

# Contents

## Corporate Social Responsibility : Overview and Implications for Future Research

Heli Wang<sup>1</sup> Li Tong<sup>2</sup>

(1. Singapore Management University ;

2. Guanghai School of Management, Peking University)

**Abstract:** Corporate social responsibility (CSR) is an important area of research in the management field but also plagued with misunderstanding and debates. In this article, we briefly review the theoretical background of existing CSR literature and point out some of its limitations in terms of both theory and empirics. We further summarize CSR research in the specific China context, which are often characterized or influenced by China's cultural, political, and evolutionary forces, and provide several suggestions for future research. We hope that this article can help guide researchers, especially those who are interested in CSR research in the China context, to have a better understanding of this ubiquitous and increasingly important research area.

**Key Words:** corporate social responsibility; cultural values; political connection; China context

# Commentary: Corporate Social Responsibility: Overview and Implications for Future Research (Wang & Tong, 2020)

Cuili Qian

(Naveen Jindal School of Management, University of Texas at Dallas)

**Abstract:** Wang and Tong (2020) review the theoretical perspectives and empirical practices prevalent in the corporate social responsibility (CSR) literature and discuss some areas of improvement in both theoretical and empirical domains. The article also looks at the studies pursued in the Chinese contexts and shares how the research can be further strengthened and facilitated to add value to the literature. Their paper thus opens an arena for future research in the CSR field. This commentary beholds the arguments made by Wang and Tong and reviews the salient points made in the article by providing extended discussions and some empirical examples based on my research interests. I also discuss some constraints to the article's suggestions and extend the future research identified in the article.

**Key Words:** non-voluntary CSR; CSR costs; multi-stakeholder perspective; stakeholder interdependence

# How Upper Echelons Theory Can Contribute to CSR Research: Commentary on Wang & Tong (2020)

Yi Tang

(School of Business, University of Hong Kong)

**Abstract:** This commentary follows Wang and Tong's (2020) insights and offers some additional thoughts on CSR research by building on the theoretical perspective of upper echelons theory. We believe the future research on the integration of upper echelons theory and CSR research resides in those areas including executives' motive behind their CSR decision, the two facets of CSR vs. CSiR, and a cross-cultural and cross-institutional perspective on CSR.

**Key Words:** corporate social responsibility; corporate social irresponsibility; upper echelons theory; executive motive; cross cultural/cross institutional perspective

# Corporate Social Responsibility and Organizational Resilience

Ming Jia<sup>1</sup> Yi Xiang<sup>1</sup> Zhe Zhang<sup>2</sup>

(1. School of Management, Northwestern Polytechnical University;

2. School of Management, Xi'an Jiaotong University)

**Abstract:** Wang and Tong (2020) summarize the latest research progress in the field of corporate social responsibility (CSR) and propose some future research directions, which have important value for exploring the fundamental questions related with CSR. This article extends this line of research and tries to highlight the connection between CSR and organizational resilience. We propose that altruistic social responsibility is an important path for enterprises to build highly resilient organizations.

**Key Words:** organizational resilience; reciprocal social responsibility; altruistic social responsibility; direct reciprocity; indirect reciprocity

# Corporate Social Responsibility (CSR) Research: A Literature Study Based on the Chinese Context

Juelin Yin<sup>1</sup> Youxin Hu<sup>1</sup> Nanfeng Luo<sup>2</sup> Yuan Xu<sup>3</sup>

(1. School of Business, Sun Yat-sen University;

2. School of Labor and Human Resources, Renmin University of China;

3. Research Center of Talent Development, Guangdong Academy of Social Sciences)

**Abstract:** Wang and Tong (2020) call for scholars to pay more attention to the unique features of CSR in the Chinese context. In response to the appeal, this paper makes a content analysis of the CSR literature with a focus on the Chinese context, which are published on the international journals from 2001 to 2019. We first identify the antecedents, outcomes, potential mechanisms (mediators) and contingency factors (moderators) related to CSR in China at the institutional, organizational, and individual levels of analysis. Based on that, we then analyse the characteristics of the CSR studies with a higher level of contextualization, hoping to provide some suggestions for future contextualization research related to CSR in China.

**Key Words:** CSR; Chinese context; contextualization

# A Study on the Peer Effect of Corporate Donation Behavior

Sihai Li<sup>1</sup> Xinfeng Jiang<sup>2</sup>

(1. School of Accounting, Zhongnan University of Economics and Law;

2. School of Economics and Management, Huazhong Agricultural University)

**Abstract:** Early studies on corporate donation behavior focus on individual enterprises, without much discussion on the interactive influence between firms. Indeed, there is an obvious interactive learning effect among corporate behaviors, and this interactive learning effect about corporate social responsibility behaviors should generate more scholarly attention. However, existing literature on the interactive learning effect of corporate charitable donation behavior is limited to the influence of comparable corporate's general donation level. Other issues, such as the influence of comparable corporate's highest donation level and the contingency between different convergence behaviors, are not fully discussed. In reality, the corporate donation behavior shows an obvious clustering pattern. Existing literature has not discussed to what level corporate donation behavior converges toward, especially the mechanisms underlying different forms of corporate donation convergence decisions in Chinese institutional contexts. Under different circumstances, enterprises choose different benchmarks to make donation decisions, which may reflect the institutional motivation of charitable donation.

Based on the legitimacy theory, social exchange theory and contingency theory, this paper selects China Shanghai and Shenzhen A-share listed firms from 2008 to 2014 as its sample and studies the convergence effect of corporate donation behavior and its performance implications. Our findings indicate that under Chinese transition economy background, for listed companies, there exists an evasive convergence effect of donation behavior, that is, in order to meet the demands of stakeholders and minimize their own donation costs, the enterprises' donation amount will approach to the general level of comparable enterprises. And there also exists the competitive convergence effect of donation behavior, the behavior of enterprises to donate to the highest level of comparable enterprises in order to highlight themselves under the income expectation of social exchange. But these two effects were significantly affected by the government-enterprise relationship. In the enterprise with political connections, the enterprise donation behavior shows a competitive convergence effect, and because of the government regulations, the donation behavior of state-owned enterprises that built a property right connection with the government finally shows a restricted convergence effect at the end of the competition process. We also find that the competitive convergence effect of the enterprise donation behavior has brought the economic consequences of excess donation, which are mainly explained by corporate political connections.

This paper studies corporate donation behavior from the perspective of inter-firm interaction effect and also through the relationship between government and enterprises. They reflect the institutional motives of Chinese firms' corporate social responsibility behavior from a new perspective, and may be helpful to promote the optimal allocation of corporate social responsibility resources in China.

The implications of this paper are reflected in the following aspects: (1) the previous literature on the corporate donation peer

## Contents

effect is limited to a specific convergence benchmark, lacking of discussion on different convergence forms, so as not to clarify the contingency of corporate donation behavior under different motives. This paper studies the interaction effect of corporate donation behavior from the perspective of evasive convergence and competitive convergence, and based on the background of China's institutional background, analyzes the contingency factors of different type of convergence behaviors through the relationship between government and enterprise, reveals the institutional motivation of corporate social responsibility behavior; (2) the conclusion of this paper about the economic consequences of corporate donation peer effect shows that the phenomenon of excessive donation may exist under the competitive convergence donation behavior, which may lead to the non-optimization of corporate social responsibility resources allocation to a certain extent, which is of great practical significance for the current corporate social responsibility behavior regulation and guidance in China; (3) through the interaction effect of donation behavior among enterprises, this paper studies the difference of corporate donation behavior on perspective of the corporate's property right nature, and regarding to the finding that the policy regulation of state-owned enterprises reduces the excessive donation caused by competitive donation, it is concluded that this kind of effective regulation restrains the opportunistic behavior of "be generous at the expense of others" in the donation behavior of the state-owned enterprises with the prominent problem of management agency problem; (4) based on the legitimacy theory, social exchange theory and contingency theory, this study constructs an explanatory framework of corporate donation behavior based on China's institutional background, which provides empirical evidence and theoretical guidance for better understanding and guiding corporate social responsibility behavior in the context of transition economy.

**Key Words:** corporate donation; peer effect; political relation; property relation; excess donation

# Organizational Stigma Research: Emergence, Current Development, and Future Directions

Yuhuan Liu Genglin Cheng

(School of Economics and Management, Southwest Jiaotong University)

**Abstract:** Organizational stigma is a label that evokes a collective stakeholder group's specific perception that an organization possesses a fundamental, deep-seated flaw that deindividuates and discredits the organization. As a negative social evaluation, organizational stigma with substantial destructive power is prevalent in society. While more and more scholars have started to care about and explore the creation process and management strategies of organizational stigma, the current studies are still very scattered and lack of integrated theoretical framework. Furthermore, prior studies are usually embedded in the context of traditional media. However, social media, with features of the high speed of information generation and dissemination, high emotional and moral based, and the strong interactions between organizations and audiences, will largely change the creation process and management strategies of organizational stigma, thus leading to the need of reconsidering the future research directions of organizational stigma. To fill the above gaps, this study fully examines 51 studies conducted in Chinese and western contexts, propose an integrated theoretical framework of organizational stigma, and point out several directions for future research.

After analyzing the current studies, we find that organizational stigma research mainly focuses on four questions: (1) the definition of organizational stigma. Organizational stigma that differs from other social evaluation concepts such as illegitimacy, bad reputation, and low status, is categorized into two types: core-stigma that results from the discredited and tainted perception of organizations owing to some core organizational attributes, such as core routines, core outputs, and/or core customers, and event stigma that results from discrete, anomalous, episodic events; (2) the creation process of organizational stigma. Organizational stigma arises through individual-level and collective-level labeling and attribution processes that links an organization to a negatively evaluated category. In particular, the stigma context, and the traits of stigma makers, stigmatized organization, and stigma sources will influence the stigma creation process; (3) the outcome of organizational stigma. While most of prior studies have demonstrated that stigma has brought negative effects for organization and its various stakeholders, some recent studies have argued that stigma may brought positive outcomes like attracting audiences' attention or strengthening organizational identity; (4) the management strategies of organizational stigma. We find that strategies of shielding, straddling, co-opting, and categorization rebuilding are used to manage core stigma, and strategies of deny and voidance as well as acceptance and take responsibility are used to manage event stigma.

Based on the current theoretical framework, we argue that the widespread social media that has turbo-charged the volume, variety and velocity of information generation and dissemination will significantly affect the creation process and management strategies of organizational stigma and proposed three directions for future research. First, social media makes it easier to track audiences' social evaluations on stigmatized organizations, which offers a good opportunity for future research to unpack the black box of stigma creation process. For instance, future research could explore the emotions experienced and roles played by various audiences in stigmatization process of organizations. Second, in the era of social media, information asymmetry between companies and their au-

## Contents

diences has been largely reduced, which leads to the fact that the stigma management strategies (e. g. shielding or straddling) based on information asymmetry will no longer be applicable. Thus, future research could examine the boundary conditions of previous stigma management strategies and explore new and more effective stigma management strategies in the era of social media. Further, previous research on stigma management strategies usually focuses on organizations' actions and ignore the responses of various audiences. However, in the era of social media, any behavior of an organization can be perceived by the audience in time, and audiences' response will affect the subsequent implementation of stigma management strategy. Therefore, future research should examine the interactions between organizations' stigma management strategies and various audiences' responses to reveal the dynamic process of stigma management. Third, exploring organizational stigma in the era of social media thus requires methodologies that are sensitive to the flow of information about audiences and stigmatized organizations. For instances, future research could conduct increasing sophisticated techniques for automated sentiment analysis and social network analysis to precisely track the content and diffusion of stigma evaluations in social media in order to examine how organizational stigma is created in the first place, and then unpack the dynamic process of managing such stigmas.

To sum up, as a typical negative social evaluation, organizational stigma research is gradually growing into a new and important research field. Through a comprehensive review and analysis of the existing literature, this paper puts forward a theoretical framework for the study of organizational stigma, and provides several directions for future research, which promotes the further development of organizational stigma research in the era of social media.

**Key Words:** organizational stigma; core stigma; event stigma; emotional and moral evaluation; social media

# The Mechanism of New Ventures' Business Model Design: A Case Study Based on Entrepreneurial Learning

Hansong Chen Chengcheng Wang Zhen Tian Junyun Jia

(School of Business Administration, Shandong University of Finance and Economics)

**Abstract:** Business model design is a process of continuous improvement. However, it is still unclear how entrepreneurial learning impacts business model design at different stages of entrepreneurship. Existing research has dissected the promotion effect of entrepreneurial learning to efficiency-centered or novelty-centered business model design. Still, the mutual relation between entrepreneurial learning and business model design at different stages in the fast-growing start-ups is largely neglected. In fact, due to the different characteristics of each stage, there are also differences in the impact of entrepreneurial learning methods on business model design at different stages. Therefore, it is necessary to explore the mechanism of entrepreneurial learning on business model design based on the theory of corporate life cycle.

We select Saier as the subject of our single case study and collect first-hand and second-hand data through interviews and other methods. After coding and analyzing the collected data, we construct the models of business model design and explore the mechanism of entrepreneurial learning on business model design at different stages.

We find that new ventures focus on different entrepreneurial learning styles at different life stages, specifically, dominated by congenital learning in the incubation period, experiential learning in infancy period, vicarious learning in the toddler period, and searching and noticing learning in adolescence period. Grafting learning plays a supplementary role in infancy, toddler and adolescence period. Entrepreneurial learning directly affects business model design at different stages, from the formation of business model framework during the incubation period, to the initial formation of the business model in infancy, to the formation of a relatively clear business model in the toddler stage, and then to the further improvement of the business model design during adolescence. All the different entrepreneurial learning styles play a positive role in business model design.

With such findings, this paper constructs the business model design model at different stages, and expands the literature on the dynamic evolution process of business model design. Based on the theory of corporate life cycle, it combines different enterprise growth stages with the formation process of business model design, and builds a model about the process of business model from gradually clear to continuous improvement, which complements and enriches the research on the evolution of existing business model design. This paper explores the entrepreneurial learning styles at different stages in new ventures, and dissects the mechanism of different learning styles on business model design. It shows that congenital learning, experiential learning, vicarious learning, and searching and noticing learning are respectively dominant in the incubation, infancy, toddler and adolescence periods. Besides, grafting learning plays an auxiliary role from infancy to adolescence period. These findings have deepened and enriched the research on the mechanism of entrepreneurial learning on business model design.

As to practical implications, the current study, by revealing the mechanism of entrepreneurial learning of entrepreneurs to the design of business models at different stages of new ventures, guides entrepreneurs to learn actively and choose appropriate learn-

## Contents

ing styles according to the stage of new venture. On the other hand, it provides a reference for entrepreneurs to design and improve their business model through different learning methods.

Despite all the contributions, this study still has some limitations. First, the selected case is in the entrepreneurial period of the life cycle and has not experienced the entire life cycle yet. We hope to track it in our future study. Second, this study uses the single case study method to analyze the relationship between entrepreneurial learning and business model design at different stages of a new venture. Future multi-case studies can expand the external validity of relevant findings and introduce other theoretical perspective to explore the mechanism of business model design. Third, business model design is affected by a variety of internal and external factors. This article only explores the impact mechanism of business model design from the perspective of corporate growth stage and entrepreneurial learning. Since the business model design is affected by various factors, we call for QCA method to be used for this topic in the future.

**Key Words:** new venture; growth of the firm; entrepreneurial learning; corporate life cycle; business model design

# Customer Orientation, Strategic Flexibility, and Business Model Innovation: The Moderating Effects of Dysfunctional Competition

Jie Chen Zhongfeng Su

(School of Management, Xi'an Jiaotong University)

**Abstract:** Business model innovation has significant implications. However, firms often have difficulties in developing it. A key reason for this phenomenon is that firms lack knowledge of what factors can foster it, making “what are the antecedents of business model innovation” a critical research question. Extant literature states that business model innovation may be driven by either external market demands or internal resource endowments. Drawing on this perspective, this study argues that customer orientation and strategic flexibility may serve as important antecedents of business model innovation, in that customer orientation aids firms in acquiring and leveraging information on external market demands and strategic flexibility helps firms to deploy resources. However, neither the role played by customer orientation nor that of strategic flexibility in business model innovation has been explored. In addition, the role played by both customer orientation and strategic flexibility is context specific. As a key characteristic of the institutional environment, dysfunctional competition may have profound effects on the linkages of customer orientation and strategic flexibility to business model innovation. On the one hand, dysfunctional competition affects the value of business model innovation. It may undermine the implications of business model innovation and then makes firms unwilling to develop it, inhibiting the contributions of certain factors to business model innovation; meanwhile, dysfunctional competition may lead to firms highlighting developing new business models to ensure competitive advantage, which results in the contributions of certain factors to business model innovation being more significant. On the other hand, extant studies have indicated that the implications of customer orientation and strategic flexibility vary with dysfunctional competition. As a result, it is likely that the linkages of both customer orientation and strategic flexibility to business model innovation are contingent on dysfunctional competition. Yet, few studies have examined this issue, which refers to another research gap. This study aims at addressing these two research gaps. In particular, it will explore the relationships of both customer orientation and strategic flexibility to business model innovation as well as the moderating effects of dysfunctional competition on these relationships.

We utilized data of Chinese manufacturing firms to conduct our empirical test. The data are collected from surveys on manufacturing firms in six provinces (Anhui, Guangdong, Henan, Jiangsu, Shaanxi, and Shanghai). We design the questionnaire based on both existing research and interviews with managers. We randomly select 1,200 firms to construct the sample. Then, we employ the face-to-face interview method to acquire responses to the survey. We collect data in the first half of 2014. After deleting firms who only had response from one executive or whose responses had missing data, we have the final sample consisting of 249 firms.

This study finds that both customer orientation and strategic flexibility are positively related to business model innovation. Moreover, dysfunctional competition positively moderates the linkage between customer orientation and business model innovation, but

## Contents

negatively moderates that of strategic flexibility to business model innovation.

This study makes two contributions. First, it enriches our knowledge of the antecedents of business model innovation. Based on external market demands and internal resource endowments, this study analyzes the impact of customer orientation and strategic flexibility on business model innovation. Distinguished from extant research that takes market demands as an external environment factor, this study focuses on customer orientation which is more operable for firms and can guide firms exploiting external market demands to promote business model innovation. Extant research also identifies the driving force of internal resource endowments, such as “applying combinations of the resources at hand to new problems and opportunities”. Strategic flexibility reflects the capability of flexibly deploying resources in response to environment changes and make it easier for firms to utilize resources in new ways. This study not only supports the conclusion of extant research but also clarifies how to apply resources creatively. Therefore, this study provides a significant complement and extension to extant research. Besides, it introduces dysfunctional competition as a contingent factor, aiding in further understanding the linkages of customer orientation and strategic flexibility to business model innovation. Second, this study advances our understanding of the implications of customer orientation and strategic flexibility. Although scholars have emphasized the value of these two factors, this study extends this line of research by studying their effects on business model innovation. In addition, it explores the contingent effect of dysfunctional competition, drawing a more comprehensive picture of the research on customer orientation and strategic flexibility.

Firms may leverage customer orientation and strategic flexibility to promote business model innovation, especially in different dysfunctional competition contexts. Specifically, firms can facilitate business model innovation by enhancing customer orientation or strategic flexibility. When facing high-level dysfunctional competition, firms aiming at promoting business model innovation would better pay more attention to customer orientation rather than strategic flexibility.

First, this study uses cross-sectional data. Future research could employ longitudinal data. Second, based on previous research, this study uses subjective items to measure business model innovation, which may not fully represent the rich connotation of business model innovation. Future research could develop new measurement items which are more specific and accurate. Third, this study only studies the moderating effect of dysfunctional competition. Other environmental factors and organizational factors, such as environmental dynamics and organizational structure, may also affect the relationships and require further analyses. Fourth, this study only analyzes the effects of customer orientation and strategic flexibility. Other factors related to external market demands and internal resource endowments, such as market orientation and dynamic capabilities, also deserve further study. Fifth, this study only analyzes the individual effects of customer orientation and strategic flexibility on business model innovation. Future research could focus on their interactive effects. Sixth, this study does not distinguish between new ventures and incumbent firms. Future research could draw a distinction between them.

**Key Words:** business model innovation; customer orientation; strategic flexibility; dysfunctional competition.