BEYOND LEGAL COMPLIANCE: TOWARD BETTER CORPORATE CITIZENSHIP OF FOREIGN MULTINATIONAL ENTERPRISES IN CHINA

Maria Lai-ling Lam[i]

INTRODUCTION

Many leading multinational enterprises (MNEs) are found to practice fewer corporate social responsible actions in developing countries even though they are legally mandated by their global supply chain partners (Abdul-Gafaru, 2009; Murdoch & Gould, 2004; Philipp, 2009; Rondinelli, 2006; Stiglitz, 2006). Will the voluntary corporate social responsibility (CSR) initiatives of foreign multinational enterprises in China be a better alternative than legal regulations in a country where there is a weak legal enforcement system? Many foreign MNEs have already established a set of codes of conduct which "can increase their accountability to developing economies, coordinate the expectations among MNEs and stakeholders, and establish norms of conduct for persons in the organizations" (Hsieh, 2006). Some comply with numerous international codes of conduct and monitor the social and environmental performance of their affiliated companies and many suppliers in different industries in China (Asia Monitor Resource Centre, 2006; Christmann and Taylor, 2001; Meyer, 2004; Murdoch and Gould, 2004; Tateisi, 2004; Welford, 2006; World Business Council for Sustainable Development, 2005). These foreign MNEs address "some of the problems facing the world, not in a philanthropic way, but in a core, strategic way" (Manzoni, 2006). However, many foreign MNEs tend to increase their emphasis on the developed countries' CSR principles and to decrease their emphasis on the Chinese CSR principles when they are confronted with more pressure from their consumers and investors in developed countries (Schepers, 2006). Many corporate social responsibility activities are criticized as a mask of these corporations' abusive labor and environmental problems in China

(Harney, 2008:20; Rosoff, 2004; Sum and Ngai, 2005; Yu, 2006).

The author's recent studies about the perception of 26 Chinese executives concerning corporate social responsible programs of seventeen subsidiaries in China (Lam, 2006, 2007, 2009a; 2009b; 2010a; 2010b) find that 14 subsidiaries are in the elementary stage of corporate citizenship even their headquarters are in the advanced stages (Mirvis and Googins, 2006) and are complimented as good global citizens (A White Paper from the Business Rountable, 2000; Logson and Wood, 2005). Ten American multinational corporations coming from different industries, including telecommunication and health care businesses, have not developed integrative structures—processes and systems to implement their values of corporate citizenship in their Chinese subsidiaries listed in their corporate social responsibility reports. Social accountability is narrowly defined as a process of documentation and reporting rather than broad relationship management. Their description of corporate social responsibility programs in China demonstrates that philanthropy is a way to develop harmonious relationships with the Chinese government. Their strategic intent is to seek legitimacy to operate in China. The key challenges of moving Chinese subsidiaries to be better corporate citizens in China are specific obstacles: Chinese business culture, intellectual property rights, internal due process, insufficient government support, and lack of knowledge of Chinese subsidiaries (Lam, 2009a).

It is a great question for Chinese subsidiaries and foreign MNEs to increase socially responsible actions which "benefit society beyond the requirements of the law and the direct interest of shareholders" (see McWilliams and Siegel's

(2001) definition of corporate social responsibility) or "take into account the interests and rights of others" (see Coleman's (1990: 556) definition of CSR in1990) in a transient economy in which there are neither well-enforced state regulations nor strong private independent organizations to monitor the behavior of MNEs. Is it possible not to use legal regulations to enhance the moral responsibility of corporate executives working in developing countries, such as China? Will there be any new organizational structures to enhance the capacity of subsidiaries to go beyond legal compliance? In this paper, a framework that incorporates social movement theory, institutional theory, and the corporate citizenship development concept in the process of developing Chinese subsidiaries will be used to explore possible institutional changes and organizational transformations for foreign MNEs in China. The framework will show how foreign multinational enterprises are motivated: actualize existing political opportunities in China, mobilize the Chinese partners in the global supply chain, and increase their own subsidiaries' implementing corporate social responsibility capacity. The framework will inspire Christian business educators to know how to link with, leverage on, and learn from a network of organizational actors to practice Biblical values of community, justice, and stewardship in Chinese subsidiaries. This study will also help Christian business educators to respond to the challenge of implementing corporate social responsibility (CSR) in a transition economy such that our students can become agents of the Kingdom of God--"offering to all our neighbors the good news of God's mercy in Jesus Christ, of God's forgiveness and healing and direction, of moral truth and living hope" (Dawn, 1997:147) – in the global market economy.

LITERATURE REVIEW

According to the social movement theory, organization actors will initiate some innovative changes in the market when they perceive that they can actualize their available political opportunities, organization capacities, and group resources for collective actions. They will prioritize the external demands and deal with the power and politics within the organization and its relationship to the environment (McAdam and Scott, 2005). Political opportunities, mobilizing structures and framing process are the three broad sets of factors in analyzing the emergence and development of the social movement (McAdam, McCarthy and Zald, 1996). Institutional entrepreneurs are very crucial to lead efforts to identify political opportunities, frame issues and problems, and mobilize constituencies (Rao, Morill and Zald, 2000:240). Several studies show that activist shareholders are more effective than legal regulations in changing the corporate behaviors when there are changing political opportunity structure, homogenous interest among themselves, and shared identity (Davis and Thompson, 2004; Lee, 2007). However, non-government organizations in China are in the infant stage of development and are still highly restricted by the Chinese government (Lam, 2008b; Lam, Lam, Lam, 2010). Since 2004, the corporate social responsibility movement has been mainly driven by the State, and not by the civil society. Many foreign corporations treat their corporate social responsibility programs as political relationships with the Chinese government (Lam, 2010b).

Institutional theories can explain what makes many large foreign MNEs provide similar corporate social programs in China. When there is a great distance between market for branded merchandise and manufacturing sites in China, foreign MNEs will gain legitimacy, reduce risk, and seek an improved reputation by following similar international codes of conduct (DiMaggio and Powell, 1983; Oliver, 1991). Some foreign corporations asked their Chinese suppliers to learn the international codes of conduct listed in their CSR reports on one hand while on the other hand demanding lower prices and quicker order-fulfillment from their Chinese suppliers. Many codes of conduct are used primarily to look good in the international media (Harney, 2008:20; Sum & Ngai, 2005; Yu, 2006). Many unethical practices are not reported in the local media as the local government wants to keep the confidence of foreign investors. Many foreign multinational enterprises raise industry standards through their corporate social responsibility programs, but only

few are committed to increasing the capacity of their Chinese suppliers in the global supply chain. Standards can be used as weapons to pass their dirt and cost burden to the weakest parties in the supply chain (Lam, 2010b).
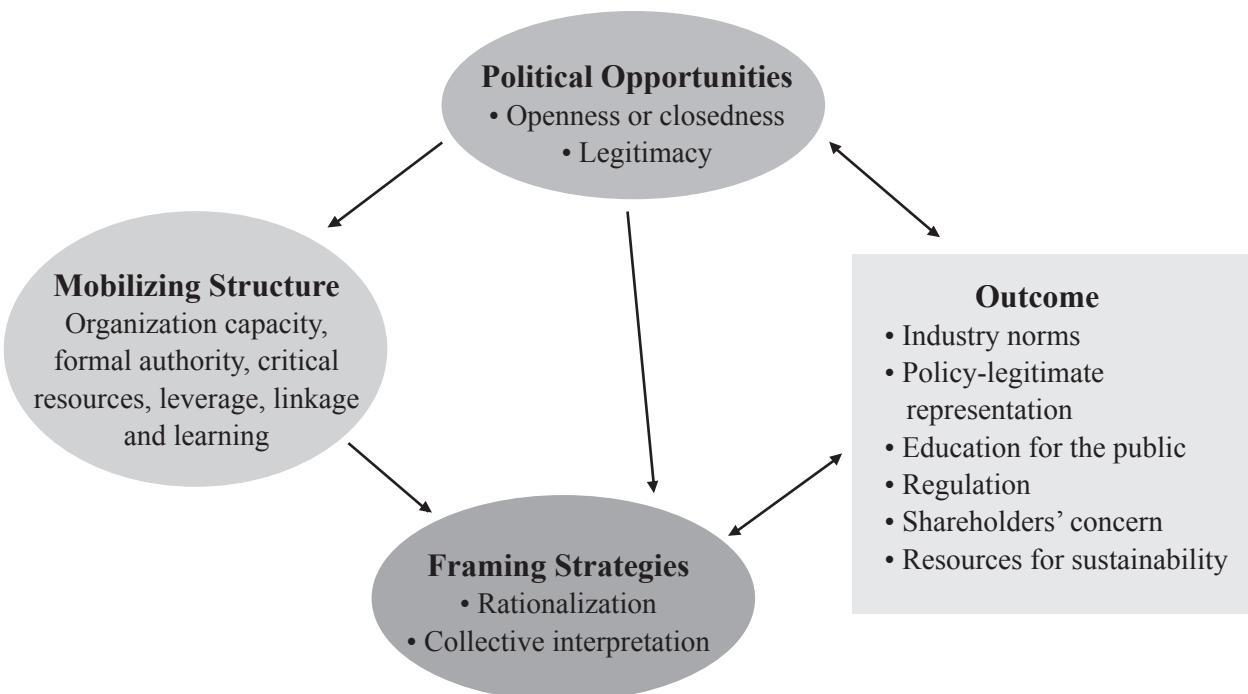
How does corporate citizenship development enable Chinese subsidiaries to be more responsive to local and global initiatives? Mirvis and Googins (2006) present a normative five-stage path in the development of corporate citizenship along with seven dimensions: citizenship concept, strategic intent, leadership, structure, issue management, stakeholder relationships, and transparency. These five stages are elementary, engaged, innovative, integrated, and transforming. In the elementary stage, firms focus primarily on economic responsibility to the society and legal compliance. Leading foreign MNEs, which are in the advanced stage of corporate citizenship (i.e., innovative, integrated and transforming stages), are proposed to be capable of moving their Chinese subsidiaries forward from the elementary stage of

corporate citizenship to adopting more integrated and comprehensive citizenship agenda because these companies have developed blended structures, processes, and systems to implement their values of corporate citizenship. These companies that are in the advanced stage show deep commitment in their stated values and work closely with many partners to address societal problems. Their strategic intent is to set a business case, to propose certain values, and to create some market changes.

PROPOSED FRAMEWORK FOR BETTER CORPORATE CITIZENSHIP IN CHINA

How can Chinese subsidiaries become better corporate citizens when many foreign multinational enterprises (MNEs) are not motivated to develop their Chinese subsidiaries to be beyond the present stage of legal compliance while these MNEs have more power than their Chinese subsidiaries? What institutional incentives can

FIGURE 1
FRAMEWORK OF IMPROVING CORPORATE
CITIZENSHIP OF FOREIGN MNEs IN CHINA

Political Opportunities
• Openness or closedness
• Legitimacy

Mobilizing Structure
Organization capacity, formal authority, critical resources, leverage, linkage and learning

Framing Strategies
• Rationalization
• Collective interpretation

Outcome
• Industry norms
• Policy-legitimate representation
• Education for the public
• Regulation
• Shareholders' concern
• Resources for sustainability

be used to advance the development of corporate citizenship of Chinese subsidiaries? What are available political opportunities, resources, and organizational capacities for collective actions toward better corporate citizenship in China? Which constituencies should be mobilized? The proposed framework will show the interactions among mobilizing structure, political opportunities, and the framing strategies of foreign MNEs in the process of creating new organization forms among Chinese subsidiaries (see figure 1).

The author will begin with political opportunities available to foreign MNEs in China. These political opportunities include the increasing attention of key shareholders and international media upon China business and elite Chinese institutions upon corporate social responsibility (CSR) issues. In the recent years, the Chinese government has established several CSR committees that include leading foreign MNEs and its state-owned multinational enterprises. The Chinese Enterprise Reform and Development Society has created Chinese CSR standards. The local industrial associations have initiated voluntary corporate social responsibilities. The Chinese government expects corporations to approach economic growth, social progress, and environmental protection in a "holistic and integrated manner" (National Development and Reform Commission of China, 2009). More and more Chinese entrepreneurs expect leading foreign MNEs to exemplify good practices in the industry (China Entrepreneurs Survey System, 2007). There are more discussions on "social responsibility of Chinese MBA education" and conferences about social responsibility of corporations in China. The Chinese government requires large state-owned enterprises to fulfill more social responsibilities and encourages listed companies in China's stock market to pay more attention to corporate social responsibility issues (Syntao, 2010). The Chinese government and Chinese entrepreneurs are more open to practices that can generate good capital through protecting the local environment and labor. The development of corporate social responsibility in a corporation is becoming an important criteria for the future success and development of a corporation in a global market economy.

For the mobilizing structure, foreign MNEs, that are in the advanced stage of corporate citizenship, are perceived by the Chinese government and Chinese entrepreneurs to have the expertise of implementing corporate social responsibility in China. These good foreign MNEs have formal authority to transfer their know-how of corporate social responsibility to their Chinese subsidiaries and can easily gain legitimacy by being key members in Chinese committees which foster economic development. They also can use their expertise and referent power to mobilize their existing partners and even competitors to develop industry norms or industry codes of conduct. They also can mobilize their Chinese suppliers to follow their standards of practices and help the suppliers to learn world-class practices in a global market economy. For example, one leading American electronic multinational enterprise initiated the development of electronic industry citizenship coalitions (EICC) code of conduct and collaborated with members to improve "social, economic, environmental conditions in the global electronic supply chain through use of standardized code of conduct" (EICC, 2010). In return, the leading enterprise seriously developed and implemented the code through its existing global leadership network and partners in its current organization culture. It also collaborated with other groups in the EICC sector and welcomed inputs from many stakeholders including non-government organizations. Thus, the enterprise can use its leverage upon existing resources and the linkage with existing international partners to foster the learning process of its own Chinese subsidiaries in the process of developing EICC and applying the EICC code of conduct to its Chinese suppliers. Consequently, the company's subsidiaries in China earn trust from its Chinese suppliers through its dedicated process to help its Chinese suppliers to understand the rationale behind the code of conduct and to access the global production network. The learning of the employees in the subsidiaries in China can enable its corporation to know how to mobilize its members in the EICC to adopt the best corporate social responsibility practices in the five areas: labor, health and safety, environment, management system, and ethics (EICC, 2010). Through

the practices of new norms, standards, and values advocated in the EICC, the leading enterprise's Chinese subsidiaries has developed stronger internal culture and become better corporate citizens in China.

When Chinese subsidiaries implement the corporate social responsibility programs that are integrated with the corporations' global corporate citizens' values and strategies, they need internal organizational change and need to enhance their dynamic organization capacity. When Chinese subsidiaries of foreign MNEs exemplify new practices to their partners in China, they must be well-equipped to be better corporate citizens.

Chinese executives with values and experiences in environmental management or human rights management. The human resource department of foreign MNEs must integrate corporate social responsibility across corporate functions through aligned incentives and consistent messages which derived from their MNEs' corporate responsible strategies. Employees are encouraged to translate their contributions of specific functions to corporate social responsibility through some corporate social responsibility checklist (Accountability & Reporting Orbits, 2004).

Foreign MNEs which are in the advanced stage of corporate citizenship must create condi-

> Christian business educators must pay attention to the context in which businesses operate and explore possible collective actions and opportunities for moving American MNEs to be better corporate citizens in China.

Their Chinese staff members must know how to respond to many issues beyond the narrow economic, technical, and legal requirements of their own firms. Managers at headquarters and subsidiaries need to develop new skills and knowledge to diffuse the concept of social responsibility across different functional areas in their Chinese subsidiaries. They must invest in the social capital that facilitates the transfer of comprehensive corporate social responsibility programs and their experience from the headquarters to their Chinese subsidiaries. These social capital investments include personal transfers between their headquarters and their Chinese subsidiaries, low turnover of expatriates in the Chinese subsidiaries, shared visions and goals about corporate social responsible practices, accommodation of local Chinese culture and concerns of local staff members, and more communication between Chinese employees and employers in the intracorporate networks. These foreign MNEs should promote and hire

tions that encourage personal and organizational integrity in their Chinese subsidiaries. They must examine what these incompatible norms are and how these norms can work under their universal values and principles established by their headquarters. They must examine their problems when they over-rely on systems and structures to manage the behavior of Chinese executives. When many middle-level managers are under pressure to meet many short-term goals, they can easily be very cynical toward the codes of conduct. These senior managers at MNEs must use the performance appraisal system which incorporates the values listed in the codes of conduct and also keeps on seeking and responding to feedback from their Chinese executives. Furthermore, these senior managers at headquarters or subsidiaries must examine their present internal due processes in their Chinese subsidiaries and examine how unilateral levels of control violate their organizational integrity and suppress indi-

vidual intuition in their learning process (Farh, Zhong, & Organ, 2004; Farley, Hoenig & Yang, 2004). They may set up employee boards and mediator-counselor types of systems that can question the appropriateness of policies and the biases in the system that may contribute to unethical behavior (Nielsen, 2000). Thus far, MNEs are willing to learn from experimenting with some local corporate response programs and listen to the voices of their Chinese subsidiaries when social capital is invested; Chinese executives can trust their MNEs. Chinese executives can see their long-term interests linked to their MNEs' corporate social response strategies and interest of many stakeholders, including local and Chinese government.

For framing strategy, foreign MNEs fashion common interests and common identities among collective actors for better cooperate citizenship in China through their industrial associations, external committees, and shared platforms created by private or government organizations. The framing strategy of corporate social practices can increase the legitimacy of foreign MNEs in the international and Chinese markets. When there is increasing trust between foreign MNEs and their external stakeholders in China, foreign MNEs will invest more in the capacity of their Chinese subsidiaries to be better corporate citizens.

Foreign MNEs will increase their investment in the Chinese corporate social responsible programs and mobilize relevant constituents to become better corporate citizens when they can find new organizational forms that legitimize their dominate positions in the global production and market networks through increasing the moral responsibility of corporate executives towards people in the local community. For example, some foreign MNEs develop international codes of conduct or norms in their industry, and in return seriously equip their Chinese subsidiaries to exemplify the norms in their sectors and support the Chinese government's corporate social responsibility initiatives. These foreign MNEs mobilize resources by building upon pre-existing social relationships with international partners and by fostering communication networks with various constituents in China including graduate business schools, government or non-government owned organizations. Some foreign MNEs train their constituents in China to be their partners who can implement social services and perform government functions. They learn from their social experiments and their partnerships with various constituents in China. Thus, the capacity of the Chinese subsidiaries will develop to the advanced stage of corporate citizenship through the new organization forms that are grounded on linking with existing partners in the global network, leveraging upon existing resources, and learning of Chinese subsidiaries. These foreign MNEs develop new norms, values, and practices that fulfill the increasing demand of the Chinese government and key shareholders concerning their practices in the local and international communities. These new industry norms can be new benchmarks and inspire Chinese organizational buyers to demand better practices from corporations in China. Thus, foreign MNEs and their Chinese subsidiaries can work

> toward a culture of <u>continuous learning</u> through a commitment to regular, broad-based and systematic stakeholder engagement…. (Ashridge Centre for Business & Society, 2004)

and increase their own companies' resources for sustainable development in a complex global market economy. Furthermore, Chinese multinational enterprises will be motivated to learn the new practices when they are accepted into the global leadership, production, and marketing networks. As many Chinese multinational enterprises are supported by the Chinese government, the new practices may generate new policies, new regulations, and new institutions which can reward the behavior of good corporate citizenships in China.

IMPLICATIONS FOR CHRISTIAN BUSINESS EDUCATORS

The study shows that Chinese subsidiaries can become better corporate citizens when their foreign multinational enterprises (MNEs) initiate better practices through linkage with, leverage on, and learning from existing global partners and non-government organizations. When Chinese

subsidiaries are required to teach better practices to their external business partners and develop good capital for the future development of their companies in China, the capacities of their subsidiaries to implement broad ranges of corporate social responsibility programs will be increased. The proposed framework of improving corporate citizenship of Chinese subsidiaries can give us some insights on how to mobilize collective actions for Christ's Kingdom. It also can inspire Christians how to mobilize resources in business as ministry (BAM) movement in China.

Christian business educators must pay attention to the context in which businesses operate and explore possible collective actions and opportunities for moving American MNEs to be better corporate citizens in China. We must seriously tackle many issues of labor rights so that the Gospel can adequately respond to the needs of people and society of this time. We have to serve humanity through the Lord, not serve our own cause or legitimatize the dominate positions of American MNEs at the expense of local welfare in China. Business as ministry movement (BAM) can be very political as it deals with many conflicting interests at international, national, and industry level.

Christian business educators may explore possible opportunities to enhance the spiritual development of many business executives in China when their subsidiaries are struggling to become better corporate citizens (Vaill, 1996; 1998). We must help our students in the United States to take corporate social responsibility seriously and to be prepared for many conflicts and uncertainties in managing corporate social responsibility in a transitional economy. Students are encouraged to be accountable to the Lord and experience spiritual growth through listening to the voices of local communities and working with a broad range of stakeholders. We also need to equip our students to know how to give their voices in their professional careers after they have learned many ideas of corporate social responsibility in their business schools (Lam, 2005). We can use many Christian resources to respond to various interpretations of corporate responsibility and greediness of many corporations in a global market economy (Brubaker, 2001; Dawn, 2003;

Drimmelen, 1998; Goudzwaard, 2001; Malloch, 2008; Rundle & Steffen, 2003; Schweiker 2000, 2009; Stackhouse 2001; Volf, 2007). We can be agents of the Kingdom of God as Stackhouse (1972:106) described:

> the kingdom of God is the normative political structure of the communion of the saints means that any project that hopes to establish love and spontaneity and immediacy between persons must at the same time give the participants in the community direct access to the structures and skills of power and to its legitimate value systems. Otherwise the community is not authentic. It will not bear the marks of the ultimate future and it will not endure.

With grace, it is possible to implement universal values listed in many well-established multinational enterprises' (MNEs') codes of conduct and give people esteemed identity in a community with the presence of Holy Spirit. Because of the faith in the resurrection of Christ and the communion of saints, we can believe that the resurrected order will be entirely different from the present and we are glad to join with the saints who were in the past and will be in the future in the movement that seek *Shalom* and justice for humanity.

REFERENCES

Accountability and Reporting Orbit, (2004). Retrieved Aug. 24, 2006 from http://www.wbcsd.org

Abdul-Gafaru, A., (2009). Are multinational corporations compatible with sustainable development? The experience of developing countries. In Ivanaj and McIntyre (Eds.) *Multinational Enterprises and the Challenge of Sustainable Development* (p.50-72). Cheltenham, UK and Northampton, MA, USA: Edward Elgar.

Ashridge Centre for Business & Society, (2004). Accountability and reporting: New accountabilities, new networks, new leaders…. Retrieved Aug. 24, 2006 from http://www.wbcsd.org

Asia Monitor Resource Centre, (2006). Retrieved Aug. 14, 2006 from http://www.amrc.org.hk

Brubaker, P.K., (2001). *Globalization at what price: Economic change and daily life*. Cleveland, Ohio: Pilgrim Press.

Business Roundtable, (2000). *Corporate social responsibility in China: Practices by U.S. companies*. A White Paper.

China Entrepreneurs Survey System, 2007. *Report on Chinese Entrepreneurs Growth and Evolution (in Chinese)*. China Machine Press.

Christmann, P., & Taylor, G., (2001). Globalization and the environment: Determinants of firm self-regulation in China. *Journal of International Business Studies*, 32(3), 439-458.

Coleman, J.S., (1990). *Foundations of social theory*. Cambridge, Mass.: Harvard University Press.

Dawn, Marva, (1997). *To walk and not faint: A month of meditations on Isaiah 40*. Michigan: William B Eerdmans Publishing Company.

Davis, G. F., & Thompson, T.A., (1994). A social movement perspective on corporate control. *Administrative Science Quarterly*, 39,141-173.

Davis, G. F., and Stout, S., (1992). Organizational theory and the market for corporate control: A dynamic analysis of the characteristics of large takeover targets, 1980-1990. *Administrative Science Quarterly*, 37, 605-633.

DiMaggio, P.J. and Powell, W. W., (1983). The iron cage revisited: Institutional isomorphism and collective rationality in organizational fields. *American Sociological Review*, 48, 147-160.

Drimmelen, R., (1998). *Faith in a global economy: A primer for Christians*. Geneva: WCC Publications. EICC, (2010). Retrieved September 4, 2010 from http://www.eicc.info/

Farh, J.-L., Zhong, C.-B., & Organ, D.W., (2004). Organizational citizenships behavior in the People's Republic of China. *Organization Science*, 15(2), 241-253.

Farley, J.U., Hoenig, S., & Yang, J.Z., (2004). Key factors influencing HRM practices of overseas subsidiaries in China Transitional Economy. *International Journal of Human Resource Management,* 15(4), 688-704.

Goudzwaard, B., (2001). *Globalization and the Kingdom of God*: With responses by Brian Fikkert, Larry Reed, Adolfo Garcia de la Sienra. Michigan: Baker Books.

Harney, A., (2008). *The China Price*. New York: The Penguin Press

Hsieh, N.H., (2006). Voluntary code of conduct for multinational corporations: coordinating duties of rescue and justice. *Business Ethics Quarterly,* 6(2), 119-135.

Lam, M., Lam, A., & Lam, L., (2010). The Importance of Non-Government Organizations in the Corporate Social Movement in China. *The International Journal of Humanities*, 7(12), 101-114.

Lam, M.L.L., (2005). Redemptive business education in the age of globalization. Proceedings of the the 21st *Annual Christian Business Faculty Association Conference*. Point Loma Nazarene University, San Diego, California, U.S.

_____, (2006). A study of the transfer of corporate social responsibility from multinational enterprises to Chinese subsidiaries: Implications for Christian business educators. *Proceedings of the 22nd Christian Business Faculty Association Annual Conference*. Cedarville University, Dayton, Ohio, U.S.

_____, (2007) A study of the transfer of corporate social responsibility from well-established foreign multinational enterprises to Chinese subsidiaries. In J.Hooker, J. Hulpke, & P. Madsen (Eds.), *Controversies in international corporate responsibility*. International Corporate Responsibility Series, Volume 3, 343-363. Pittsburgh: Carneige Mellon University.

_____, (2008a) Being innovative by doing good." Proceedings of Academy of Innovation and Entrepreneurship 2008. Tsinghua University, Beijing, China.

_____, (2008b) Non-government organizations as the salt and light in the Corporate Social Responsibility movement in China. Proceedings of the 2008 Christian Business Faculty Association Annual Conference. Indianapolis, U.S.

_____,(2009a) Beyond credibility of doing business in China: Strategies for improving Corporate citizenship of foreign multinational enterprises in China. *Journal of Business Ethics*, 87:137-146.

_____,(2009b) Sustainable development and corporate social responsibility of multi-national enterprises in China. In Ivanaj and McIntyre (Eds.) *Multinational Enterprises and the Challenge of Sustainable Development* (p.230-244). Cheltenham, UK and Northampton, MA, USA: Edward Elgar.

_____, (2010a) Managing corporate social responsibility as an innovation in China. In Latif and Chen (Eds.) *Innovation in Business and Enterprise: Technologies and Frameworks* (p. 224-238). Hershey, PA, USA: IGI Global Publications.

_____, (2010b) Political implications of the corporate social responsibility movement in China. *The Journal of International Business Research and Practice* (JIBRP), Volume 4 (in press).

Lee, P. M. D., (2007). *Why do organizations become good? An institutional explanation of social forces shapes corporate social responsibility*. Unpublished Dissertation, Cornell University.

Logsdon, J.M., & Wood, D.J. (2005). Global business citizenship and voluntary codes of ethical conduct. *Journal of Business Ethics*, 59, 55-67.
Malloch, T., (2008). *Spiritual enterprise: Doing virtuous business*. New York: Encounter Books.

Manzoni, J., (2006). Role of global business: For questions for tomorrow's leviathans. *Financial Times*, July 25, 7.

McAdam,D., McCarthy, J.D., & Zald, M.N., (1996). Introduction: Opportunities, mobilizing structures, and framing process—toward a synthetic, comparative perspective on social movements. In D.McAdam, J.D.McCarthy, & M. Zald (Eds.) *Comparative Perspectives on Social Movements* (p.1-22). New York: Cambridge University Press.

McAdam, D., & Scott, W. R., (2005). Organizations and movements. In, Gerald F. Davis, Doug McAdam, W. Richard Scott, and Mayer N. Zald (Eds.) *Social movements and organization theory (p. xviii)*. Cambridge; New York: Cambridge University Press.

McWilliams, A., & Siegel, D., (2001). Corporate social responsibility: A theory of the firm perspective. *Academy of Management Review*, 26(1), 117-127.

Meyer, K.E., (2004). Perspectives on multinational enterprises in emerging economics. *Journal of International Business Studies*, 35 (4), 259-290.

Mirvis, P., & Googins, B., (2006). Stage of corporate citizenship. California Management Review, 48(2), 104-126.

Murdoch, H. & Gould, D., (2004). Corporate social responsibility in China: Mapping the environment. *A study commission by the Global Alliance for Communities and Workers*. GA Publication Series: Baltimore.

National Development and Reform Commission of China. 2009. *Implementation of the Bali Roadmap: China's Position on the Copenhagen Climate Change Conference*, May 20, 2009. **http://www.en.ndrc.gov.cn**. (last accessed: 15 September 2009).

Nielsen, R. P., (2000). Do internal due process due system permit adequate political and moral space for ethics, voice, praxis, and community. *Journal of Business Ethics*, 24, 1-27.

Oliver, Christine, (1991). Strategic Responses to Institutional Pressure. *The Academy of Management Review*, 16(1), 145-179

Philipp, B., (2006). Multinationals' sustainable supply chains and influence on suppliers inside and outside the U.S.: A comparative approach. In Ivanaj and McIntyre (Eds.) *Multinational Enterprises and the Challenge of Sustainable Development* (p.141-163). Cheltenham, UK and Northampton, MA, USA: Edward Elgar.

Rao, H., Morrill, C., & Zald, M.N., (2000). Power plays: how social movements and collective action create new organization forms. *Research in Organizational Behavior*, 22:239-282.

Rondinelli, D., (2006). Globalization of sustainable development? Principles and practices in transnational corporations. Paper presented at MESD *2006 International Research Colloquium* in the Georgia Tech, Atlanta, Georgia, U.S

Rosoff, R., (2004). Beyond codes of conduct: Addressing Labor Rights Problems in China. *The China Business Review*, March-April, 44-47.

Rundle, S., & Steffen, T., (2003). *Great Commission Companies: The emerging role of business as missions*. Downer Grove, IL: InterVasristy.

Schepers, D., 2006. The impact of NGO network conflict on the corporate social responsibility strategies of multinational corporations. *Business & Society*, 45(3): 282-299.

Schweiker, W., (2000). Responsibility in the world of mammon: Theology, justice, and transnational corporations. In M.L.Stackhouse, & P.J. Paris (Eds.) *God and globalization: Vol.1. Religion and the powers on the common life* (p. 105-139). Harrisburg, Pennsylvania: Trinity Press International.

_____ (2009). Responsibility and moral realities. *Studies in Christian Ethics*, 22(4), 1-25.

Stackhouse, M.L. (2001). Introduction. In M.L. Stackhouse, & D.S. Browning (Eds.) *God and globalization: Vol.2. The spirit and the modern authorities*. (p. 1-36). Harrisburg, Pennsylvania: Trinity Press International.

_____ (1972). *Ethics and urban ethos: An essay in social theory and theological reconstruction*. Boston: Beacon Press Books.

Stiglitz, J. E. (2006) *Making globalization work*. New York: W. W. Norton.
Sum, N.L. & Ngai, P. (2005). Globalization and paradoxes of ethical transnational production: Code of conduct in a Chinese workplace. *Competition & Change*, 9(2), 181-200.

Syntao (2010). Social responsible investment in China. Retrieved Sept. 14, 2010 from http:syntao.blog.sohu.com.

Tateisi, N., (2004). *Corporate social responsibility leads to sustainable economic growth in China—Observations from the leader of the CBCC Dialogue mission on CSR in the People's Republic of China*. Retrieved Sept. 8, 2006 from http://www.keidanren.or.jp/CBCC/english/report/2004.

Vaill, P. (1996). *Learning as a way of being: Strategies for survival in a world of permanent white water*. San Francisco: Jossey-Bass Publishers.

_____, (1998). *Spirited leading and learning*. San Francisco: Jossey-Bass Publishers.

Volf, M., (2007). A voice of one's own: Public faith in a pluralistic world. In Banchoff, T. Ed.) *Democracy and the new religious pluralism* (p.271-281). New York: Oxford University Press.

World Business Council for Sustainable Development, (2005). *Perspective: Corporate responsibility and business success in China*. Retrieved August 14, 2006 from http://www.wbcsd.org.

Yu, X. M., (2006). *Putting corporate codes of conduct regarding labor standards in a global-national-local context: A case study of Reebok's athletic footwear supplier factory in China*. Unpublished dissertation, The Hong Kong University of Science and Technology.

ABOUT THE AUTHOR

Maria Lai-ling Lam is Professor of Business Administration at Malone University, Canton, Ohio, U.S. She holds the degrees of Bachelor of Business Administration, Master of Business Administration, Master of Art in Religion Studies, from the Chinese University of Hong Kong, and a Ph.D. in Business Administration from George Washington University. She has more than twenty years of professional experience in marketing and organization behavior in Chinese business. She is a fellow of International Academy of Intercultural Research; and a member of several professional bodies. She has published one book and several articles. Her research interest is corporate social responsibility development in China, cross-cultural negotiation, and business education.