tr>
<th></th>
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**CSR Processes**

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<td>Quality program</td>
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<td>Health and safety programs</td>
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<td>Management of environmental impact</td>
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**Stakeholder Issues**

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**Components of CSR**

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REFERENCES


