Corporate Social Responsibility

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Abstract

Enterprises should not only be profitable tools, but also be responsible citizenships. Corporate practices need a world structure to exceed imposed standards, go beyond present governments, and set goals for sustainable development. Multinational enterprises are responsive to the stakeholders’ needs. Therefore, enterprises must focus on productive stakes in the global economy, and include social responsibility “which creates long-term sustainability for corporate success by meeting the needs of all suppliers, investors and employees” into their ownership advantage. The perspective and implementation of CSR has important consequences for Multinational Enterprises through FDI in fostering development. This paper addresses the implication that pays attention to the active and passive ways of CSR in which MNEs or the Pre-MNEs can be affected in sustainable development. In order to promote awareness of the citizenship and incorporate SR practices into the workplace, qualitative and quantitative surveys were made. Generally, it can capitalize further from CSR real implementation, and other conclusions are also obtained from the analysis.

Keywords

Corporate Social Responsibility, Multinational Enterprises (MNEs), Global, Sustainability, Foreign Direct Investment (FDI)

1. Introduction

1.1. Problem Statement

2014 Anti-Chinese riots in Vietnam: Recently there were 5760 Taiwanese MNEs businessmen and dependents returned to Taiwan from Vietnam. The total number was approximately four million plus dependents (Ministry of home affairs Taiwan). In the first wave, these Vietnamese riots grabbed mobile phones, laptops and other supplies; the second wave of looting was upon seeing things; in the third wave, they rushed to move, set fire if nothing to move. Vietnamese believe that Taiwan is one part of China, all Chinese would be regarded as Chinese
people when they find and hit the Chinese. A large number of Vietnamese mob-stormed the factories, and the companies also were looted, safes had been forced open, the bosses or directors level were surrounded by hundreds of people, their laptops, cell phones, cashes, even clothes had been looted. Thereafter, Vietnamese official’s guarantee of peace still makes Taiwanese businessmen uneasy \[1\]. However, is there any other factors for the Riots deliberately against Taiwan Businessmen except they could not distinguish between China and Chinese (Taiwanese)?

1.2. Purpose of the Study

CSR is “a process with the aim to embrace responsibility for the company’s actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere who may also be considered stakeholders” \[2\]. CSR is a worldwide issue, \textit{i.e.}, Eiffel Tower uses Green Carbon, Singapore supermarkets stop selling shark fin products and environmental groups welcome, Green leads the government to join the forum—expanding enterprises opportunity, world-class international exhibition designs the new trend—aesthetic and environmental protection win-win, and “Korean luxury goods companies lack awareness of social responsibility” was critical in international news \[3\].

The purpose of this study is to address the implication that pays attention to the active and passive ways of CSR in which MNEs or the Pre-MNEs with proper awareness, build higher long-term revenue structures upon its already strong foundation can affect sustainable development. The following research questions (qualitative) and a questionnaire (quantitative) guided the study:

1) Has your Citizenship (CSR) received any investor feedback on its efforts, whether positive or negative?
2) How has Citizenship been impacted by Eco, Social-Politic, \textit{i.e.}, marketing, innovation?
3) What percentage of the approach to community contribution will be constituted to effort?
4) What are the corporate metrics for the CSR effectiveness to FDI?

1.3. Significance of the Study

In the past, the corporate social responsibility had not drawn attention or has been much conducted; therefore, little published research has been discovered that focuses on describing the issue in Taiwan. Research exploring the study mixing CSR, IB and marketing is needed.

Social responsibility is a responsibility and obligation to protect, foster, increase and enhance the benefit of stakeholders and social people. CSR also was called corporate citizenship. Most corporations establish code of ethics, Johnson-Johnson is one of them and it is a model/standard (norms). In Chen’s research (2011) \[4\], CSR was mainly influenced by four core components: accountability, transparency, competitiveness, and responsibility; while developing business strategies, companies taking accountability and transparency as priority would strengthen their competitiveness and generate responsibility and in turn lead to CSR. The study of Esen 2013 \[5\] proposed organizations are being reputable through CSR activities. It is also attractive to compare other dimen-
sions of corporate reputation such as emotional appeal, workplace environment, and corporate reputation with CSR. Gonzalez-Perez (2013) [6] provided a theoretical and conceptual overview of Corporate Social Responsibility to enhance the understanding of CSR within the context of international business and confirmed to the necessity that arises from the effects of CSR actions in international business as well as suggested it could be used as a tool for the teaching courses on either international business or corporate social responsibility.

Social responsibility and FDI: At issue is the question of adequate compensation for the inevitable disruptions that an international business brings to a local community. Beneficial returns must be shared and sustained over the long term in an equitable manner and to all (people, planet even other countries), CSR is not only everlasting soft influence power for enterprises but also the key influence power for sustainable whole world development [7]. Citizenship Report changed its organization from being pillar-centered to being continent-centered. In conceptualizing global CSR, it is difficult to cast programs as being entirely global or local; instead, depending on their unique nature and the scope of implementation, global CSR initiatives might fall along a continuum. In other words, whatever launching to domestic or to a global integrated marketing campaign or on preparing to enter multinational markets, marketers or enterprises need to be internationally environmental aware and socially responsible.

Reasons and motives of FDI: Eclectic Paradigm of Dunning proposes OLI Ownership-Location-Internalization. Ownership, firm specific advantage, includes Patent and Trade Market, Technology, Name recognition, Core competency of a firm, i.e., an ability meeting with the current/potential customers’ demand. Internalization is to internalize the advantage of intangible assets for being used in transaction cost benefit or avoiding buyer uncertainty through the process of management activities. As to Location, external advantages to the firm, the MNEs cannot control but adjust or take advantage of it when free tariff barriers, much population, infrastructure, or other investment incentives. Dunning’s Eclectic Paradigm makes FDI and globalization popular.

1.4. Eclectic Paradigm (Dunning) [8]

- Dunning has developed a theory for globalization called “Eclectic Paradigm of Globalization”
- What causes globalization: Eclectic Paradigm of Dunning
- OLI (Ownership-Location-Internalization)
  - Ownership: firm specific advantage
    - Core competency of a firm
    - Patent and Trade Market
    - Technology
    - Name recognition
  - Location: External to the firm
    - Tariff barriers
    - Infrastructure
    - Investment incentive
  - Internalization:
    - Transaction cost benefit
    - Transfer pricing
    - Avoiding buyer uncertainty
- Eclectic Paradigm
  - Dunning argues that advantages to be gained by combining firm’s unique asset, location, and internalization advantage.
  - As shown in Figure 1.

1.5. IB Time Is Coming

Taiwan is a developed area, even though for those small-medium level firms which have no such three absolute management advantages of MNEs as Dunning proposes, but in fact, those small-medium firms have been expressed a rising trend. Normally, it is forced to approach economical globalization or localization in the business, the government will be obliged to come out for supporting domestic enterprises to implement FDI. Otherwise, the theory of Wells, L.T. (1977) [9] also could be used as the argument for Taiwan small-medium firms to go globalization or international business instead of the Dunning’s. Therefore, corporate social responsibility of
the Ownership Advantage (Dunning) can be suggested to apply for Taiwanese corporations when involving international business (IB).

1.6. Why Emphasizing Social Responsibility

The current issues on corporate social responsibility. Surveys indicate that “61% of consumers would buy a product from a socially responsible company or would switch retailers if cost and quality were equal”. [10]. And when defined in a holistic context, the perception of expense will be external to the firm with quantification of a shareholder or investor return on investment: “Social responsibility is defined as a framework of measurable corporate policies and procedures and resulting behavior designed to benefit the workplace and, the individual, the organization, and the community…” [11]. Therefore, CSR is the foremost about obtaining better productivity and creativity returns.

Many believe that the company’s commitment to become the recognized global leader in corporate social responsibility will offset some of the damning charges against the company, including claims of environmental abuses and child labor. Positive CSR beliefs held by consumers are associated not only with greater purchase likelihood but also with longer-term loyalty and advocacy behaviors. More importantly, not all CSR initiatives are created equal: a brand that positions itself on CSR, integrating its CSR strategy with its core business strategy, is more likely than brands that merely engage in CSR to reap a range of CSR-specific benefits in the consumer domain [12].

Recent theories of the strategic use of corporate social responsibility emphasize the role of information asymmetry and how CSR is likely to be incorporated into a firm’s product differentiation strategy [13]. An alliance called the U.S. Climate Action Partnership urged the federal government to enact legislation that would cut greenhouse gas emissions. Globalization and a call for increased corporate transparency have given rise to CSR. Businesses are using CSR as a marketing strategy to improve customer satisfaction. Consumers are making purchases based on companies’ social and environmental reputation. CSR has earned consumers’ attention and getting more trends [14].

Relevant between CSR and Marketing: Social responsibility is developing as perceived as a moral obligation
as well as having a positive financial result for the firms. So many companies are responding to the desires and demands of socially and environmentally responsible consumers. The domain of socially responsible consumption has changed over the years, as have socially responsible corporate programs in the marketplace. Three dimensions of socially responsible consumption emerge: 1) purchasing based on firms CSR performance; 2) recycling and 3) avoidance and use reduction of products on their environmental impact [15]. The CSR provides marketing strategy. It is more and more important for marketers to regard global markets as their workplaces; they may choose any country to trade and build branches in every country. Except the worldwide economic integration, such as NAFTA, EU, WTO, the most important factor for impacting the enterprises is environmental uncertainty. Smoothing, cooperative strategies, or strategic maneuvering could be used to improve it.

The amazing rise and scandalous fall of Enron. In 2001, Mahajan [16] stated that for six years in a row Fortune magazine has voted Enron, the Houston-based natural gas and Power Company, the most innovative corporation and was thought to epitomize a great New Economy company, with its skyrocketing profits and share price in the United States. With the world’s largest online trading site, Enron ever traded tens of billions of dollars of natural gas contracts; the corporation’s total revenues exceeded 100 billion dollars. However, Enron’s rise from obscurity to the top of the business world to its disastrous demise is owing to Skilling’s creative bookkeeping invented something called “mark-to-market” accounting—essentially reporting potential profits as real profits, therefore falsely upping the stock’s value [17]. Tragedy made thousands of Enron employees who lost their jobs and life savings, or the investors whose portfolios took a smash when the law finally cottoned on to the corrupt accounting that falsely inflated Enron’s stock throughout the times ’90s. The behavior of Enron executives K. Lay, J. Skilling and A. Fastow, at the trough and their top-tier colleagues made sure to cash out millions of their own stock while the company scurried to hide the debilitating $30 billion US debt they’d created. These top executives are too inhuman for tragedy and lost the morality in management [17].

Victim on personal profit without regarding social public welfare. Illegal bribe or unlawfully earning easy money to obtain competitive advantages or to make more profits is doing harm to business ethics. Sixty-five percent of 158 experienced top CEO agreed, after a survey, that the profit is more important than products’ safety; if profit and the occupied rate of markets are not reduced, they rather lean toward disregard of the counterfeit financial statement. All will be the victim if targeting on personal profit without regarding the social public welfare.

1.7. How Engage in Social Responsibility (Applicability)

Roberts (1996) [18] reported that consumers in the US have placed social and environmental issues at the top of the agenda, i.e., actions taken by consumers to enforce social commitment; implications for marketing managers; what managers should know; predictors of social responsible behavior.

The social responsibility orientation of firms is related to strategic social planning. Positioning is related to value creation for the multinational firm. Three principles must be considered in processing the social responsibilities of international business firms. The first is an awareness of the historical and institutional dynamics of local communities. The second is the necessity of good communication with local constituencies. The third is the degree to which the firm’s operations safeguard and indeed improve the social and economic assets of local communities [19].

When double rising of oil and electricity, enterprises are facing anti-stressful environment and starting greening of business processes to save energy and reduce carbon. In the case of countries around the world increase the importance to environmental issues, companies use green manufacturing process will be the future trend. Also many consumers are paying attention to environmental protection, and more willingness to buy more environmentally friendly products in manufacturing process [20].

By whom: The challenge that business leaders face to discover ways to integrate an awareness of sociopolitical issues more explicitly into their strategic decision-making processes becomes more obvious. One of the leadership variables is associated with corporate social responsibility values that managers apply to decision-making. How professional leaders possessed of moral intelligence helps make a contribution to enhance the ethical business. The ethical leadership in the professional business that will improve the understanding of how ethical behavior confers legitimacy and sustainability necessary to achieving the corporation’s goals, and how a leadership approach to ethics can serve as an effective tool for the dissemination of moral values in the organization.
What kind of business to have a lasting and sustainable competitive? “World Corporate Citizenship Award” holds a comprehensive evaluation from four dimensions of the “corporate governance”, “corporate commitment”, “social participation”, “environmental protection”. In addition to the pursuit of profit (profit), enterprises should also invest on the people (people), the Earth’s environment (planet) in actively solving social and environmental issues to play a positive influence. Ness (1992) [21] stated, CSR is a strategic decision whereby an organization undertakes an obligation to society, for example in the form of sponsorship, commitment to local communities, attention to environmental issues and responsible advertising as follows:

**The greening of management.** It is through technology and considering the environmental protection for green design, green purchasing, green manufacture/process, and green marketing and tries to economize resource and insures not to product harmful effects, social bad during the producing process. It is hoped by every country government that all industries emphasized on this kind of management, which whole products life cycle from design to waste disposal could match 4R—Reduce, Recycle, Reuse, Regeneration, and 3E—Make use of Economic (resource), Ecological, Equitable.

**Green window dressing.** It is concerning the use of recycled paper in Great Britain from the survey conducted by the government-funded Waste & Resources Action Programme (WRAP). Costumers are increasingly asking for environmental and corporate social responsibility (CSR) credentials. Head of WRAP’s Recycled Paper Advocacy Jonathan Tame said that the use of recycled paper can provide a quick win in meeting environmental and CSR objectives [22].

**Green meetings and events.** We could also offer tips on how to make corporate events environment-friendly, which is to plan a festival event outside of the company and support venues that endorse green values and practices. Green Meeting Industry Council of Portland, Oregon, aims to improve meetings through sustainable practices [23].

**Social consciousness.** According to a Harris Interactive poll conducted for Alloy Media & Marketing, Wal-Mart was placed second in terms of social consciousness, following after Ben & Jerry’s. It ranked ahead of Whole Foods which ranked seventh. Wal-Mart’s efforts to reduce its packaging materials and operate on renewable energy helped neutralize the bad press it received in the past years [24].

**Answers to the trust and public image issues facing.** Using networks as a framework to understand the changing nature of the environment, Pesse (2007) [25] proposes a shift from the traditional marketing metric of share of voice to a more balanced approach to measure the value the industry is creating: Share of care.

**Concern for environment.** The evidence of increased voter awareness and concern for environmental and other ethical issues has lead many organizations to reappraise and communicate more effectively their ethical credentials [26].

**Differentiation strategy.** It utilizes theories of the strategic use of corporate social responsibility to emphasize the role of information asymmetry and how CSR is likely to be incorporated into a firm’s product differentiation strategy. A key empirical implication of the theories is that firms selling experience or credence goods are more likely to be socially responsible than firms selling search goods [13].

**Ethical behaviors.** Sales performance can be enhanced through ethical behaviors; emphasis is being placed on understanding unethical behaviors among key customer-contact employees and the environment in which these sales professionals engage clients. How the direct supervision of the sales force (sales managers) can shape the ethical behavior of salespeople and may be a critical controllable key to understanding unethical sales behaviors that offers upper management strategic opportunities to enrich customer relationships [27].

**Ethics ombudsman.** An inspect department with ethics ombudsman should be established inside businesses to regularly examine whether or not the managers’ decision/behavior are matching the moral or ethic standard (do the right thing).

**Customers-Centered by technology.** It is necessary improving marketing by customers-centered. Socially responsible companies, fairness and quick response to inquiries and complaints to customers, will achieve higher long-run profits. Market efficiency and effectiveness is achievable only when automation of consumption/purchase is done. Mutual trust and respect, high-tech-high-touch customization & personalization are needed factors. Although the technology is developing, “automated consumption”, it will be future oriented. This technology continues with attention to interaction as the source of value creation. As information technology largely influence or change specially the marketing mix (4 Ps). The method the marketers market the products is being revolutionized—no more exist the traditional market in which buyers and sellers meet to transact or exchange and producers are no longer fixed certain geographic locations. To device mechanisms attracting consumers to
their promotions without using the Ads too often online or others will become the new jobs for the marketers to load.

**Four practical approaches.** There are four approaches to implement social responsibility: obstructionist approach (economic responsibilities only), defensive approach (legal compliance but just legal responsibilities), accommodative approach (only ethical compliance), and proactive approach. The last one donates fund or contributes gifts or the like to society and equals to philanthropic giving and is kinds of voluntary responsibility, e.g., SONY, McDonald’s, which initiate on environment protection, resource saving and recycling, decrease animal laboratory, reduce criminal, kill poverty, eliminate illiteracy and others.

**Four dimensions.** Tsmc Company’s Customer Service and Supplier Management insists working with suppliers together to establish a stable and sustainable development of the supply chain, environmental protection, human rights, safety, health, in order to achieve corporate social responsibility; environmental culture protection, construct green supply chain, transparent operations focusing on shareholders’ equity, fulfill social involvement, and others [28] and Common Wealth Magazine advocates—“World” CSR, with reference of “The UN Global Compact”, OECD guidance for Multinational Enterprises Program, and the U.S. Dow Jones Sustainability Index (DJSI), and other international indicators and evaluation methods, raise that four assessments for the New Value the 21st century enterprise: Corporate governance, corporate commitment (promise with consumers, suppliers, employees, research & development), social involvement, environmental protection [29]. SR values in four “pillars” via a shared governance model: Marketplace, Workplace, Environmental Stewardship, and Community.

**In sum:** Corporate Governance, Corporate Commitment, Social Contribution, Environmental Protection are more important; thus, to be the variables of the survey of this study.

2. Implementation Cases of Citizenship: 2 Taiwanese MNE Investors

If socially responsible companies add implementation (i.e., resource allocation and management), the ability to generate long term profits will be positive. Nowadays, European companies have the strongest overall CSR performance, although the Japanese are first in environmental standards. North American companies lag significantly behind Europeans in all CSR areas [30]. Developing CSR is essential to sustainability, says the United Nations Industrial Development Organization (UNIDO) [31]. UK and Finland are more likely to have developed advanced human rights policies and developed equal opportunities for women and their community involvement can range from simple donations of money to donations of expertise, time and resources [30].

2.1. Social Responsibility & Citizenship at 2 Taiwanese MNEs

Citizenship at Sanzo Industrial Co., Ltd.: Within the Marketplace, Sanzo Company, a Taiwanese firm manufacturing nm products, is launching a positive commitment to social responsibility through its strategic program, seeks to build consumer trust, support local business relationships, and market its products in a credible and honest manner. Sanzo is committed to fostering an open and inclusive environment in its Workplace. Environmental Stewardship makes the company and associates accountable for integrating sustainable development and preservation practices into business practices and conduct. Community investments, meanwhile, seek to improve business opportunities and the quality of life wherever Sanzo is present. Example partnerships include Project Hope in China, a project to improve access to education in rural areas; the Sanzo Pushcart Project, an effort to bolster economic opportunities for women also in rural of Shan-Hai; and trial-out products, a subsidized program aimed at lift living standard in Shan-Hai.

**The charitable behaviors of the 2nd biggest Taiwanese investor.** Guo, T.M. [32]—Hon Hai Group [33], holding 30 percent stock of global brand “Hon Hai”, a manufacturer of electronic companies, the specialized foundry products, Taiwan Guo, T.M. original CMM (Component, Module, Move, adding e—the concept of a eCMM) foundry model to “zero components and modules” designed to core strengths, products on the lower reaches of a high degree of vertical integration Vertical integration. The so-called “design, create two areas, three districts delivery” ambition, the company throughout the world, across Asia, Europe and the United States and three continents. 2005 beyond Flextronics of Singapore, Flextronic has become the world’s largest electronics manufacturing and services (EMS) companies. Hon Hai Group’s total market value is of 2.25 trillion Taiwan dollars. The CEO, Mr. Guo Ming, a Taiwanese but a native of Shanxi Province of China, the contributions more to China, the past 10 years has donated nearly NT$5 billion (NT$32 = US$1) (Guo, 2007). A full support of the local government in Shanxi and no any problem in providing the sources of raw materials of Magnesium Alloys
was promised, which will make its international automotive components manufacturing market possible. Lightweight aluminum alloy magnesium car is essential to the material. In the past the production materials used by laptops were imported from Europe, but Shanxi energy can be fully utilized, there are less dependent on raw materials from Europe. “My dictionary has no such word-management, as I am a responsible man. A man of responsible does not need management; no responsibility for the management of useless” said President Guo (Figure 2), Taiwan’s Hon Hai Group would invest 1.8 billion US dollars in Shanxi, China. And this is some type of return case for CSR to provide to the business or investor—capitalized further to Hon Hai Group.

2.2. Obstacle in Implementation

Cost is the main obstacle of corporate social responsibility programs [34]. Owing to the impact caused from budget tightened, the charitable behaviors of many corporations are restrained; the companies used to support philanthropic work in the past are now targeting and limiting on some social projects or coverage and from which get some repay, e.g., they are preferring to contribute money on working-training not on public welfare’s art object to foster better employee and to receive direct benefit.

3. Methodology

Methodology/Approach: The study builds on existing literature and theories on FDI, IB, CSR and Marketing, as well as literature on consumers’ perceptions of CSR related issues. This paper comprises two parts; the first explorative stage based on qualitative method, qualitative investigation including through important society attitude-based attributes of social responsibility is identified. The second quantitative part is based on survey that explores the CSR performances along these attributes of Corporate Governance, Corporate Commitment, Social Contribution, and Environmental Protection from Taiwanese MNEs.

Validity was assured through the literature review and Chinese translation for questionnaire was needed to assure better understanding by Taiwan participants who also provided greater reliability and validity of results.

3.1. Qualitative Part

It is based on the survey by telephone interviews: 12 telephone interviewers randomly chosen from the list of Taiwanese industry and trade companies, 6 were non-CSR Participants, 2 refused to response, and there were only 4 (40%) did CSR. Table 1 summarizes data regarding CSR behavior.

3.2. Quantitative Part

Integrate the literature from Ness (1992), tsmc, CommonWealth, and SR values in four “pillars”, the valuables...
Table 1. Telephone-interviews for CSR survey.

<table>
<thead>
<tr>
<th>#1</th>
<th>#2</th>
<th>#3</th>
<th>#4</th>
<th>RQ1-4</th>
</tr>
</thead>
<tbody>
<tr>
<td>positive</td>
<td>positive</td>
<td>positive</td>
<td>positive</td>
<td>Has your Citizenship (CSR) received any investor feedback on its efforts, whether positive or negative?</td>
</tr>
<tr>
<td>Social</td>
<td>Eco</td>
<td>Marketing</td>
<td>Eco</td>
<td>How has Citizenship been impacted by Eco, Social-Politic, i.e., marketing, innovation?</td>
</tr>
<tr>
<td>30% - 40%</td>
<td>30%</td>
<td>10%</td>
<td>50%</td>
<td>What percentage of the approach to community contribution will be constituted to effort?</td>
</tr>
</tbody>
</table>

of Corporate Governance, Corporate Commitment, Social Contribution, Environmental Protection four values were used and developed into a questionnaire. The variables in this study with measure items are as follows (see Table 2).

4. Finding

The Questionnaires (responses are on a five-point Likert-type scale ranging from (1) = strongly disagree to (5) = strongly agree) were collected from randomly chosen twenty Citizenship leaders/staff and analyzed by SPSS. Reliability analysis using Cronbach’s alpha (Scale-Reliability Analysis) was completed on four dimensions. The alphas ranged from 0.640 to 0.707 In addition, through descriptive statistics-frequencies, mean and standard deviation were obtained as Table 3 and others as Tables 4-6 for reference.

Analysis and Result

1) Of the measure items, Q4 (My Company provides the best service to customers) was reported by respondents as their most popularly perceived CSR behavior, Q2 (My Company respects for shareholder rights) is the next.

2) While Q7 (Sponsorship to support activities if needed by my Company) was considered by respondents as their least popularly perceived item. Q11 (My Company produces Green Product with green manufacturing process) is second to the last.

3) The KMO value 0.602 as Table 4 revealed that the study was still suitable for proceeding with factor analysis; from Table 5, we got a high Explanation Power: 81.546%.

4) Item #3 was deleted through factor analysis.

5) There was significant correlation between Taiwanese MNEs leaders/staff’s perceptions of Corporate Commitment and Social Contribution as shown in Table 6.

6) From Table 6, Social Contribution also has significant correlations with Corporate Commitment, Environmental Protection, and Corporate Governance.

7) The average of the all items of all respondents is 3.52.

5. Discussion/Research Implications

Many companies fail to demonstrate adequate implementation due to difficulties in justifying socially responsible practices for the business, and that is one of the purposes of this study which tries to impact the MNEs or domestic companies to implement citizenship. According to Dr. Kelly [35], this is a good topic, which is a study mixing CSR, IB and marketing, and is also involved in encouraging implementation CSR. However, there are limitations as follows:
### Table 2. CSR variables and measure item.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Measure Item (Question)</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Corporate Governance</td>
<td>Q1. My Company advocates and acts upon the principles of operational transparency.</td>
<td>1. CSR Demand, (2013)</td>
</tr>
<tr>
<td></td>
<td>Q3. A sound and effective Board of Directors is one basis for successful corporate governance.</td>
<td></td>
</tr>
<tr>
<td>2. Corporate Commitment</td>
<td>Q4. My Company provides the best service to customers.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Q5. My Company builds a “green supply chain.”</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Q6. My Company takes care employee, builds safe, health workplace.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Q8. My Company Long-term concern in social issues.</td>
<td>2. CSR Demand, (2013)</td>
</tr>
<tr>
<td>4. Environmental Protection</td>
<td>Q10 My Company does the utmost to achieve environmental sustainability.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Q11 My Company produces Green Product with green manufacturing process.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Q12 My Company tracks new developments in global environmental issues, also takes the lead in adopting new environmentally-friendly measures.</td>
<td></td>
</tr>
</tbody>
</table>

### Table 3. Descriptive statistics.

<table>
<thead>
<tr>
<th>Variables</th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4</td>
<td>20</td>
<td>4.00</td>
<td>5.00</td>
<td>4.9500</td>
<td>0.22361</td>
</tr>
<tr>
<td>Q2</td>
<td>20</td>
<td>3.00</td>
<td>5.00</td>
<td>4.4000</td>
<td>0.75394</td>
</tr>
<tr>
<td>Q6</td>
<td>20</td>
<td>3.00</td>
<td>5.00</td>
<td>4.3000</td>
<td>0.65695</td>
</tr>
<tr>
<td>Q1</td>
<td>20</td>
<td>3.00</td>
<td>5.00</td>
<td>4.0500</td>
<td>0.60481</td>
</tr>
<tr>
<td>Q3</td>
<td>20</td>
<td>3.00</td>
<td>5.00</td>
<td>4.0000</td>
<td>0.64889</td>
</tr>
<tr>
<td>Q8</td>
<td>20</td>
<td>3.00</td>
<td>5.00</td>
<td>3.6500</td>
<td>0.58714</td>
</tr>
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<td>Q10</td>
<td>20</td>
<td>2.00</td>
<td>5.00</td>
<td>3.4000</td>
<td>0.68056</td>
</tr>
<tr>
<td>Q9</td>
<td>20</td>
<td>1.00</td>
<td>5.00</td>
<td>3.0500</td>
<td>0.88704</td>
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<tr>
<td>Q12</td>
<td>20</td>
<td>1.00</td>
<td>5.00</td>
<td>2.9500</td>
<td>0.88704</td>
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<tr>
<td>Q5</td>
<td>20</td>
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<td>5.00</td>
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<td>Q11</td>
<td>20</td>
<td>1.00</td>
<td>5.00</td>
<td>2.4000</td>
<td>0.82078</td>
</tr>
<tr>
<td>Q7</td>
<td>20</td>
<td>1.00</td>
<td>5.00</td>
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</tbody>
</table>

Valid N (listwise) 20

Q4 has the highest mean, Q2 is the next; while Q7 has the least mean, Q11 is second to the last.

**Resource allocation & management.** Attitudes of executives and business school deans on corporate social responsibility need to be noted. In Ford and McLaughlin had study (1984) on whether or not business leaders and business educators are in agreement as to what practices are evidence of social responsible behavior? How intensely these activities are being supported by business leaders, and what arguments for and against the acceptance of corporate social responsibility have merit? They had found that both deans and chief executive officers (CEO) recognize very similar priorities for socially responsible activities. According to Milton Friedman, a balanced humanistic/analytic understanding in marketing system, corpora-
Table 4. KMO and Bartlett’s test.

<table>
<thead>
<tr>
<th>Kaiser-Meyer-Olkin Measure of Sampling Adequacy.</th>
<th>0.602</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approx. Chi-Square</td>
<td>87.551</td>
</tr>
<tr>
<td>Bartlett’s Test of Sphericity</td>
<td>df</td>
</tr>
<tr>
<td></td>
<td>0.66</td>
</tr>
<tr>
<td></td>
<td>Sig.</td>
</tr>
<tr>
<td></td>
<td>0.039</td>
</tr>
</tbody>
</table>

Even though KMO is not very high enough, still it is ok to proceed the factor analysis.

Table 5. Total variance explained.

<table>
<thead>
<tr>
<th>Total</th>
<th>% of Variance</th>
<th>Cumulative %</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.180</td>
<td>26.497</td>
<td>26.497</td>
</tr>
<tr>
<td>2.104</td>
<td>17.532</td>
<td>44.028</td>
</tr>
<tr>
<td>1.675</td>
<td>13.956</td>
<td>57.984</td>
</tr>
<tr>
<td>1.454</td>
<td>12.119</td>
<td>70.104</td>
</tr>
<tr>
<td>1.373</td>
<td>11.442</td>
<td>81.546</td>
</tr>
</tbody>
</table>

Extraction method: principal component analysis. Explanation Power: 81.546%; Item #3 was deleted through factor analysis.

Table 6. Correlations.

<table>
<thead>
<tr>
<th></th>
<th>CorCom</th>
<th>SocCon</th>
<th>EnvPro</th>
<th>CorGov2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Correlation</td>
<td>1</td>
<td>0.706(**)</td>
<td>0.342</td>
<td>0.315</td>
</tr>
<tr>
<td>CorCom</td>
<td>Sig. (2-tailed)</td>
<td>0.001</td>
<td>0.140</td>
<td>0.176</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>20</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>0.706(**)</td>
<td>1</td>
<td>0.521(*)</td>
<td>0.462(*)</td>
</tr>
<tr>
<td>SocCon</td>
<td>Sig. (2-tailed)</td>
<td>0.001</td>
<td>0.018</td>
<td>0.040</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>20</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>0.342</td>
<td>0.521(*)</td>
<td>1</td>
<td>0.168</td>
</tr>
<tr>
<td>EnvPro</td>
<td>Sig. (2-tailed)</td>
<td>0.140</td>
<td>0.018</td>
<td>0.478</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>20</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>0.315</td>
<td>0.462(*)</td>
<td>0.168</td>
<td>1</td>
</tr>
<tr>
<td>CorGov2</td>
<td>Sig. (2-tailed)</td>
<td>0.176</td>
<td>0.040</td>
<td>0.478</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>20</td>
<td>20</td>
<td>20</td>
</tr>
</tbody>
</table>

**Correlation is significant at the 0.01 level (2-tailed). *Correlation is significant at the 0.05 level (2-tailed). Corporate Commitment has significant correlations with Social Contribution; Social Contribution has significant correlations with Corporate Commitment, Environmental Protection, and Corporate Governance.

tion FDI goal/objective, and CSR for the top executives to integrate is much needed, on which he/she could make wise decision to rank and place the priority order in considering fulfilling the CSR and the stakeholders benefits. Under the situation of limited resources, how he/she could carry out the CSR before the benefit of stakeholders? How to settle the conflict between them in harmony and how to decide the extent? Is it ethical behavior, if he/she fulfills his/her personal principle by sacrifice the benefit of stakeholders, employee, and corporation? Above all, the reason for the top executives to be employed is due to his/her professional capability not
because of on his/her charity behaviors or notions; therefore, he/she should perform the duty regulated on the employment contract to do the right thing in order not to avoid the possibility of his/her own personal generosity. So it is important for the top executives to balance such issues. “A manager’s job should be to take the corporate FDI goals and strategies and redefine them in a way that makes them real for the people in their department. The simpler and more straightforward, the better” stated by Michelman in 2004 [36].

**Analysis for the Finding.** Results of this study indicating MNEs Companies’ most popularly perceived CSR behavior Q4 (My Company provides the best service to customers) is consistent with general point of view. “The customer is always right” exhorts service staff to give a high priority to customer satisfaction, “responsible for customer interests: understanding and connecting with customers”, and “seek to build consumer trust” have been so imperative that this item got the highest mean by the leader and staff.

Shareholders are the owners of a limited company, they buy shares which represent part ownership of a company; respects for shareholder rights represents operational transparency, and which is the basis for successful and effective corporate governance. It is no wonder Q2 earned the second high mean.

While Q7 (Sponsorship to support activities if needed by my Company) was considered by respondents as their least popularly perceived item. It is normal for MNEs or any companies global don’t prefer to supporting activities by sponsorship, rather than helps society through volunteer program.

With respect to Q11 (My Company produces Green Product with green manufacturing process), second to the last, revealed the respondents’ companies need to make an all-out effort to manufacture Green Products with green process as that is the trend, kind of competitive strategy, and a new value for the Corporate.

As to the Qualitative Results: Owing to that SR is first and foremost about obtaining better productivity and creativity returns from current employees; therefore, Q6 “My Company takes care employee, builds safe, health workplace” received the highest attention by the leaders/staffs.

Social Contribution, Q7 (Sponsorship to support activities if needed by my Company), Q8 (My Company Long-term concern in social issues) and Q9 (My Company helps society through Volunteer Program), shown significant correlation (or some possible impacts) with the other three valuables, Corporate Commitment, Environmental Protection, and Corporate Governance would possibly be resulted from support local business or non-business’ activities, or donate money, charitable contribution.

The average of the all items of all respondents is **3.52 expresses Taiwanese MNEs Companies are on the way implementing CSR** even though the samples of this study are not so much. Therefore, it is asserted that it is impossible for the Riots deliberately against Taiwan Businessmen as a CSR executor would have some type of return, e.g., capitalized further, as Hon Hai Group, absolutely not negative, and sustainable development can be expected.

**6. Conclusion & Further Research**

The paper provides high-level implications in favor of social responsibility and implementing this strategy, and presents the real-world applicability for the conceptual theory. MNEs are full of keenly competition, expeditor in tech creativity, more diversified needs from consumers, and uncertainties in circumstances. The businesses, which produce high science-technology, are different from those traditional businesses: they need more creativity, the life cycle of their product is shorter, the technical development is much quicker, and more and more un-decisive in management and marketing. Therefore, the new competency needs to be recognized and established, such as CSR, and help enterprises or firms exceed the efficiency in the past. Customer-centered or 4R (Reduce, Recycle, Reuse, Regeneration) and 3E (Economic, Ecological, Equitable) as mentioned the above will be getting trend in the future. Obstacles may not be encountered if the marketing is having successful factors setting—responsible for customer interests, innovation through products and services, CSR and marketing strategies, or effective internal marketing organizing.

It is hoped that this paper, along with future researches, aids FDI practitioners, such as Sanzo Industrial Co., Ltd., a Taiwanese MNEs manufacturer that is launching a positive commitment to social responsibility through its strategic program, academics/researchers, and policy makers, in developing an indeed execution of the ethical and social responsible process and including them in FDI business context.

During telephone interviewing, a respondent advocated the government should work together on Green; meanwhile, expand business enterprises opportunity and have the big Enterprises lead the small ones on green processing. This is like the California Utilities Diversity Council regularly meets with California utility compa-
nies to propose philanthropy standards in community outreach and monetary support to be followed by all major utilities [37]. Hopefully, this study helps raise awareness of the CSR and builds higher long-term revenue structures upon its already strong foundation, reminds companies to continue to promote self-review in the four dimensions, encourages enterprises to long-term investment, to post annual Citizenship reports on each corporate website, and acts a more aggressive grow and implements the citizenship in domestic and in FDI-multinational enterprises to achieve a force to change/welfare to the world.

Future studies could involve validation of factor structure, relationship between CSR and preference, and ability to positioning in another location, perhaps in more mature markets in terms of well-developed structures of CSR and some products.

References


[32] Guo, T.M. (2006) Taiwan Famous Entrepreneur—The President of Hon Hai Precision Industry Co., Ltd. Guo Wants to be the Boss of Magnesium Shanxi. [https://www.google.com.tw/search?q=%E9%83%AD%E5%8F%B0%E9%8A%98&tbm=isch&tbo=u&source=univ&s a=X&ei=6PcGVJv8H8xVM8gW04oHADw&ved=0CJIBEIke&biw=1016&bih=936]


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