

**The Role of Corporate Social Responsibility Education
for the Korean Small and Medium-sized Enterprises' Development:
A Social Capital Theory Perspective**

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List of Abbreviations and Acronyms

CA	Capability Approach
CEO	Chief executive officer
COP	Communication on Process
CSR	Corporate social responsibility
CSV	Creating shared value
ESD	Education for Sustainable Development
GDP	Gross domestic product
GRI	Global Report Initiative
HRD	Human Resources Development
HRM	Human Resource Management
ILO	International Labour Organization
IO	International organisation
IT	Information Technology
MBA	Master of business administration
MDGs	Millennium Development Goals
MNCs	Multinational corporations
NGO	Non-governmental organisation
OECD	Organisation for Economic Cooperation and Development
PR	Public relations
RBV	Resource-based View
SCT	Social Capital Theory
SDGs	Sustainable development goals
SMEs	Small and medium-sized enterprises
SNS	Social Network Service
UK	United Kingdom
UN	United Nations

UNESCO	United Nations Educational, Scientific and Cultural Organization
UNIDO	United Nations Industrial Development Organization
UNGC	United Nations Global Compact
USA	United States of America

Abstract

As the significance of corporate social responsibility (CSR) increased in the last decade, more enterprises, encouraged by governments, are promoting CSR practice. Therefore, it is necessary to evaluate the conceptualisation of CSR in regions with different cultures, histories, socio-cultural practices and religions. This study was based on a social constructionism approach and the research questions were answered through reviewing the theoretical basis established according to the collection of existing studies, as well as analysing empirical findings obtained from multiple case studies of Korean small and medium-sized enterprises (SMEs) CSR champions, extensive interviews with international organisations (IOs) and Korean governmental agencies, and documents provided by the case companies, IOs and governmental agencies. This research found different characteristics of CSR between SMEs and multinational corporations regarding language and a necessity for differentiation strategy for development across firm size, industry and governance. Moreover, SMEs' global, national and organisational factors affected their learning and practice of CSR, resulting in different outcomes and peculiar characteristics. These findings could generate the new integrated model to understand CSR by combining two Social Capital Theory perspectives (Coleman, 1988; Fukuyama, 1995). This model facilitated in-depth analysis of the role of CSR in SMEs' development, building social capital on the process of SMEs' CSR practice by establishing virtuous cycles from trustful relationships internally and externally. Finally, it was shown that the CSR territory is expanding from the major Western developed countries to the emerging markets, especially in East Asia. Also, case study of the Korean CSR champions among SME sector could contribute to identifying characteristics of exemplary CSR cases to achieve social and economic responsibilities. Further, this research could provide about their conceptualisation and relationships with other education factors. Therefore, this study provides directions how other ordinary SMEs adopt CSR within their organisational settings, how policy makers set up their governmental support and how academics research about SMEs' CSR.

Keywords: CSR, SMEs, Education, South Korea, Social Capital

Declaration

No portion of the work referred to in the thesis has been submitted in support of an application for another degree or qualification of this or any other university or other institute of learning.

Se-Eun Hwang

June 2016

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Chapter 1: Introduction

Not only financial achievement but also social responsibilities are required of a company to survive in global competitive markets, whereas financial achievement was the only focus in the past. CSR research, however, is mainly studied from the examples of large companies in Western developed countries; such large companies use CSR as a form of public relations (PR) or marketing method to survive in competitive markets (Bauman-Pauly et al., 2013; Baden & Harwood, 2013). Therefore, to increase the actual number of companies that use CSR, it is necessary to study small and medium-sized enterprises (SMEs), which have different management systems and company cultures, with regard to CSR. SMEs cannot be compared with large companies in terms of company size and available records, and this is a limitation for existing document research; nevertheless they are in a very important position in terms of overall staff numbers or sales considering national and international economies. The management systems of SMEs are different from those of large companies and the persons concerned, including stockholders, tend to look at and practise CSR not from an instrumental viewpoint (Baden & Harwood, 2013), as they would in large companies, but from a normative viewpoint. Just as SMEs features increased innovation and entrepreneurship compared to large companies that have superior power and resources, they also have more trustful relationships between executives and staff members, and within groups. In addition, they also consider their relationships with partner firms and customers as important, as through these they can achieve not only financial survival, but also social objectives. Therefore, unlike CSR research in large companies where the Stakeholder Theory is dominant, research into CSR in SMEs may reasonably apply Social Capital Theory (SCT), which implies that better results will come by decreasing social costs when individuals or organisations are in trustful relationships (Ostrome, 2000).

1. 1. Background

The concept of CSR originated in the environmental and financial accounting literature and has evolved over the past several decades in the global political economy (Idowu et al., 2013). Despite this conceptual evolution, the definition and usage of the term CSR is still debatable:

can it be universally defined, or should it be considered part of an organisation strategy to achieve corporate goals and adapt to the ever-changing geopolitical context? In this introduction, I mapped the knowledge terrains of CSR, education, social capital and SMEs in a South Korean context. I was interested in exploring how these domains interact and how they provide opportunities for growth, development, and innovation.

Many scholars have contributed to establishing the theoretical basis of CSR since its inception, through periods when it has been both resisted and praised. CSR is commonly accepted as an interaction between business and society and as part of “any concept concerning how managers should handle the public policy, social (and environmental) issues” (Bauman-Pauly et al., 2013: 1). Scholars have established key theories of CSR such as the Institutional Theory and the Stakeholder Theory, which have explained CSR conceptualisation in multinational corporations (MNCs) (Sen & Cowley, 2013). The Institutional Theory mainly discusses companies’ legitimacy to operate, underscoring the importance of CSR as social activities which give legitimacy to companies (Burlea & Popa, 2013). Along with the Institutional Theory, the Stakeholder Theory aims at meeting the expectations of both internal and external stakeholders whose decisions can be influential and powerful enough to make MNCs socially and economically more responsible. One recent issue is how to balance the different expectations of stakeholders while implementing CSR (Matten et al., 2003; Idowu et al., 2013).

In addition to these two theories, Capability Approach (CA) and Resource-based View (RBV) could provide a theoretical understanding of CSR. In the perspective of CA, if companies practise CSR, they can gain social, environmental and economic benefits from their organisational capabilities (Arend, 2014; Torugsa et al., 2012). Moreover, RBV views CSR as an opportunity for corporations to gain competitive advantage by distinguishing them from other competitors through social activities (Castelo, 2013). However, it has been argued that these theories have limitations in their ability to explain CSR in SMEs, which have genuine ethical motivation to build trusted networks. Unlike SMEs, CSR in MNCs tends to be a relatively instrumental rather than normative concept (Baden and Harwood, 2013). That is why doubts are voiced, because external CSR can be used to veil ethical issues in MNCs in order for these to sustain a dominant position (Bauman-Pauly et al., 2013).

Specifically, recent studies have revealed unethical business practices in recent decades in societies that are categorised as excessively materialistic and competition-oriented, which scholars describe as a side effect of neo-liberalism and globalisation (Wolton, 2012). Civil

society and international organisations (IOs) have pointed out that MNCs seem to exploit the position of the weakest, rather than showing concern and care towards them (Wolton, 2012; Idowu et al., 2013). Under these circumstances, businesses began to voluntarily advocate CSR in an attempt to resist external governance and burnish their corporate image. A widely held opinion is, after all, that the CSR activities have met the expectations of stakeholders, improved corporate image and contributed to society (Idowu et al., 2013).

Based on this historical background of CSR, criticisms of MNCs and the limitations of the previously mentioned theories, there is another relevant theory that is widely recognised in practical application in politics and economics as well as in academia: SCT. According to this theory, a trustful network can be built through the process of normative CSR activities generating social capital, which translates into social virtues and the creation of value for both the business and the public interest, contributing to the society and nation (Coleman, 1988; Fukuyama, 1995; Oh, 2013). Unlike MNCs' CSR conceptualisation, SCT could provide a more comprehensive theoretical understanding of SMEs, which have more genuine motivation to practise CSR and value trustful networks to carry out their business (Almunawar & Low, 2013; Sen & Cowley, 2013).

As shown, the definition of CSR can be flexible and differently interpreted depending on the adopted theory, the scholars concerned and the context. That is why the key issues related to CSR have changed constantly for more than 50 years (Okoye, 2009; Baden and Harwood, 2013; Idowu et al., 2013).

1. 1. 1. Key Issues of Corporate Social Responsibility

While the theoretical foundations of CSR have evolved and global political and economic circumstances have been changing, there have also been several changes in CSR key issues among stakeholders. When IOs, civil society, governments and customers put pressure on MNCs to be socially responsible, they responded by using CSR as a PR and marketing tool to improve corporate image (Bauman-Pauly et al., 2013; Baden and Harwood, 2013). However, changing from an instrumental to a normative concept, corporations have tried to integrate CSR into their day-to-day business strategies, made possible through including a CSR division in their organisational structure. This means that whereas MNCs traditionally focused on external CSR to meet the expectations of external stakeholders, they have now started to take care of internal stakeholders such as their employees (C H Kim, 2009).

As MNCs have sufficient power and resources to practise CSR, they can come to dominate the research literature and general media (Bauman-Pauly et al., 2013). Recently, as the importance of CSR has been increasingly emphasised, there has been increasing interest in SMEs' CSR (Lapointe & Gendron, 2004; Spence et al., 2003). Since CSR has been evolving based on a civil society approach in the United States of America (USA) and a legal approach in Europe (Avetisyan & Ferrary, 2013), scholars and professionals have usually focused on Western, developed countries. However, the rapid social and economic development of the Asian "New Economies" (Tseng et al., 2010), and the important position of African developing countries in development studies, have led to these becoming the centre of public attention (Demuijnck & Ngnodjom, 2013).

As globalisation and neo-liberalism have resulted in decreasing social capital and thus competition-oriented societies based on individualism (Wolton, 2012), accumulating social capital with the organisation and society (Almunawar & Low, 2013; Sen & Cowley, 2013) could be an objective of CSR beyond gaining legitimacy and meeting the expectations of stakeholders (Burlea & Popa, 2013; Matten et al., 2003; Idowu et al., 2013). Furthermore, Fukuyama (1995) pointed out that as "key factors for a corporation to grow into a large and sustainable MNC", "companies practicing CSR will build or strengthen **trust** that becomes a source of social capital for them to grow further." (cited in Almunawar & Low, 2013:2570) Therefore, building trust as social capital between a company and its stakeholders through CSR is nowadays essential for companies' development.

1. 1. 2. Corporate Social Responsibility, Education and Social Capital

The concept of CSR became widely recognised due to its multiple shifts in both academic and professional definitions, and CSR has grown in importance following the Enron corruption scandal. However, the situation described in the previous section has led to concerns about how education, knowledge transfer, and learning about CSR can be used to help embed CSR in education, innovation, and entrepreneurial behaviour.

A major factor behind this trend is the globalised efforts by IOs to contribute to establishing a global standard of CSR in order to overcome the side effects of globalisation. The first such effort was an early social movement in the field of education (Coombs, 1968; Kim, 2013). Concerned with education initiatives, the United Nations Educational, Scientific and Cultural Organization (UNESCO) identified issues that existed in education half a

century ago, emphasising sustainable development, and thus contributing to the establishment of a global standard of CSR (Faure et al., 1972; UNESCO, 1987; International Commission on Education for the Twenty-first Century & Delors, 1996; Kim, 2013). Moreover, the United Nations Global Compact (UNGC) led by Kofi Annan, a former United Nations (UN) secretary general, convinced businesses to join the scheme and follow 10 specified principles, triggering UNGC global networks to provide benefits and encourage members to practise CSR (Post, 2012). Alongside these two organisations' efforts, the Organisation for Economic Cooperation and Development (OECD) Guideline for Multinational Enterprises (1976) also came on board, and global CSR standards such as the Global Report Initiative (GRI) (2006) and ISO 26000 (2010) were established (NHRCK, 2011).

These global efforts encouraged MNCs to join forces, as strengthening competitiveness through CSR in the global market was a key interest. They started to join UNGC and to try to implement the global CSR guidelines (Ennals, 2013). Moreover, national governments, in response, came up with compensation systems such as tax and other economic incentives, and created educational programmes which were implemented through forums and conferences to deliver the contents of the global standards and to encourage their corporations to practise CSR (Steurer, 2013).

Applying SCT to these global CSR guidelines, businesses and their stakeholders are educated to recognise them as an innovative way to explore learning exchanges and to recognise how conceptualisations of CSR are socially constructed, since social capital (i.e. public interest), contributes to societal and national development, in conjunction with equity capital for individuals and businesses. Consequently, both individuals and businesses can benefit from the social system running on this resource of social capital (Oh, 2013), especially since the IOs have realised that physical capital alone is not a sufficient foundation for growth and development. Recently they have recognised that the power source for growth and development should be social capital, which each country's citizens can create by themselves (Ostrom, 2000). I explored the theoretical frameworks of social capital in the literature review chapters. At this stage, I view social capital as both embodying education and providing advantages at the macro-, meso-, and micro-levels, and thus central to understanding CSR development.

It is important to note that global CSR standards have been accused of undermining the spirit of the standard system. First, the standard was criticised for its failure to consider the characteristic differences between large companies and SMEs. Since SMEs continue to play

significant roles in the global economy and global employment, their peculiarities should be considered with care. Second, it also failed to consider East Asia, despite the rapid economic growth of Asian countries, and mainly focused on Western cases; however, those Asian countries are clearly distinct from Western countries in terms of their economic, social, and cultural systems (Wals & Jickling, 2002; Tseng et al., 2010). For example, even though these Asian countries traditionally place oral education at the centre of their lives, they have recently accepted the Western educational system, and changing their system has made it difficult to focus on CSR. This is why they have positioned the subject of CSR not as essential or core, but as an elective or additional study item (Tseng et al., 2010). With these shortcomings, the global CSR standard ultimately tends to be less practical and specific (Mueckenberger and Jastram, 2010), and there are limitations to adopting these guidelines. My research intended to delve into these drawbacks by providing theoretical and empirical underpinnings for how CSR education affects SMEs, aligned with social capital theorisation.

1. 1. 3. Corporate Social Responsibility in Small and Medium-sized Enterprises

The SME sector has been assessed as playing an essential role in the economic development of developing countries. Due to the characteristics of SMEs engaging in labour-intensive industries, they have been proven to be a centre for employment creation and contribution to improving the distribution of income. More than anything else, SMEs are the mother of entrepreneurship and lead economic dynamism in the process of industrialisation by implementing innovation and taking risks. Healthy development of SMEs will help to attract large foreign investment, as they become the basis around which the supply chain is configured. For this reason, in light of the importance of the SME sector in the production and employment of the world economy, it has been argued that SMEs should be added as a major consideration in the study and discussion of CSR (UNIDO, 2002).

As firm size matters in the application of CSR, the challenges and opportunities that SMEs face are different from those faced by MNCs (Russo & Perrini, 2010). In other words, CSR can impose a huge financial burden on SMEs and practising CSR can, per se, threaten their business life. This is why SMEs often mention lack of resources as a major reason not to practise CSR (Jenkins, 2006). Therefore, governments need CSR educational programmes tailored to their needs. Since the growth of SMEs in a country links to national competitiveness, a relevant support policy for SMEs must be implemented to facilitate their

development. This support policy may mitigate lack of information and contribute to SMEs' virtuous learning cycle to integrate CSR into business elements by educating and exchanging information based on trustful relationship with employees and partners (Sen & Cowley, 2013; Inyang, 2013).

The expectations of stakeholders are the primary focus for CSR in large-scale companies, but this is not the case for CSR as applied in SMEs. Rather, trustful networks and relationships with stakeholders matter more. Given this characteristic, SMEs that build trust with local communities and do business based on such trust will, unlike large corporations, end up amassing social capital. By doing so, SMEs could play a key role in boosting social and national interests. This is clearly different from MNCs since SMEs have more genuine motivation to implement CSR and this motivation of SMEs is the condition most necessary for raising social capital through CSR (Fukuyama, 1995; Oh, 2013).

CSR education and social capital are thus keys to critiques of development in East Asia. The importance of research on CSR has been widely acknowledged, but key components, such as CSR for SMEs or CSR convergence in new fields such as education, have just started to see a gradual increase in attention. It is true that self-regulation of corporations has been the most valued driver of CSR, but now it is time for governments to intervene by mapping out guidelines for their own CSR educational programmes and incentives, taking into account cultural, political, economic and social contexts.

1. 1. 4. Existing Gaps in Academic Literature

Most case studies in CSR research have been conducted in the West, in particular the USA and Europe (Bauman-Pauly et al., 2013). The East has been neglected in this regard, even with the Southeast Asian countries having already achieved dramatic economic growth, and with China and India emerging as key elements of the global economic landscape. This dilutes the "global" nature of CSR, a big hurdle in global CSR promotion. This exclusion of the East in CSR studies is mainly due to its short and drastic CSR history, as opposed to those of the USA or Europe (SMBA, 2010).

However, the emergence of neo-liberalism and globalisation has had a great effect on Asian nations as well as Western countries. The education system in the East went through a transformation to keep up with its counterpart system in the West, shifting the focus away from cultural traditionalism towards economic growth (Tseng et al., 2010; Oh, 2013).

Recently, however, the East has been confronted with educational and social problems mainly caused by globalisation. This has been associated with the competition-oriented education system produced by the previous generation obsessed with social success and materialistic communities over individuals (Oh, 2013). However, incorporating the appropriate inheritance of Confucian ethics could be the essence of CSR education to gain social capital through CSR implementation (Low, 2013). Therefore, accumulating social capital through CSR, in order to recover trust in relationships and society, has become an inevitable challenge not only for large companies, but also for SMEs.

These phenomena are happening in Asian Confucian countries which achieved social and economic development in a short time by adopting the Western system, especially by the so-called Asian Tigers, from the 1970s onwards. This development led Korea to experience a drastic social shift through its rapid economic growth after a relatively short period of 80 years in which the country lost almost everything; Korea went through Japanese colonial rule and a civil war during this period (Kim, 2012). Overcoming historical and territorial limitations, Korea managed to become a highly educated country driven largely by a national overenthusiasm for education. However, such overenthusiasm for education produced individuals excessively obsessed with individual success, rather than social capital for societal and national development, espoused in theoretical frameworks of lifelong learning, innovation, and entrepreneurship. Even with the social infrastructure built through the development of the transportation and communication network, social capital disappeared and only the values of individuals or families remained (Oh, 2013). In this environment, social networks based on trust and collaboration have steadily given way to anger triggered by the increasing gap between the rich and the poor, social disconnection, crime and violence against innocent people and family members; this trend makes the society to which we belong insecure.

The deeply rooted Confucianism, overenthusiasm for education, and highly educated population were all driving forces behind Korea's rapid recovery from the 1997 Asian financial crisis. A sense of community was manifested at that time, prompting individual donations (Oh, 2013). Based on this experience, this research, in association with the education, intended to focus on: 1) Corporate CSR, which should take the lead in forming social capital; and 2) the factors required to elucidate and implement CSR, taking into consideration the characteristics of Korean SMEs (e.g. family-like corporate culture and

unique relationship with local communities). I expand on the reasoning for my focus on these two factors on the following paragraphs.

First, this study can contribute to better understand the conceptualisation of CSR in SMEs, the role of CSR education in SMEs development and the impact of public policy on CSR knowledge within the SME sector, which has rarely been covered in CSR research. Second, in addition to the previously dominant CSR theory, the Stakeholder Theory, a new perspective from SCT, supported by Coleman (1988) and Fukuyama (1995), will be adopted in this study, which is mainly focused SMEs rather than MNCs. Third, while there is little existing CSR research in developing countries, including East Asian countries which are still encountering social issues after rapid economic and political development, this study can contribute to a holistic understanding of CSR conceptualisation and characteristics by comparison with findings from CSR in Western countries. Finally, this study will contribute to academic as well as professional CSR development at global, national, and organisational levels.

1. 2. Rationale for Study

Many researchers have observed that existing CSR research studies tend to be based in organisations in Western developed countries (Bauman-Pauly et al., 2013). Critical scholars argue that it is necessary to evaluate the conceptualisation of CSR in geographic regions that have different cultures, histories, socio-cultural practices and religions (Lapointe & Gendron, 2004; Spence et al., 2003; Tseng et al., 2010). As the importance of CSR has increased in the last 10 years, more enterprises, encouraged by governments, are promoting CSR practice. Large Korean companies have been accused of promoting huge external CSR projects as an instrument to cover their unethical behaviour, and thus their CSR activities have failed to gain the trust of the public (Idowu et al., 2013). This may be viewed critically as a downward spiral in social capital inter-relationships.

Previous research indicates that small and medium companies are still relatively free from social responsibilities; however, medium and small companies can overcome the limitations of insufficient resources or information only through the political support of the government (Jenkins, 2006). Medium and small companies believe applying CSR is important to company survival and development, by facilitating accumulation of capital, building trustful relationships among stakeholders, contributing to community development

projects, and also to succeed in competitive markets in the long term. Therefore, this study anticipates that focusing on the social and financial achievements of medium and small companies, through a CSR lens, may contribute to enhanced national competitiveness and promote Korea's commitment to CSR, leading to increased social capital and also reducing social costs.

Figure 1 illustrates how both public policy, education policy, and an organisation's conceptualisation of CSR can help us appreciate the qualities and dynamics of CSR in a Korean context. Figure 2 shows how we can think about CSR initiatives as part of broader education and social processes that nurture social capital. The significance of the relationship between SMEs' CSR, its conceptualisation in a Korean context and social capital is that the Korean government is devising policies to help establish an economy that is entrepreneurial, but largely supportive of assistance and interventions in curricula for building social capital and knowledge management. I positioned these arguments within a developing country context.

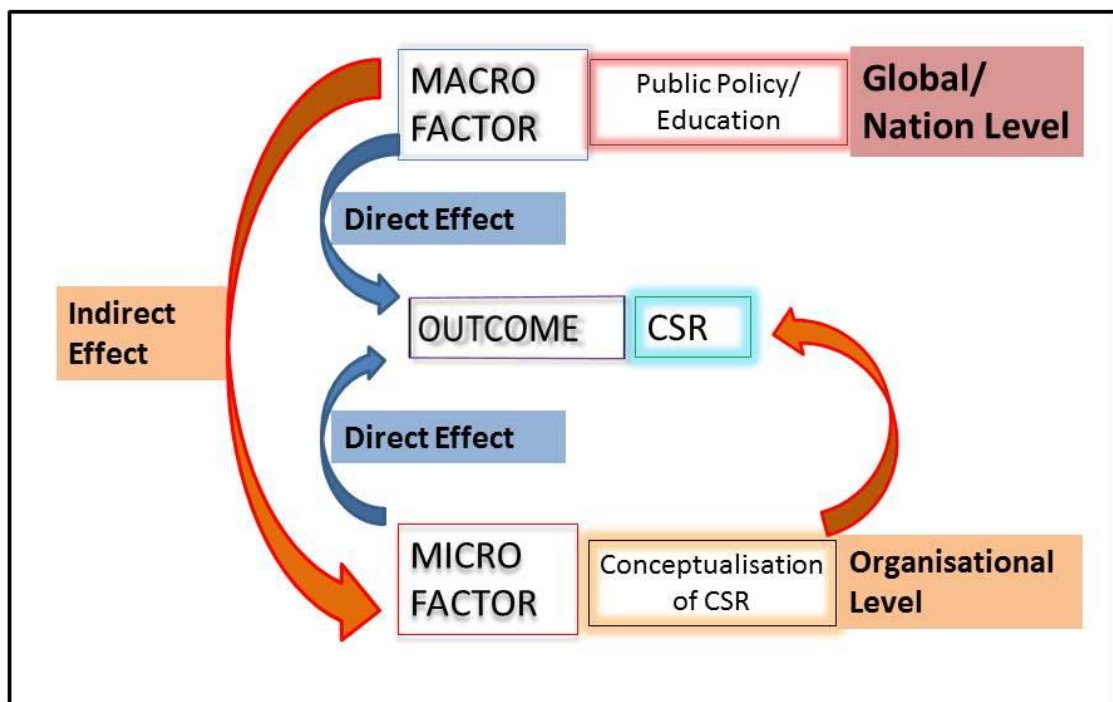


Figure 1: New Integrated Model to Understand CSR (1): Educating CSR Strategies for SMEs' Development



Figure 2: New Integrated Model to Understand CSR (2): CSR in SMEs as a Process to Accumulate Social Capital

1. 2. 1. Small and Medium-sized Enterprises' Corporate Social Responsibility in Developing Countries

Based on the co-relation between individual educational performance and social capital in the organisation level (Coleman, 1988), I tried to combine these with the economic contribution of social contribution at the national level (Fukuyama, 1995). As shown in figures 1 and 2 (conceptual framework of this study), I could generate the new integrated model to understand CSR. This model could explain how education factors influence CSR in the organisation level (SMEs) and how social capital accumulated in the process of SMEs' CSR contribute to national (social and economic) competitiveness. Drawing from Figure 1, there are several factors shaping CSR. Internal factors include conceptualisation of CSR, which is affected by relationships with the local communities, the family-like corporate culture, and the learning atmosphere, while external factors may include public education policies, which are related to the government. Each of these factors could directly affect CSR in SMEs. Both the internal and social characteristics need to be examined. These are also relationships which

indirectly affect SMEs' CSR practices. CSR policies are different even among Western countries. For example, the USA has leveraged its long-developed conceptualisation of citizenship to let civil society take the initiative in donation campaigns and social contribution activities. On the other hand, in Europe, it is the government that has taken the lead to drive companies to become involved in addressing social issues (SMBA, 2010). We may say, from the CSR perspective, that these advanced economies are early adopters, and other developing countries are latecomers. Learning through the cases in the early adopters' history, the latecomers are attempting to set their own guidelines and implement the policies required to support corporate CSR; pressure on the latecomers from the global political organisations is involved in this process as well.

Countries with government-led CSR campaigns try not to undermine spontaneity (the guiding spirit of CSR). In an effort to encourage voluntary CSR activities, they develop essential educational programmes and compensation systems that eventually affect corporate policies; by doing so, the governments can help CSR to become established in companies. If the management philosophy of the chief executive officer (CEO) or the corporate culture is similar to the spirit of CSR, the establishment of CSR inside the organisation will be easier. Many scholars insist that government support through appropriate policies is crucially necessary for SMEs to implement CSR, unlike large-scale companies that are capable of adopting and developing their own CSR (Jenkins, 2006). Meanwhile, a contemporary debate that has surfaced recently is how to educate in support of CSR.

SMEs have been less pressured to adopt government-led CSR, but the side effects of globalisation currently prevailing in our society are pushing SMEs into a corner; SMEs, which are less motivated than large-scale companies due to lack of resources, are nevertheless likely to adopt CSR if they are pressured from and/or incentivised by the government (direct effect). Such government incentives will, in turn, affect other corporate cultures (indirect effect), helping CSR to become well established. Thus, one of the government educational programmes to be considered involves a social mechanism in which a CSR champion visits the SMEs willing to adopt CSR to provide necessary information and education.

1. 2. 2. Corporate Social Responsibility in South Korea

As mentioned, Korea, as part of East Asia, was and still is greatly affected by Confucianism. Confucian ethics “belongs to one of the moral philosophies in guiding the people on how one should strive for perfect virtues in one’s living, and using these virtues that one has acquired, one would be able to behave in an orderly manner and participate positively in a group relationship such as in a family, in an organisation, in a community, and in a country” (Low, 2013: 147). Korea experienced rapid political/economic growth in a short period of time, driven largely by education fever; this explains why Korea has characteristics close to those of developing countries, rather than developed ones. Social issues engendered by drastic economic growth emerged more drastically as social capital ran low (World Economic Forum, 2013). Even though Korea has accomplished economic and political development as much as other developed countries, Korea is not yet socially developed as much as other developed countries are. I could say that Korea is at a socially developmental state which needs to be improved through CSR. Under pressure from the outside world, the Korean government is making an effort to establish a CSR culture, but has only tried to achieve short-term objectives (unlike the spirit of Confucianism); such a short-sighted approach has led to a lack of interest in SMEs, which take longer to achieve CSR, and education programmes are only oriented towards social success, not towards CSR.

Globalisation fuelled the dramatic economic growth of Korea, helping Korean MNCs, in the form of the so-called “Chaebol conglomerate”, which is rooted in a family business, to go beyond territorial barriers out towards the world. Now these companies wield greater influence than the government. In spite of the impact of these MNCs, their power and wealth tends to be passed on by inheritance along the blood lineage within the family. They are often criticised for unethical practices such as deliberate tax evasion in order to retain more wealth and power within the family. The term *Chaebol* (conglomerate in Korean language) has long been provoking social rage. Such extreme emotion cannot be corrected by the country’s education system, as the system has turned itself towards a knowledge (technology)-oriented one. The (Confucian) concept of whole-person education focusing on morality and ethics has lost ground (Kim, 2012). In fact, when it comes to CSR involvement, Korea is relatively far behind the international standard of OECD nations (EAI, 2009; Kim et al., 2012; Choi, 2007; KOTRA, 2010).

With continuous and rapid economic development, South Korea has produced many successful global companies which have gradually taken on CSR activities. The same, however, cannot be said of Korean SMEs, which suffer from lack of incentives and financial resources to get involved in CSR. Because of their limited resources, SMEs in Korea are much more reluctant to initiate CSR, seeing it as a possible risk. The fact that SMEs' ownership and management are not separate and that they are independent from the market allows them to practise CSR activities with free association in idea generation led by flexibility and mobility (BISD, 2009).

If South Korean SMEs create an environment for accumulating social capital with the intention of creating social capital for all through CSR education, in the long term, these achievements would be able to play an important role in solving the country's serious social problems by returning corporate profits to the employees and improving their situation. The role of government is important in creating such an environment.

Korea is classified as a typical low trust nation among OECD countries. In terms of private trust levels working between individuals and individuals, and organisations and organisations, Korea shows an intermediate level or above; however, it is acknowledged that the trust of society members in public institutions such as laws, state agencies or systems is significantly lower compared with other developed countries. The social capital index of Korea, which was disclosed in a report entitled "Policy Issues for the Expansion of Social Capital" (Lee et al., 2009) was 5.7 points on a scale of 10 points, ranked only 22nd of the 29 OECD countries. Those areas with the lowest social index were government agencies such as the police and social institutions, ranked in 24th place (KBS, 2011).

Education can have a significant impact on the human way of thinking. A vertical training perspective is required to educate Korean people in successful, professional skills in terms of increasing educational achievements, but this leads to the difficult challenge of introducing new ideas when faced with a lack of flexibility and creativity. In the framework of peers' mind set to point out problems instead of accepting opinions without judgement, therefore, having peers can easily lead to new ideas. Improving CSR training by merging vertical thinking with a mind set of consideration of peers should establish an environment of CSR over the long term with a wider meaning and a step-by-step approach (Tseng et al., 2010). This study could draw the peculiar characteristics of national HRD strategies for CSR education. Since South Korea has been influenced by Confucian ethics culture, its national education strategies for CSR seem to be based on normative motivation. This is

distinguishable from other countries CSR public policies. Therefore, different socio-cultural backgrounds could influence not only state governance (CSR public policies) but also corporate governance (SMEs' organisational culture).

1. 3. Research Questions

This research will focus on the following aims:

How and to what extent can CSR education contribute to improvement of Social Capital for SMEs' development in the context of South Korea?

Based on the above aims, the research objectives are as follows.

- To explore how CSR is conceptualised in SMEs
- To explore the role of CSR education in SMEs' development (global, national, organisational standard/educational policy)
- To evaluate whether CSR initiatives have helped nurture social capital
- To explore similarities and differences of SMEs' CSR between Western countries and South Korea

Centred on the above aims and objectives, this study has the following research questions.

Q1. What is the conceptualization of CSR in SMEs?

The concept of CSR is expected to change, and has actually changed over the past few decades depending on the views of scholars, emergence of theories, and political/economic circumstances. SMEs, unlike large-scale companies, have good intentions, non-bureaucratic structures, and family-like corporate cultures. These internal factors work in adopting CSR either independently or indirectly on the back of external factors.

Q2. How and to what extent do global, national and organisational educational factors shape CSR knowledge in the SME sector?

Apart from the history of CSR education, CSR itself impacts SMEs as an issue of cost. That is why more information and education should be provided to SMEs. SMEs with good intentions should not be forced to adopt CSR; rather, they should be educated on the values of CSR and other organizational and social benefits (i.e. social capital) that CSR brings. Providing SME-tailored education programmes as well as encouraging them to tackle the cost issue are crucial parts of CSR education. SMEs with high levels of entrepreneurship should have opportunities to learn and find solutions through education programmes provided either by the government or by some other third-party institution. In this way, those SMEs can see a quicker establishment of CSR and create a virtuous cycle; this will not only boost corporate growth, but also contribute to society. Thus, this study needs to focus on real cases of CSR in SMEs to research the role of CSR education in SMEs.

Korea is one of the Confucian countries in East Asia achieving rapid social and economic growth, and its government has led campaigns to establish CSR in an attempt to raise the country's global competitiveness. In the meantime, large companies in Korea have enjoyed the fruits of such dramatic economic development, wielding greater influence than the government. On the surface, they appear to have invested huge amounts of money in CSR, but they have actually conducted unethical business operations in the name of CSR. Such unfair business practices, together with an increasing gap between the rich and poor, have ignited rage among people living in a globalized society with scarce social capital. Even SMEs cannot be free from calls for ethical business management. As explained above, overall government policies play a key role in promoting CSR among SMEs. Thus, we need to take stock of the policies and role of the Korean government for SMEs.

Q3. How is CSR conceptualised in the process of accumulating social capital?

Recently, CSR has become regarded as a key concept required in forming a trust-based network, which is the main part of *Social Capital Theory*. SMEs value a trustworthy relationship with stakeholders, rather than their expectations, and believe that government pressure/support is important in the early stages of CSR adoption.

Q4. What are the similarities and differences between **South Korea**, one of the Confucian Asian countries, and the Western nations which are the main geographical area of **CSR** research?

CSR global standards and other guidelines tend to tilt excessively toward Western cultures. This may result in a regional bias of CSR and prevent CSR studies from embracing diversity. As my detailed literature review chapters will show, Confucianism, which has endured for over 2,000 years, is not different from the spirit of CSR. That is why Confucianism is still valuable in our ethical and moral education. Considering this, scholars argue that building social capital, among other factors, was the driving force behind the region's drastic economic growth. Korea, as a leader in this, has a unique historical background in terms of periods of Japanese colonial rule, a civil war, and a dramatic financial recovery from 80 years of domestic crisis and regression. By researching CSR in Korea, I intend to explore both similarities and differences between Korea and Western countries. My thesis turns on unravelling the complexity of CSR in the Asian context, the importance of education, and the potential significance of these parallel approaches to nurturing social capital.

The study applies Coleman's (1988) model of the inter-relationship between social capital and educational performance to examine conceptualisations of CSR in the process of accumulation of social capital. Secondly, the study applies Fukuyama's (1995) model of the inter-relationship between trust (social capital) and economic growth to examine conceptualisations of CSR and the impact of CSR education designed by organisation and national policy.

1. 4. Outline of Thesis

Chapter 1: The Introduction explains the background of this research, presenting an overview of key theories of CSR, changes in the key issues of CSR, the need for CSR education, CSR of SMEs, and CSR research in non-Western countries, specifically in South Korea, which is one of the Asian Confucian countries and which has achieved dramatic social and economic development in a short period. The chapter also provides a rationale for the research, and formulates the key research questions. The following three chapters then constitute a review of previous literature.

Chapter 2: Historical Development of CSR introduces the conceptual development of CSR; the periods of resistance, development, and adoption; various interpretations of the CSR concept; and relevant theories. By introducing the recently suggested connectivity between social capital and CSR, the chapter explains social capital theories and reviews shifts in CSR definitions (depending on time, space, and circumstances) and current issues. This chapter emphasises the fact that research in CSR is gradually moving its focus away from Western and larger companies towards Asian cultural philosophies.

Chapter 3: CSR, Education, and International Development introduce CSR as a topic for interdisciplinary research studies. This is possible thanks to the historical changes and conceptual features of CSR. UNESCO made a great contribution to the spread of CSR by advocating the value of sustainable development in education for decades (this is not considered a convergence between CSR and education, however). Other IOs such as the UNGC also came on board, offering CSR guidelines; they have encouraged governments to incentivise companies providing CSR educational services, and have backed up CSR policies via higher education institutions. These efforts by IOs have helped in disseminating the value of CSR into every corner of the world. There is, however, a limit to the reach of these different dimensions: government policies are still necessary to implement CSR nationwide. In this regard, support must be provided to SMEs, which are different from large-scale companies that can do it alone.

Chapter 4: CSR in SMEs explains the different implementations of CSR between SMEs and large-scale companies, as mentioned in the previous chapters. Such differences will generate other limitations affecting SMEs. That is why addressing the issues unique to SMEs is necessary. This chapter reviews both external and internal factors of CSR for SMEs. Moreover, as mentioned in Chapter 2, the focus of research will move away from the cases of Western countries; this is to make this study balanced and thereby inspire other regional CSR studies. In this context, Chapter 4 presents comparisons between Korea and the West, focusing on Korea's unique social/cultural features that originated from Confucianism, which is similar to the spirit of CSR; how its CSR policies affect CSR of SMEs; the role of CSR education; this chapter will also clearly define knowledge gaps by summarising key research and will link to the research methodology chapter, which will provide detail on research design and research plan.

Chapter 5: Methodology, based on the literature review in the previous chapters, identifies existing gaps in the academic literature on CSR and presents my conceptual

framework, for which a social constructionism paradigm provides the philosophical underpinnings, and describes how I chose multiple qualitative case studies of South Korean medium-sized companies as the methodology for this study. More specifically, I explain data collection through semi-structured face-to-face interviews with the companies' owners, managers, and employees, along with document analysis for documentation and archival records, and data analysis using thematic analysis to find themes related to the research questions centred on the conceptual frameworks and to compare and contrast multiple cases. Before conducting the main study, I tested the research design and interview questions, and gained experience as a researcher through a pilot study based on a small number of interview participants from each case company along with the most influential government agencies in terms of CSR education. Lastly, I demonstrate that my research design has appropriately low risk by identifying ethical issues which need to be addressed during my study, and I discuss about reflexivity as politics of research.

Findings are based on thematic analysis of data collected during interviews with the case companies, IOs, government agencies and academia. These findings are presented in the following three chapters according to the major themes determined by the research questions and conceptual framework of this study.

Chapter 6: Constructing CSR Concept in the SMEs sector explores findings from the case study analysis of conceptualisation of CSR in Korean SMEs. This study is addressed by discussing the peculiar characteristics of CSR concept in the Korean context. I will also show the different perspectives on the understanding of SMEs' CSR and their strategic CSR approach among SMEs, the government and other stakeholders. In this chapter, I will first try to explore the distinctive Korean characteristics, including their own CSR language and the Confucianism influence. I will provide the background for different perspectives of CSR understanding and approach. Secondly, I will show the different conceptualisations on SMEs' CSR according to SMEs, governments, and other stakeholders such as IOs and academia, and demonstrate that the CSR concept is fluid. Lastly, this chapter will extend this analysis, proposing that perspectives on how SMEs approach to CSR in more strategic way could be different depending on each stakeholder's own conceptualisations. This will provide good suggestions for SMEs to approach CSR more strategically and thus achieve competitive advantage through CSR.

Chapter 7: Educating SMEs on CSR strategies explores how SMEs access knowledge and information regarding CSR and to what extent they are influenced by the organisational,

national, and global settings/environments of CSR education. Firstly, I will provide which educational factors at the organisational level are more influential for SMEs' CSR and identify how SMEs' organisation settings influence their CSR conceptualisation and practices. Secondly, beyond the organisational level, I will discuss how governments respond to SMEs' CSR from an educational perspective at the national level and argue why they need to provide tailored education programmes for SMEs' CSR. Thirdly, I will introduce how SMEs could interact with other stakeholders' educational settings, such as IOs, academia and NGOs, and how they affect their CSR practices. Finally, I will discuss SMEs' characteristics on relationships/networks within the companies and externally then linking this to their current CSR network. Due to identified limitations between SMEs and other stakeholders' educational settings, I will emphasise the importance of inserting CSR inside the existing educational curricula and the role of government in order to provide better educational environment for SMEs' CSR.

Chapter 8: Reframing SMEs' CSR: A Social Capital Theory Perspective reframes SMEs' CSR by examining the relevance to SCT (Sen & Cowley, 2013) and the theoretical frameworks of this study about the relationship between SMEs' CSR and Coleman's (1988) and Fukuyama's (1995) theories. First, in this chapter, I will collect the evidence for the peculiar characteristics of SMEs' CSR and identify how SMEs' CSR could be theoretically explained by matching their characteristics to the elements of SCT. Second, extending from this analysis, I will try to examine the conceptual frameworks of this study in two phases. For the first phase, I will propose how CSR could be linked to SMEs, Education and Social Capital, an association which previous scholars have not tried. Next, for the second phase, I will argue the relationship between different stakeholders and CSR centred on how SMEs' CSR interact with them and how they nurture social capital through their interactions. Lastly, I will extend these arguments for the main contribution of my thesis by emphasising the significance of a normative framework for understanding SMEs' CSR in Korea in order to move beyond social contribution. In Korea, SMEs' CSR has been conceptualised as social contribution because CSR has been interpreted into a limited concept and practices.

In Chapter 9, I discuss the extent of the four research questions in this study. First of all, I summarised main empirical findings by comparing the existing literature reviews to the characteristics of SMEs' CSR and their global, national and organisational educational factors. I also examine the role of CSR for SMEs development through the process of making a virtuous cycle by nurturing social capital inside and outside the corporation. Lastly, I

conclude this study in terms of its contributions and recommend applicable policies, limitations and provide directions for further research.

Chapter 2: Exploring Corporate Social Responsibility Theorisation

2. 1. Introduction

This chapter will examine the possibility to expand theoretical propositions from the existing theories to the new theories, especially from the education sector, by discussing the characteristics of CSR concept and the existing gaps in the previous arguments. I first examine the historical conceptual development of CSR, from its emergence to its global spread, and cover contemporary issues of CSR, which are still debatable. Secondly, by discussing CSR theories in the 21st century, the most popular CSR theories are introduced such as the Stakeholder Theory and the Institutional Theory. These are prevalent among CSR scholars. Since these theoretical developments were established from the basic definition of CSR, these writings provide a theoretical background, which help unveil the contested and fluid character of CSR, and popular – if confused – synonyms for CSR. Lastly, this chapter tries to connect the fluid CSR concept to SCT, which originally developed in the education sector and has been actively used in politics and economics. Through the relationship between CSR and social capital, I try to identify their synergies.

2. 2. Historical Development of Corporate Social Responsibility

2. 2. 1. Appearance

Even today, views vary among scholars and journals on when and by whom the term CSR was first coined. Sen & Cowley (2013) argue that the term CSR appeared in the early 1930s after the Wall Street crash in 1929. This term has evolved from compliance with business laws to proactive integration to internal corporate goals. Other scholars agree that in the exchange of opinions between Berle and Dodd about the role of business managers for a Harvard Business Review article in the 1930s, Dodd found that business has two functions: social service and economic benefit (Berle, 1931; Dodd, 1932; Hopkins, 2003, Okoye, 2009). Even though there are different opinions about the first appearance of the term CSR, this important concept has been with us for over half a century and its importance has been increasing over time.

In the 1950s, the term CSR began to be accepted by the public based on the writings of Abrams (1951) and Bowen (1953). CSR became part of a discussion on the role of business. However, fierce opposition and subsequent debate among scholars over CSR resulted in more public attention and wider recognition of the new concept. In the early stages, the concept was simpler and more idealistic. It later continued to change, depending on political or economic shifts, converging with business management factors. In this way, CSR scholars started developing further academic and professional concepts of how to balance social and economic benefits.

2. 2. 2. Global Spread of Corporate Social Responsibility

Following the early stages, the writings of Davis (1960), Carroll (1979, 1999, 2008), Levitt (1958) and Friedman (1970) assisted the spread of the CSR concept. This resulted in establishing an academic and professional field of CSR (Banerjee, 2007; Garriga & Mele, 2004; Margolis & Walsh, 2003; Palazzo & Scherer, 2006; Okoye, 2009).

Most importantly, globalisation and neo-liberalism prompted the emergence of multinational companies (MNCs). Those MNCs practised unfair business tactics to monopolise markets and profits, setting off worldwide criticism. In the meantime, notorious corruption scandals involving MNCs in the USA drew worldwide attention, triggering a call for social responsibility of MNCs. The influence of MNCs became greater than that of the government. On the one hand, they kept the government in check, but on the other, they rushed to burnish their socially responsible corporate image by adopting CSR (Idowu et al., 2013). This move gained ground thanks to the conventional concept of citizenship in the USA, and this made its way to Europe (CRC Korea, 2013).

Given this trend, a global standard of CSR was needed. The UN and other IOs came up with new global guidelines and used them to put pressure on governments worldwide (NHRCK, 2011; Ennals, 2013; Steurer, 2013). With global efforts, the usage and application of CSR have evolved over more than half a century among academics and professionals, and global political and economic changes have affected the definition and application of CSR and thus resulted in changes in CSR's key issues.

2. 2. 3. Changes in Corporate Social Responsibility Key Issues

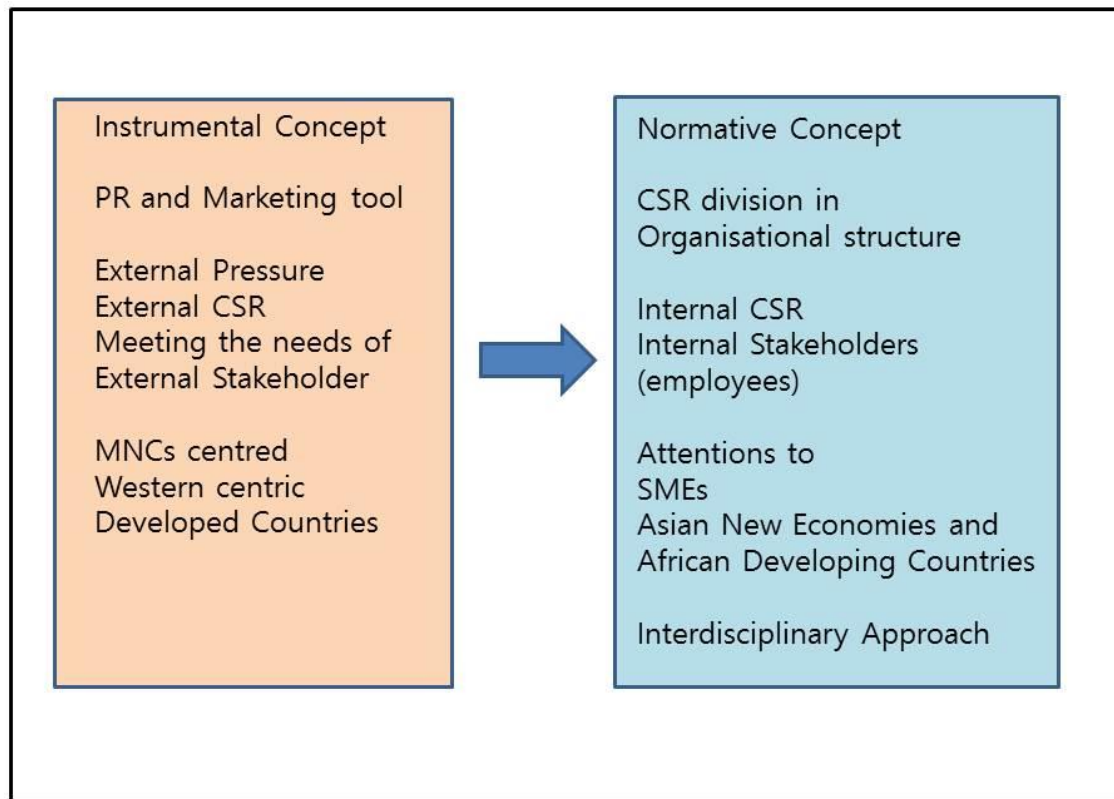


Figure 3: Changes in CSR Key Issues

As the theoretical foundations of CSR have evolved and global political and economic circumstances have changed, there have been several changes in CSR's key issues. Globalisation has contributed to technology advancement for the past decade, but it has also caused uneven distribution of resources, setting off conflict and discontent. In the course of such globalisation, CSR has become increasingly influential. The issue of CSR is being discussed at global, national, and organisational levels, having far-reaching implications for both the West and the East; large-scale companies and SMEs; both developed and developing countries (Wolton, 2012).

When IOs, civil society, governments and customers pressured MNCs to be socially responsible, they used CSR as a PR and marketing tool to improve their corporate image (Bauman-Pauly et al., 2013; Baden & Harwood, 2013). However, beyond image-making purposes (i.e. marketing and PR) involving CSR, companies began to create teams dedicated to CSR activities internally and to integrate CSR with management factors. Changing from an

instrumental to a normative concept, corporations have tried to integrate CSR into their day-to-day business operations by including a CSR division in their organisational structure. This means that MNCs, which had usually focused on external CSR to meet the expectations of their external stakeholders, now started to care about internal stakeholders, such as their employees, centred on the establishment of an internal CSR process (C H Kim, 2009; Bolton et al., 2011).

Since MNCs developed enough power and resources to practise CSR and became dominant in research and the media by promoting numerous CSR cases (Bauman-Pauly et al., 2013), SMEs have been neglected and excluded in conventional CSR studies. Recently, as the importance of CSR has received more emphasis in society where more attention is being paid to ethical issues, interest in CSR in SMEs has increased (Lapointe & Gendron, 2004; Spence et al., 2003). Further, since CSR evolved based on civil society in the USA and through a legal approach in Europe (Avetisyan & Ferrary, 2013), scholars and professionals have usually focused on Western, developed countries. However, with the increasing influence of MNCs, the rapid social and economic development of Asian New Economies (Tseng et al., 2010), and the poorer condition of African developing countries in development studies, these particular situations have increasingly needed the attention of IOs (Demuijnck & Ngnodjom, 2013).

As globalisation and neo-liberalism resulted in decreasing social capital and thus a competition-oriented society based on individualism (Wolton, 2012), accumulating social capital, both in the organisation and society (Almunawar & Low, 2013; Sen & Cowley, 2013), could be objectives of CSR beyond gaining legitimacy and meeting the expectations of stakeholders (Burlea & Popa, 2013; Matten et al., 2003; Idowu et al., 2013). In this regard, SCT, as well as its application in the education sector, also contributes to the theoretical understanding of CSR (economic and political area). As the concept of CSR is contested and flexible (Okoye, 2009; Baden & Harwood, 2013; Idowu et al., 2013), this interdisciplinary approach is possible and it could expand to other areas of study.

As mentioned, CSR has advanced, experiencing resistance due to globalisation, corporate scandals, and other political/economic shifts since its appearance. More recently, the side effects of globalisation and neo-liberalism have become more palpable. Under the circumstances, scholars and businesses are expressing a growing interest in CSR; this attention has expanded the CSR leverage to include neglected issues/areas. The theoretical

ground of CSR was established by the efforts of many scholars; in this process, corporate leaders who were willing to adopt CSR also made a significant contribution.

2. 3. Corporate Social Responsibility Theories in the 21st Century

Many scholars have contributed to laying the theoretical ground of CSR since its appearance, throughout the periods of both resistance and praise. The major CSR theories, the Institutional Theory and the Stakeholder Theory, emerged on the basis of the established theoretical grounding of CSR and continued to develop for decades (Burlea & Popa, 2013; Matten et al., 2003; Idowu et al., 2013). These key theories of CSR have explained CSR conceptualisation in MNCs. Recently, moreover, the growing CSR influence made it possible for scholars to do interdisciplinary studies and come up with new theories: CA and RBV (Arend, 2014; Torugsa et al., 2012; Castelo, 2013).

It has been argued, however, that due to the inconsistency of focus of these theories, they have limitations in explaining CSR in SMEs, which have genuine and ethical motivation to build trustful networks. In this regard, SCT that originated in education (Coleman, 1988) was accepted as an important concept for lessening the side effects of globalisation in political and economic circles; basically, the key concept of this theory is largely in line with the ultimate purpose of CSR (Fukuyama, 1995; Oh, 2013). Further to this, SCT has more to do with recent CSR issues (e.g. CSR of SMEs) and the background and course of the economic development of East Asian countries with “education fever” (Oh, 2013). As its origin explains, this theory has been considered useful in recent research studies on CSR education.

2. 3. 1. The Stakeholder Theory and The Institutional Theory

As one of the major theories of CSR, the Stakeholder Theory aims to meet the expectations of stakeholders: “Stakeholders are those individuals and organisations that are influenced by, or are able to influence, the activities of a firm” (Freeman, 1994). They influence corporations to be socially and economically responsible to their stakeholders, and stakeholders can be defined as external stakeholders (suppliers, Financiers, Customers, Communities and Employees) and internal stakeholders (Governments, Media, Non-governmental Organisations [NGOs], Environmentalists, and Critics) (Freeman, 2003). During the development period of CSR, large companies adopted CSR in an attempt to meet

the expectations of all stakeholders; they targeted not only conventional shareholders but also all the people involved in a broad perspective. Actually, it was the stakeholders who had the largest influence in the decision-making processes within companies. With a series of large companies adopting CSR, CSR studies began to talk about stakeholders, offering a key theoretical ground of CSR (Ruf et al., 2001; Matten et al., 2003).

Another major theory required for understanding CSR is the Institutional Theory. The Institutional Theory mainly discusses the legitimacy to operate companies, underscoring the importance of CSR as social activities to give legitimacy to companies. The concept of “institution” has social, economic, political, and psychological effects on human behaviour. This explains why companies, as economic entities, value this concept; the institution of an organisation greatly affects the adoption and development of CSR (Burlea & Popa, 2013).

In addition to this, even though this theory offers a key theoretical foundation to the understanding of CSR and is an established global guideline, it is, in reality, far from covering all CSR practices or those concerned with them. Such failure to include the main players that could be significantly affected is suggested as a limitation of this theory.

One recent issue is how to balance the different expectations of stakeholders while implementing CSR (Matten et al., 2003; Idowu et al., 2013). Researchers argue that this theory is overly influenced by the expectations of stakeholders, without considering institutional factors. Since the Stakeholder Theory has no central figure and the Institutional Theory neglects institutionalisation and the role of stakeholders, both have limitations which could be overcome their own limitations by applying both theories (Bauman-Pauly et al., 2013). According to a series of CSR studies with companies of different sizes, moreover, stakeholders turned out to have little effect on the adoption/implementation process of CSR, revealing a limitation of the Stakeholder Theory as a general CSR theory (Sen & Cowley, 2013).

In addition to the two major theories discussed, CA and the RBV have often been discussed in recent years as ways of approaching CSR issues from different perspectives.

From the perspective of CA, if companies practise CSR, they can gain social, environmental and economic benefits in terms of their organisational capabilities (Arend, 2014; Torugsa et al., 2012). In other words, CA claims that the organisational capability has substantially affected the processes of CSR adoption and implementation. Additionally, RBV views CSR as giving opportunities to corporations to gain competitive advantage by a differentiation strategy among their competitors (Castelo, 2013).

The theories reviewed in this section reveal inconsistencies in their arguments; this appears to be an obvious limitation in explaining recent issues of CSR that are increasingly complicated and influential within the broadened scope of CSR studies.

More importantly, these theories have been argued to have limitations in their ability to explain CSR in SMEs, which have genuine and ethical motivation to build trustful networks. Unlike in SMEs, the term CSR as used in MNCs tends to be an instrumental rather than a normative concept (Baden & Harwood, 2013). That is why there are doubts about the use of CSR by MNCs as a means to hide their ethical problems and sustain their dominant position through externally centred CSR (Bauman-Pauly et al., 2013). The concept of CSR continues to change and develop, experiencing political/economic changes. It has been flexible and inconsistent enough to throw both academia and business into confusion.

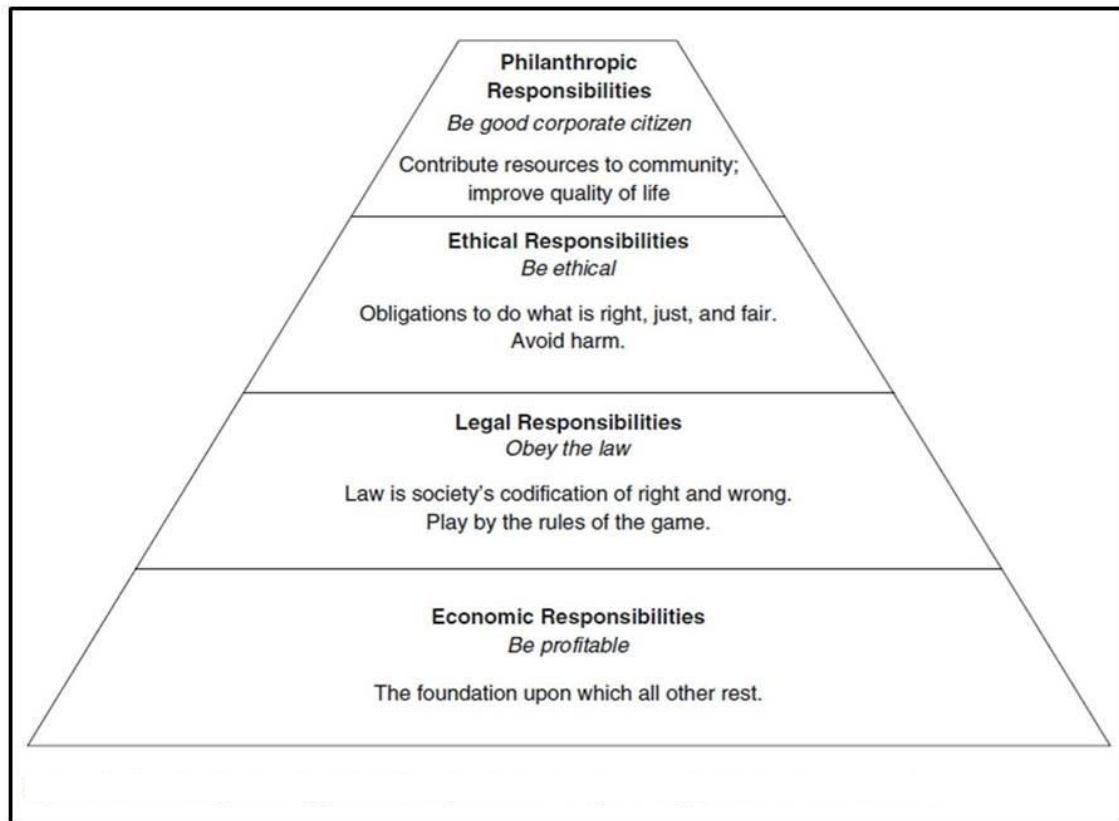
2. 3. 2. Common Definition of Corporate Social Responsibility

As we have seen, there are different perspectives about CSR concepts. Many studies have discussed and given their own definitions of CSR. Broadly speaking, however, the generally accepted definition is that CSR is commonly accepted as an interaction between business and society and Windsor (2006) defines as “any concept concerning how managers should handle the public policy, social (and environmental) issues” (cited in Bauman-Pauly et al., 2013:693). It emphasises the need for corporations to recognise and fulfil their social responsibility through corporate activities. This definition could be broadly accepted and embrace other different opinions about the definition of CSR.

Several CSR scholars adopt Carroll’s model of CSR (Schwartz & Carroll, 2003). CSR is defined and interpreted differently, depending on the speakers, context, scope, and places. Such variation sparked debates throughout history. Despite the efforts of numerous scholars, the term “CSR” remains fluid.

Figure 4 shows Carroll (1991) emphasised that these dimensions of CSR should be practised at the same time. At the bottom of the pyramid, the foundation upon which all other elements rest, corporations should be profitable in order to fulfil economic responsibilities. Next, as the law is society’s codification of right and wrong, the game should be played by the rules. In order to fulfil legal responsibilities, companies should obey the law. Thirdly, corporations should fulfil obligations to do what is rightful and fair, as ethical responsibilities. It avoids harm by being ethical. Finally, as good corporate citizens, corporations should

contribute resources to the community and improve quality of life, in order to achieve philanthropic responsibilities. This pyramid has therefore contributed to conceptualising and understanding CSR theoretically.



Source: Carroll, 1991

Figure 4: The Pyramid of Corporate Social Responsibility

2. 3. 3. Contested and Fluid Definitions of Corporate Social Responsibility

As definitions have evolved from compliance to business law to proactive integration to internal corporate goals over several decades (Sen & Cowley, 2013), many scholars agree that the concept of CSR is contested and fluid (Okoye, 2009). This distinctive characteristic of CSR can be explained (Okoye, 2009) because the definition can be changeable according to different contexts. CSR could be a very complicated concept related to all the stakeholders and political, economic, social and environmental perspectives in different institutional contexts. It can be simpler or more complicated according to different contexts, which

depend on views, behaviours and values. Different perspectives, values and behaviour of individuals and organisations can also affect terms related to CSR (Okoye, 2009; Baden & Harwood, 2013; Idowu et al., 2013). CSR is defined and interpreted differently, depending on the speaker, context, scope, and location. Such variation has sparked debate throughout history. Despite the efforts of numerous scholars, the term “CSR” remains flexible.

As Table 1 shows, the listed IOs have discussed the definition and terms of CSR and it is identified that there are differences according to their purpose, characteristics, and target (Ahn et al, 2006). This could explain how complicated and diverse the term’s definitions can be in different contexts such as geography, culture, politics, and economics. This implies that CSR research will never be simple and requires more diverse background studies and specific factors.

Table 1: CSR Definitions of the International Organisations

Organisations	Definition	Term
EU European Union	To integrate social and environmental concerns followed by corporate activities into management, interacting stakeholders in business process	CSR
UNCTAD UN Conference on Trade and Development	The effect Corporate response and their actions about the expectations and goal of the society contributing to society	CSR
ILO International Labor Organization	Corporate initiative to proceed voluntarily beyond legal responsibilities and ways to review how corporate activities affect all the stakeholders	CSR
WBCSD World Business Council for Sustainable Development	Corporate will to contribute to sustainable development, cooperating employees, families, communities and society, and improve the quality of their lives	CSR
OECD Organization for Economic Cooperation and Development	Corporate actions to mature and develop symbiotic relations between corporations and society	CR
ICC International Chamber of Commerce	Voluntary will to practice corporate activities in a responsible manner	CR
ISO 26000	To mitigate negative impact to society and environment and keep sustainability of the organisation by maximising positive impact, based on active communication with stakeholders in the communities where corporation affect, ultimately contributing to society and environment	SR

Source: Ahn et al. (2006)

2. 3. 4. Synonyms for Corporate Social Responsibility

As the concept of CSR is fluid and contested, there are similar terms to CSR such as sustainable development and sustainability, business ethics, and corporate citizenship. Identifying the slight nuances among these terms is critical to conceptualising CSR.

The term “sustainable development” is defined as a “long-term overall commitment to maintaining equilibrium between social, environmental, and economic concerns” (Murphy, 2013:2436), and “sustainability” is defined as “development that meets the needs of the present generation without compromising the ability of future generations to meet their needs.” (UN, 1987) While sustainable development is related to finite resources and climate change based on ecological and environmental concerns, sustainability is related to the management approach of CSR (Murphy, 2013). Moreover, while the term “business ethics” has a more inclusive meaning relating to practising business in an ethical manner, “corporate

citizenship” originates from the fulfilment of responsibilities by a business as a member of society.

CSR related terms have been used for purposes of marketing – that is, an economic interest. This is the opposite of the original purpose of CSR – ethics. This concept of CSR is mainly based on instrumental CSR. This should be replaced by a more normative term in order to convey the ethical meaning of CSR (Baden & Harwood, 2013). That is why there are doubts about the use of CSR in MNCs as a means to hide their ethical issues while sustaining their dominant position through externally centred CSR (Bauman-Pauly et al., 2013).

Specifically, recent studies have revealed unethical practices undertaken by businesses over the past few decades in excessively materialistic, competition-oriented societies, which they interpret as side effects of neo-liberalism and globalisation (Wolton, 2012). Civil society and IOs point out that MNCs have appeared and exploited the market share of those weaker than them, rather than showing concern for them. Under such circumstances, businesses began to advocate CSR, voluntarily, in an apparent attempt to avoid government regulation and promote their corporate image. A widely held opinion is, after all, that the upgraded corporate image achieved through CSR activities to meet the expectations of stakeholders not only helps companies improve their performance but also contributes to society (Idowu et al., 2013).

Based on this historical background of CSR and criticisms about MNCs, there is another theory that is highly recognised in politics and economics as well as in academia, SCT. According to this theory, a trustful network can be built in the course of normative CSR activities that engender social capital, which then translates into social virtues and the creation of value for business; and also benefits the public interest, contributing to societies and countries (Fukuyama, 1995; Oh, 2013). The inconsistency among the previous CSR theories demonstrates the contested and fluid characteristics of CSR, and has resulted in several synonyms of CSR and resulting confusion. Attempting to connect this fluid CSR concept to SCT, which originally developed from the education field and has often served as a solution concept in politics and economics, might be expected to contribute to the conceptual development of CSR.

2. 4. Corporate Social Responsibility and Social Capital Theory

For the past half century, there have been various research studies on CSR. These studies have developed in the context of political/economic transitions around the world. Convergence amongst such brand-new areas is inevitable in this globalised world. Thus, politics and economics started connecting to SCT, which originated in academia (Oh, 2004).

Education is one of the most important and proactive channels in embracing historical change. Even though school systems are passive, education policies have always been responsive. Colman (1985) advanced SCT in an effort to transform the USA education system. At the centre of his argument was trust; social capital (i.e. public interest) builds through a trustworthy network, and this capital makes a contribution to society and the community. His argument is principally in line with the aforementioned ultimate purpose of CSR, and is gaining attention as an alternative to finally explain the connection between CSR and SMEs without limitations (Almunawar & Low, 2013; Sen & Cowley, 2013).

2. 4. 1. Social Capital

Human beings are said to be social animals; they tend to act in their own interest, but at the same time they are aware of the fact that other people are part of the community. This means that they also rely on other people for the prosperity of the whole. Rather than isolated islands, they are members of the community and are closely related to the social environment. Historically, we have lived in trustful relationships with other people, and because we did not pursue only our own interests in such relationships, a society has been able to develop and evolve (KBS, 2011).

Coleman (1988) defined social capital by connecting it with trust. He defined human capital as knowledge and technology embodied in the form of observable materials; and social capital as inherent in the relationship of trust between people. He analysed the relationship between education and social inequality. Through the fact that academic achievement guides what behaviour an actor undertakes, he demonstrated that social capital is capital that can be utilised in actual productive activity. Since the people that generate social capital generally gain only a small part of the benefit of their social capital, it is inevitable for the social capital to be under-invested; thus, social capital accumulation and trust formation will become difficult to a certain extent. It is a natural phenomenon that trust, as a form of social capital, is valued higher in the relationships that appear at the personal

level than in the public sector. But if the activities of the government, political parties and companies are transparent and the effects of reward and punishment occur in accordance with the compliance of institutions and policies, it would be possible for citizens to increase their degree of trust in the public sector.

Social capital comprises trust as its essential element. Almunawar & Low (2013:2570) argue that SCT assumes that “the level of trust among two groups of people increases if the level of interaction between them intensified.” According to this theory, social capital builds on the trustworthy social network; it falls into the category of public interest, rather than the material or human resources of a certain individual or company, and is used for the society or the local community. In the end, this public interest is utilised to improve conditions for individuals and organisations, a crucial factor for the development of an organisation, society, country, or the world (Oh, 2013).

Social capital carries weight when the side effects of globalisation and neo-liberalism surface (e.g. monopoly activities by MNCs (Wolton, 2012) or a growing desire to accumulate human or material resources for individual or organisational success). It is understood as a key concept to be learned not only in education, but also in political and economic circles.

In politics, Putnam (1993a, 1993b, 1995) argues that social capital could have positive functions to contribute to group issues, act as a lubricant inside groups, and improve the quality of individual lives, beyond a particular time and space. As the main social issues of the 21st century are poverty, the environment, and the dissolution of community, several scholars expect social capital to contribute to solving these problems, in spite of the limitation of being immeasurable (Oh, 2013).

Moreover, in economics, Fukuyama (1995) emphasised the importance of social capital as a driving force of economic and social development, introducing a comparison between those developed countries which are trusted and economically stable societies and others which remain less trusted societies following rapid economic and political development (e.g. South Korea). IOs also recognise the role of social capital to motivate developing countries to eliminate poverty through their own internal will. This could help these organisations to overcome the limitations of material support for them (Ostrome, 2000).

Furthermore, social capital could be utilised to save personnel expenses and control employees by providing information and education on the process of post-technification and specialisation, in order to increase their communication opportunities (Oh, 2004).

Despite the multiple usages of social capital beyond the boundaries of the original discipline, one thing that we should be careful about in this approach is that even social capital cannot be a panacea. Unexpected side effects, such as nepotism, may appear. Therefore, it seems to be important to bear in mind that nothing is a panacea, and we are unlikely to find a way to solve all social problems when using SCT as the theoretical underpinning of the research (Oh, 2013).

In the following chapter, I extend on CSR in the context of globalisation by describing the contributions and limitations of the IOs and global CSR guidelines and then emphasise the necessity of CSR research in the different national context by defending the importance of CSR public policy.

2. 4. 2. Corporate Social Responsibility and Social Capital

Table 2: Corporate Social Responsibility and Social Capital at the Corporate Level

	Corporate Social Responsibility	Social Capital
Definition	“Any concept concerning how managers should handle the public policy, social (and environmental) issues.” (Bauman-Pauly et al., 2013)	“Inherent in the relationship of trust between people.” (Coleman, 1988) “Driving force of economic and social development.” (Fukuyama, 1995)
Characteristics	Social responsibility is defined as a commitment of a person to reckon the implication(s) of his/her actions on the social system, considering his/her contributions to his/her community or larger society. Social responsibility has an intrinsic <u>caring</u> intention. CSR is a corporate commitment to contribute to its surrounding community and society at large for mutual benefits.	<u>Trust</u> can be defined as a necessary reciprocal relationship between two entities in order to give confidence in the strongest sense to the counter parties and belief in the mild sense in securing, establishing and strengthening other relationships and to create mutual benefits between them. <u>Trust</u> is an essential element of social capital . The theory of social capital assumes that the level of <u>trust</u> between two groups of people increases if the level of interaction between them intensified.
Significance	The key factors for a corporation to grow into a large and sustainable multinational corporation.	

Relationship between CSR and Social Capital (Synergies)	<p><u>Trust</u> is closely related to <u>care</u>; there is virtually no <u>trust</u> without <u>care</u>. Since <u>caring</u> is an intrinsic value of CSR, meaning that CSR is very much about the provision of <u>care</u>, companies practicing CSR will build or strengthen <u>trust</u> that becomes a source of social capital for them to grow further.</p> <p>Building <u>trust</u> as social capital between a company and its stakeholders through CSR is essential for companies' development.</p>
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First of all, both the objective of CSR (i.e. social contribution) and the spirit of ethical business management are in line with the ultimate purpose of social capital. If company employees or an organisation only seek after material/human resources for themselves, this world where the law of the jungle prevails will get worse; the strong will inevitably be greedy for and plunder the gains of the weak; trust and communication in society and nations will disappear; even the previously accumulated social capital will fade away; the gap between the rich and the poor will widen; people will be disconnected and isolated; conflict and discontent will explode (Putnam, 2000; Wolton, 2012). Most importantly, while it takes a long time to amass social capital, it takes a moment to drain social capital (Bourdieu, 1986). However, if an organisation promotes the value and necessity of CSR internally, trust-based relationships among employees will arise, forming internal social capital (Almunawar & Low, 2013). In the course of advancing CSR and social contribution using its human/material resources, the organisation will be able to create profit and at the same time upgrade its organisational, social, national and global position. In this way the organisation can fulfil its role as a social player for a world where people can live together without conflict. As Table 1 shows, there are considerable synergies between CSR and social capital.

Whereas MNCs try to meet the expectations of their stakeholders in order to sustain their legitimacy of operation, SMEs tend not to be influenced by their stakeholders and instead value personal and trustful networks based on the local community and learn from their peers. Therefore, the concept of SCT could provide a theoretical understanding to conceptualise CSR within SMEs as an alternative to the Stakeholder Theory (Sen & Cowley, 2013).

2. 4. 3. Possibility to Expand CSR Theories: SMEs' CSR and Social Capital

Unlike large companies, SMEs identify lack of information and resources as the biggest challenges facing them in adopting CSR. SMEs are standing at the crossroads of cost and innovation (Jenkins, 2006). That is why some scholars strongly insist that SMEs need government back up such as educational programmes and/or financial incentives. Considering the proportion of SMEs in the global economic landscape and the number of employees they hire, CSR by SMEs is by no means a trivial issue. However, there must be limits to government capacity to support all SMEs, which together account for 60 per cent of the global economy. Identifying real-world limitations, the first step that should be taken by the government is to create the necessary environment: a system in which SMEs can use appropriate CSR educational programmes. To this end, the government should understand the ultimate purpose of CSR as directed by the global standard, and develop SME-tailored information in cooperation with large companies, higher-education institutions, NGOs, and relevant agencies (Knudsen, 2013; Inyang, 2013). Such education courses will create a virtuous cycle within SMEs in which social capital contributes to organisations, society, and the government and returns to individuals and companies. I will discuss the possibility of expanding CSR theories from the existing theorisation to reframing CSR based on SCT by applying it to the SMEs' CSR in the Korean national context in Chapter 4, Section 4. 4. and in Chapter 5, Section 5. 3. 2.

2. 5. Summary

The definition of CSR can be fluid and differently interpreted depending on the theory adopted, scholars involved, and context applicable. That is why the key issues related to CSR have continuously changed for more than 50 years. This also affects the theoretical understanding of CSR. Specifically, CSR of SMEs is explained as being different from that of large companies, mainly due to different organisation structure and management style according to the company's size. Most journals discussing this issue point out such unique conditions of SMEs, arguing that this is why government policy support for SMEs should be introduced. CSR is a key concept for amassing social capital. As SCT originates in education, CSR education tailored for SMEs will be able to build social capital. Therefore, Coleman's (1988) idea about social capital and individual/organisational performance within educational

institutions, along with Fukuyama's (1995) idea about social capital and economic growth, could be theoretically supported in this study, and thus their perspectives on SCT may be examined by empirical study.

Chapter 3: Education, Corporate Social Responsibility and Globalisation

3. 1. Introduction

The previous chapter provided the background of the historical conceptual development and contemporary issues of CSR, and argued for a synergic relationship between CSR and social capital. This chapter will examine how CSR concept could be applied to different of firm sizes and to what extent global and national factors, especially education policies/CSR policies, could affect CSR practices of companies. I extend on this analysis, proposing that the importance of CSR should be identified in the context of globalisation, as part of which certain unethical behaviours of MNCs have been uncovered and criticised. In terms of the significance of CSR in this era, I describe the contributions and limitations of the IOs and of global CSR guidelines, which have emphasised lifelong education and a learning society. Due to identified limitations in applying CSR principles, this chapter lastly defends the importance of public policy for CSR education, and emphasises the need for different approaches in Western and Asian (Confucian) country contexts, and between MNCs and SMEs, which have different sizes and characteristics.

3. 2. Corporate Social Responsibility and Globalisation

The concept of CSR has been recognised in accordance with the rapid development of globalisation and consumer social networks. For example, when Nike's use of child labour in Vietnam was exposed to the public there was a huge uproar worldwide. MNCs' exploitive power has worsened the gap between the rich and the poor and deepened the social conflict between them (Wolton, 2012). The public criticism of unethical corporations has been widely revealed online and they have tried to be more responsible for social issues since then. The business operations of MNCs are monitored by a social network system of international consumers and any negative impact of a business locally can be made directly known to the global public. As a result, it is necessary for MNCs to standardise their approach to CSR and actively practise it by educating their local staff (Idowu et al., 2013).

3. 2. 1. Globalisation

The first use of the term *Globalisation* was in an article in the Harvard Business Review by Harvard professor Theodore Levitt in 1983. He predicted that the world market would be changed into a huge global village market due to transnational movement of products and goods such as finance, labour and real estate. Levitt had previously argued that industry must establish a strategy fitting the needs and desires of consumers (Levitt, 1960). Levitt strongly designated financial derivative goods as the most dangerous element threatening globalisation (Levitt, 1983).

At the same time, the environment for international business was already beginning to change rapidly. First of all, agreement of the new treaty of the World Trade Organisation, based on negotiations which started in Uruguay in 1986 and had lasted more than 9 years, was completed. As many as 149 countries promised to remove restrictions on a range of businesses including agricultural products and manufactured goods and services. Given this licence for free drifting in industrial activities, the main activities of industry began to move from the domestic to the world scale, and global competition expanded (Idowu et al., 2013).

Globalisation has rapidly influenced business sectors across the world. Western (or developed) countries became more interested in other global markets and undeveloped areas where social and environmental issues are a major concern. In this regard, a new economy appeared as models of developing countries and the past experiences of these countries taught them lessons. Especially in Asia, economic growth occurred rapidly at the end of the 20th century, and Asian countries have become part of an important global market as a result of globalisation (Macmillan, 2009). The development of Information Technology (IT) gave the public as well as companies an easy access to information, and different cultures became accessible through the expansion of trade. Using cheaper human resources in developing countries to lower costs and expand their market for a range of global consumers, MNCs could attain greater economic benefits than before (Wolton, 2012; Idowu et al., 2013).

3. 2. 2. Hidden Face of Globalisation

On the other hand, other aspects of globalisation have revealed concerns behind its advantages. In the process of cultural exchange, developed countries' culture has been mainly transmitted to other countries. There has been accelerating economic inequality, especially in developing countries, where most benefits were taken by a few organisations based on the

free market principle of neo-liberalism. In this regard, the American economist, Robert A. Isaak argued the globalisation gap in which "the rich become richer, and the poor cause more aggravating result" (Isaak, 2007). Columbia University professor Joseph E. Stiglitz, the former vice-president of the World Bank and recipient of the Nobel Prize in Economic Sciences, criticised globalisation for being unable to satisfy everybody (Stiglitz, 2002). In his book "Mismeasuring Our Lives: Why GDP Doesn't Add Up", he pointed out the limits of gross domestic product (GDP) as an economic indicator. His key claim was that although we can utilise GDP as an economic indicator of a country, it cannot be a reliable tool in that GDP does not reflect the quality of life. Derek Bok, who served as president of Harvard University, also argued that economic growth and people's well-being are not directly proportional (KBS, 2011).

When Stiglitz (2002) pointed out the other side of globalisation, the public also started to look back and realise what had been lost in the process of so-called globalisation. Capital accumulation has been increased allowing some individuals to gain profit and superiority, while non-financial values such as humanity and sharing with people in need decreased. In other words, MNCs were only interested in making profits under the name of neoliberalism: establishing factories in tax-free local areas with cheap labour, indiscriminately using natural resources and unmercifully destroying the natural environment. The consequent unbalanced distribution of wealth has caused social and economic conflicts (Wolton, 2012).

Modern organisations which have entered systems of unlimited competition emphasise results only on the basis that they must survive in the face of competition. So, if results are good, an absurd situation occurs in which almost everything is allowed and even unethical acts are acquiesced to. The law of "winner takes all" appears everywhere there is competition and becomes an excuse to drive the members of organisations to the edges of precipices in attempting to be the best in everything, unconditionally. Once defeated in competition, they punish themselves excessively, feeling a strong sense of defeat and evaluating themselves to be incompetent. As a result, whether they win or lose in competitive conditions, it is possible for such organisations to exhibit lethargy and inferiority. Depending on the outcome, emotional ups and downs can also be expressed violently. Ames said the following of emotional disturbance and competition: "a winner falls into self-absorption by winning the competition; loser falls into a serious self-deprecating. Moreover, when the winner has experienced a failure, their discouragement and disappointment are very serious; thus, competition is basically a failure-oriented system" (cited in Park, 2013:257).

Education has been used to achieve a superior position in the socio-economic hierarchy as a better school guarantees a better job for better money. Amid this phenomenon, although total economic size has increased remarkably compared to the past, nevertheless social bipolarisation between the rich and the poor has become extreme. The unethical and selfish behaviour of individuals or organisations for profit making worsens social conflict and makes us lose ethical values for a harmonious society (Oh, 2013).

3. 2. 3. Corporate Social Responsibility versus Corporate Irresponsibility

A number of unethical business operations of MNCs have become scandals and thus have been placed at the centre of public attention. Not only stakeholders, but also governments and civic organisations have raised their voices together to boycott the products of the corporations concerned. In the wave of protests, MNCs have made efforts to refresh their corporate image to be socially responsible and ethical. MNCs operate their businesses at the global scale. Like the example of Nike, any local issue pertaining to universal validity such as humanity can significantly damage the corporate image and lead to a decrease in the market profit (Idowu et al., 2013).

Therefore, as MNCs appeared and market size expanded globally along with rapid globalisation beyond national governments' control and regulation, CSR became an important part of business strategy to introduce care for extended stakeholders (Carroll, 2008). In the past ten years, MNCs have invested heavily in CSR operations according to the global guidelines of international non-profit organisations and there have been numerous success cases. They have been making an effort not only to create profit but also to contribute their economic resources and power to society through CSR (Bauman-Pauly et al., 2013).

The development and practise of CSR theory were not encouraged for political and economic reasons alone. As mentioned earlier, it was essential to generate ethical human resources in the organisation in order to practise CSR, and education has also been a core contributor to CSR development.

3. 3. The Role of Education in Shaping Corporate Social Responsibility

As discussed in Chapter 2, the most important element required to create an economically balanced society is the social capital that should be accumulated through reliable networks and equitably distributed to the social community. SCT was first developed in the education

field as an effort was initiated to create a global community and sustainable society (Coleman, 1988), and has recently become understood as a critical notion to resolve the social conflicts caused by capitalistic globalisation (Fukuyama, 1995; Oh, 2013). This philosophical movement ultimately aims for lifelong sustainable development through a framework developed in the context of global education. This is not different from the objectives of CSR, as we learned in Chapter 1, and eventually it came to play an important role in developing CSR further.

3. 3. 1. Learning Responsibility

The first person to suggest an international perspective in educational problems was Coombs (1968). In the report “The World Educational Crisis: A System Analysis”, he described educational problems as a common issue in both developed and developing countries, and thus education was an international problem rather than one of individual countries, and the world’s education was in crisis. The report by Coombs contributed greatly to the recognition and expansion of approaches to the problem by suggesting the necessity of decisions and efforts for solving educational problems being made by whole societies. He pointed out the problems and limitations of formal educational institutions such as schools and universities, which cannot satisfy the changing expectations of rapidly developing social environments for modernisation and national development (Coombs, 1968; Kim, 2013).

Following Coombs, there were several education scholar groups who suggested alternatives. The radical humanistic approach, the alternative school approach, the learning society and the lifelong education approaches emerged at around the same time. For example, Illich, Reimer and Freire pointed out the negative impacts of school education and suggested informal education, a learning society, and education for excluded groups in developing countries (Illich, 1971; Reimer, 1971; Freire, 1970).

As economic success was prioritised under neoliberalism, education was used as a personal or organisational tool to establish professional knowledge and capacity for a better job and career. The use of education for personal success led to weakening the moral and ethical values bonding people together in the social community, and gradually exhausting the social capital (Oh, 2013; Ostrum, 2000; Putnam, 2000).

When instrumental education was criticised, humanism-orientated education started to be emphasised to generate a morally responsible and mature citizen, and this led to calls for a

so-called global education work frame to be implemented in the education policy of each nation. In Australia, for example, global education has been a significant consideration (Education Services Australia, 2008).

Senge (1990:4) suggested the term Learning Organisations, “where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning to see the whole together. Those who adapt quickly and effectively will excel in their chosen field or market.” There are two conditions for becoming exemplary learning organisations. “The first is the ability to design the organisation to match the intended or desired outcomes and second, the ability to recognise when the initial direction of the organisation is different from the designed outcome and follow the necessary steps to correct this mismatch.” The theory of systems thinking is the cornerstone of the learning organisation. Senge (1990:4) also emphasise it “focuses on how the individual that is being studied interacts with the other constituents of the system.” It looks at a larger number of interactions within the organisation and between organisations as a whole.

3. 3. 2. Global Education and Corporate Social Responsibility

Since the first formal use of the term Global Education in 1974 by UNESCO, and their historical efforts to integrate CSR-related issues such as sustainable development and global issues into Global Education, global pressure has resulted in national reports and the creation of educational frameworks and curricula, actively promoted by Global Education organisations and national governments (Education Services Australia, 2008). Global common issues have been mainly discussed in terms of social and environmental issues such as human rights, social justice, and poverty, while considering other nations especially developing countries or excluded groups. Even though global education and global citizenship education are not the same, they share common issues in an educational system. Based on the vision of global education, changes in the education sector in past decades have resulted in an emphasis on sustainable development and CSR.

In the mainstream, the core objective of CSR is to produce a socially responsible citizen. As the concept of CSR is flexible and comprehensive across different sectors – academia, economy, politics and society – and different nations, CSR is the fruitful result of cooperation between the academic and the professional fields.

Global Education is taught from elementary to high school, and is inevitably affected by government policies, as part of which we should look at the importance CSRA recent survey reports that many business schools are obliged to emphasise CSR in order to follow the government mainstream. There are also trials under way to investigate mainstream CSR education in Europe by including CSR-related issues in schools and universities curricula (Matten and Moon, 2004). In higher education institutions, moreover, business schools have begun to emphasise the CSR concept in their courses. Some European business schools have CSR courses in their Master of business administration (MBA) programmes. CSR courses could include business ethics, environmental effects, sustainable development, accounting and finance, stakeholder engagement and globalisation.

The economic and social development of a nation influences education (Rogojanu & Badea, 2011). While developed, Western countries have government regulation of CSR including CSR educational programmes and guidelines, many developing countries could not provide an appropriate educational environment for CSR. They tend to provide employee education centred on skills rather than ethics and values. In the higher education institutions, many business courses include business ethics and development (Rogojanu & Badea, 2011) as one single class, but not as part of the main curricula (Fernandez & Sanjuan, 2010). However, many Asian business schools have generally adopted Western programmes. Higher education should challenge and consider recent change according to our social reality (Wals & Jickling, 2002).

However, business education is arguably different from CSR, and for this reason CSR tends to be covered as a general or elective course/subject. Moreover, Asian countries with traditional Confucian values are not used to the Western educational philosophy, and apparently their emphasis on CSR is far less than that of Western countries. For example, Taiwan is based on Confucianism and is distinct from Western countries. South Korea is also traditionally based on Confucianism. Traditional Taiwanese education values ethics over knowledge, as does Korean education. After economic development, skills-centred education focuses on knowledge rather than ethics (Tseng et al., 2010; Oh, 2013).

However, education reform has had a great impact on CSR implementation and it could play a significant role in relieving social conflicts that have been deepened by commercial globalisation. What CSR pursues is the establishment of a virtuous cycle, creating togetherness in society along with responsible and ethical citizens who can make

contributions to generating social capital to support a healthy society which can then further improve the living standards of citizens (Almunawar & Low, 2013; Oh, 2013).

With the efforts of the education sector to overcome the limits of economic globalisation and to accomplish sustainable development in the global community, global standard CSR guidelines have finally been drawn up for MNCs to practise CSR.

3. 3. 3. Teaching Corporate Social Responsibility Strategies and International Organisations

International non-profit organisations such as UNESCO, UNGC, OECD, and the International Labour Organization (ILO) have tried to resolve the uneven distribution of resources amid commercial globalisation by producing standard guidelines alongside GRI and ISO 26000, which thoroughly specifies CSR. However, CSR also needs to be reviewed to identify its defects and the objectivity of the third party. In support of the education sector and international non-profit organisations, CSR global guidelines have been spread worldwide for corporations to practise. More and more corporations have been offered opportunities to learn CSR and share opinions with one another on how to practise CSR effectively through forums, conferences and seminars (SMBA, 2010; NHRCK, 2011).

UNESCO

The concepts of the learning society and a lifelong educational approach are needed to establish a learning society and continuing lifelong education. As an IO of education, UNESCO has played a major role in bringing CSR issues in education to the forefront. In UNESCO, the International Education Development Committee was formed in 1971, voting Edgar Faure as chairman, and presented its first report after researching for one and a half years (Faure et al., 1972). The report of Faure emphasised a man who is integrated physically, intellectually, emotionally, and ethically as a response to what was considered the dehumanising tendency of the development of science and technology at that time. The report indicates that education for a complete human being has to be conducted as lifelong education, and the whole society has to aim for this (the learning society). This report pointed out that the educational functions of universities, industries and enterprises, in addition to school and preschool education, must play important roles for lifelong education. The report

of Faure contains four basic assumptions for approaching the educational problems of international society:

- International society is based on a common hope, problem, tendency, and movement toward a community of common destiny.
- It has a firm belief about the legitimacy of democracy.
- The goal of educational development is the creation of a complete human being.
- Integrated lifelong education can rear a complete human being increasing gradually its need in our society.

The first report in which the necessity to reduce resource waste and maintain environmental quality was set out was adopted in 1987 at the UN general assembly. In the report “Our Common Future” (Brundtland, 1987), the World Commission on Environment and Development defined sustainable development as “a development of present time demand for future generations without hindering the ability of fulfilling self-demand.”

The Rio Declaration on Environment and Development was adopted in 1992 at the Rio Environment Conference in Brazil, and signatory countries agreed to reduce carbon dioxide production by 5.2 per cent using the year 1990 as a baseline under the “Kyoto Protocol to the United Nations Framework Convention on Climate Change”. This is included in the seventh of the Millennium Development Goals (MDGs) of the UN. Education for Sustainable Development (ESD) was addressed in article 36 of “Agenda 21”, developed from 1987 through 1992. Unlike most education movements, sustainable development education was initiated by outsiders of the education world. For example, the International Political and Economic Forums initiated by UN, OECD, and the Organization of American State supported the necessity of the sustainable development education (International Commission on Education for the Twenty-first Century & Delors, 1996). These international forums sympathised with the fact that education must become a core role for sustainable development education. Sustainable development education can be described as education to accompany generations; not only for the present generation but also future generations, especially education for environmental preservation and respect for life.

The UN appointed UNESCO as an institute for sustainable development education, and UNESCO made international education performance plans in 2005. The entire goal is to introduce the principle, values, and practices of sustainable development into all the

perspectives of education practice (Kim, 2013). Sustainable development education is education to grow individuals to accomplish a sustainable society, and its main contents are to nurture the personality of character development, autonomy, spirit, responsibility, and so on, and to nurture the individual to respect the connection between nature and society, and among people, since the individual is living in a relationship with others, with society, and with the natural environment.

UNESCO suggested new learning systems in this report, including “learning for changing self and society” that in 1996 proposed four pillars for sustainable development: learning how to know (learning to learn); learning to do; learning to live together (learning to relate); and learning to be. The basic idea of sustainable development education is to teach knowledge, values, and behaviour for the integrated development of environment, economy, and society, and especially to deal with climate change, life variety, the education boom, energy education, environment education, international understanding education, world heritage and local cultural properties (International Commission on Education for the Twenty-first Century & Delors, 1996).

Generally, UNESCO seldom appears in the CSR literature as an organisation that deals with education, culture and science. Although it is one of the international education organisations, it might have overlooked the importance of CSR education. However, it has no doubt that education plays an important role in developing CSR.

UNESCO’s long-term effort to emphasise lifelong education and the sustainable development of society played a significant role in the development of CSR. However, unlike other IOs, UNESCO has performed no CSR educational programmes nor produced CSR guidelines.

UNGC

UNGC is frequently mentioned in the CSR literature. UNGC was established at the Davos forum in which world economy leaders gathered and the then UN Secretary General Annan placed emphasis on CSR, announcing the foundation of UNGC.

In 1999, Annan, as former Secretary General of the UN, encouraged global economic leaders at the Davos forum to practise CSR through their business activities. He declared the need for trust in the world, society, nation and organisations to achieve sustainable development while avoiding corporate irresponsibility. Three general fields of human rights,

labour standards and environmental protection are the subject of previously agreed intergovernmental norms, namely the Universal Declaration on Human Rights, ILO's Declaration on Fundamental Principles and Rights at Work and the Rio Declaration on Environment and Development (Post, 2012; Ennals, 2013). After that, the UNGC was set up to play a major role to establish 10 principles and offer membership to companies which are willing to join this movement and practise CSR.

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.
- Principle 2: Businesses should make sure that they are not complicit in human rights abuses.
- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: Businesses should implement the elimination of all forms of forced and compulsory labour;
- Principle 5: Businesses should implement the effective abolition of child labour;
- Principle 6: Businesses should implement the elimination of discrimination in respect of employment and occupation;
- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility;
- Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies;
- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Centred on these principles, UNGC encourages corporations to join the membership of UNGC in order to guide them to respect and practise human rights, transparency and ethics, and offers them an opportunity to increase social benefits and enhance their corporate image as corporate citizens.

Unlike UNESCO, UNGC has set up the primary principles and, through its international network, has contributed to CSR practice, but the organisational limits are

shown in the lack of a monitoring programme or specific educational tools to support the CSR practices of corporate bodies (Ennals, 2013).

Education brings continuous growth and development and this requires an appropriate educational environment (Vega, 2003). Since IOs tend to have their regional or national offices in different locations around the world, these regional and national offices could influence organisations and national public policies within their coverage. There are Korean national offices of UNESCO and UNGC in South Korea and thus these offices arranged their programmes or projects in relation to Korean public policies, especially CSR education and Human Resources Development (HRD) policies for organisations/companies. IOs/international government institutions such as UNGC, ILO, World Bank, and OECD provide global CSR guidelines to put pressure on each nation and on MNCs to meet social and environmental responsibilities. In spite of the educational programmes and tools and global standardised guidelines provided by IOs to encourage CSR activities, there are still limitations for companies to learn, adapt and integrate CSR into their every business activity with only international tools. As there are political, economic, and cultural differences in the world, it is difficult for these global standards to be applicable for every nation and organisation.

3. 4. Public Policy and Corporate Social Responsibility Education

As each nation has different political, economic, and cultural peculiarities, there are differences in how to educate and encourage companies to practise CSR in their CSR public policies. Since public policy is still a powerful pressure for CSR initiation, some scholars suggest that public policy should provide educational programmes and rewards for companies to practise and develop CSR within their organisations. Moreover, CSR has become one of the standards to measure global competitiveness and contribute to a nation accumulating social capital. In this regard, each nation approaches CSR public policy with a different political, economic and cultural background (Steurer, 2013; Krumay & Martinuzzi, 2013).

Having looked into the limitations of IOs, in the next section we will identify the government role and support to motivate the voluntary CSR of small and medium enterprises, which have relatively few resources compared to MNCs, recognising the differences in each nation's public policies on CSR (Steurer, 2013).

3. 4. 1. Corporate Social Responsibility Public Policy

As many MNCs and large companies have emerged and accumulated greater power than national governments, integrating CSR in their own business activities is still a major concern for businesses. The annual reports of large companies mainly focus on their best cases, but lack financial disclosure. Future challenges for MNCs include managing CSR strategies (Cruz & Pedrozo, 2009). Even though UNGC plays an important role in CSR, there are no clear monitoring programmes or policies. Moreover, despite the large number of private consulting agencies nationally and internationally, it is difficult for many companies to afford their services. In the era of globalisation, therefore, while the role of government is small and CSR should be self-regulatory, there are some voices claiming that government policy should be one of the important external factors in CSR practice.

The European Commission is the main driver of CSR in Europe. They defined two perspectives of CSR: The technical perspective emphasises integration of ethical standards into corporate governance, while the political perspective focuses on the voluntary ecological and social role of corporations alongside the economic role. This makes the role of corporations unclear in terms of the vague meaning of voluntary work and field which need additional support from government. It means corporations' perception and practise of CSR could depend on how the government defines CSR and enacts the relevant regulations (Ablander, 2011). Therefore, external pressures such as governments and other stakeholders affect how most companies adopt CSR. Except for a few MNCs, SMEs, forming over 90 per cent of industrial companies, have difficulties in adopting and integrating CSR into all their business elements and obtaining the benefits from CSR.

Fooks et al. (2013) point out that CSR can be used to justify the political purposes of companies by examining the case of a tobacco company. This could be a negative social impact of CSR, which is the opposite side of their stated purpose – expanding social interests for stakeholders. They also indicate the limitations of government regulation by explaining the techniques of neutralisation. Even though MNCs are encountering ethical issues such as tax evasion, inappropriate ingredients in their products and power games with subcontracting companies or SMEs, these ethical issues fade away over time and consumers become loyal to their brands. That is why these MNCs are still dominating in the majority of domestic markets. It seems there could be a greater role for governments to institutionalise CSR to prevent this phenomenon.

Therefore, the government of each nation has been pressured by the IOs and international society to implement CSR and increase national competitiveness and emphasise the corporate role in resolving societal and environmental issues. In the government procedures for CSR education, the voluntary CSR of enterprises is encouraged. Government incentive systems are also helpful to encourage corporations to practise CSR (Steurer, 2013; Krumay & Martinuzzi, 2013).

The CSR practice of enterprises is a fundamental process to generate ethical human resources to perform CSR, as a result of which the social infrastructure can be built to create social benefit to contribute to the local community. In this way, MNCs are held in check by the government CSR policy, whereas small and medium sized ones, which lack CSR information and resources, need to be supported in practising CSR (Jenkins, 2006; Inyang, 2013).

Despite the differences among scholars on social capital, a common element is that trust and cooperation are important elements of social capital. Trust is a social lubricant that reduces transaction costs and promotes economic development (KBS, 2011). Fukuyama (1995) emphasised that the competitiveness and welfare of a country are determined by the level of trust, because trust plays the role of lubricant in the operation of complex social systems. Trust is born when people work based on the same values and culture. And social capital, including trust, has a major impact on social interaction in a variety of forms, such as companies, organisations, neighbourhoods and societies (KBS, 2011).

The World Bank also announced that in the research results of many economists who have compared the social capital of many countries in the world, the more social capital is accumulated, the more their economic development is facilitated. In the case of developing countries, the proportion of natural resources is important to the creation of national wealth; but for more developed countries, rather than human resources and natural resources, intangible capital, invisible to the eyes, is an important element in determining such nations' wealth. It is said that for the OECD high-income countries, the proportion of natural resources is only 20 per cent, whereas invisible capital such as social capital accounts for the remaining 80 per cent (KBS, 2011).

The degree of implementation of government CSR policy in each nation can be different depending on the political and social context. What is more, the philosophical gap between Eastern and Western countries and the level of political and social development can

also make as much difference in government roles and responsibilities as the geographical gap between the two. A more specific discussion is presented in the following section.

When analysing how governments address CSR, at least three analytical perspectives can be distinguished, namely: 1) political controversies on what the appropriate goals and actions to facilitate CSR policies are; 2) institutional concerns, for example, who is responsible for what in regard to CSR policy; and finally, 3) actual government measures and actions that aim to influence the behaviour of companies' and individuals' CSR policies. Regarding the policy of CSR, several institutional setups can be found. Although CSR policies are usually formulated and implemented by several government departments, those responsible for labour and social affairs often play a leading role, for example, in developing CSR action plans (Streurer, 2013).

According to Streurer (2010), CSR policies can be characterised by distinguishing five types of policy instruments governments employ in three thematic fields of action. This shows that the diversity of governmental CSR policies form a cross-sectoral yet coherent policy field because: 1) they all adhere to the principles of voluntariness and collaboration; 2) their policy instruments are consequently soft in character; and 3) they all share the purpose of fostering CSR and sustainable development as complements to hard public policies such as mandatory laws and taxes.

CSR concerns have been more widely expanded depending on global politics and economy, and beyond promotion of the public awareness on CSR; it has become an important trend to organise CSR education or customise CSR policies according to SMEs' characteristics.

3. 4. 2. Differences in Corporate Social Responsibility Public Policy

As there are differences in government policies depending on the political and economic context of each nation, so there are differences in CSR public policy (Streurer, 2013). Western history has gone through the stages of theistic society, renaissance and the current neoliberalism, and based on this long history of citizen-oriented society, European countries and the USA initiated the concept of CSR to resolve social issues or contribute to a socially integral environment. However, these two mainstreams of CSR also have different views of CSR and have developed different policies in their own way (SMBA, 2010).

Eastern history is consistently based on Confucianism, which has been the bedrock of Chinese society for over two thousand years and is categorised not as a type of philosophy, but as part of Chinese people's lives (Tseng et al, 2010; Low, 2013). Asian countries under Chinese Confucian influence still hold traditional values that are uniquely different from Western society in thought, culture and history (Krumay & Martinuzzi, 2013). While the advanced countries have been at the centre of CSR studies, those Confucianism-oriented countries have been relatively isolated. However, they will provide an interesting study case of CSR.

There must be significant differences in government CSR policy depending on the economic and political circumstances of a nation. Unlike the advanced countries with well-established political, economic and social development which they have had a long period of time to adjust to, developing countries, with their rapid economic growth, have tended to underestimate the serious social issues which have been caused by the exhaustion of their social capital (Wolton, 2012). The voices of those concerned with CSR have been raised, but the governments of those countries tend to have objectives of rapid economic growth, forced by the international community (Kim, 2012). Only a few CSR policies in developing countries have been studied, but according to the reports, CSR in those countries can increase national competitiveness (Demuijnck & Ngnodijom, 2013). It is important to study CSR policies in developing countries and determine how these can help mitigate the side effects of globalisation.

Table 3: Changing European Government-business Relations and Corporate Social Responsibility

	Direction of change	Key drivers of CSR	Key issues of CSR
UK	From self-regulation to endorsement, facilitation, partnership, mandate	Firm, market, civil society, government	Global, domestic / community, market, workplace, environment, legitimacy, sustainability
Denmark, Finland, the Netherlands, Sweden	From negligible relationships, self regulation (the Netherlands) to partnership	Government, firm (the Netherlands)	Global, domestic / competitiveness, legitimacy, labour markets, sustainability
Austria, Belgium, Germany, Luxembourg	From negligible relationships to mandate and partnership	Government, firm (the Netherlands)	Domestic (global)
France	From negligible relationships to mandate	Government	Domestic
Spain, Portugal, Greece, Italy	From negligible relationships to endorsement	Firm, government, civil society (Spain)	Domestic

Source: Kang & Moon, 2011

Table 4: Changing East Asian Government-business Relations and Corporate Social Responsibility

	Direction of change	Key drivers of CSR	Key interests of CSR
Japan and Korea	From mandate to self governance, endorsement, facilitation	State, foreign investors, NGOs, international organisations	Diversity in workplace, corporate governance, sustainable development
China	From mandate to self governance, continued mandate	State, foreign investors	Corporate governance, sustainable development

Source: Kang & Moon, 2011

As shown in Tables 3 and 4, Kang & Moon (2011) compare and contrast changing government–business relations and CSR in European and East Asian countries which have similar geographical and cultural characteristics. According to their explanations, European countries tend to change to mandate from negligible relationships, while East Asian countries changed from mandate to self-governance. The direction of change seems to influence key drivers and interests of CSR in the two geographical areas. Thus NGOs became key drivers of CSR while governments and firms became more important in CSR. Interestingly, the same European countries show differences in their interest in CSR. As Table 3 illustrates, the United Kingdom (UK) and other Northern European countries pay attention to various CSR key interests (e.g. global, domestic, market, sustainability), and the remaining European countries focus only on domestic issues. East Asian countries commonly focus on corporate governance and sustainability.

There is a limit to applying standardised global CSR guidelines to all nations due to the differences stated above. CSR studies have been executed in the context of Western society and the standard guidelines are the result of these studies. It is difficult to apply Western CSR to East Asian countries based on Confucianism. The diversity of CSR studies should be taken into consideration for developing countries that have experienced different development phases from advanced countries. At this point, government support for SMEs' CSR cannot be ignored in the study of CSR in SMEs.

3. 4. 3. Corporate Social Responsibility Education Strategies for Small and Medium-sized Enterprises

Securing the best talent does not just end with new recruitment. It is more important than anything else for the company to meet the human instinct to develop and grow, and to create some motivation for individuals to develop their leadership with sincerity and enthusiasm (AhnLab, 2010). Unlike international corporations with sufficient resources and power to practise CSR, SMEs find it difficult to execute CSR without government support (Jenkins, 2006; Inyang, 2013). Above all, limited information and resources are obstacles for them to follow the global guidelines.

As discussed in Chapter 2, we need an insight to understand the different theoretical backgrounds of CSR of MNCs and SMEs. Large companies tend to aim at meeting the expectations of stakeholders, from external stakeholders to internal stakeholders, who

influence the corporations to be socially and economically responsible (Matten et al., 2003; Idowu et al., 2013). The expectations of stakeholders are the primary focus of CSR in large companies, but that is not the case in CSR of SMEs. Rather, the personal philosophy and values of owner-managers of SMEs play a significant role in the practice of CSR. They are likely to value networks such as partners and other SMEs (Inyang, 2013; Sen & Cowley, 2013). A customised CSR education for SMEs is to be provided for improving the capabilities of human resources to enhance the advantages of SMEs and execute CSR efficiently (Oh, 2013; Almunawar & Low, 2013).

An integrated approach is required to support SMEs in understanding CSR, containing elements of business operations. CSR terminology should be introduced informally and incrementally according to the peculiarities of SMEs that arise from the influence of owner/stakeholder values. External support organisations need to develop tools for SMEs, and policy makers should consider their diversity and sectorial differences such as the preferences of each sector. Schemes for awards could provide SMEs with a benchmark to learn from their peers. CSR education should be developed by sector and based on experiences and expertise in the appropriate educational environment. SMEs could have a chance to learn different aspects of CSR from other leading firms that are at the stage of introducing their best practices. The way for other firms to apply the experiences of exemplary SMEs is to teach the business benefits of CSR and the importance of the internal characteristics of SMEs, which could aid CSR practices (Jenkins, 2006).

SMEs account for 60 per cent of the global economy and the majority of global employment. Their status is also important in national economies. More importantly, SMEs account for more than 90 per cent of national industry in developing countries (Bauman-Pauly et al., 2013). Even though little research has been conducted on CSR in SMEs, there are several successful cases which use CSR as a differential strategy to overcome their shortcomings from the perspective of innovation. The examples of Body Shop, Patagonia, Jerry's, Tom's Shoes, and Whole Foods Market show the most successful cases for CSR in SMEs (Arend, 2014). In addition, Italian SMEs implemented CSR in a proactive manner in the local community and thereby they sharpened their competitive advantages, formed social capital, and grew, in the long run, both socially and economically (Sen & Cowley, 2013).

Jenkins (2006) also identifies common elements of SMEs' CSR Champions and adds the importance of government support for SMEs. SMEs are likely to learn through networking and peers. Therefore, it could be important to provide a learning environment for

SMEs. Highly motivated owner-managers generally lead CSR activities in their SMEs. For example, Inside UK provides chances for managers to visit leading companies and learn CSR practices and challenges.

UNGC and United Nations Industrial Development Organization (UNIDO) tend to pay particular attention to SMEs' CSR, and the World Bank, UNIDO and OECD are making efforts in the area of SMEs and national public policy. However, UNIDO points out that there are no IOs which take an interest in SMEs' CSR and public policy, which is an untouched area. This field should be studied not only theoretically but also empirically (UNIDO, 2014). Consulting firms have developed various educational programmes for them, but cost and time constraints exist. CSR, given the weaker role of government in the globalisation era, seems to have difficulties in closing the gap in not only the degree of geographical/economic development, but also firm size (Schere & Palazzo, 2009).

The research on CSR has been accepted as important, but its key element, CSR for SMEs or CSR convergence with new fields such as the education field, has only started to gradually draw public attention. The unique cultural characteristics behind the dramatic economic growth of East Asian countries (e.g. education fever) are focally viewed as important parts of CSR research (Tseng et al., 2010; Low, 2013). It is true that self-regulation of corporations has been most valued by CSR, but now it is time for governments to intervene by mapping out guidelines for CSR educational programmes and incentives considering cultural, political, economic and social contexts.

3. 5. Summary

CSR issues have been changed by the global political and economic climate, and the importance of CSR has gradually increased. In line with this, the standard global CSR guidelines have been drawn up, but they are applicable to neither SMEs lacking resources and information nor developing countries, because the guideline applications focus on CSR in Western developed countries and MNCs from those countries (Wals & Jickling, 2002; Tseng et al., 2010). Government support for SMEs is still meagre and the level of economic development also affects the CSR policies and training programmes for SMEs to practise CSR (Jenkins, 2006; Inyang, 2013). It is hard to compare the impact of SME's CSR with that of MNCs' CSR. However, despite the fact that SMEs have a vital position in the international and domestic economies, due to the complexity of SMEs they have been excluded from the

study of CSR, and the need for further study incorporating them has only recently been mentioned. Asian countries with a tradition of Confucianism for over 2000 years show a significant difference in their understanding of CSR compared to Western countries (Tseng et al., 2010; Low, 2013). It seems that the differences between the two different mainstream cultures have affected both government policy and the actual CSR practices of corporations, and further studies are necessary to understand these issues. Looking into how SMEs' CSR is different from that of MNCs, we have consequently identified what elements are needed for SMEs to practise their CSR. We have also understood that Confucianism-oriented Asian countries with rapid socio-economic growth over the past few decades have different socio-cultural characteristics from developed countries in the Western world, and the traditional ethical values of those countries have affected the notion of CSR.

Chapter 4: Corporate Social Responsibility and Small and Medium-sized Enterprises: A Global Overview

4. 1. Introduction

The previous chapter suggested the need to investigate different CSR approaches in non-Western countries, especially Asian countries, and in SMEs, which require a different approach from MNCs. Asian Korean SMEs are different from MNCs and other Western countries that have been the main focus of CSR research. This chapter will examine the necessity of research to SMEs' CSR in the Korean context by explaining SMEs' and Korea's peculiar characteristics and thus discuss how this research could contribute to knowledge and practice of CSR. More specifically, in this chapter, I show how firm size results in the need for a different approach to CSR in SMEs, and identify the peculiarities of SMEs' CSR practices. Secondly, I discuss how non-Western country contexts affect CSR research, focusing on philosophical factors, and identify the social problems among the Asian Tigers, having accomplished political and economic development within a short time. However, these countries are socially in 'developmental state' and thus they need to improve social development through CSR to keep up with the speed of political and economic development. Having identified these issues, finally, I debate about the significance of CSR research in South Korean SMEs, which have experienced severe social polarisation due to MNCs and dramatic social problems arising from rapid political and economic accomplishment within a few decades.

4. 2. Corporate Social Responsibility and Company Size

This section classifies companies into two groups, MNCs and SME, according to the European Union standard, and then examines how different characteristics of the two groups affect their corporate directions; the European Union standard is commonly referred to in most CSR studies (European Union, 2004). In so doing, this section reviews how the different characteristics and limits have an effect on the company's CSR activities, thus identifying the unique features of CSR in SMEs.

4. 2. 1. Differences Between Multinational Corporations and Small and Medium-sized Enterprises

SMEs account for 60 per cent of the global economy and more than 50 per cent of the global employment. Their status is also important in national economies. More importantly, SMEs account for more than 90 per cent of the national industry in developing countries (Bauman-Pauly et al., 2013).

The European Union defines SMEs as having no more than 250 employees and a turnover of less than 50 million Euros, and identifies that 60 per cent of world SME employees are from developing countries (European Union, 2004). CSR concepts in SMEs are confusing (Jamali et al., 2009) and depend on specific contexts. Therefore, the wording of and motivation for CSR in SMEs should be approached cautiously (Murillo & Lozano, 2006; Fassin et al., 2011) to prevent confusion of definitions.

According to the definition above, we can review the differences between SMEs and MNCs. First, the organisational structures are different due to varying firm sizes. MNCs have complicated bureaucratic structures with multiple steps; the decision-making process takes longer with many stakeholders required to be involved, both internally and externally. On the other hand, SMEs have straightforward organisational structures with a relatively small number of steps; this makes it possible for them to communicate and make decisions faster (Lapointe & Gendron, 2004; Spence et al., 2003).

Another big difference between MNCs and SMEs is the management style. MNCs run their business in more systematic and formal ways (e.g. code of conduct and reporting system), mainly due to their somewhat complicated-structures. Fassin et al. (2011) argue that “the small-business owner-manager is able to shape up the corporate culture and to enact values other than profit.” In contrast, the management style of SMEs tends to be less formal, suitable for their simple organisational structures; in such structures, the power of the company owner is significant; they are also flexible and responsive to external alterations (Goffee & Scase, 1995).

Last but not least, MNCs have difficulty in staying close to local communities as they have many stakeholders to take care of and complicated/formal steps to go through for making decisions. In contrast, SMEs value relations with the local community, keeping close to them. This is because most SMEs grow on the platform of the local economy, especially in

the early stages. Such informal/private networks of SMEs make their stakeholders less influential in the decision-making process (European SMEs, 2004).

These differences between SMEs and MNCs have different limits as well, depending on their characteristics. MNCs have already succeeded in gaining ground in the market, so issues like how to keep in business are not important to them (Ruf et al., 2001; Matten et al., 2003; Cruz & Pedrozo, 2009). What matters most is how to meet the expectations of stakeholders and how to sustain their corporate image and reputation. In the era of globalisation, however, they are held accountable for social problems, especially as, in many cases, they are recognised as a greater power than the governments.

In contrast to this, SMEs have yet to become stable enough to achieve global competitiveness, so how to survive in the competition-based market is the most critical issue for them (Jenkins, 2006; Sen & Cowley, 2013). In most cases, SMEs try to bring down costs as low as possible as a survival strategy. If, however, they can identify an approach to gain competitive advantage in the market, they will choose a strategy for differentiation over cost reduction.

4. 2. 2. Difference of SMEs between Western Countries and South Korea

SMEs account for 60 percent of the global economy and the majority of global employment. Their status is also important in national economies. More importantly, SMEs account for more than 90 per cent of national industry in developing countries (Bauman-Pauly et al., 2013). In this regard, I could say that Korea, which also belongs to the developing countries, has almost 90 percent of SMEs.

There is a difference between European and Korean standard to distinguish firm size. The European Union defines SMEs as having no more than 250 employees and a turnover of less than 50 million Euros, and identifies that 60 percent of world SME employees are from developing countries (European Union, 2004). Unlike the European Union, Korea distinguishes large companies, medium-sized companies and smaller-sized companies according to the Korean law. The large companies are defined as those companies that have current assets amounting more than 5 billion Korean won. Unlike this single standard applicable to large companies, three standards are applicable to the categorisation into smaller-sized companies; they are current assets, annual turnover and number of employees. According to these standards, smaller-sized companies are defined as those companies which have current assets amounting to less than 10 billion Korean won, have an annual turnover amounting to less than 15 billion Korean won and employ less than 1000 employees. The medium-sized companies are defined as those companies which do not belong either to the range of the smaller-sized companies or to the range of the large companies (KFTC, 2016; AHPEK, 2013; SMBA; 2010). Interestingly, the Korean industry has been centralised on the small number of large companies. Unlike governmental support for smaller-sized companies, policy makers recently noticed weaker public support for medium-sized companies and they started discussing about it.

4. 2. 3. Corporate Social Responsibility in Small and Medium-sized Enterprises

The aforementioned characteristics and limitations of MNCs and SMEs actually have significant effects on adopting and implementing CSR (Lapointe & Gendron, 2004; Spence et al., 2003). SMEs, in particular, find it difficult, without encouragement or support, to adopt CSR under their circumstances (Knudsen, 2013); they are likely to lack resources, and this is

a big obstacle to CSR. But certainly there are CSR Champions among SMEs. For this reason, many agree that the characteristics of those (SME) CSR leaders are crucial and must be learned (Jenkins, 2006; Arend, 2014).

Based on the previously mentioned differences in CSR education and characteristics between MNCs and SMEs, the

Table 5 shows the difference between MNCs and SMEs in CSR and CSR education.

Table 5: Corporate Social Responsibility in Multinational Corporations and Small and Medium-size Enterprises

Firm Size	MNCs	SMEs
CSR Motivation	Expectations of Stakeholders More instrumental ->Global competitiveness	Personal Value of Owner-Managers More normative/genuine ->Trustful Network and relationship
CSR Theory	Stakeholder Theory	Social Capital Theory
CSR management	External CSR centred Formal	Internal CSR centred Informal Flexibility
CSR Education : Internal Environment	Enough resources to Self-management /outsourcing	Lack of information and resources Skills centred Informal Learning centred on personal value of owner-managers
CSR Education : External Environment	Centre of Media and Academia Main focus of Public Policy	Little attention from Media and Academia Lack of Public support

First of all, while MNCs tend to practise CSR to meet the expectations of stakeholders in order to attain global competitiveness, SMEs are likely to pursue CSR based on the personal values of owner-managers in order to sustain their trustful networks and relationships, both of which are essential elements in social capital. In other words, CSR in MNCs might be more instrumental and CSR in SMEs may be relatively normative (Baden and Harwood, 2013). As

discussed earlier, in theory, the Stakeholder Theory could explain CSR in MNCs, while CSR in SMEs could be understood through SCT (Ruf et al., 2001; Matten et al., 2003; Inyang, 2013; Sen & Cowley, 2013). Moreover, MNCs are likely to pursue external and formal CSR by practising CSR-related activities such as preparing annual reports and codes of conduct, as well as setting up a CSR division. On the other hand, SMEs tend to internalise CSR activities such as employee involvement, retention, and community engagement in an informal manner based on flexibility, and owner-managers often directly manage CSR activities (Cornelius et al., 2008; Bauman-Pauly et al., 2013). That is why they find it difficult to set up CSR in a formal way. In terms of CSR education, finally, MNCs have enough resources and power to manage CSR or outsource CSR education and they have been the centre of the attention from the media, academia, and public policy (Bauman-Pauly et al., 2013). However, SMEs are likely to lack information and resources to manage CSR education. Their informal learning has been centred on the skills and personal values of owner-managers (Fassin et al., 2011). Unlike MNCs, moreover, SMEs have received little attention from media, academia, or in terms of public policy.

As seen in

Table 5, even if SMEs realise that CSR is not only a point of differentiation but a long-term competitive advantage, they will soon be caught in a dilemma: cost vs. innovation. Moreover, CSR-related research studies and policies for SMEs are rare (Jenkins, 2006; Arend, 2014; Inyang, 2013; Sen & Cowley, 2013). The primary difficulty they face to conduct CSR is said to be lack of resources; this makes them more vulnerable in the globalised world where MNCs, advocating neo-liberalism, monopolise the market, triggering the phenomenon of mammonism (Wolton, 2012). SMEs also cannot rely on the conventional education institutes in this regard, as most of those institutes focus on creating economic profit, rather than nurturing decent social members – not a favourable environment for CSR education. First of all, highly educated people have been brought up with the motto of a successful life through education. As a result, skilled human resources have been increasingly accumulated, but the community and society are unable to use them for public purposes. Furthermore, existing social capital is being depleted for the objectives of individuals with no further generation of social capital (Oh, 2013).

Globalisation offered a great chance for MNCs to gain the upper hand in the market. However, their unethical business practices and predatory behaviour have long been criticised for spawning problems in society as well as education worldwide (Wolton, 2102; Idowu et al.,

2013). In such a context, MNCs tried hard to look responsible, involving a massive investment in CSR. Their efforts paid off, in part at least, on the back of media attention (Bauman-Pauly et al., 2013), and some people started to consider MNCs as active in CSR, whereas SMEs are not (Jenkins, 2009; Bauman-Pauly et al., 2013). At the other end of the scale, however, critics started to raise questions as to whether MNCs motivations are genuine, or whether they are just using CSR for PR/marketing rather than normative CSR or genuine CSR (Baden and Harwood, 2013). Unlike MNCs, CSR of SMEs is motivated internally. Such internal motivation enables them to practise better CSR and to improve and create their corporate image.

4. 2. 4. Corporate Social Responsibility Champions among Small and Medium-sized Enterprises

Even a quick review of scholar literature reveals that there is a shortage of research on CSR related to SMEs (Williams & Conley, 2005; Roche, 2002). For example, according to Massoud (2010), there were less than 15 studies on SMEs' CSR from 1980 to 2008 listed in Business Source Premier. Compared with large companies, SMEs mostly engage in basic rather than strategic practices of CSR (MacGregor & Fontrodonn, 2011). In the past, the theoretical framework on CSR and large corporations was used to analyse SMEs (Wilkinson, 1999). Increasingly, however, scholars point out that this approach has limitations because of the peculiar characteristics of SMEs (Jenkins, 2004). There is thus a need to study CSR in the context of SMEs in more theoretically relevant and accurate ways (Lapointe & Gendron, 2004; Spence et al. 2003).

As shown in

Table 5, however, the differences between MNCs and SMEs could ironically serve as a positive factor for SMEs to practise CSR. The case of the Body Shop is widely used as a success of CSR. Body Shop launched its business as an SME, and was able to gain a competitive advantage early through CSR. Such foresight made it possible to grow into a larger company. From the beginning of their business, they claimed to practise CSR and they have stringently selected organic materials in their manufacturing process and strategically joined a series of projects by local communities. Such efforts ended up winning consumers' loyalty (Arend, 2014).

In this way, excellent examples of CSR Champions are known to strengthen internal features or corporate cultures to overcome their internal and external environment shortage conditions (Jenkins, 2006). Their common roots are characterised by two factors. First, they have good use of CSR in order to form their social capital according to the trends of modern society. Being rooted in the community, they pioneer building up their trustworthy corporate image through Social Network Service (SNS), and take advantage of the benefits of flexibility. Second, since their founding, they have used CSR for leverage, actively shaping corporate culture and management strategy, and so making a contribution for themselves as well as contributing to the community and the country (Inyang, 2013; Sen & Cowley, 2013).

If medium-sized enterprises can embrace and mix the merits of MNCs and SMEs, in this regard, it can be an excellent way of accomplishing CSR. That is why their roles should be considered crucial. In fact, there is much literature arguing that CSR from established enterprises appears to be more stable. Accordingly, CSR cases of more stable companies, rather than SMEs with generally many unexpected hurdles, can be a good starting point (Nisim & Benjamin, 2008).

Personality alterations at the global, national, and organisational levels also influence changes of corporate culture even in SMEs to embrace CSR. Corporate Culture works as an important factor and this implies that CSR education is needed in order to support CSR in SMEs. Scholars say that creating more successful CSR cases is likely to help the companies grow and make a contribution to society, nations, and the world. To that end, according to their arguments, government support is most crucial.

4. 3. Corporate Social Responsibility in Different National Contexts

Unlike MNCs, SMEs are rooted in their local communities and tend to have community-centred development. For this reason, they have an impact on their community, and more broadly their country, more than on the global environment. As Baldo (2013) argues, “in SMEs, CSR and sustainability orientation is strictly connected to ethically oriented core values and is influenced by belonging to a specific local context. These values facilitate the development of social and ethical networks of stakeholders.” In other words, an attempt to grasp the characteristics in this area should be made part of CSR research for SMEs. As reviewed in previous chapters, each region has unique CSR characteristics; even the history of CSR studies (with MNCs and SMEs) is different from region to region (SMBA, 2010).

Unlike conventional studies mainly discussing Western cases, this chapter focuses on the recent cases from emerging economies and, more specifically, how their own Asian culture affects the CSR of SMEs (Tseng et al., 2010; Low, 2013). Further to this, this chapter also reviews the position of Confucian countries in Asia that have formed social values on the platform of tradition (i.e. Confucian moral/ethical education), and the case of Korea, which has been undergoing dynamic political/economic changes (Kim, 2012; Wolton, 2012; Oh, 2013).

4. 3. 1. Corporate Social Responsibility Research in Non-Western Areas

Most of the CSR literature has focused on Western cases such as Europe and the USA, neglecting other regions (Tseng et al., 2010; Kim, 2012; Demuijnck & Ngnodijom, 2013). Naturally, studies also neglected the distinctive features of CSR from region to region, mainly due to government policies and/or corporate orientation (SMBA, 2010). CSR characteristics, even among the Western countries (e.g. North America vs. Europe), were found to be different (Avetisyan & Ferrary, 2013). This is because government and regional policies have tremendous effects on regional companies and individuals, driving them to change according to expectations.

Countries with high levels of social trust – such as Norway, Sweden, Finland, Iceland, and Denmark – can be compared, in that their economic benefit is balanced with, and influences, positive social behaviour. The important thing that the day-fine system in Finland, which matches fines to individual income, shows us is what kind of attitude the members of a society have towards people who transgress social norms. Norms are a kind of agreement – the efforts of many people who try to maintain their commitment to such agreed norms contribute to the maintenance of order and norms (KBS, 2011). Such an atmosphere of a society as a whole encourages companies to keep practising CSR.

There are few comparative/intensive studies demonstrating differences between Western cases and those from emerging Asian economies. The Asian market is increasingly important and has gained global attention thanks to its dramatic economic growth in recent decades (Tseng et al., 2010; Low, 2013). The socio-cultural impacts of processes of Westernisation and globalisation have remained largely unstudied, in contrast to their economic impacts (Wolton, 2012). From the perspective of immigration and population, most immigrants in Western countries are from Asia; their social, cultural, and economic influence

is by no means insignificant (Jenkins, 2006; Tseng et al., 2010; Inyang, 2013). Thus, researching these rapidly growing Asian players should be considered crucial.

4. 3. 2. Confucian Countries and Corporate Social Responsibility

Even if it is different from the main ideas prevailing in the West, the main theme of Confucianism is similar to the key part of CSR. Confucianism has been deeply involved in East Asian education and has wielded enormous influence on Asian history and people's lifestyle (Tseng et al., 2010; Low, 2013).

Confucian ethics “belong to one of the moral philosophies in guiding the people on how one should strive for perfect virtues in one's living, and using these virtues that one has acquired, one would be able to behave in an orderly manner and participate positively in a group relationship such as in a family, in an organisation, in a community, and in a country.” Furthermore, the key issues in current Confucian countries are how to inherit the Confucian ethics and values in order to be socially responsible in their business transactions and to their stakeholders, and to society at large, and how to educate younger generations in the values and practices of Confucianism, leading them to responsible business practices (Low, 2013).

Low & Ang (2013) identify the difference between Confucian and Western concepts concerning CSR: “CSR in Confucianism stresses the compelling and natural need to return or give back to the community; thus, CSR is a natural function and part of the process or loop when doing business, while CSR in the Western concept entails quality, benchmarking and its measurements to ensure standards and results. In the West, because of the primary need to protect individual rights, the emphasis on transparency also floats out and it becomes part of the CSR process.”

However, the emergence of neo-liberalism and globalisation had a great effect on Asian nations as well as Western countries. The education system in Asia went through transformation to keep up with its Western counterpart, shifting the focus away from cultural traditionalism towards economic growth (Tseng et al., 2010; Oh, 2013). Recently, however, the East has been confronted with educational and social problems mainly caused by globalisation. The competition-oriented education system was established by the previous generation obsessed with social success and materialistic capital. Social capital based on good traditions has been seriously undermined, pushing the society and country backwards (Oh, 2013). Therefore, these countries are socially in ‘developmental state’ and thus they

need to improve social development through CSR to keep up with the speed of political and economic development.

These relationships without trust cause separation among individuals in the society. In this regard, MNCs are often viewed as exploiters hiding unethical issues behind enormous investment in CSR. These various social problems are difficult for governments to solve. Against this backdrop, an alternative education system was suggested to refocus the concept of social capital and to value communities over individuals. The proper inheritance of Confucian ethics could be the essence of CSR education to gain social capital through the practice of CSR (Low, 2013). Therefore, in order to recover trustful relationships and the concept of society, accumulating social capital through CSR became an inevitable issue, not only for large companies, but also for SMEs.

In Confucianism, which has lasted for over 2,000 years and has served as the educational foundation in these emerging economies, morality and ethics were highly valued and the primary focus of such education was to nurture socially responsible citizens and organisations—in line with the spirit of CSR (i.e. social contribution). Studying the cases of Confucianism-based Asian education is worthwhile because education is critical in building social capital (required for CSR), and the social/cultural background results in singularities to consider in CSR. This type of approach is rarely found in conventional CSR studies in the West (Oh, 2013; Low, 2013).

These countries accepted the Western system while maintaining Confucianism. This results in confusion. They value Western standards more than their traditional Confucian ethics. They care for education for their own individual success. Money and power are the standards for success based on materialism.

4. 3. 3. Corporate Social Responsibility Research in South Korea

Confucian countries in this category include South Korea, China, Japan, Singapore, and Taiwan. They need to improve social development beyond the developmental state. Among these, Korea is definitely the case to note, in that: 1) globalisation spurred the nation to advance its economy and political system in a short period of time, spawning a handful of conglomerates; 2) in the meantime, serious social problems arose; 3) it is the one of divided countries in the world (Kim, 2012).

Korea was the first country to move from being an aid receiver to become a donor. Nevertheless, the public is gradually losing its interest in politics; the role of families is being challenged; neo-liberalism and other Western ideas flowing into the country have left people obsessed with economic growth; and the education system is also focusing only on the success of individuals or organisations, rather than nurturing socially responsible citizens. As a result, Korea's lopsided investment in human capital resulted in scarce social capital (i.e. public interest for society).

Confucianism and moral education thus became less important to Korea. Now the country is overly concentrating on individual gains. As a result, the society has lost communication based on trust and social capital; with an ever-increasing gap between the rich and poor, it has been shaped into a society full of rage, conflicts and confrontations (Oh, 2013). This trend has been backed up by OECD data: an OECD report stated that Korea succeeded in achieving material affluence, but failed to fairly distribute the wealth: therefore, individuals feel deprived and overwhelmed by a sense of defeat if they fail to achieve social advancement; Korea is at the top of the list for suicide rates worldwide; and the country has the lowest scores for student happiness and women's empowerment (Wolton, 2012; WEF, 2013). From the perspective of this developmental state, such discontent within the society has long formed a sense of uncertainty among people, leading to crime and violence. Thus, even though Korea is equipped with a world-class transportation and communication infrastructure, it has failed to build and spread social capital (Wolton, 2012).

In the case of Korean MNCs, they are recognised as the most important contributors to the nation's economic growth and make huge investments in CSR every year. On the flip side, however, they do not hesitate to commit irregularities, coveting gains for themselves (i.e. company owners and their families); to achieve this, they pass on the corporate leadership to their descendants. What makes matters worse is that now even the government cannot stop them. People feel increasingly marginalised and have a biased view even of CSR by MNCs. The term *Chaebol* (conglomerate in Korean language) has long been provoking social rage. Such extreme emotion cannot be corrected by the country's education system, as the system has turned itself towards a knowledge (technology)-oriented one. The (Confucian) concept of whole-person education focusing on morality and ethics has lost ground (Kim, 2012). In fact, when it comes to CSR involvement, Korea is relatively far behind the international standard of OECD nations (EAI, 2009; Kim et al., 2012; Choi, 2007; KOTRA, 2010). South Korean organisations are divided between MNCs (large companies), medium-sized and small-sized

companies, according to the Korean law. Since medium-sized companies are different from large companies in terms of turnover and the number of employees and are closer to small-sized companies, in reality, both medium and small-sized companies are categorized together as SMEs.

With continuous and rapid economic development, South Korea has produced many successful global companies which have gradually taken on CSR activities. In fact, in international surveys, Korea ranks relatively low among OECD nations when it comes to CSR involvement (EAI, 2009; Kim et al., 2012; Choi, 2007; KOTRA, 2010).

Because of their limited resources, SMEs in Korea are much more reluctant to initiate CSR, seeing it as a possible risk. The fact that SMEs' ownership and management are not separate and that they are independent from the market allows them to practise CSR activities with free association in idea generation led by flexibility and mobility (BISD, 2009). In South Korea, with ineffective government CSR policies, there are nevertheless some firms that take the initiative to become responsible for their corporate activities. A primary example is one Korean medium-sized company, driven by the CEO with a strong vision and conviction to merge profit generation with social contribution. This example shows that, despite the lack of strong external incentives, the right internal drive can lead to a positive CSR outcome.

In reality, educating SMEs' employees, or encouraging SMEs to be responsible corporate citizens, is a vital element in Korea as they currently lack power and resources in contrast to relatively larger companies, even though they occupy an important position and account for 99 per cent of the entire national industry. However, SMEs have been in a blind spot in the discussion of CSR in Korean industry. In addition, SMEs' employees in Korea, in some cases, tend to recognise CSR as an extra burden on top of their already overloaded work schedule (SMBA, 2010; CRC Korea, 2013). Korean SMEs seem to suffer from a lack of incentives and financial resources to get involved in CSR. Another major problem is government regulation and support policies for CSR in SMEs (Choi, 2007; Hwang, 2007; I Kim, 2009). As a result, if South Korean SMEs create an environment for accumulating social capital with the intention of creating social capital for all through CSR education, in the long term, these achievements would be able to play an important role in solving the country's serious social problems by returning corporate profits to the employees and improving their situation. The role of government is important in creating such an environment.

Korea is classified as a typical low trust nation among OECD countries. In terms of private trust levels working between individuals and individuals, and organisations and organisations, Korea shows an intermediate level or above; however, it is acknowledged that the trust of society members in public institutions such as laws, state agencies or systems is significantly lower compared with other developed countries. The social capital index of Korea, which was disclosed in a report entitled "Policy Issues for the Expansion of Social Capital" (Lee et al., 2009) was 5.7 points on a scale of 10 points, ranked only 22nd of the 29 OECD countries. Those areas with the lowest social index were government agencies such as the police and social institutions, ranked in 24th place (KBS, 2011).

In spite of these efforts for gender equality, the traditional culture of patriarchy has still remained in Korea. This could be one of main reasons why Korea has one of the lowest rankings of women empowerment in the world. Patriarchy has influenced corporate policy for women workers and the social role of Korean women in their families. In this regard, it seems to be significant to examine gender equality as one of the labour issues within organisation (SMEs) and national (South Korea) governance levels.

Education can have a significant impact on the human way of thinking. A vertical training perspective is required to educate Korean people in successful, professional skills in terms of increasing educational achievements, but this leads to the difficult challenge of introducing new ideas when faced with a lack of flexibility and creativity. In the framework of peers' mind set to point out problems instead of accepting opinions without judgement, therefore, having peers can easily lead to new ideas. Improving CSR training by merging vertical thinking with a mind set of consideration of peers should establish an environment of CSR over the long term with a wider meaning and a step-by-step approach (Tseng et al., 2010).

4. 4. Applying New CSR Theories: Social Capital Theory Underpinnings

According to Coleman (1988), social capital in the family influences students' performance in schools. Therefore, social capital is significant in human capital (Education). There is an unsolved issue about the relationship between the influence of social capital within school, and students' performance. Drawing on Coleman (1988), the research explored whether, if the firm is concerned about employees' family issues, and treats them as their family members, employees can increase social capital within their families and will be influenced by this, which will lead to higher performance of employees within the organisation.

Fukuyama (1995) agreed with Coleman's idea, and extended it to the national level by distinguishing countries in terms of trust, or social capital. He identified that more trustful countries tend to be wealthier by gaining global competitiveness and thus these became the developed countries. Northern European countries are good examples of pursuing sustainable development by maintaining a high level of social capital at national level. On the other hand, those countries that had a low level of social capital could not become "the developed countries" because they had been facing several serious social issues. For example, South Korea has difficulties with social issues, as people have a strong distrust of governments and corporations, even though they accomplished economic and political development within the last 50 years. Increasing social capital could be an important solution that could allow South Korea to overcome its social issues and thus become a developed country, as the current president emphasised in her inauguration ceremony.

Based on these evidences collected from the reviewed literature from Chapter 2 to 4, I will explain the theoretical framework in the Chapter 5 methodology Section 5. 3. 2. .

4. 5. Summary

This chapter has identified differences in CSR practices in the contexts of MNCs and SMEs, and between Western and non-Western countries, and has discussed the need for research concerning CSR conceptualisation in South Korean SMEs. Acknowledging its importance, research on what ways and to what extent CSR education can contribute to the improvement of social capital at the organisation level (SMEs) in South Korea could help to fill in an existing gap concerning the development of CSR conceptualisation in SMEs, particularly in

an Asian (Confucian) developing country context, along with investigating the role of CSR education and public policy in SMEs' activity to promote CSR and nurture social capital. An effective research method to find answers to these questions and contribute to academic and empirical development of CSR research is to set up and analyse qualitative case studies of seven South Korean SMEs, through semi-structured interviews, through semi-structured interviews with other stakeholders such as governmental agencies, IOs and academia, and through thematic analysis.

Based on the literature review from chapter 2 to chapter 4, I identified existing gaps in the academic literature on CSR. As highlighted previously, CSR has developed theoretically and practically, centred on MNCs and Western developed countries (Roche, 2002; Williams & Conley, 2005; Jenkins, 2006; Massoud, 2010; Tseng et al., 2010; Low, 2013). Critics argue that research about SMEs' CSR are lacking and it seems significant to focus on CSR research for SMEs. There are also voices about the necessity of the normative role of CSR in pursuing more organisational and public benefits. Within a Korean context, SMEs are seen as the building blocks of the economy, and as such there are great synergies within social capital. In this regard, there is a possibility that Coleman (1988) and Fukuyama (1995)'s social capital theoretical propositions could explain South Korean SMEs' CSR practices.

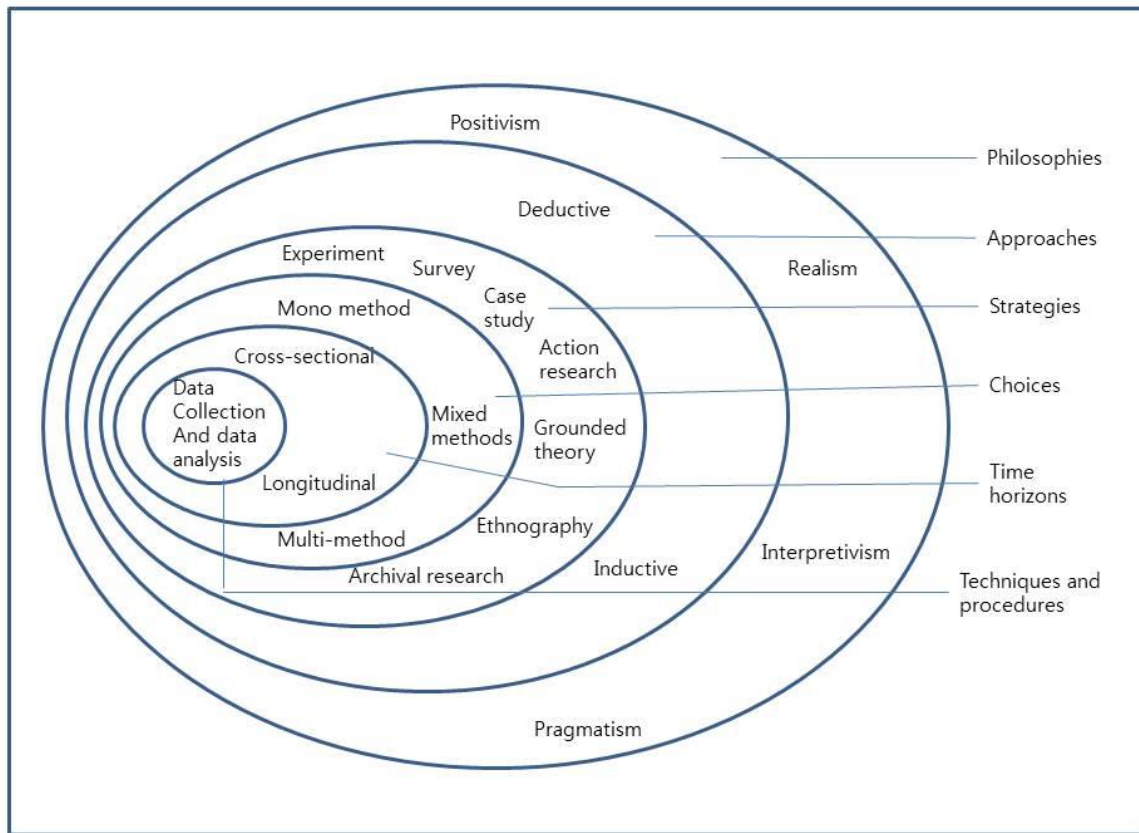
These identified research gaps helped me set up research design, and describe how I choose multiple qualitative case studies of South Korean medium-sized companies as the methodology for this study. Especially, I will select CSR champions which perform social and economic achievement among South Korean SMEs. More specifically, I will explain data collection through semi-structured face-to-face interviews with the companies' owners, managers, and employees, along with document analysis for documentation and archival records, and data analysis using thematic analysis to find themes related to the research questions centred on the conceptual frameworks and to compare and contrast multiple cases.

Chapter 5: Methodology

5. 1. Introduction

Based on the literature review in the previous chapters, this chapter identifies existing gaps in the academic literature on CSR and presents my methodological framework, for which a social constructionist paradigm provides the philosophical underpinnings, and describe how I chose 7 qualitative multiple case studies of South Korean SMEs and extensive interviews of IOs representatives and Korean government agents as the methodology for this study. More specifically, I explain the data collection through semi-structured face-to-face interviews with these companies' managers, and employees, along with document analysis of documentation and archival records, and thematic analysis using 5 steps centred on the social constructionism approach and researcher's theoretical propositions. Before conducting the main study, I tested the research design and interview questions, and gained experience as a researcher through a pilot study based on a small number of interview participants from 2 case companies and the most influential government agencies in terms of CSR education. Lastly, I demonstrate that my research design has an appropriately low level of risk by identifying ethical issues which need to be addressed during my study, and I also discuss reflexivity in the politics of research.

5. 2. Research Philosophy



Source: Saunders et al (2009)

Figure 5: The Research ‘Onion’

Saunders et al (2009:141) define ontology as “the way the world operates and the commitment held to particular views.” I proceed with a perspective starting from the premise that social constructionism could be related to subjectivism, which understands the meanings that individuals attach to social phenomena. Social constructionism follows “from the interpretivist philosophy that it is necessary to explore the subjective meanings motivating the actions of social actors in order for the researcher to be able to understand these actions. “ (Saunders et al, 2009:142). Social constructivism is closely related to social constructionism. However, social constructivism focuses on an individual’s learning that takes place because of their interactions in a group. Therefore, the social constructionism approach could have many subjective meanings. Consistent with this position and in line with my research questions and objectives, it is clear that social constructionism is appropriate as the ontological perspective of this study. This is because the role of CSR education for SMEs’

development in the Korean context, as elsewhere, is a continuous social process produced from interaction among organisations as members of society. It suffices to point out that in the context of this study, to properly understand the dynamics of the process of education and CSR in SMEs sector in Korea and analyse its basic features, an understanding of the social and cultural contexts within which these processes evolved is critical. Only then can one attempt an informed construction/re-construction and interpretation of the CSR practices of the Korean SMEs and their educational factors and subsequently suggest alternative approaches to improving the process given the prevailing contextual conditions.

Moreover, epistemology is defined as what constitutes acceptable knowledge in a particular field of study. For the purpose of this study, I adopt the critical realist's epistemology. The critical realist's position is that our knowledge of reality is a result of social conditioning (Bhaskar, 2010) and "cannot be understood independently as the social actors involved in the knowledge derivation process" (Dobson, 2002: 124). Therefore, this study focuses on SMEs' organisational interaction within companies and in the national and global contexts of CSR education rather than individuals' CSR learning. I utilised the critical realist's epistemology to theorise the characteristics from the definitions, motivations and activities of CSR of the Korean SMEs in order to ascertain that relevant relationships with SCT are assumed amongst meaning, language and experiences by taking Braun & Clarke (2006)'s 6 steps of thematic analysis. During the process of accumulating social capital (trust) through CSR in SMEs, this epistemological perspective helped me identify the relationships with internal and external stakeholders who are social actors involved in the CSR knowledge management process.

5. 3. Research Approach

Braun & Clarke (2006) distinguished between inductive and deductive research approaches; they stated that “themes or patterns within data can be identified in one of two primary ways in thematic analysis: in an inductive or ‘bottom up’ way, or in a theoretical or deductive or ‘top down’ way.”

The research approach of this study is similar to the deductive way but follows the characteristics of a theoretical thematic analysis. Braun & Clarke (2006:13) stated that the theoretical thematic analysis “would tend to be driven by the researcher’s theoretical or analytic interest in the area, and is thus more explicitly analyst-driven. This form of thematic analysis tends to provide less a rich description of the data overall, and more a detailed analysis of some aspect of the data. Also, the choice between inductive and theoretical maps onto how and why you are coding the data. You can either code for a quite specific research question (which maps onto the more theoretical approach) or the specific research question can evolve through the coding process (which maps onto the inductive approach).”

After identifying the research gaps and theoretical framework of this study, I will explain the researcher’s positioning and methodological approaches.

5. 3. 1. Research Gaps

As highlighted previously, CSR has developed theoretically and practically, centred on MNCs and Western developed countries (Roche, 2002; Williams & Conley, 2005; Jenkins, 2006; Massoud, 2010; Tseng et al., 2010; Low, 2013). Critics argue that companies’ contribution to society should be connected not to their own benefit, but to the public interest. There are voices of doubt about the instrumental role of MNCs’ CSR in pursuing more organisational benefits. Within a Korean context, SMEs are seen as the building blocks of the economy, and as such there are great synergies with respect to social capital.

SMEs consider CSR as non-essential expenditure, so they tend to hesitate to practise it. Several studies have therefore proposed that there must be government educational programmes or economic incentives for SMEs to practise CSR. These programmes or incentives could play a significant role in prompting SMEs to learn CSR properly according to their social context. Even though several IOs have made efforts to establish standard global

CSR guidelines and provide educational programmes, these are often not applicable to SMEs (Wals & Jickling, 2002).

As they tend to learn from peers, public policy could provide opportunities to learn from other leading companies about CSR practices and challenges (Jenkins, 2006). With or without public help, if they set up this appropriate learning culture and practise CSR, their corporate culture could form trustful relationships among organisation members and thus acquire social capital for the organisation. This public profit could be utilised for the society and the nation (Sen & Cowley, 2013; Oh, 2013; Inyang, 2013). In spite of the significant role of education in CSR of SMEs, several scholars have pointed out that there has been a lack of attention and studies in this area. Therefore, it is important to investigate SMEs' conceptualisation of CSR and how public policies influence CSR education for SMEs in the process of accumulating social capital within the organisation and contributing to the society and the nation.

Like other East Asian countries, South Korea is suffering from the phenomena of slow social development compared to its rapid economic and political growth and exhausting social capital while individuals accumulate resources for their own success through education. In this regard, research on CSR processes to accumulate social capital in Korean SMEs may contribute to the theoretical and empirical framework of CSR studies. Previous research into CSR in Korean SMEs is scant and mainly assesses issues by quantitative approaches using surveys (CRC Korea, 2013). That could be why it seems difficult to develop a model for Korean SMEs to practise CSR. Moreover, even though industry differences in CSR practice have been examined because they are distinctive (Sen & Cowley, 2013), it seems difficult to find previous research on the characteristics of CSR by industry in South Korea. Since SMEs tend to learn from peers (Jenkins, 2006), discovering the models of CSR leaders among Korean SMEs is an important step in the development of SMEs. For those reasons, it seems highly important to discover role models of Korean SMEs as CSR leaders by industry, the relationship between internal and external factors of CSR education, and the processes of accumulating social capital at organisational and societal/national levels.

5. 3. 2. Theoretical Framework

This research focuses on the following aims:

How, and to what extent, can CSR education contribute to the improvement of Social Capital for SMEs' development in the context of South Korea?

Based on the above aims, the research objectives are as follows:

- To explore how CSR is conceptualised in SMEs.
- To explore the role of CSR education in SMEs' development (global, national, organisational standard/educational policy).
- To evaluate whether CSR initiatives have helped nurture social capital.
- To explore similarities and differences of CSR between Western countries and South Korea.

Centred on the above aims and objectives, this study has the following research questions and sub questions.

RQ1. What is the current conceptualisation of CSR in SMEs?

RQ2. How, and to what extent, do global, national and organisational educational factors shape CSR knowledge in the SME sector?

RQ3. How can CSR processes help SMEs' development?

RQ4. What are the similarities and differences between South Korea, one of the Confucian Asian countries, and the Western nations located in the main geographical territories (e.g. Europe, USA) of CSR research?

The study applies Coleman's (1988) model of the inter-relationship between social capital and educational performance to examine conceptualisations of CSR in the process of accumulation of social capital. Secondly, the study applies Fukuyama's (1995) model of the inter-relationship between trust (social capital) and economic growth to examine conceptualisations of CSR and the impact of CSR education designed by organisation and national policy.

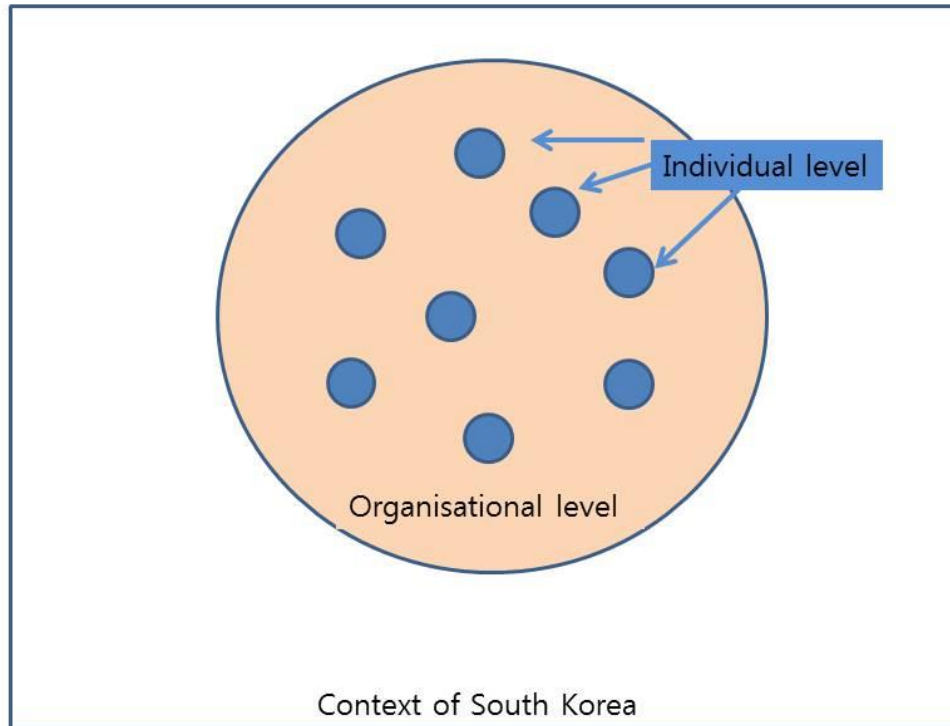


Figure 6: Social Capital and Educational Performance (Human Capital)

First, Coleman (1988) found that individuals with higher social capital tend to achieve higher educational performance in educational institutions. Figure 6 illustrates that his findings could apply to this study, in that employees with higher social capital tend to achieve higher CSR education performance in the learning organisation (SMEs).



Figure 7: Social Capital (Trust) and Economic Growth

Second, Fukuyama (1995) discovered that nations with higher social capital tend to achieve higher economic growth because they can avoid social expense caused by mistrust. His discovery could apply to this study, in that organisations are influenced by national context and their public policy, that is, organisations in the context of nations with higher social capital tend to achieve higher economic growth because they can save on social expense through employees' relationships within the organisation (SMEs). This could also affect the organisation's relationship with external stakeholders and thus could contribute to accumulating social capital within the national context.

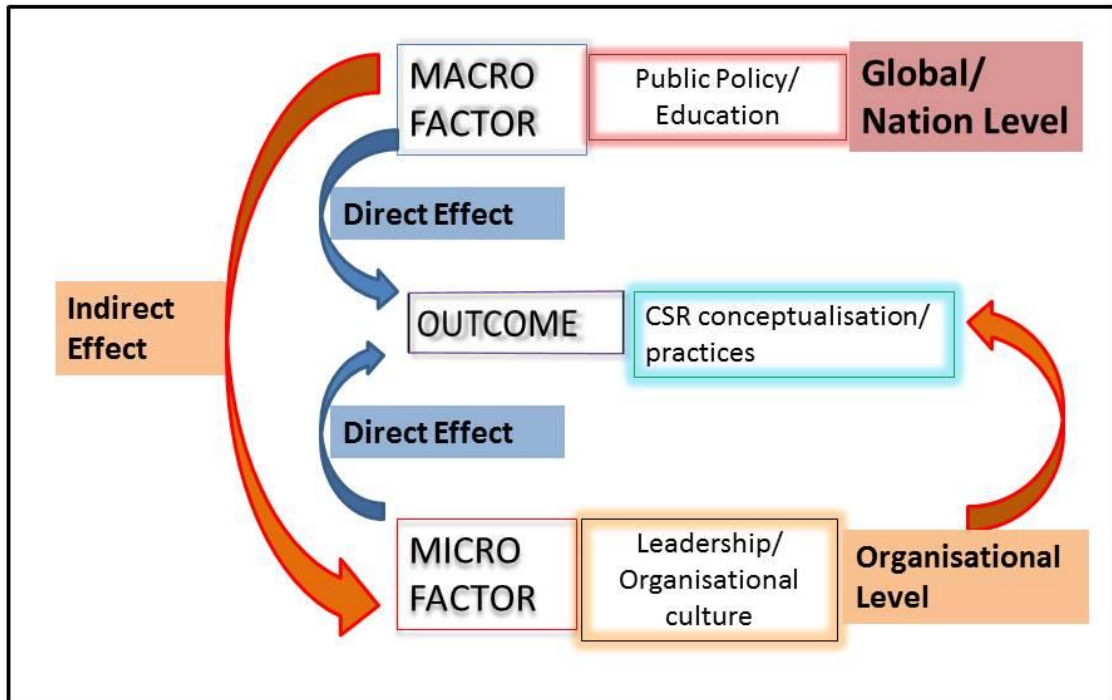


Figure 8: New Integrated Model to Understand CSR (1): Educating Corporate Social Responsibility Strategies

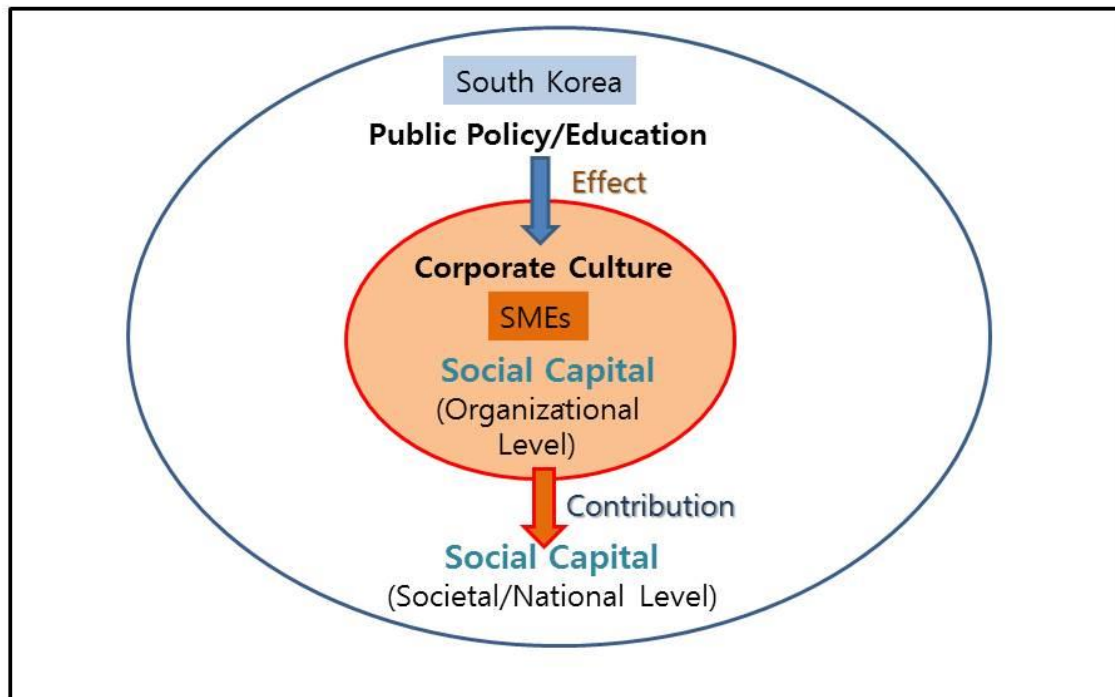


Figure 9: New Integrated Model to Understand CSR (2): Corporate Social Responsibility in SMEs as a Process of Accumulating Social Capital

As shown in Figure 8 and Figure 9, therefore, this study could rely on Coleman’s (1988) and Fukuyama’s (1995) SCT as its major theoretical underpinning. This theory has identified the significance of social capital, achieved through education at the organisation level, in order to enhance national competitiveness and establish the society of togetherness which CSR ultimately pursues (Sen & Cowley, 2013; Inyang, 2013; Oh, 2013; Almunawar & Low, 2013).

By the fact that academic achievement guides what behaviour an actor undertakes, Coleman (1988) demonstrated that social capital is capital that can be utilised in a real productive activity; but if the activities of the government, political parties and companies are transparent and the effects of reward and punishment occur following both compliance standards of institutions and policies, it would be possible for citizens to increase their degree of trust in the public sector.

This could serve as a bridge to the economic perspective of groups (organisations/nations). As the main social issues of the 21st century are poverty, the

environment, and the dissolution of community, several scholars expect social capital to contribute to solving these problems, in spite of the limiting fact that these are immeasurable (Oh, 2013). IOs also recognise the role of social capital to motivate developing countries to eliminate poverty by their own will. This could help these organisations to overcome their limitations by material support (Ostrome, 2000).

If we regard one country as one of the group levels to accumulate social capital and utilise social capital for economic purposes, this theory could ultimately be integrated with Fukuyama (1995)'s argument. In economics, Fukuyama (1995) emphasised the importance of social capital as a driving force of economic and social development, introducing a comparison between those developed countries which form trusted and economically stable societies and those which remain less trusted societies following rapid economic and political development (e.g. South Korea).

Therefore, social capital could be utilised to reduce personnel expenditure and control employees by providing information and education on the process of post-technification and specialisation, in order to increase their communication opportunities (Oh, 2004).

In conclusion, the conceptual framework of this study proposes a new integrated model to understand CSR by combining the previous SCT perspectives. When SMEs have a process for CSR education to raise CSR human resources awareness for understanding and practising CSR, the more their organisation culture is trustful the better their relationships could support better educational performance. This could be connected to the economic perspective of organisations (SMEs). Furthermore, their organisation culture is more likely to generate better educational performance. Not only SMEs' educational performance but also their trustful relationship within the organisational and national context could be connected to the national social/economic perspectives of South Korea. The conceptual frameworks helped me select methodological choices about how to collect and analyse data in order to answer the research questions of this research. According to the above conceptual framework, conducting case studies of CSR champions among the Korean SMEs (micro factor) explores how leadership and organisational culture influence their CSR conceptualisation/practices; and conducting semi-structured interviews and document collection from governmental agencies/IOs/academia (macro factor) also explores how their public policy/education programmes influence CSR champions' conceptualisation/practices. The conceptual framework also guided me into figuring out whether the Korean SMEs also generate social

capital as an outcome of their CSR conceptualisation/practices during the thematic analysis procedure.

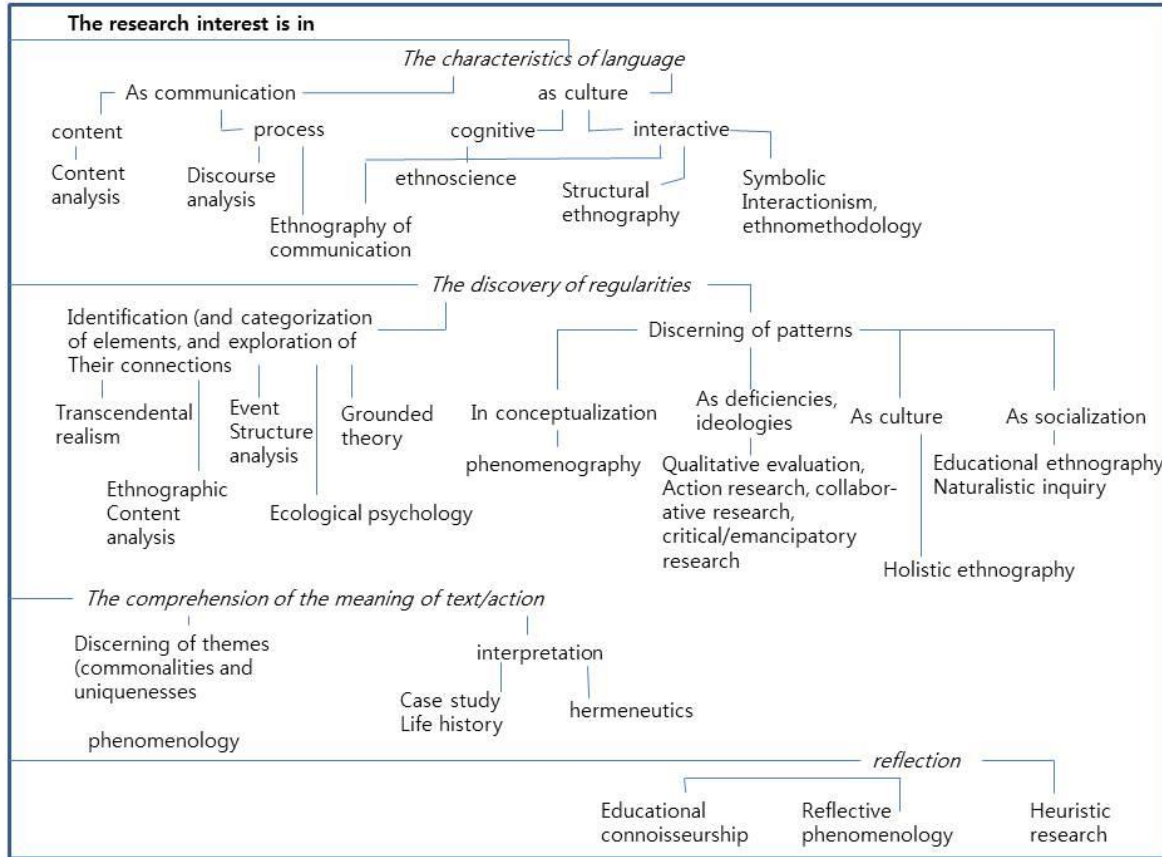
5. 3. 3. Research Positioning

Social constructionist ontology and critical realist epistemology provide the philosophical underpinnings for this study. Based on these perspectives, I discovered subject meanings from organisational interactions within different levels of context. Therefore, this study focuses on SMEs' organisational interactions within companies (internal interaction with employees) and on the national and global context of CSR education rather than individual CSR learning.

As a qualitative methodology is appropriate for considering contexts, accordingly, a case study is the best strategy to explore socio-cultural causes within limited/bounded systems such as an organisation or a particular nation. I proceed with this strategy from the premise that a case study is “an empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident.” (Yin, 1981:98) Therefore, a case study is suitable for studying the Korean SMEs' CSR in organisational, national and global educational contexts as complex social phenomena.

As Yin (2003) discusses about the conditions of an explanatory case study, furthermore, this study tries to explain how and why a phenomenon occurs and examines a contemporary phenomenon which I did not have control over. By meeting these three conditions, this study is intended to be explanatory rather than descriptive.

5. 4. Methodological Approach



Source: Tesch, 1990, quoted by Miles & Huberman, 1994

Figure 10: Graphic Overview of Qualitative Research Type

As Figure 10 shows, the research interest of this study is in the comprehension of the meaning of text/action of SMEs' CSR in the three levels of education context. These actions were interpreted findings from analysis of data collected by a qualitative case study.

As Saunders et al. (2009) and Gauri & Gronhaug (2010) explain, a case study strategy is an appropriate method in business research, and Merriam (1998) also argues that a qualitative case study is appropriate in order to study the education field. The research design therefore takes the form of a multiple-case study research design where comparisons can be made across the multiple SMEs identified for the study. The major rationale for using case studies is that the subject of inquiry covers both a contemporary phenomenon and the real-life context within which that phenomenon is occurring, or that the phenomenon and context may

not always be distinguishable in real-life situations. In this case, the study focuses on examining the interpretations of the social actors' perceptions of a given phenomenon or the meaning these actors attribute to the phenomenon (Yin, 2003), that is, the conceptualisation of CSR, role of CSR education, CSR conceptualisation in the process of accumulating social capital, and the impact of education/CSR public policy in CSR adoption, operating within a real-life context of the SME sector based in South Korea. Second, the case study approach offers a flexible research design that allows for the integration of data from multiple sources, in order to present an in-depth account of the phenomenon and context.

The study can provide theory-related analytic generalisation but it is not intended to be statistically representative, that is, to predict or generalise its findings to the larger population. The aim of the study at this stage is to refine the use of these theories and concepts, in order to examine their limits and applicability to the context.

5. 5. Research Design

I planned the research design with a qualitative case study to answer the research questions of this study. I considered the definition of SMEs in the Korean national context but I set my own selection criteria in order for these case companies to provide answers to my research questions based on the conceptual framework of this study. Seven case companies amongst the Korean SMEs were selected. Even though this was not intended during the case selection process, I found out that the case companies are mostly medium-sized companies, which are economically more stable and have more formally settled CSR activities than smaller companies. Moreover, they belong to the 4 different industries that I intended to study and thus I could delineate the similarities and differences of their CSR characteristics across these industries.

5. 5. 1. Research Strategy

The case study inquiry faces a technically distinctive situation in which there are many more variables of interest than data points, relies on multiple sources of evidence and with data needing to converge in a triangulating fashion (Yin, 2003). The case study strategy should not be confused with “qualitative research” (Denzin & Lincoln, 2005), which follows ethnographic methods based on observation and avoiding prior commitment to any theoretical model. Instead, case study research benefits from the prior development of theoretical propositions to guide data collection and analysis (Yin, 2003). Therefore, “the case study as a research strategy comprises an all-encompassing method, covering the logic of design, data collection techniques, and specific approaches to data analysis” (Yin, 2003:13). In this sense, the case study is neither a data collection tactic nor merely a design feature (Stoecker, 1991), but a comprehensive research strategy.

Denzin & Lincoln (2005), and Merriam (1998) also view the case study as an investigation strategy, methodology, and comprehensive research strategy, rather than as a set of research objectives, therefore the case study strategy adopted is an integrated research method. The research consists of seven multiple case studies with semi-structured face-to-face interviews and document analysis for data collection. This method is considered applicable because it “involves an empirical investigation of a particular contemporary

phenomenon within its real life context using multiple sources of evidence” (Robson, 2016:150). It also emphasises the importance of context and provides a fertile comprehension with the context of this study and its procedure (Morris & Wood, 1991; Yin, 2003).

This study is conducted using a seven case design because, as Yin (2009:24) explains, “two (multiple) - case design is therefore a worthy objective compared to doing a single-case study”. This multiple case design must be carefully selected so that its results are reproducible in a literal replication of the study. Yin (2009:54) also adds that an important step in this replication procedure is “the development of a rich theoretical framework. The framework needs to state the conditions under which a particular phenomenon is likely to be found (a theoretical replication).”

5. 5. 2. Research Choices and Time Horizon

Before conducting research design, Saunders et al. (2009) suggested that there are several research choices such as mono or multiple methods. This study adapts multi-method qualitative studies using “combinations where more than one data collection technique is used with associated analysis techniques, but this is restricted within either a quantitative or qualitative world view.” (Tashakkori and Teddlie, 2003, cited in Saunders et al, 2009: 152) I conducted data collection of case study strategy through semi-structured interviews and collection of documents and archival records from the interviewees’ organisation.

Saunders et al (2009) also emphasise that one important question for setting up the research design is what time horizon the research will take. There are two kinds of time horizon: cross-sectional which is the snapshot time horizon and longitudinal which is the diary perspective.

I chose the longitudinal time horizon for this study. The field research was conducted in the Seoul Capital Area, South Korea and took for approximately 6 months. I left for the fieldwork site on 7 March 2015. I started the semi-structured interviews and document/archival records collection on 14 March 2015 and finished on 31 August 2015. After that, I came back to Manchester, UK on 6 September 2015. Including this 6-month fieldwork research, the entire duration of the research was 3 years. Throughout the duration of the study, there was a possibility for changes and development in the Korean SMEs’ CSR and for changes of the relationships with other educational factors in the three different levels (organisational, national and global contexts). This allowed me to consider these changes and

development within the different contexts and the relationships between these different educational factors in terms of SMEs' CSR.

5. 5. 3. Case Selection

The case study method allows researchers to “retain the holistic and meaningful characteristics of real-life scenarios such as individual life cycles, organisational and managerial processes, neighbourhood change, international relations, and the maturation of industries ” (Yin, 2003: 4).

Table 6: Distinguishing South Korean Companies

	MNCs/Large Companies	Medium-sized Companies (High-potential Enterprises)	Smaller-sized Companies
Current Asset (Korean Won)	More than 500 billion	Those companies which go beyond the range of the smaller-sized companies and do not belong to the range of the large companies.	Less than 10 billion
Annual Turnover (Korean Won)			Less than 15 billion (average of 3 years)
Number of Employees			Less than 1000

Source: KFTC (2016), AHPEK (2013) and SMBA (2010)

Before I selected the case companies amongst the Korean SMEs, I needed to examine the differences between large companies and SMEs in Korea. Table 6 shows the screening criteria for large companies, medium-sized companies and smaller-sized companies according to the Korean law. The large companies are defined as those companies that have current assets amounting more than 5 billion Korean won. Unlike this single standard applicable to large companies, three standards are applicable to the categorisation into smaller-sized companies; they are current assets, annual turnover and number of employees. According to these standards, smaller-sized companies are defined as those companies which

have current assets amounting to less than 10 billion Korean won, have an annual turnover amounting to less than 15 billion Korean won and employ less than 1000 employees. The medium-sized companies are defined as those companies which do not belong either to the range of the smaller-sized companies or to the range of the large companies.

As Yin (2003) suggests, as in an experiment, the case study is not a “sample”, and in doing a case study, the goal is to expand and generalise theories (analytical generalisation) from multiple cases and not to enumerate frequencies (statistical generalisation). Information-oriented selection is useful to maximise the utility of information from small samples. Cases are selected on the basis of expectations regarding their information content. Among several methods of information-oriented selection, maximum variation case selection is used for this study to select cases in which to obtain information regarding the significance of various circumstances for case process and outcome (e.g. three to four cases each which are very different on one dimension: size, form of organisation, location, budget).

This research became more interesting because the researcher initially selected seven SMEs, mostly medium-sized companies, using a snowball selection method. There are several possibilities according to which this sample could show different perspectives on the process of CSR education within these seven organisations. Maximisation/purposive selection was conducted to identify seven SMEs from the different industries as the case organisations. I tried to select case companies from as many industries as possible. The seven case companies belong to 4 different industries (IT, manufacturing, pharmaceuticals and construction). Four of the case companies belong to the IT industry but I chose IT companies with different main businesses.

As Jenkins (2006) identifies common elements of British SMEs’ CSR Champions, I focused on identifying the Korean SMEs’ CSR practices as one of significant contributions of this study. SMEs are likely to learn through networking and peers. Highly motivated owner-managers generally lead CSR activities in their SMEs. Therefore, it could be important to research a learning environmental for CSR Champions. They are known to strengthen internal features or corporate cultures to overcome their internal and external environment shortage conditions (Jenkins, 2006). Through document analysis and information from reliable sources such as newspaper articles, the Korean SMEs’ CSR reports and evaluation reports for the Korean medium-sized companies’ CSR, the seven SME CSR Champions have been selected based on the following criteria:

- They belong to the range of SMEs regulated by the Korean government.
- They have social achievement through caring for either CSR internal issues or external issues.
- They are economically sound. (There is relatively less red ink.)
- They have external recognition from external stakeholders (e.g. government, media and CSR research institutions).
- They are drawn from different industries,

These conditions of the case companies are allowing the study to consider complexities from a broad range of SMEs and examine whether a differentiation strategy of CSR is as necessary within the SME sector as within the MNC sector. Also, I intended to use SMEs from as many different sectors as possible in order to conduct cross-case analysis as previously intended.

When I first decided on the case companies, it was difficult to find the applicable ones due to lack of information. Therefore, I intentionally extended the range to all Korean SMEs regardless of their turnover and number of employees. During the case companies selection process, more medium-size companies, which tend to have CSR on a bigger scale, with more and varied CSR activities and proper CSR formalisation (division, staff, and budget) were identified. By the end of the interview process, I found out that most of the case companies were medium-sized companies. It became clear that smaller companies perform quite basic CSR activities or none at all.

Therefore, using multiple cases could “establish whether the findings of the first case occur in other cases and, as a consequence, the need to (theoretically) generalise from these findings” (Saunders et al., 2009:146-147) in order to set up a role model of Korean SMEs as CSR leaders. The case study companies are seven Korean SMEs that are well known as stable SMEs in the different sectors and have developed CSR based on a virtuous cycle within their own corporate culture to acquire social capital at the organisational level-and thus contribute at the societal/national level.

5. 5. 4. Case Companies

These seven case companies are selected purposively as they are considered to be particularly informative in answering my research questions and meeting my objectives (Neuman, 2005). Table 7 shows the brief profile of the case organisations for this study.

Table 7: Brief Profile of the Case Companies

Company Serial Identification	Industry	Number of Employees	Turnover (in billions, Korean won)
Company A	Internet software, game and portal (IT)	300	40
Company B	Embedded solution (IT)	340	100
Company C	Construction	250	250
Company D	Engineering solution (IT)	590	60
Company E	Manufacturing	1000	800
Company F	Pharmaceuticals	840	400
Company G	e-Finance (IT)	190	70

Seven cases are selected in a multiple case design because of the focus on in-depth understanding rather than a broad range. Multiple cases are chosen with the consideration of the broad range and complex characteristics of SMEs, and most of these case are medium-sized companies because of the relatively formalised CSR systems in Medium as compared to Small companies (Jenkins, 2006). Through literature review, document analysis, and the opinions of key informants, cases are selected deliberately and reviewed by a pilot study. Access to cases is undertaken with care because they are likely not to have a main HRD or staff, rather these tend to be internalised within the organisation or elements of management,

focusing on elements of organisational learning from the perspective of Human Resources Management (HRM)/HRD.

The location of these case companies was limited to the Seoul Capital Area, South Korea. This restricted geographical coverage improved access to study locations by reducing transport times and expenses between interviews, and facilitated obtaining the necessary documents and archival records. Since the central national government and most national government agencies are located in within the Seoul Capital Area, it was worth examining the relationship between the case companies and government agencies within their own area.

5. 6. Conducting the Case Study Design: Data Collection and Analysis Strategy

Multiple sources of evidence are triangulated to provide a holistic and in-depth analysis. This study applies the use of two types of triangulation. First, data triangulation is carried out by conducting face-to-face interviews with staff from different levels in the selected SMEs. Interviews were also conducted with representatives from IOs, government agencies and academia which provide CSR educational programmes. The interviews were undertaken using a semi-structured interview guide with a mixture of open and close-ended questions.

Second, methodological triangulation, specifically within-method triangulation (the use of different varieties of the same method to investigate an issue), involves the use of primary data from face-to-face interviews, together with secondary data from internal documentation (i.e. reports, proposals and minutes of meetings), and archival records (i.e. annual reports and performance reports) (Yin, 2003). The document analysis from these secondary data sources was used first to prepare the interview guides and second to corroborate and augment data from the interviews.

As part of the data collection, face-to-face interviews were conducted with individuals from nominated SMEs and government agencies related to CSR education. Each interview session lasted approximately 1 hour. I interviewed 14 managers from 7 case companies, 2 IO representatives, 9 government agents and 2 professors. In order to improve the credibility of the information, I tried to interview 2 managers from each case company. Semi-structured guidelines were used to facilitate data collection from participants (see Appendix C). These were developed and were pilot-tested before the start of actual field data gathering.

5. 6. 1. Unit of Analysis

As Yin (1994) defines, the unit of analysis, such as the individual, organisational document and artefact, is the actual source of information. In order to examine CSR practices of the Korean SMEs and the relationship with different education factors in the global, national and organisational context, I conducted interviews with individuals from each organisation at three levels of context and collected documents and archival records from each organisation in order to triangulate the data and thus improve the credibility of the data.

The unit of analysis in this study is the Korean SME sector, with the case companies constituting elements of that unit. Specifically, this study includes data from interviews with 27 individual participants including 14 managers of the 7 case SMEs, in addition to 2 IO officers, 9 government agents and 2 professors as the context of the case. I also collected documents and archival records from the following organisations: 7 Korean SMEs from different industries; 2 national offices of IOs such as UN Global Compact and UNESCO; 7 government agencies from relevant Korean government ministries, and 2 business schools from Korean universities.

5. 6. 2. Participant Selection and Access

The study purposively selects respondents, ranging from the head of an organisation to an employee of a company, for face-to-face semi-structured interviews. Interview participants are selected based on their roles and responsibilities within the organisation. Since each company is a CSR leader and CSR could be integrated into daily business elements, there are interviews not only with the CSR manager (if there is a CSR division) but with the human resources manager, and also representatives from other departments and representative employees who are working on the CSR frontline. The responses from different positions and jobs may be helpful in forming a holistic approach to investigating CSR conceptualisation in SMEs, CSR education within the organisation, and the relationship of these with public policy. “Qualitative studies typically use small sample sizes because of the intensive nature of such studies” (cited in Low & Ang, 2013:36). As *CSR Champions* (Jenkins [2006] used this term to refer to companies which are relatively showing better and greater CSR performance

than other companies) tend to consider CSR as an integrated task for the company, staff members from SMEs were identified for face-to face semi-structured interviews based on their professional roles as department managers, and staff in charge of CSR from different levels who play an important role in making decisions, planning, practising, and educating about CSR within the organisation. Women were considered first for selection, as global CSR standards value gender equality.

In addition, I interviewed 13 participants from Korean national offices of IOs, academia and governmental agencies that are involved with CSR education. Through interviews with and documents collected from these organisations, I could explore how they think of CSR in the SME sector context and how other global and national educational factors influence SMEs' CSR in the Korean context. Through snowball selection, representatives from the Korean national offices of IOs, and government agencies related to providing CSR education have also been identified for interview. Through documents, review of previous literature and the recommendations of informants, these interviewees were selected from IOs and the Korean government agencies. Since it was difficult to identify as interviewees only those from the Korean government agencies educating CSR for SMEs, the range of these interviewees was purposively broadened to other government agencies concerned with general CSR education, regardless of their targeted educational objectives.

These identified participants were invited to participate in the research through an email invitation outlining the aims and objectives of the study (see Appendix D: Example of Communication with Interview Participants), the data collection procedures and all relevant information that would help them to understand what the research process would involve. I followed them up via email or telephone regarding their participation for the study.

Candidates who showed interest in participating in the study were emailed the Participant Information Sheet and Consent Form (see Appendix A: Participant Information Sheet; Appendix B: Consent Form). The Participant Information Sheet outlines the details of the study. Each candidate was also invited to raise his or her concerns about the study (if any). Once the candidate agreed to participate in the study, a date and time for the interview were arranged at his or her convenience during office hours. I went to their office to conduct the interview. Prior to the start of the interview, I checked again if the participant had read and understood the information in the Participant Information Sheet. I ensured that the participant had signed the Consent Form prior to the start of the interview.

As stated in the Participant Information Sheet, the candidate was free to decide whether or not to take part in this study. He or she should enter into this study freely and willingly. Should he or she decide to take part, the participant was asked to sign a consent form. Even if the participant decided to take part, he or she could withdraw from the study at any point without any explanation.

5. 6. 3. Semi-Structured Interviews and Document Collection

Pilot Study

Baker (1994) stated “a pilot study can also be the pre-testing or trying out of a particular research instrument”. As Yin (2003) points out, the importance of a pilot study is to increase the research quality of a case study. Pilot interviews were conducted to verify the research design, including the interview questions for the main study, and identify appropriate interview participants to collect data to answer my research questions. Through the pilot study, the researcher could also gain experience in data collection and analysis procedures. In the design of my pilot study, I conducted semi-structured interviews with the following organisation representatives: 2 case study companies; the Korean national office of UNGC as one of the IOs; one Korean government agency under the ministry of social welfare. In the literature review, several scholars emphasised the global influence from IOs and their global CSR guidelines, and the role of public policy/governments for SMEs to practise CSR. In order to verify this (to answer my research questions) and demonstrate the credibility of interview participants from government agencies for the main study, company participants were asked about the stakeholders, IO(s), and government agencies that were most influential on their decision to practise CSR. Also, the IOs’ Korean national representatives and government agents were asked to identify the most influential agencies/ministries to make decisions on CSR public policies for SMEs.

As Van Teijlingen & Hundley (2002: 33) recognised, “one of the advantages of conducting a pilot study is that it can give advance warning about where the main research project could fail, where research protocols might not be followed, or whether proposed methods or instruments are inappropriate or too complicated.” This pilot study was conducted by telephone interview due to issues of expense and time availability. In addition, after examining the research questions and theoretical frameworks of this research based on thematic analysis, the data collected from this pilot study is included into the data analysis for

the main study. Based on the pilot study, I decided to conduct face-to-face interviews with most interviewees during the main study because limitations were identified in the capacity for telephone interviews to get answers for the interview questions, and I found it difficult to conduct semi-structured interviews using this approach.

When I assessed case company candidates to interview and selected the case companies, I provided an interview guide to the chosen interviewees/companies. When I interviewed them, I ask them to sign the consent forms first. I tried not to provide interview questions before the interview because I conducted semi-structured interviews and the intent was to get a direct response to my interview questions. As an exception, I provided the interview questions to the candidates who wanted to know the questions in advance as a pre-requisite for them to consent to the interview. Some of these candidates rejected my request for an interview or hesitated to accept my request because they thought that only large companies could practice CSR. Accordingly, they fed back that their CSR activities are not sufficient to be disclosed because their activities are in a small scale and unsystematic. Because of this conceptualisation, most of the interview candidates from SMEs feel more familiar with using the term 'social contribution' to explain their CSR activities rather than using the term 'CSR' even though social contribution is regarded as a part of CSR but is limited to basic volunteering/donation. Based on their understanding of CSR, I tried, carefully, to convince them participate in the interview and dedicated time to building a rapport with them before the interview. Through this process, I learned some lessons for the main study – that I needed to explain my research purpose in more detail, and that I had to encourage the candidates to participate in the interview, based on their understanding and terminology. Also, building a rapport with them could help me conduct the interviews in an easier way and have detailed and honest answers from them.

Regarding the interview process, audio recording could allow me to ask additional questions and focus on their answers without having to transcribe immediately what they were saying. During the main study, I decided to conduct additional interviews to the pilot study interviews, for additional and more detailed answers. Since I already established a rapport with the interviewees, all of them participated in the main study and thus I could get more detailed answers with deeper meaning which allowed me to analyse latent meanings. Moreover, I could get their help to find and reach out to other interview candidates. During the pilot study, I tried to conduct transcription and thematic analysis. I could examine the conceptual frameworks of this study and write a researcher's diary which was a very useful

navigation tool for the main study and the thematic analysis of the whole data. Furthermore, the researcher's diary helped me manage all the interviews and the additional data (documents and archival records).

I recognise that this pilot study could play a significant role in providing not only methodological lessons but also theoretical lessons to give directions for the main study. Based on the lessons learned during the pilot study, and considering access to interviewees for the main study, some changes were made, such as the increased number of case companies, considering additional industry sectors from which to select case companies, and broadening the range of government agencies in order to conduct the main study with an improved research design. Moreover, I was able to develop rapport with these pilot study interviewees and they recommended other interviewees for the main study. I learned the importance of the semi-structured interview approach as responsive to individual interviewees' answers and to each organisational situation, and thus applied this knowledge to the main study. In addition, the practice as an interviewer was helpful and I realised that transcription and data analysis immediately after each interview were needed. This led me to develop the protocols for data collection and analysis for the main study.

Main Study

The main study was carried out using semi-structured face-to-face interviews. A list of questions on fairly specific topics was contained in the interview guide, but respondents were allowed to take their time to reply. Following the recommendation of Bryman & Bell (2011), the interviewer does not have to follow the exact order set out in the interview guide, and is permitted to ask unplanned questions in order to elicit any potentially critical information from participants. However, efforts should be made to ensure that all the questions are asked of all the interviewees using the same wording; and the duration of the interview session was kept to one hour. Each interview was audio-recorded and then transcribed with the consent of each participant. A list of the semi-structured interview questions is attached as an Appendix at the end of this chapter.

Semi-structured interview guides were used to facilitate data collection with individual participants in the field. These have been developed and were pilot-tested before the start of actual field data gathering (See Appendix D: Interview Guides). According to the interview

questions based on the following the research questions and sub-questions of this study, those interviews were conducted during the main study.

RQ1. What is the current conceptualisation of CSR in SMEs?

Answering this question involves looking at the following:

- 1) CSR Characteristics of SMEs
 - i) Definition of CSR
 - ii) Motivation of CSR practice
 - iii) Main CSR activities
 - iv) Challenges/obstacles
 - v) Solutions for overcoming challenges
- 2) Comparison: Firm Size, Industry and Company
 - i) Firm Size
 - ii) Industrial Differences
 - iii) Company Differences

RQ2. How, and to what extent, do global, national and organisational educational factors shape CSR knowledge in the SME sector?

- 1) Global Factors
 - i) Global CSR Guidelines and International Organisations
 - ii) Regional and National offices of International Organisations
- 2) National Factors
 - i) National Public Policies
 - ii) National Government Agencies
- 3) Organisational Factors
 - i) Leadership and Decision Making Processes
 - ii) Corporate Value and Culture: Gender equality, health-safety & well-being, diversity, work-life balance (Internal CSR issues)
 - iii) HRD elements: Recruitment processes, training and development (educational programmes), employee and community participation

RQ3. How can CSR processes help SMEs' development?

- i) Role of CSR in SMEs' Development
- ii) Impact of CSR within the organisation
- iii) Whether the Virtuous Cycle exists within the organisation

- iv) Trustful relationship with Internal stakeholders: Within the organisation (employees)
- v) Trustful relationship With External stakeholders: Customers, sector (partners), society, and nation

RQ4. What are the similarities and differences between South Korea, one of the Confucian Asian countries, and the Western nations which are located in the main geographical areas of CSR research?

- 1) Differences
- 2) Similarities
- 3) Backgrounds and Lessons

Conducting semi-structured interviews has a list of research questions to be answered, as shown in the above research questions and sub-questions, although-the questionnaire contents may vary depending on the individual circumstances. This means that I omitted several questions in certain interviews, given a particular individual/organisational context in relation to the research topic. Saunders et al (2009:320) also explains “the order of questions may also be varied depending on the flow of the conversation. On the other hand, additional questions may be required to explore your research question and objectives given the nature of events within particular organisations.” The nature of the questions and ensuing discussion mean that the interview data is recorded by audio-recorder and note taking. The qualitative case studies with semi-structured interviews and document collection investigated in what ways and to what extent the role of CSR education can contribute to improvement of social capital in SMEs in the context of South Korea. Even though the research organisations seem to be similar as SMEs, their internal/organisational dynamics of the processes of CSR education and accumulating social capital might be different. Investigating multiple cases helps the researcher compare and contrast characteristics, and thus theoretically make further generalisation possible.

In addition to these interviews, document analysis included items such as recent CSR, HRD, and management research, official documents from case companies and government agencies to which interview participants belong, and other related documentation and archival records. In particular, for each organisation, official and internal documents which represent evidence of their activity as SMEs CSR champions, and which show the relationship between CSR education and social capital, were collected. Prior consent from

each company for this was obtained as part of the ethics application. This secondary data helped to increase the credibility of this research by exploring the existing public policies/educational programmes of CSR which the Korean government agencies and the case companies provide.

List of Collected Documents

I intended to collect documents and archival records from interviewees about each organisation including SMEs, governmental agencies, national offices of IOs and business schools. Table 8, Table 9, Table 10 show the document and archival records directly collected from these organisations to which interviewees belong. I also could get information from the website of each organisation.

Table 8: List of Document/Archival Records Collected from the Case Companies (SMEs)

Organisation Name	Division of Interviewee	Document/Archival Records
Company A	Marketing	- 20 Year- history book
	PR Team	
Company B	Planning & Marketing Team / Management Support Division	-CSR Report -Introduction of Corporate Culture
	Human Resources Team / Management Support Division	
Company C	Human Resources & General Affair Team	-UNFAO MOU/Project proposal -Dream together Project report
Company D	Happiness Management Department	-Book 'The Company we dream' -Activity Report Company system PPT -Company Introduction
	Product Framework & UI Development	
Company E	Corporate Culture Team	-Company journals -List of Activities Report of Participating Percentage of 2014 activities
	Human Resources Team	
Company G	Global Business	-Network CSR participating company list -Project Accomplishment Report

Table 9: List of Document/Archival Records Collected from International Organisations

Organisation Name	Division of Interviewee	Document/Archival Records
UN Global Compact Korea Network		-Introduction of UNGC -Catalogue of UN GC Korea Leaders Summit 2015
Korean National Commission for UNESCO	Division of Education, Bureau of Policy & Programmes	-Introduction of Korean National Commission for UNESCO and Education for Sustainable Development

Table 10: List of Document/Archival Records Collected from the Korean Governmental Agencies

Organisation Name	Division of Interviewee	Document/Archival Records
KSA (Korean Standards Association)	Management Innovation Division/Organisational Competency Innovation Centre	-Report of Social Responsible Business -Report of Sustainable Business
KOTRA (Korea Trade-Investment Promotion Agency)	Global Corporate Social Responsibility Department	-2013 Global CSR Result Report -2014 Global CSR Accomplishment Report
KOICA (Korea International Cooperation Agency)	Innovation Partnership Program Team, Public-Private Partnership Department	-2015 Project List

5. 7. Methods for Data Analysis and Interpretations: Thematic Analysis

This study conducts thematic analysis and case study analysis. Data analysis was conducted during data collection. After finishing each interview, the researcher transcribed the interview. First of all, in order to examine the effectiveness of CSR education from companies and government agencies, the research used a thematic analysis method with social

constructionism epistemology. In addition, as there are multiple cases within the research design, a thematic analysis was used to conduct cross-case analysis across the different sectors between the seven SME companies, and different levels of individuals and organisations. During coding to distinguish themes and patterns, the conceptual framework of the research was carefully considered. After that, secondary data was analysed to examine whether results are consistent with the primary data, to increase the credibility and reliability of the research. Finally, the conclusions were written up.

5. 7. 1. Thematic Analysis

This study takes a social constructionist perspective regarding knowledge creation, as it focuses on the social construction of CSR education in SMEs. Through education, our knowledge of the world is generated and socially shared, thus education constructs and modifies reality, social conditions, and relationships. A constructionist lens allows for the nuances of social and cultural practices, which are configured and reconfigured, and all ways of understanding are seen as products of that culture and period of history. Any understanding is not absolute and could be changed. As knowledge is socially constructed and shared in interactions between people, language is therefore important.

Data analysis in the study is largely qualitative because this study takes the view that what constitutes acceptable knowledge is subjective meaning and social phenomena. Through data analysis, this study aims to interpret how research participants socially construct CSR within their organisations in a particular way that is based on meaning given by organisational, national and global factors. Based on this view, the study carried out social constructionist thematic analysis. This thematic analysis is driven by my theoretical and analytical interest in the data; hence, the codes were identified on the basis of the theoretical framework. Yin (2003) suggests that, where researchers has made use of existing theory to formulate their research question and objectives, they may also use the theoretical propositions that helped them do this as a method to devise a framework to help them to organise and direct their data analysis (cited in Saunders et al; 2009:489).

Several case study analyses of SMEs' CSR have centred, as their main theme, on their initial theoretical settings (Jenkins, 2006; Sen & Cowley, 2013). In contrast, I analyse the collected data based on thematic analysis with a social constructionism approach. As the study's theoretical framework is based on the SCT of Coleman (1988) and Fukuyama (1995),

analysis is driven by the researcher's knowledge and experience, rather than data-driven. As SMEs are more likely to internalise CSR within other elements of management, it also helps to unveil the socio-cultural and historical practices through thematic analysis. Attride-Stirling (2001:392) defined theme as 'to be specific enough to pertain to one idea, but broad enough to find incarnations in various different text segments'. Moreover, Braun & Clarke (2006) defined theme as 'underlying ideas, assumptions, and conceptualisation.'

As Braun & Clarke (2006:10) argue that "an important question to address in terms of coding is what counts as a pattern/theme, or what size does a theme need to be?" In most cases, I decided to focus on whether these themes could have a significant meaning in order to answer the research questions. They also suggest defining themes as the number or the prevalence of words; however, I tried to mention highly frequently appearing themes as common opinions by interviewees and to be careful of the length of themes (too short or too long). They emphasise another important decision which could show the different characteristics of thematic analysis; "themes or patterns within data can be identified in one of two primary ways in thematic analysis: in an inductive, data driven or 'bottom up' way or in a theoretical, concept driven, deductive or 'top down' way." I applied the latter way to this study and conducted latent and interpretative approach thematic analysis. This approach is: "the development of the themes themselves involves interpretative work, and the analysis that is produced is not just description, but already theorised." (Braun & Clarke, 2006: 84).

Thematic analysis is employed in order to create meaning from the data by searching for repeated patterns of meaning across a data set such as interview transcriptions. I use the six-step guidelines of Braun & Clarke (2006:35) specifically to focus on CSR conceptualisation within SMEs; its relationship with global, national, and organisational factors; and the impact of CSR processes, thus answering the research questions of this study.

The steps are:

1. Familiarisation with the data: Transcribing data, reading and re-reading the data, noting down initial ideas.
2. Generating initial codes: Coding interesting features of the data in a systematic fashion across the entire data set, collating data relevant to each code.
3. Searching for themes: Collating codes into potential themes, gathering all data relevant to each potential theme.

4. Reviewing themes: Checking whether the themes work in relation to the coded extracts (Level 1) and the entire data set (Level 2), generating a thematic ‘map’ of the analysis.
5. Defining and naming themes: Ongoing analysis to refine the specifics of each theme, and the overall story the analysis tells; generating clear definitions and names for each theme.
6. Producing the report: The final opportunity for analysis. Selection of vivid, compelling extract examples from interview transcription, final analysis of selected extracts, relating back of the analysis to the research questions and literature, finally producing a scholarly report of the analysis.

Some scholars argued that thematic analysis and discourse analysis are quite similar. However, Clarke (2005) clearly points out the difference between them; “The term thematic discourse analysis is used to refer to a wide range of pattern-type analysis of data, ranging from thematic analysis within a social constructionist epistemology (i.e., where patterns are identified as socially produced, but no discursive analysis is conducted), to forms of analysis very much akin to the interpretative repertoire form of discourse analysis” (cited in Braun & Clarke, 2006:8).

To provide supporting evidence regarding a broad range of SMEs, the study conducted cross-case analysis and identified common elements and differences by comparing and contrasting data from each individual case. The cross-case analytical technique does not differ from other research syntheses, aggregating findings across a series of individual studies. As Yin (2003) explains the analysis could begin with examining if different groups of cases appear to share some similar features and deserve to be considered examples of the same ‘type’ of general case.

Congruent with social constructionist studies, I acknowledged that research participants’ interpretations are based on their historical and cultural backgrounds, and it is therefore necessary to identify how their interpretations arise from their cultural and historical experiences through social interaction. Similarly, I reflexively explored my role in the knowledge construction process. I am aware that I analyse and interpret what the research reveals based on my own personal experience and cultural and historical background, accomplishing the purpose of this analysis through relying on the perceptions (subjective meanings) of participants as far as possible.

5. 7. 2. Transcription and Organisation of Data

This study conducts thematic analysis with social constructionism, a latent and researcher-driven approach focusing on a specific feature (CSR, Education, and SMEs); however, compared to a data-driven approach, there could be limitations in terms of themes generated and the analysis of the data based on a theoretical approach centred on the researcher's prior research questions and conceptual frameworks.

During transcription or analysis of data, all identifiers (e.g. names or ID numbers) were removed to ensure that no direct reference or identifications are used that can connect the data to participants. Where there is a need for indirect references, pseudonyms were used to break the link between data and identifiable participants. Transcribed data was saved on my laptop and external hard drive (for backup purposes). Both my laptop and external hard drive were password protected. They were kept under lock and key when not in use.

When I wrote the results chapters (chapters 7 and 8), I had to add one more step after data analysis. As the interviews were conducted in Korean language which interviewees and the researcher speak as mother tongue, I translated the interview extracts used in the result chapters from Korean language into English after I analysed them thematically. In order to reflect social and cultural differences between the two languages and express exactly what the interviewees explained, I worked with multiple professional translators.

Access exclusively belongs to me as the main researcher of the study. In the event that consultation from supervisors was sought for revising the research methodology, all links that could identify individual participants were removed before consultation with supervisors. No other parties were granted access to the data in agreement with the Data Protection Act.

The data were stored as long as necessary in order to effectively conclude the study and the required follow-up. However, all such data will be kept for no less than 6 years after the last publication from this data. In the case of unpublished studies, the data will be kept for no longer than 1 year after graduation from the programme. The data will then be destroyed.

All paper data are stored securely. I alone have access to them. The paper copies of data will be destroyed after the data has been transferred to a computerised format. All electronic forms of data are stored in a password protected laptop and external hard drive.

5. 7. 3. Taking Steps of Thematic Analysis

As Braun & Clarke (2006) suggest, the first step of thematic analysis is familiarisation with the data: transcribing, reading and re-reading the data, and noting down initial ideas. The interview transcription was conducted during data collection and the researcher tried to become familiar with the collected documents as well as the interview transcriptions. During data collection and transcription, thoughts were recorded as notes in the researcher's diary. This could be helpful to produce a list of initial codes and later give theoretical direction for further analysis. Saldana (2009:16) emphasises the difference between themes and codes: themes are regarded as the outcome or product of coding. The codes are considered particular pieces of data that help the research to generate themes. The researcher kept this in the mind during the first and second steps of the analysis process in order to follow the appropriate procedures.

According to Miles & Huberman (1994), creating a starting list of codes could be useful before re-reading and familiarising to produce the initial data. The preliminary list of codes created is as shown in table 8. I created as many codes as possible (Table 8), regardless of categories or topics, because some seemingly irrelevant or insignificant codes could play a major role in delivering important meaning or influence elsewhere. Therefore I tried not to eliminate any potentially significant possibilities.

Table 8: Preliminary List of Codes

CSR	Education	Social Capital
Changes	Globalisation	Stakeholder
History	Learning	Trust
Definition	Global education	Relationship
Key issues	UNESCO	Theory
Global development	UNGC	Fukuyama
Strategy	contribution	Coleman
Research	role	Improvement
Conceptualisation	global guideline	direct impact
Educational programme	international organisation	indirect impact
social responsibility		Society
environmental responsibility	culture	network
economic responsibility	South Korea	Academia
business ethics	Public policy	Theory
Sustainability	Confucianism	empirical
sustainable development	economic development	Model
macro factor	government agency	internal factor
micro factor	training	external factor
Outcome	SMEs	Process
national level	MNCs	Case
organisational level	Firm size	Example
Expenditure	Development	Owner
Quantity	survival	Manager
Quality	organisation	Employee
CSR practice	company	Document
Characteristics	benefit	report
Recruitment	human resources	practical
Developing Countries	HRD	Peer
Asia	resource	OECD
Non-Western countries	corporate culture	private sector
National context	corporate philosophy	Individual
Western countries	instrumental role	Women
geography	normative role	long term
Similarities	CEO	short term
Differences	leadership	Accomplishment
key driver	champion	Achievement
international standard	business school	industry
turnover	burden	social problem
number of employee	pressure	social issues
medium-sized company	environment	government regulation
smaller company	economy	chaebol
large company	politic	Knowledge
market	neo-liberalism	Irresponsibility
initiative	rich	Europe
Incentive	poor	USA

CSR	Education	Social Capital
support	value	Media
corporate citizen	ethics	Marketing
management	success	PR
flexibility	attention/interest	Motivation
competitive advantage	competition	Differentiation
Community	CSR course	internal stakeholder
local community	school	external stakeholder
corruption	university	Interdisciplinary
transparency	philanthropy	developed country
human rights	legal responsibility	unethical
Labour	Institutional Theory	controversy
Law	capability theory	Information
lifelong learning	resource based view	Perspective
skills	CSR division	Position
influence	CSR human resource	Curriculum

In the second stage of thematic analysis, I generated initial categories of codes: coding interesting features of the data in a systematic fashion across the entire data set, and collating data relevant to each code. Based on the above preliminary list, I created the list of initial codes shown in Table 8, including main themes and sub-themes and categorised according to each relevant research question. During this step, data reduction and complication were both established. First, data reduction was conducted by noticing relevant phenomena, collecting examples of the phenomena, and analysing those phenomena to find similarities, differences and patterns, and overlaying relevant codes on the data (Siedel & Kelle, 1995). After that, the data complication procedure led the researcher to go beyond the data and ask questions about the data in relation to existing theoretical frameworks (Coffey et al, 1996). To these themes, the researcher attached the data from interview transcription, documents, and archival records collected from the fieldwork.

Table 9: Categorized List of Initial Codes

Research Question	Codes
How is CSR conceptualised in SMEs?	CSR SMEs Characteristics Conceptualisation Definition Motivation Main activities Challenges obstacles Solutions Comparison Contrast Firm size Industrial differences Company differences
How and to what extent do global, national and organisational educational factors shape CSR knowledge in the SME sector?	Global Education Factors Global CSR guidelines and IOs Regional office of IOs National office of IOs National Education Factors National Public policies National Government agencies Organisational Education Factors Leadership Decision Making Processes Corporate Value Corporate Culture Gender equality health safety well-being diversity work-life balance Internal CSR issues HRD elements Recruitment processes training and development educational programmes employee community participation
How can CSR processes help SMEs' development?	Role of CSR SMEs' Development External Impact Indirect Impact Organisational change Organisational impact

	Virtuous cycle Vicious cycle Trust relationship Internal impact Indirect impact Individual change Internal stakeholders employees External stakeholders Customers sector partners society nation
What are the similarities and differences between South Korea, one of the Confucian Asian countries, and the Western nations located in the main geographical territories of CSR research?	South Korea East Asia Confucian culture Western countries Geographical territories CSR research Differences Similarities Backgrounds

Based on this list of initial codes, in the second stage, I explored answers to these research questions by categorising these main and sub themes in the subsequent results chapters as findings of the first and second stages of thematic analysis.

Table 10: List of Main Themes, Sub-themes, CSR Signifier and Thematic Discourses

Main Themes	Sub-themes	CSR Signifiers	Thematic Discourses
Constructing CSR concept in SMEs sector	Different Conceptualisation on CSR: dominant perspectives and emerging themes	Definition Motivation Main activities Challenges/obstacles Solutions for overcoming challenges	CSR as genuineness, integration and locality
	Perspectives on CSR approach and strategy	Firm size Industrial differences Governance differences	CSR as community, industry and more strategies
Educating SMEs on CSR strategies	SMEs' organisational education setting	Leadership and decision making processes Corporate value and culture: gender equality, health & safety & well-being, diversity, work-life balance (internal CSR issues) HRD elements: recruitment processes, training and development (educational programmes), employee and community participation	Education, governance and policy
	Governance and education	National public policies National government agencies	
	Other stakeholders' educational settings	Global CSR guidelines and IOs National office of IOs CSR research Western countries Differences Similarities	Education, global influences and relationships
	Trustful relationship and education: developing social capital	SMEs' participation recommendations	

Reframing SMEs' CSR: a Social Capital Theory perspective	Evidences from the peculiar characteristics of SMEs' CSR	Definition Motivation Main activities Challenges/obstacles Solutions for overcoming challenges Stakeholders Trust/social capital Relationship	Social Capital Theory VS Stakeholder Theory
	Link CSR to SMEs, education and social capital	Firm size Organisation setting CSR education Intangible values Tangible asset	Social capital in the process of nurturing human capital
	The relationship between different stakeholders and CSR	Trustful relationship with Internal stakeholders: within the organisation (employees) Trustful relationship with external stakeholders: customers, sector (partners), society, and nation	

As Table 10 shows, I labelled the main themes and sub-themes by grouping CSR signifiers together after I categorised whether they could fit the conceptual frameworks and divided them amongst all the research questions and sub-questions. Using figures (i.e. mind map, diagramme), those themes could be further categorised according to research questions and their complex relationships with each main theme and CSR signifiers as below. As I tried as much visual categorising of these themes and CSR signifiers as possible, Table 10 could help me generate 2 overarching thematic discourses for each main theme. Table 10 became a significant part of the 'framework' of my analysis.

In the fourth stage, refining these figures guided me to review and re-define overarching thematic discourses by matching the main and sub- themes to the transcribed interview data, documents and archival records. Lastly, when I could not find any more new themes, I decided to stop refining themes and then I started writing the result chapters for thematic analysis. I divided the analysis findings into three parts and I wrote the empirical findings by matching the interview extracts supporting each theme in Chapter 6 to Chapter 8.

As Braun & Clarke (2006) explain about their step 6, I also generated a final analysis of selected extracts and related back the analysis to the research questions. These findings are presented as the result chapters of this study from chapter 6 to 8. As shown from table 10, the first main theme (constructing CSR concept in SMEs sector) could answer the first research question - what is the conceptualization of CSR in SMEs - in chapter 6. The second main theme (educating SMEs on CSR strategies) could answer the second research question - how and to what extent do global, national and organisational educational factors shape CSR knowledge in the SME sector- in chapter 7. The third main theme (reframing SMEs' CSR: a Social Capital Theory perspective) could answer the third research question - how is CSR conceptualized in the process of accumulating social capital -in chapter 8. Answers to the fourth research question -what are the similarities and differences between South Korea, one of the Confucian Asian countries, and the Western nations which are the main geographical area of CSR are not separately presented in a single result chapter because I borrowed some of features from global comparison of CSR according to the context of different result chapters.

5. 8. Reflections on Ethical Considerations

The target country of this study is South Korea. South Korea is categorised as 'low risk' according to the British Embassy and around 100,000 British nationals visit South Korea every year. It is safe to travel and stay in South Korea (British Embassy Report, 2014).

During the data collection, the following ethical issues could arise (Saunders et al., 2009):

- Researcher's right to absence of sponsor/gatekeeper coercion,
- Researcher's right to safety,
- Participant's right to informed consent,
- Participant's right to withdraw,
- Participant's deception,
- Participant's rights to confidentiality/anonymity,
- Organisation(s)' rights to confidentiality/anonymity,
- Sponsor's/gatekeeper's/participant's right to quality research

To mitigate the impacts of the ethical issues, the data from the interviews was completely anonymised and the researcher conducted practice interviews with questions relevant to the research topics. In order to secure the confidentiality of this research, coding and pseudo-nyms helped to guarantee interviewees' anonymity. Specifically, at every stage from the process of interviewee selection to writing results, the researcher ensure that consent was obtained at the individual level, and consent was secured from their companies. Moreover, I also guarantee that all relevant documents are stored with due care.

The study did not involve any potentially vulnerable groups. Due diligence was taken to ensure that the anonymity of participants and confidentiality of data supplied by the participants was maintained. Informed consent was obtained from participants if they agree to participate in the study (See Appendix A: Participant Information Sheet; Appendix B: Consent Form). Where unforeseen issues arose during the study, the university's ethical policies were invoked and appropriately followed.

As stated earlier, there were no potentially vulnerable people recruited for this study. All participants were given the Participant Information Sheet, which details all information relevant to the study such as research aims and objectives and what participants should expect in the research process. If the participant wished to participate in the study, he or she was requested to sign a consent form.

On the part of the participant, there were no issues except possible fatigue during the face-to-face interview. Steps were taken to ensure that the interviews lasted approximately 1 hour in a place that was convenient to the participant and where they feel comfortable, near their office, arranged at a time of their convenience. The participant might have to allocate time out of their working hours to participate in the interview. Therefore, the date and time of interview were arranged at their convenience, to ensure that the study did not disrupt their normal work activities.

Throughout the study, I maintained the anonymity of participants and the confidentiality of data supplied by participants solely for the purposes of this study. As I informed the participants during the fieldwork, all information provided was transferred onto my computer as soon as possible, and was encrypted and protected with a password. All voice recordings, photographs and handwritten notes were locked away in a cabinet only accessible to me. Written transcripts were coded to ensure anonymity of all participants, which was fully maintained in this publication in order to protect their identity.

5. 9. Reflexivity

Saunders et al (2009:292) define reflexivity as “the concept used in the social sciences to explore and deal with the relationship between the researcher and the object of research.” As the main researcher, I led the fieldwork with advice from my supervisors. Having previously worked in the SME sector in South Korea, I have practical knowledge about the sector. I also have prior experience and training in face-to-face interviewing. Moreover, I have taken the qualitative data analysis module in the School of Education in the first year. In addition, I have undertaken the compulsory research training for postgraduate research students conducted by the School of Environment, Education, and Development, University of Manchester.

5. 10. Summary

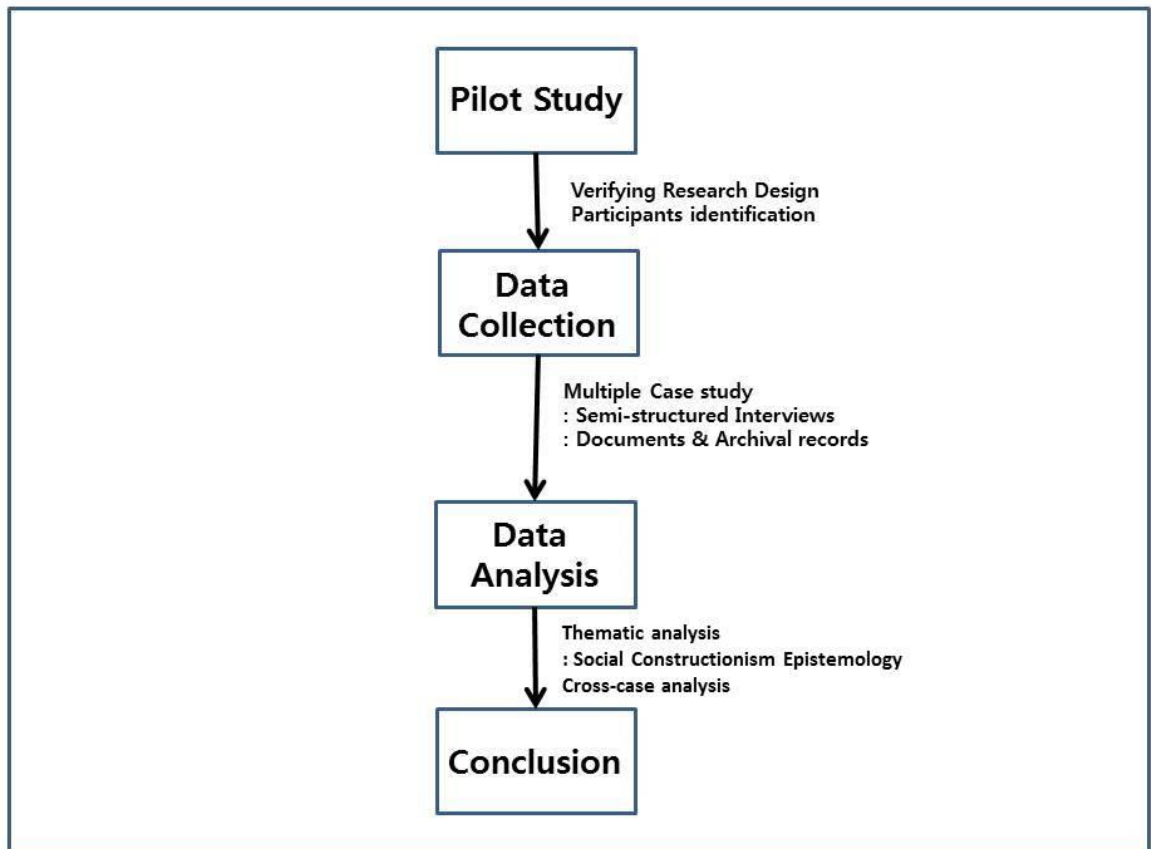


Figure 11: Summary of Research Design

Figure shows a summary of the research design of this study. To reiterate, the research design took the form of a multiple-case study research design where comparisons can be made across the multiple SMEs identified for the study. The major rationale for using case studies is that the subject of inquiry covers both a contemporary phenomenon and the real-life context within which the phenomenon is occurring or that the phenomenon and context may not always be distinguishable in real-life situations. In this case, the study focuses on examining the interpretations of the social actors' perceptions of a given phenomenon or the meaning these actors attribute to the phenomenon (Yin, 2003), that is, the conceptualisation of CSR, the role of CSR education, CSR conceptualisation in the process of accumulating social capital, and the impact of Education/CSR public policy in CSR adoption operating within a real-life context of the SME sector based in South Korea. Second, the case study approach offers a flexible research design that allows for the integration of data from multiple sources, in order to present an in-depth account of the phenomenon and context. After verifying this research design and identification of research participants through a pilot study, the main study was conducted with semi-structured interviews and collection of documents and archival records. During data collection, data analysis was also conducted with the case study's specific analytic techniques, thematic analysis and cross-case analysis centred on the research questions of this study and its theoretical framework, which is based on SCT (Coleman, 1988; Fukuyama, 1995).

This study was conducted to answer the research questions and data collected was analysed thematically and centred on these questions and the researcher's theoretical propositions. Once the initial codes were generated, the researcher tried to set up frameworks of analysis for further steps of thematic analysis and arrange these codes by creating the results chapters' tables of contents. The findings of the empirical study, discussion, and conclusion of this research are presented in Chapter 6.

Chapter 6: Constructing CSR Concept in the SMEs Sector

6. 1. Introduction

The previous methodology chapter explained how the effective research method helped with finding answers to the research questions of this study and contributed to academic and empirical development of CSR research through qualitative case studies. This study conducted semi-structured interviews and thematic analysis. This chapter explores findings from the case study analysis of conceptualisation of CSR in Korean SMEs. As a result of thematic analysis, I could generate two thematic discourses in order to explore how CSR concept is constructed in SMEs sector. This study is addressed by discussing the peculiar characteristics of CSR concept in the Korean context. I will also show the different perspectives on the understanding of SMEs' CSR and their strategic CSR approach among SMEs, the government and other stakeholders.

In this chapter, I will first try to explore the distinctive Korean characteristics, including their own CSR language and the Confucianism influence. I will provide the background for different perspectives of CSR understanding and approach. Secondly, I will show the different conceptualisations on SMEs' CSR according to SMEs, governments, and other stakeholders such as IOs and academia, and demonstrate that the CSR concept is fluid. I will explore this centred on the first thematic discourse-CSR as genuineness, integration and locality. Lastly, this chapter will extend this analysis, proposing that perspectives on how SMEs approach to CSR in more strategic way could be different depending on each stakeholder's own conceptualisations. This will provide good suggestions for SMEs to approach CSR more strategically and thus achieve competitive advantage through CSR. I will explore this based on the second thematic discourse-CSR as community, industry and more strategies.

6. 2. Localising CSR in the Korean Context: Issues and the Place of Language

Some previous scholars examined different perceptions of SMEs, and divided them on the basis of a number of characteristics in their research (Jenkins, 2006; Sen & Cowley, 2013). Other scholars (Lapointe & Gendron, 2004; Spence et al., 2003) suggest that there are differences between how SMEs conceptualise and practise CSR compared with MNCs,

especially as there is a broad range of SMEs in terms of turnover and number of employees, and there are no defining features of SMEs, as they can have complex characteristics (Lapointe & Gendron, 2004; Spence et al., 2003).

Korea has a geographical location and socio-cultural characteristics that are different from other Western developed countries that have been the focus of CSR research (Bauman-Pauly et al., 2012). Therefore, Korea's local issues and its own language could affect how Korean SMEs, the government and other stakeholders understand and practise CSR. I will discuss about these perspectives in this section.

6. 2. 1. Complexity of CSR Language in Korea

CSR concepts in SMEs are confusing (Jamali et al., 2009) and depend on specific contexts. Therefore, the wording and motivation of CSR in SMEs should be approached cautiously (Murillo & Lozano, 2006; Fassin et al., 2011) to prevent confusion with definitions.

As Korea has its own language, they translate CSR terms from English to Korean. Therefore, the original meaning of such terms could be changed according to the local context. Possibly, Koreans could feel that it is more convenient to use the Korean term for 'social contribution' rather the English term 'CSR'.

The definition of CSR can be flexible and differently interpreted depending on the adopted theory, the scholars and the context . That is why the key issues related to CSR have changed constantly for more than 50 years (Okoye, 2009; Baden and Harwood, 2013; Idowu et al., 2013). These different views to understand the CSR concept could be the reflection of different users with different languages talking about CSR and conveying a different conceptualisation and meaning to the same terms (Jamali et al., 2009). Unlike the SMEs' interviewees, for example, the Korean governmental agents tend to use more academic and professional terms.

There are several synonyms of CSR in both academic and professional fields. Some seem to be quite clearly distinguished from CSR terms while others could be interchangeably used. In South Korea, CSR is less commonly used than social contribution. The concept of social contribution could be interpreted as the 'philanthropic responsibility' of the CSR pyramid (Carroll, 1991). The philanthropic responsibility turns into good corporate citizens who contribute resources to community and improve their quality of life. CSR is known as an

abbreviated term itself and social contribution is used as a translated term in Korean. The case SMEs have used both CSR and social contribution while the government seemingly classifies social contribution as the step before CSR or part of CSR, and in this respect the current CSR of SMEs is in the ‘social contribution’ phase. Specifically, the interviewees tend not to distinguish the real meaning of the term ‘social contribution.’ From the context of their interview answers, I could interpret it in two ways. Firstly, they used the term as a synonym of CSR in order to explain about CSR. Secondly, they used the term as it is defined in order to explain about social contribution.

With the example of social contribution, it seems CSR terms and synonyms are not clearly distinguished in South Korea.

I found that there are the various CSR terms such as ‘social contribution’, ‘corporate citizen’, ‘sustainable management’, ‘CSV’ which Korean interviewees from SMEs, the government and other stakeholders used.

Despite the many terms and definitions, SMEs are still more familiar with the term ‘social contribution’ than any others, and this is seen as an interchangeable concept with CSR. One deputy manager mentioned that:

“Companies must also engage in activities that give back to society the profits earned from economic activities to an extent that it is deemed socially expected. Social contribution from companies does not merely support non-profit activities, such as helping those in need. I think it also includes giving back internally by providing employee benefits and ensuring (good) wage levels.” (Deputy Manager, IT Industry)

Moreover, SME interviewees used the term ‘corporate citizens’ to explain the definition of CSR; multiple agents also used the same term to explain CSR as companies’ duty to society. One manager mentioned that:

“Responsibility as a corporate citizen includes taking care of those in circumstances worse than one’s own and returning company profits to society.” (Manager, IT Industry)

As IOs have emphasised, sustainable development related terms are also frequently used among the Korean government agencies. While sustainable development is related to finite resources and climate change based on ecological and environmental concerns,

sustainability is related to the management approach of CSR (Murphy, 2013). Sustainable management/development are used for sustainably growing together with the needs of stakeholders in economic, social and environmental aspects.

“I define sustainable management as the concept of a company growing along with the needs of stakeholders from the perspectives of the economy, society and environment in order to achieve the more corporate-oriented goal of continued business growth. Therefore, our organisation prefers the term ‘sustainable management’.”(Government)

Moreover, in Korea, Creating Shared Value (CSV) coined by Porter (2012) is believed to be a higher business concept than CSR, and it is often quoted by the Korean government agencies. One government agent mentioned that:

“There are many who think that it is not yet time for SMEs and mid-level firms to practice CSR and that it is something extra to be implemented after a bit more growth. However, these days there is a lot of corporate interest in sustainable management, and also in creating shared value (approaches that achieve economic and social values at the same time).”(Government)

Since this term was frequently used by most of the interviewees during the interviews, I discovered that the term is more commonly used in the Korean national context than CSR, which was the term I used on my interview questions.

However, these different terms could bring confusion about CSR’s concept and practices. One government agent explained as:

“The terms ‘corporate charity’ (philanthropy) and ‘corporate social responsibility’ are used interchangeably in Korea, and so there is some confusion when people embrace the concepts.” (Government)

Therefore, one professor tried to distinguish these terms and emphasised the necessity of clarifying the different meanings of each CSR synonym as noted below”

“As an academic, I agree that CSR terms are necessary to distinguish... But even when terms are used in a mutually interchangeable way, I think it is necessary to put the focus on what companies will do in connection with their responsibilities within society. I view social contribution as one aspect of social responsibility, but some companies may focus only on social contribution within CSR. I can't criticise that... If ethical management deals with standards of right and wrong, then social contribution is one part of social responsibility. Because companies have influences on society, social responsibility is what companies must do in connection with those influences. Evaluating what is right and what is wrong is the area for ethical management. I look at ethical management as the standard for making judgements, and social responsibility as the specific things that are done based on this.”

CSR language seems to be influenced according to changes of time, contextual backgrounds and subjectivity (Jamali et al., 2009) reflecting the complexity of language. In this regard, one government agent mentioned that:

“The definition of CSR has been changing gradually. In the past, it mostly took place on the philanthropic arena, where those with money would provide some kind of help to others. That resulted from the rich having to do things to maintain their public image, rather than being based on consistent and strategic efforts. But this has changed gradually through economic crises to become the current concept wherein things like CSR or CSV are seen from the perspective of companies taking social responsibility but doing so in a strategic way linked to their own businesses. CSR is practiced now in the context of companies doing good while also connecting that good to corporate monetary earnings, and it seems that things have gone in that direction overall.”

Therefore, CSR language could be different according to time, subjectivity, mother language and socio-cultural backgrounds of each national context. Korea has been influenced by Confucianism for a long time. I discovered that this peculiar socio-cultural background also affects how Korean interviewees understand and accept the CSR concept.

6. 2. 2. From Confucianism to Trust: Influence of Social Capital

As theoretical foundations of CSR have evolved and global political and economic circumstances have been changing, there have been several key changes in CSR issues. Changing from an instrumental to a normative concept, corporations have tried to integrate CSR into their day-to-day business operations by including a CSR division in their organisational structure. This means that MNCs, which had usually focused on external CSR to meet the expectations of their external stakeholders now started to care about internal stakeholders, such as their employees, centred on the establishment of an internal CSR process (Kim, C H, 2009; Bolton et al., 2011).

Historically, CSR was nothing more than donating money in order to improve a corporate image, but nowadays growing numbers of companies have methodologically approached CSR to increase transparency in accordance with political and epochal needs. As the public values openness, transparency and social responsibility the CSR evolves into a socio-cultural form to pursue not only profit but also corporate ethics (Okoye, 2009; Baden and Harwood, 2013; Idowu et al., 2013).

As I mentioned the difference between Confucian and Western concepts of CSR (Low & Ang, 2013), CSR in Confucianism emphasise a return to to the community and so CSR is a natural part of business. On the other hand, CSR in the Western concept pursues the primary need to guarantee civil rights, focusing on transparency; thus, it becomes one way to practice CSR. Related to this cultural backdrop, most SMEs regard CSR as having a potential return or profit from their investment.

The emergence of neo-liberalism and globalisation has had a great effect on Asian nations as well as on Western countries. The education system in the East went through a transformation to keep up with its counterpart system in the West, shifting the focus away from cultural traditionalism towards economic growth (Tseng et al., 2010; Oh, 2013). Recently, however, the East has been confronted with educational and social problems mainly caused by globalisation. This has been associated with the competition-oriented education system produced by the previous generation, obsessed with social success and materialistic communities over individuals (Oh, 2013). However, incorporating the appropriate inheritance of Confucian ethics could be the essence of CSR education to gain social capital through CSR implementation (Low, 2013). Therefore, public policy could play a significant role to put a strong pressure for CSR initiation. Some scholars suggest that

public policy should provide educational programmes and rewards for companies to practise and develop CSR within their organisations (Jenkins, 2006).

As the Stakeholder Theory could explain CSR in MNCs, while CSR in SMEs could be understood through SCT (Ruf et al., 2001; Matten et al., 2003; Inyang, 2013; Sen & Cowley, 2013), their motivation to practise CSR is related to these social capital values such as trusted and respected relationships with customers/society or building a better organisational culture (for employees). One IO officer explained about the relationship between CSR and accumulating social capital by mentioning that:

“CSR is a matter of building up social capital both within the company and in the greater society. Rather than thinking one must come before the other, these are things that should be carried out simultaneously. Looking at it from a long-term perspective, though the group (which we call a company) responds quickly to achieve its own short-term benefits, non-financial factors which aren't linked directly to revenue must also be approached from a long-term perspective and this can lead to one coming before the other, but in some cases, the results can be seen right away, too.” (IO Officer)

While MNCs often start to practise CSR because of external pressures, SMEs seem to have a voluntary motivation. Without formalising social activities with rhetorical flourishes for their brand marketing, as a result, most SMEs have been naturally practising CSR by donating and volunteering to help the needed in the local community (Baden & Harwood, 2013).

This normative motivation of SMEs was influenced by their socio-cultural backgrounds such as Confucianism and they tend to volunteer in the local community and this could be connected to building trust. By correlating CSR to social capital (trust), one government agent mentioned that:

“In fact, almost nobody practices CSR from the moment of the company's inception and it is difficult because Korean society has not yet built a concept of social capital in the same way that European societies encompass the Threefold National Principle, and this makes it harder to promote or think of it as something natural.”(Government)

Therefore, it seems that improving CSR could significantly help social development in Korea. These Korean peculiar socio-cultural characteristics could affect SMEs CSR Champions to practise CSR. Korean MNCs/large companies tend to get influenced by global political economy because they usually cover the global market (Wolton, 2012; Idowu et al., 2013). Unlike MNCs, Korean SMEs cover the domestic/local community market and thus they are more likely to get influenced by the national/local factors. This could be the reason why there are Korean SMEs CSR Champions even though they have less pressure to practise CSR and have resource issues. The Korean Confucianism culture could affect them to have normative motivation to practise CSR. As I explored earlier, CSR in Korea could have two major peculiar characteristics such as complex uses of CSR language and Confucianism understanding as a normative moral duty to build trust. Recognising these characteristics, I will discuss in the following sections how different Korean stakeholders perceive CSR concept and how different their approach to strategic CSR is.

6. 3. Different Understanding on CSR: CSR as Genuineness, Integration and Locality

CSR is a complicated and fluid concept related to each stakeholder and political, economic, social and environmental perspectives in different institutional contexts. It can be simpler or more complicated to be interpreted according to different contexts, which depend on views, behaviours and values. Different perspectives, values and behaviour of individuals and organisations can also influence languages related to CSR (Okoye, 2009; Baden & Harwood, 2013; Idowu et al., 2013).

While MNCs practice CSR with sufficient resources and power, SMEs are more likely to find it difficult to execute CSR without external support (Jenkins, 2006; Inyang, 2013). Most of all, limited information and resources are obstacles for them to access the global CSR guidelines.

In this section, I will show the different conceptualisations on SMEs' CSR according to SMEs, governments, and other stakeholders such as IOs and academia, and demonstrate that the CSR concept is fluid. I will explore this centred on the first thematic discourse-CSR as genuineness, integration and locality. Based on the possibility of economic benefit and SMEs' sustainable development through CSR practices, SMEs, government and other stakeholders

conceptualise CSR by emphasising perspectives of moral duty, integrated responsibility and glocalisation. I will discuss each stakeholder individually in the following sections.

6. 3. 1. CSR as Survival and Moral Duty: SMEs' Perspective

It seems more difficult for SMEs than MNCs to survive in the market because of resource challenges. Thus this difficulty could also affect their CSR practices (Jenkins, 2006; Inyang, 2013). SMEs consider the pursuit of profit as their highest priority when undertaking CSR involving a broad range of social activities.

SMEs tend to prioritise their survival to CSR activities (Jenkins, 2006; Sen & Cowley, 2013) because they consider CSR as extra corporate external activities and irrelevant programmes to their business goal. This SMEs' concept causes to generate only few best cases of SMEs' CSR and resulted in difficulties to academic and professional research about SMEs' CSR and provide information about it. About the co-relation between CSR concept and economic growth, two managers mentioned that:

“Our company was not immune from the effects of the recession. Currently, when we receive external proposals (to practice CSR), the biggest obstacle is that we find ourselves thinking of the financial earnings.” (Manager, IT Industry)

“It is a fact that we are taking a minimum cost approach to our CSR activities. Therefore, if sales of our company increase in the future, we plan to increase the level of our CSR activities in proportion to that increase.” (Deputy Manager, IT Industry)

Even though CSR might show instant results within a short time, trust-based CSR operations will establish a reliable and positive relationship locally and internationally. One manager stated:

“Companies cannot be free from their primary economic responsibility. That's because of shareholders, including major shareholders. They expend extraordinary efforts in order to achieve short-term results, and it is a fact that this has an effect on how long professional

managers and the CEO stay in their jobs. It is natural that all management is focused on how to maximise short-term results.” (Manager, Manufacturing Industry)

However, most SMEs consider CSR from the normative perspectives (Baden & Harwood, 2013). They consider CSR as moral duty they need to practise as profitable companies. One manager mentioned that:

“Primarily sustainable growth with a sense of social and ethical responsibility where the company uses proper methods to carry out its business and create jobs... Responsibility as a corporate citizen includes taking care of those in circumstances worse than one’s own and returning company profits to society.” (Manager, IT Industry)

All the case SMEs agreed that their moral purpose to practice CSR is not contradictory with their economic purpose. One manager emphasised that they do not think their economic purpose is at odds with their moral obligations:

“I do not think corporate economic objectives are at odds with moral obligations. Companies must also engage in activities that give back to society the profits earned from economic activities to the extent that it is deemed socially expected. Social contribution by companies does not merely support non-profit activities, such as helping those in need.” (Deputy Manager, IT Industry)

While MNCs tend to practise CSR to meet the expectations of stakeholders in order to attain global competitiveness, SMEs are likely to pursue CSR based on the personal values of owner-managers in order to sustain their trustful networks and relationships, both of which are essential elements in social capital. In other words, CSR in MNCs might be more instrumental and CSR in SMEs may be relatively normative (Baden & Harwood, 2013). Two managers mentioned that:

“The level of sincerity of mid-level companies and SMEs for CSR is higher than it is for large companies and so I would say that their activities are more in line with the true meaning of CSR. I think that what mid-level companies do is not strategic or selfish but is truly for the communities or people they serve. However, if a bit more structure could be

introduced into these efforts, I think their CSR results would be more beautiful, in terms of sincerity, than those achieved by large companies.” (Manager, Manufacturing Industry)

However, this normative motivation sometimes limits SMEs enough not to advertise their CSR practices and approach more strategic CSR to get direct and indirect benefits from it. They could consider strategic CSR is for MNCs to practise as they have more resources and a formal process (Goffee & Scase, 1995). Therefore, they tend to think that their companies do not practise CSR the right way because they do not allocate their human and material resources to it. One manager mentioned that:

“The reason I don’t think we are doing a good job internally on CSR is that we don’t have people dedicated to the task. That’s because we don’t have a budget allocated to this and we handle requests on a case-by-case basis as they come in.” (Manager, IT Industry)

On the other hand, case SMEs also agree with the future trend that corporations will combine ethical and profitable activities together and then expand the CSR field, as the society demands more open, transparent and responsible corporations. This could be possible when CSR activities are sustainable and not a one-off

With emphasis on sustainable CSR activities, several SMEs are recognising the benefit of long-term perspective of CSR activities. One manager mentioned that:

“The moral responsibility of companies is extremely important, but sometimes over the long term, the short-term maximisation approach cannot be achieved through it. It’s a bit academic, but long-term corporate results are the result of maximising the ethically based activity of the company.” (Manager, Manufacturing Industry)

Case SMEs tend to have been internally making an attempt to establish the CSR concept by enacting ethics charters and developing employee welfare systems within their organisations. Such CSR actions reportedly seem to be normative rather than instrumentally motivated, and thus sustainable rather than temporary (Baden & Harwood, 2013). I found that some SMEs started their CSR activities at their inception as the founders recognised the importance of a long-term perspective towards CSR activities. Two managers mentioned that:

“Social contribution activities have been a part of the company’s corporate culture for a long time thanks to the management philosophy of the founder when the company was first established. The company and its employees have practiced it as much as possible, naturally and quietly.” (Manager, IT Industry)

Most case SMEs seem to predict a more positive and progressive future based on their genuine motivation and sustainable approach to CSR activities even though they are businesses struggling to survive. Some of them plan to maintain or expand their CSR activities according to their business growth. One manager mentioned that:

“The more social conditions come together to emphasise openness, transparency and responsibility, the stronger will be the connection of corporate CSR to ethics and earnings. This is a field with a bright future, and I hope that top talent will work hard in this field, and in fact, I am sure they will do so.” (Manager, Construction Industry)

I found that difficulty of survival in the market could limit SMEs to understand and practise CSR. However, their normative motivation and sustainable activities of CSR could help SMEs attain competitive advantages and thus it could support their economic survival. Furthermore, medium-sized companies are more economically stable and more systematically practising CSR than smaller companies (Preuss & Perschke, 2010). Therefore, medium-sized companies are more likely to get effective benefits from CSR practice much more quickly.

6. 3. 2. CSR as Social Contribution: Governments’ Perspective

Government institutions seem to recognise that SMEs’ CSR is currently limited to the ‘social contribution’ phase of its broad range of activities because SMEs do not have enough information to access CSR concept and resources to practice CSR (Jenkins, 2006). The term social contribution is regarded both as ‘corporate responsibilities’ and as ‘philanthropic activities’. It is commonly used in the Korean context. Even one governmental agency is currently using social contribution for their agency name. In this regard, two governmental agents mentioned that:

“In particular, the term ‘social contribution’, which covers contributions to society through donations, charity and service activities, is used much more commonly than ‘(corporate) social responsibility’.”

“When saying one will practice CSR in Korea, corporate people think of social contribution and service. But this is a one-sided view of social responsibility.”

They do not deny some effects of social contribution activities. SMEs could start with community-based activities because they do not have any national or global influence (Jenkins, 2006). One governmental officer mentioned that:

“Charity and temporary service activities don’t seem to have much effect, but employees feel good about themselves by helping others. This can be a point of departure for thinking about putting CSR into practice.”

However, there are limitations for SMEs to achieve competitiveness from social contribution activities. SMEs are more likely not to be aware of how CSR issues to connect the whole business elements and they do not yet know about how their companies have internalised these issues (Cornelius et al., 2008; Bauman-Pauly et al., 2013). Since SMEs are more familiar with social contribution activities such as philanthropy, volunteering activities and donation, most of them explained CSR activities focusing on more external programmes outside their companies (Arend, 2014; Jenkins, 2006). As I mentioned earlier, they are not aware how CSR issues are internalised within their business elements. They tend to focus more on external activities as the extension of social contribution activities.

On the other hand, the Korean government agents emphasise that their CSR activities should include the entire responsibility beyond social contribution and external activities. Governmental agents regard social contribution as one part of CSR and one of them argued that companies should pay attentions to more strategic CSR activities. SMEs often limit their CSR activities as external programmes outside their companies. Governmental agents emphasise that companies should internalize four issues such as human rights, labour, environment and anti-corruption by integrating ‘every’ management elements including governance, compliance and supply chain.

As the limited concept and practices of social contribution is spread among SMEs in Korea, one governmental agent clearly tried to define social contribution by mentioning that:

“Most think of social contribution or CSR as charitable activities. Social contribution isn’t like that; it is one of many responsibilities... it is one part of N, but it is a broken structure that looks bigger than its sum. I wish there would be a proper recognition of it. That seems to be the result of a lack of experience. We need broadcasters and other media to spread the story but I think it is a problem that the social environment isn’t interested in it.”

Korean government agents suggested that CSR should be understood from the whole social responsibility perspective. Beyond the philanthropic responsibility such as social contribution activities, UNGC and ISO26000 discussed CSR issues including human rights, the environment and corporate governance. One government agent mentioned that:

“I think there must be a structure in place under which companies are able to take responsibility for everything they need to take responsibility for socially. This includes economic responsibility, ethical responsibility, legal responsibility and charitable responsibility. In addition, they must take all of the responsibilities...Social contribution is a very minor part of this.”

The government understands CSR in ‘non-financial’ aspects by connecting issues of labour, human rights and environment. These issues should be internalised within organisational management and SMEs could practice more transparent and responsible management. Two government agents mentioned that:

“The word ‘internalisation’ (of CSR) brings the issues of human rights, labour and the environment into corporate management strategy and policy so that it actually represents responsible management to labourers, meaning internal stakeholders. I think that governance, compliance and the supply chain are all related. The ethical aspects must be grafted in to overall corporate management.”

Currently, the Korean large companies are attempting to utilise CSR as their major organisation strategy but CSR issues such as labour, human rights and anti-corruption are not

being tackled yet. As such, these issues are not integrated into the internal management factors of these enterprises. Moreover, enterprises still see CSR as merely charity after generating profits, and are not aware of the benefits of CSR utilisation in brand image, marketing and other areas (Baden & Harwood, 2013).

Accordingly, the focus on CSR activities is very limited and enterprises mainly focus on CSR reports for external evaluation and on CSR activities mostly based on corporate philanthropy.

As a government agent emphasised, if they try to internalise elements of business in order to practice full responsibilities of SMEs, they could achieve competitive advantages. Therefore, I will thoroughly approach to the internal side of their CSR activities by exploring their organisational CSR education factors in the following chapter 7.

6. 3. 3. CSR as Trial to Glocalisation: Other Stakeholders' Perspectives

Recent studies have revealed unethical business practices in recent decades in societies that are categorised as excessively materialistic and competition-oriented, which scholars describe as a side effect of neo-liberalism and globalisation (Wolton, 2012). Identifying these results of globalisation, there have been more unethical issues and thus more pressures about CSR globally. Many IOs provide CSR global guidelines and convince each country to keep these guidelines (Ablander, 2011). However, national offices of IOs emphasise to consider each country's characteristics to conceptualise CSR because they have different languages, socio-cultural backgrounds, industry structures and CSR public policies.

For example, one IO officer mentioned the case of UK and localisation strategy:

“By carrying out projects with government offices or with agencies... For example, we are doing a lot of work with the UK embassy, and they are providing a lot of training to Korean companies, and Korean companies are localising and adopting those (CSR) issues. In this way, we are providing a lot of support for building compliance structures and dealing with corruption. The UNGC is playing an intermediate bridging role and there are corporate members too. We are educating members and providing good guidelines and tools. We are helping members execute when compliance teams set up this kind of training.”(IO)

SMEs need to understand the global standard of CSR but would better approach CSR in the national context considering local issues (Steurer, 2013). When they cover the domestic market only, they should focus on connecting national issues to their CSR concept. One IO officer mentioned that:

“The UNGC created the 10 Principles through agreements signed globally...Rather than asking whether we should follow the European model or the USA model, companies must recognise these universal principles and values and keep working to manage them responsibly. From that perspective, Europe is surely leading, but we need to adopt the areas which we (Korea) can do well and think hard about those which are more difficult for us.”
(IO)

As Kang & Moon (2011) examine difference of each national CSR public policies, each national market could pay attentions to different issues. One professor also emphasised the local issues of the market by mentioning that:

“If the (business) market changes, firms should keep up with the changes. As the market considers not only economic profit but also CSR, companies must practice CSR. Therefore, the companies need to educate their employees to be ready to practice CSR.”
(Professor)

He recognised the change in the Korean market by saying that:

“I think the Korean market is changing to consider CSR more than before. Even though Korea is not changed as much as other developed countries have, the atmosphere of Korea is getting better to take care of (the CSR issues) than in the past.” (Professor)

As Korea is one of the East Asian Confucianism countries, there are many similarities with other East Asian countries. Considering their socio-cultural effects, the three East Asian countries have different focus on CSR issues according to their geographical and political contexts. Two IO officer mentioned a different focus to deal with CSR issues in Korea, China and Japan:

“In Japan, they include content about reducing disasters and catastrophes, and in fact, it seems that each country has its own views on the subject. In Korea, unlike in Japan, we do not need to reduce disasters and catastrophes. So schools are mainly teaching about the environment, and recently, they are also including a lot about multiculturalism. It seems we are dealing quite a bit with human rights, too. On the economic side, I think they are discussing fair trade. In terms of the labour environment, foreign worker problems naturally come up when teaching about multiculturalism, and so that’s included too.” (IO)

“China is a communist country and since the government applies pressure to practice CSR, public companies and agencies practice a great deal of CSR. They are dealing especially with environmental issues, but other issues are not easy to deal with. That’s because China is being criticised a lot internationally for its environmental problems and this is where its challenges are the most severe. It seems that Japan is taking a practical approach to CSR. SMEs have a lot of interest and a high level of participation.” (IO)

In this regard, SMEs need to understand CSR from the perspective to consider more local (national/community) issues than global issues as they usually cover the domestic/local markets. Korean SMEs could learn from comparing and contrasting with other countries’ SMEs.

I showed different understandings on CSR according to SMEs, governments and other stakeholders. SMEs believe CSR to be a corporate citizen’s moral duty, as important as economic accomplishments, and expect that CSR could help SMEs’ achieve sustainable development by creating a competitive advantage. Governments argued that SMEs are likely to limit their CSR activities to Social Contribution, which is one of the most basic volunteering activities, and they should approach CSR more strategically in order to better integrate corporate responsibilities. While IOs and academia agreed that CSR should be assessed in the context of globalisation, they emphasised SMEs’ CSR could also be viewed from the glocalisation approach because most of SMEs usually cover domestic markets, unlike MNCs which operate globally. These different conceptualisations seemed to affect the perspective of their CSR approach and strategy. Therefore, this section could explore how CSR concept is constructed as genuineness, integration and locality. Next, I will discuss how to overcome SMEs’ limited concept and approach to strategic CSR.

6. 4. Perspectives on Approach to Strategic CSR: CSR as Community, Industry and Other Strategies

While the theoretical foundations of CSR have evolved and global political and economic circumstances have been changing, there have also been several changes to key CSR issues among stakeholders (Okoye, 2009; Baden and Harwood, 2013; Idowu et al., 2013).

As most of SMEs have normative motivation to practise (Baden & Harwood, 2013), strategic CSR could serve as an instrumental use for SMEs. However, the partnership and differentiation strategy could support SMEs to overcome their limitations and access CSR in a more strategic way in order to contribute to their development (Jenkins, 2006). This chapter will extend this analysis, proposing that perspectives on how SMEs approach to CSR in more strategic way could be different depending on each stakeholder's own conceptualisations. This will provide good suggestions for SMEs to approach CSR more strategically and thus achieve competitive advantage through CSR. I will explore this based on the second thematic discourse-CSR as community, industry and more strategies.

6. 4. 1. Industry and Community: SMEs' Perspective

From the beginning of case companies' business, they have practised CSR and they have stringently selected organic materials in their manufacturing process and strategically joined a series of projects by local communities. Such efforts ended up winning consumers' loyalty (Arend, 2014). Korean SMEs are also commonly active in community-oriented projects such as donation and volunteering activities.

However, their CSR activities should be connected to their industrial expertise and corporate goals rather than social contribution activities, which are basic and irrelevant to their jobs.

MNCs are likely to pursue external and formal CSR by practising CSR-related activities such as annual reports and codes of conduct, as well as setting up a CSR division. On the other hand, SMEs tend to internalise CSR activities such as employee involvement, retention, and community engagement in an informal manner based on flexibility, and owner-managers often directly manage CSR activities (Cornelius et al., 2008; Bauman-Pauly et al., 2013). Based on SMEs' normative motivation and strategies to consider their main interest, economic limit and industry, Table 11 shows CSR activities of different companies and identifies different interests depending on their business and industry.

Table 11: CSR Interests and Activities of the Case Companies

Case Company	Industry	Interest	Activities
A	Internet software, game and portal (IT)	Donation, education, child	Volunteering Free Advertising Donating soft ware CSR collaboration Sponsoring cultural performances
B	Embedded solution (IT)	Community volunteer activity, donation, employee welfare/ labour, education	Helping people in need, volunteering in-house café
C	Construction	Labour/ welfare, child welfare, environment	Volunteering CSR collaboration Overseas project with UN
D	Engineering solution (IT)	Donation, community volunteer activity, employee welfare/ labour	Domestic-volunteering, donation in pharmaceutical industry International-relief project (donation)
E	Manufacturing	Community volunteer activity	Volunteering, cleaning the environment, employing North Korean refugees, cultural event
F	Pharmaceuticals	Donation, community volunteer activities, employee welfare/ labour, education	Volunteering, medical fund, cleaning the environment, medical project (sponsoring human cultural asset, diabetic patient)
G	e-Finance (IT)	Education	International education/employment project

I also purposely selected as many different industries as possible in order to illustrate the significance of SMEs' CSR activities by considering their differences.

Jenkins (2006) emphasise that CSR should be practised according to a particular industry/sector. I thus purposively collected data of SMEs from different industries such as IT, construction, manufacturing, and medicine. I analysed the characteristics of their CSR according to these sectoral differences.

The results from cross-case analysis of empirical data indicate that case SMEs have more complex CSR characteristics when compared to enterprises with other sizes because the range of SMEs is quite broad (Lapointe & Gendron, 2004; Spence et al., 2003). Therefore, the need for assessing CSR according to the business type has been considered. Accordingly,

the empirical findings showed that these Korean SMEs, from 4 different industries, tend to approach more strategic CSR beyond common local community activities considering their industrial expertise.

Industry differences should be considered when discussing a CSR approach (Jenkins, 2006). The researcher first selected the case companies of this study by considering different industries of the Korean SMEs CSR Champions; the different industries were IT, construction, manufacturing and pharmaceuticals. I illustrate the particular characteristics of each industry by using the examples of these CSR Champions.

First of all, the majority of the CSR Champions in SMEs for this study are from the IT industry. As Korea is well known as No 1 IT country in the world because there are many IT companies and Korean people are active to use IT techniques and hardware. The IT case companies have started a small venture business and continued to work as the CEO is the most influential factor for decision making in the organisation. Because of the nature of the IT industry, they understand the global social trends and are eager to enhance their corporate competitiveness. One manager noted:

“I work in a company in the IT sector, which is changing rapidly. In order to enjoy our work, we have to keep an eye on the continuous changes in the world and maintain internal competitiveness.” (Manager, IT Industry)

Although the female employment rate is relatively lower than other industries, those IT SMEs try to give an equal opportunity for female employees to use their skills in product development or the management department. As these IT case companies have different IT skills and major business sectors, their CSR activities could vary according to these differences.

In the construction industry, companies create spaces in which individuals and families play an important role in the society they live and work. Therefore, they cannot be cut off from society. One manager explained:

“Companies cannot be disconnected from society; they clearly exist within society. It is a characteristic of companies in the construction business that we create spaces where individuals and families, which perform central roles in that society, lead their lives and work.” (Manager, Construction Industry)

The major concern in the construction industry is related to environmental issues, as construction materials and waste must be produced, supplied and discarded to run the business; again the female employment rate is far below the average.

In manufacturing, quality and price are the main concerns, as they need to meet the client's expectations. It is also difficult to resolve any problem without support from staff involved with the work process and thus important to emphasise employees' teamwork. One manager mentioned:

"We make automobile parts and the production site is across the way from here. Automobile parts is not a good business for large companies. If we face quality problems or other pressures from customers... In manufacturing, we must do that of course, but it is a business with a lot of stress. Therefore, it is important to manage such things and think about and become aware of them." (Manager, Manufacturing Industry)

The above company the interviewee belong to is advantageously the subsidiary to a large firm and its CEO is determined to practise CSR while most manufacturers are little interested in CSR because of the shortage of human resources.

The pharmaceutical industry requires higher ethical commitments than other industries. Because of separation of dispensary from medical practice (which is currently practised in Korea), the industry is less concerned about advertisement costs; instead, pharmaceutical companies promote their corporate images by raising public awareness of illnesses and how to prevent them through CSR. One senior manager explained:

"There seems to be a high level of activity in this area (pharmaceuticals)...Because the values within the human resources culture of the organisation itself include the idea that we deal in human life and must participate in relief work...because of regulations in the pharmaceuticals business in Korea to separate the prescribing and dispensing of drugs, we cannot advertise and sell our products to ordinary people... so we must do good things for patients and let them know about diseases... So in Korea, pharmaceutical companies do relatively more of this kind of thing than manufacturers that sell shoes or clothes." (Senior Manager, Pharmaceutical Industry)

External support organisations had provided better programmes and manuals for SMEs, and governments should consider industry differences such as the main business strategy of each sector. Above of all, CSR education should be improved per industry and based on best practices and expertise in the tailored educational environment. SMEs should have an opportunity to learn the whole aspect of CSR from other exemplary companies that have their CSR best practices. The way for other enterprises to learn the experiences of leading SMEs is teaching the social and economic benefits of CSR and the significance of the peculiar characteristics of SMEs, which could assist CSR practices (Jenkins, 2006).

Besides this strategic approach of SMEs based on industry differences, I will discuss more approaches to strategic CSR of SMEs, such as those that governments and other stakeholders emphasise in the following sections.

6. 4. 2. Resource and Partnership: Governments' Perspective

SMEs have relatively limited financial resources to practise CSR compared to large conglomerates. As several scholars have analysed SMEs' situations and CSR practice, SMEs have yet to be stable enough to achieve global competitiveness, survival in a competition-based market is the most critical issue for them (Jenkins, 2006; Sen & Cowley, 2013).

First of all, the aforementioned characteristics and limitations of MNCs and SMEs actually have significant effects on adopting and implementing CSR (Lapointe & Gendron, 2004; Spence et al., 2003). SMEs, in particular, find it difficult, without encouragement or support, to adopt CSR due to their circumstances (Knudsen, 2013); they are likely to lack resources, and this is a big obstacle to CSR. Therefore, SMEs tend to lack information and experience of CSR and thus they are difficult to have opportunity to educate their employees to practice CSR. One government agent pointed out the resource challenge of SMEs on CSR:

“There is a lack of resources. The real reason is that management does not have a strong awareness about CSR. Because the perceived need is extremely limited, such as to scholarship (donation) projects, management isn't committed to make things more systematic and impactful. That is the biggest reason. Another is that there are limited resources and thus a lack of expertise. Even if management were to try to do something, they wouldn't have capable employees for it.”

Besides their own organisational challenges, SMEs could get influenced by their surroundings, external environment. They seem to have other challenges because they belong to the Korean national context where the industry is centred on large companies and they have unethical issues. One government agent mentioned the challenge of SMEs in the Korean national context:

“I think that we still face an environment in which it is difficult to practice. It is not easy because competition in the domestic market is too severe to practice it. It is biased toward large companies, and business to customer companies are almost all large. For that reason, from a practical standpoint, it is not easy to find a good approach. SMEs do not find it easy to implement CSR. Therefore, I wonder if the situation isn’t a bit more difficult in Korea and whether it won’t take a really long time for SMEs to reach the point of putting it into practice.”

As one of side effects of globalisation, MNCs tend to exploit those weaker corporations rather than showing concern for them (Wolton, 2012). Moreover, Korean MNCs have unethical issues and even their CEOs have committed crimes in order to gain their personal benefits. In this regard, one government agent criticised the irresponsibility of MNCs by mentioning that:

“A lot of things happen as a result of the way corporate governance is constituted within Korean companies. For example, one large company spends over W50 billion on social companies because the owner made that decision, but he also spends a lot from his personal funds. The CEO thought hard about this topic while he was in jail, and even published a book on social companies. It seems to be a characteristic of Korea that things happen according to the conglomerate company structure and how competitive the top 30 large companies are.”

Furthermore, one of negative reason why Korea are difficult to provide a good environment for practicing CSR is short-term perspective. Korean enterprises are not more likely to view CSR from the long term perspective. Rather, they usually focus on gaining benefits and accomplish within a short time as their major stakeholders expect. One government agent mentioned that short-term perspective is one of problem in Korea’s CSR:

“They (companies) often respond quickly as a result of public sentiment, and so, rather than investing in things that bring a long-term return, there is an element of spending more on things that bring an immediate effect. Rather than saying these are a characteristic of Korean CSR, I would say that Korean CSR is the result of Korean characteristics, and that this is connected to that way that companies respond to their stakeholders.”

Even though SMEs can make an effort to overcome the challenges in front of them, most government agencies agree they need external support to overcome those obstacles. External support for SMEs’ CSR could be a good way to encourage Korean SMEs to practise CSR. Firstly, they need government support. Unlike international corporations with sufficient resources and power to practise CSR, SMEs find it difficult to execute CSR without government support (Jenkins, 2006; Inyang, 2013).

Jenkins (2006) also identifies common elements of SMEs’ CSR Champions and adds the importance of government support for SMEs. SMEs are likely to learn through networking and peers. Therefore, it could be important to provide a learning environment for SMEs. Highly motivated owner-managers generally lead CSR activities in their SMEs. For example, Inside UK provides opportunities for managers to visit leading companies and learn CSR practice and challenges. The Korean government should understand the ultimate purpose of CSR as guided by the global standard, and develop SME-tailored information in cooperation with large companies, higher-educational institutes, NGOs, and relevant agencies (Knudsen, 2013; Inyang, 2013). One government agent emphasised the partnership with governments by mentioning that:

“SMEs find it difficult to practice CSR. They lack human and physical resources and find it difficult to practice it on their own, so they need government support.”

The Korean MNCs/large companies can play a significant role to support SMEs’ CSR when SMEs are engaged with their supply chains (Jenkins, 2006). Most of all, providing CSR education to improve the SMEs’ conceptualisation about CSR or establishing an incentive policy about SMEs’ CSR activities could be effective in encouraging SMEs to practise CSR.

“Ideally, SMEs would receive support from the government for CSR, but it would be extremely difficult to get such a system in place. Therefore, what’s needed, as I mentioned before, is that there must be motivation (reason for action). There must be motivation, such as through pressure from large companies or the supply chain, to do such activities together. In such a situation, SMEs would be able to build a system through which they could follow... I think it will be necessary to bring these companies along through efforts by large companies.”

CSR collaboration with other corporations can effectively achieve CSR mission and mutually benefit one another by sharing the financial burden of CSR (Jenkins, 2006). One government agent noted:

“They suggest to each other that they start together and then they actually participate altogether in the CSR activities. I think it is very good to establish this type of cooperation rather than doing things alone.”

As these government agents mentioned earlier, they expect that external partnerships could help SMEs to approach CSR more strategically, beyond their limited CSR conception and practice.

6. 4. 3. Differentiating Firm Size: Other Stakeholders’ Perspectives

SMEs account for 60% of the global economy and more than 50% of global employment. Their status is also important in national economies. More importantly, SMEs account for more than 90% of national industry in developing countries (Bauman-Pauly et al., 2013). The European Union defines SMEs as having no more than 250 employees and a turnover of less than 50 million Euros, and identifies that 60% of world SME employees are from developing countries (European Union, 2004).

South Korea is divided into MNCs (large companies), medium-sized, and small-sized companies. Medium-sized companies typically have a turnover of between 40 and 150 million dollars and there are about 2000 of them in South Korea (AHPEK, 2013). The

general attributors to classify the business size are the number of employees and revenue as well as public awareness. For example, a company with more than 300 employees is large, and if it has less than 300, it is classified as an SME. Most government agencies distinguish Korean firms according to this standard decided by the national government law. Some of them distinguished firm size on their own standards. They applied only employee number and divided into two groups; more than 300 or 250 employees as MNCs; rest of them are SMEs. Governmental agents often do not distinguish SMEs in detailed. They could be divided into Medium-sized and smaller enterprises (KFTC, 2016; AHPEK, 2013; SMBA, 2010).

In this regards, one IO officer and professor mentioned that:

“I think that the difference is more about scale and the level at which it is being practiced.”

“In a purely legal sense, there is no such thing as a mid-level company; there are just large companies and SMEs. Companies are categorised based on the number of employees or assets, and those criteria are used for statistical purposes. When we talk about CSR, companies that don’t have a department or employees focused on CSR or where these departments or employees also do other work too would be considered mid-level companies. Large companies generally have a department or employees dedicated to CSR. Small companies often do not have these resources, and even if they do, they are minimal.”(Professor)

According to global CSR guidelines, one IO officer mentioned that there is necessity to adapt these guidelines regardless of firm size:

“The important issues are different in each business. However, we have to work together for the common tasks that the UNGC has put forward, which are human rights, labour, the environment and anti-corruption. We must internalise these issues within the management of the company.”

Given the distinction between large companies and SMEs, a CSR strategy must necessarily consider the company size in order to approach CSR successfully. This differentiation strategy could help SMEs overcome limitations such as resource challenges by utilising SMEs' peculiar advantages. One professor mentioned that:

“Strategic CSR. The very strategic carrying out of business by companies means that socially oriented activities must be linked to each company's businesses.” (Professor)

MNCs and SMEs are very different in terms of CSR motivation, application of CSR theory, CSR management style, and CSR educational environment (Baden & Harwood, 2013).

As one of the major theories of CSR, the Stakeholder Theory aims to meet the expectations of stakeholders: “Stakeholders are those individuals and organisations that are influenced by, or are able to influence, the activities of a firm” (Freeman, 1994). When IOs, civil society, governments and customers put pressure on MNCs to be socially responsible, they responded by using CSR as a PR and marketing tool to improve corporate image (Bauman-Pauly et al., 2013; Baden & Harwood, 2013). SMEs' CSR operation is humane and genuinely responsive to the public needs while large firms strategically and instrumentally utilise CSR to cover their ethical issues or promote their brand image (Baden & Harwood, 2013).

MNCs tend to practice these social contribution activities instrumentally to cover their unethical corporate images. One IO officer pointed out the problem of MNCs in Korea by mentioning that:

“These days, Korean global companies are under a great deal of pressure to comply with global standards in international society and they are working to follow these principles and they have reached a high level, but there could be problems which remain unsolved. Problems could exist because companies face governance issues and there are a lot of Korean conglomerates. There is the problem of not recognising labour unions, as well as the issue of a lack of diversity, such as in terms of discrimination against women and the handicapped, which are related to human rights. You could say that the compliance system is still inadequate and that each company has its own problems. We need to evolve a bit more to go beyond just social contribution or charity.”

Instead of following the way these large companies practise CSR with instrumental motivation, SMEs could develop CSR practices based on their normative motivation and flexible management style (Baden & Harwood, 2013). For a more strategic approach and considering SMEs' corporate differences in a more specific way, it is also necessary to subdivide SMEs into two categories - start-up SMEs and well-established SMEs - and designate which CSR tasks are appropriate for corporate circumstances. Because the range of SMEs is too broad, as compared to large companies, if medium-sized enterprises can embrace and mix the merits of MNCs and SMEs, this can be an excellent way of accomplishing CSR. That is why their roles should be considered crucial. As Nisim & Benjamin (2008) explain, CSR from established enterprises appears to be more stable. Accordingly, CSR cases of more established companies, rather than SMEs with many unexpected hurdles, can be a good starting point. As seen from the list of the Korean SMEs Champions, I purposely tried to select a range of medium-sized companies and most of them were distinguished medium-sized companies, economically more stable than smaller companies.

In this section, there are different perspectives of each interviewee group on approach to strategic CSR. SMEs emphasise CSR strategy should be based on industry differences and community requirements, while governments emphasise partnerships with other stakeholders as being important because of SMEs' resource limitations. Other stakeholders recognise firm size differences and suggest different approaches based on a SMEs' particular strengths. This shows how SMEs could achieve sustainable development. This section could also explore how CSR concept is constructed as community, industry and more strategies.

6. 5. Summary and Conclusion

The different perspectives for understanding CSR and strategic approach for CSR could be affected by different national language and socio-cultural characteristics in Korea.

Arguments in this chapter illustrate that the definition of CSR could be fluid and interpreted according to subjectivity, theoretical understanding and contextual influences. These stakeholders' differing perspectives on SMEs' CSR could interact with the Korean national context. I also identified that Korea is using more complex CSR language on the process of localising CSR and they tend to interpret CSR concept as having an intangible

value such as trust/social capital from the influence of their Confucian culture. In this regard, this chapter identified that conceptualisation on CSR was different according to how stakeholders interpret and apply CSR to their practice.

First of all, I showed different understandings on CSR according to SMEs, governments and other stakeholders. SMEs believe CSR to be a corporate citizen's moral duty, as important as economic accomplishments, and expect that CSR could help SMEs' achieve sustainable development by creating a competitive advantage. Governments argued that SMEs are likely to limit their CSR activities to Social Contribution, which is one of the most basic volunteering activities, and they should approach CSR more strategically in order to better integrate corporate responsibilities. While IOs and academia agreed that CSR should be assessed in the context of globalisation, they emphasised SMEs' CSR could also be viewed from the glocalisation approach because most of SMEs usually cover domestic markets, unlike MNCs which operate globally. These different conceptualisations seemed to affect the perspective of their CSR approach and strategy. Therefore, this section could explore how CSR concept is constructed as genuineness, integration and locality.

Secondly, I showed different perspectives of each interviewee group on approach to strategic CSR. SMEs emphasise CSR strategy should be based on industry differences and community requirements, while governments emphasise partnerships with other stakeholders as being important because of SMEs' resource limitations. Other stakeholders recognise firm size differences and suggest different approaches based on a SMEs' particular strengths. These strategic approaches could help SMEs overcome their limitations and accomplish their goals. This shows how SMEs could achieve sustainable development. This section could also explore how CSR concept is constructed as community, industry and more strategies.

I will explore how these differences on CSR concept and approach could affect SMEs' CSR from an internal (organisational) and an external (governmental, IO and academia) education perspective.

Chapter 7: Educating Small and Medium-sized Enterprises on Corporate Social Responsibility Strategies

7. 1. Introduction

The previous chapter showed the differences in how SMEs, governments, IOs and academia conceptualised SMEs' CSR and explored the relationship between their conceptualisation and national context. In this chapter, I will explore how SMEs access knowledge and information regarding CSR and to what extent they are influenced by the organisational, national, and global settings/environments of CSR education.

Initially, I will explore the first thematic discourse- Education, governance and policy. I will discuss the relationship between SMEs' CSR and education factors/policies in both corporate and state (government) governance. Firstly, I will provide which educational factors at the organisational level are more influential for SMEs' CSR and identify how SMEs' organisation settings influence their CSR conceptualisation and practices. Secondly, beyond the organisational level, I will discuss how governments respond to SMEs' CSR from an educational perspective at the national level and argue why they need to provide tailored education programmes for SMEs' CSR.

I will also explore this based on the second thematic discourse- Education, global influences and relationships. I will discuss global education influence through the perspectives of the Korean national IO offices and academia and examine the significance of SMEs' relationships on CSR strategies. First of all, Thirdly, I will introduce how SMEs could interact with other stakeholders' educational settings, such as IOs, academia and NGOs, and how they affect their CSR practices. Finally, I will discuss SMEs' characteristics on relationships/networks within the companies and externally then linking this to their current CSR network. Due to identified limitations between SMEs and other stakeholders' educational settings, I will emphasise the importance of inserting CSR inside the existing educational curricula and the role of government in order to provide better educational environment for SMEs' CSR.

7. 2. Education, Governance and Policy

Initially, I will explore the first thematic discourse- Education, governance and policy. I will discuss the relationship between SMEs' CSR and education factors/policies in both corporate and state (government) governance. I found that SMEs tend to be most affected by their corporate governance and education policies in terms of decision making process and practice of CSR, and they are not likely to be influenced by external stakeholders. This reflected the SMEs' peculiar characteristics in that the CEO is the most influential factor for the practice of CSR. Besides the organisational factors, state governance and national education policies influenced SMEs to practice CSR (Fassin et al., 2011). The government could support SMEs' CSR in both direct and indirect ways, by providing education and financial aids (Jenkins, 2006). Since they usually cover the domestic market and are located in the national territory, they need to comply with the law and public policies on CSR. Firstly, I will provide which educational factors at the organisational level are more influential for SMEs' CSR and identify how SMEs' organisation settings influence their CSR conceptualisation and practices. Secondly, beyond the organisational level, I will discuss how governments respond to SMEs' CSR from an educational perspective at the national level and argue why they need to provide tailored education programmes for SMEs' CSR.

7. 2. 1. SMEs' Organisational Education Settings

Organisational factors such as leadership, corporate values and corporate culture could play a more direct and significant role for these SMEs to conceptualise and practise CSR, because SMEs' CSR tends to be more internalised and focused on internal stakeholders or issues (Jenkins, 2006).

First of all, I will explore the organisational settings of SMEs as the most influential education factor for CSR. As UNGC emphasise, all the companies need to care for the four CSR issues which are human rights, labour, environment and anti-corruption and comply with the 10 principles. I tried to examine how these CSR issues are internalised within SMEs' organisation culture/HR policies. Given my investigation, I will discuss the Korean SMEs' organisational education settings such leadership, CSR division and management of resources and HR policies in the next three subsections.

Leadership and Decision Making Process

SMEs have straightforward organisational structures with a relatively small number of steps; this makes it possible for them to communicate and make decisions faster (Lapointe & Gendron, 2004; Spence et al., 2003). In this process, CEO has the focal and final position, and I want to discuss the CEO's leadership as the main factor of SMEs' CSR.

As previously stated, in SMEs, the CEO's leadership is fundamental in CSR operations. On a positive note, this situation is beneficial due to a more direct channel of communication between the CEO and the CSR personnel, producing more efficient and effective CSR operations (Lapointe & Gendron, 2004; Spence et al., 2003).

The CEO is the most influential decision maker for the majority of SMEs (Fassin et al., 2011). CSR role model companies in the case study commonly have the CEOs interested in CSR and their management philosophy and mottos heavily affect the organisation cultural system (C H Kim, 2009; Bolton et al., 2011). One manager confirmed:

“When encountering situations where economic goals and ethical responsibilities are at odds with each other and there aren't clear internal decision-making criteria available, then the CEO is asked to make a decision so that clear standards can be drawn up between members. In this process, the CEO has the biggest influence. The internal situation and projects are evaluated and decisions on participation made on a case-by-case basis.”
(Manager, IT Industry)

With the influence of the CEO in CSR, one manager introduced a strong effect of CEO's personal values and mentioned that it affected the corporate philosophy:

“After the president came, he got rid of those things one by one. In fact, he showed members of the organisation what not to do by making examples of people who were doing them. Therefore, those employees left (the company). So he chose new members of the organisation and is running the company in such a way that he is practicing it by letting employees see what values he thinks are important.” (Manager, Manufacturing Industry)

One manager mentioned their CEO's personal values to establish an organisation to commit to social welfare activities. From his idea, he conceptualise CSR as helping people and it is easily connected to the concept of social welfare in the Korean context:

“We are trying to achieve new innovation. Our CEO’s dream is to set up a social welfare foundation to find and help people who are not being helped.” (Manager, IT Industry)

One manager mentioned the CEO’s strong influence within governance after their company became a subsidiary of one large parent enterprise by explaining the changes of their company:

“He (new CEO) really changed a lot of things with our company. Starting with innovation, he made major changes to the enterprise resource planning, which is the systems and infrastructure, as well as to each of the management systems, and he has worked on various aspects of product quality innovation. Looking at how, after creating somewhat of a base, he is now changing things a little under a step-by-step roadmap of innovation related to human culture and mind set, I can say that these are the things that we have had an effect on and changed as part of joining the parent company,” (Manager, Manufacturing Industry)

As Fassin et al. (2011) argue that “The small business owner-manager is able to shape up the corporate culture and to enact values other than profit,” most CEOs are founders of their own organisation or have kept the founders’ management style. Some of them maintain a horizontal relationship with their employees and actively introduce a system that can develop their organisation culture, e.g., a CEO who voluntarily served as the head of a volunteering group in his company.

In this structural characteristic in SMEs, a direct communication with CEOs helps CSR staff to make a decision quickly. Also, how to formalise CSR activities by setting up a CSR division, CSR human resources and budget planning are up to the CEO’s will. Therefore, CEOs’ attitudes are possibly the most powerful influence for CSR human resources’ attitude (Fassin et al., 2011) and this could determine the characteristics of CSR in SMEs in terms of staff proactivity and involvement in volunteering.

In terms of influence of leadership within SMEs, governance differences and organisational settings influence decisions on CSR. One case company organised a partnership with one German company. Therefore, the company was influenced by the governance of the partner German company and started caring for global issues including CSR from early stage. Moreover, two case companies are affiliates of MNCs. One of them started caring for CSR issues and changed their organisational culture accordingly because of

the influence of both the parent company and the strong will of the new CEO who came from the parent company. The other case company is mostly influenced by the CEO and get educational support from their parent company.

Organisational Culture: Internalised CSR elements

As I explained earlier that internal issues of CSR are more likely to be internalised within SMEs' management system rather than to be exposed openly, therefore, the organisational education factors will be examined by exploring non-financial elements which could be regarded as CSR internal issues.

One manager mentioned the relationship between CSR and elements of organisation culture:

“We are not engaging in social contribution activities for the purpose of improving the company image or to get publicity. This is something that has been a part of our corporate culture from long ago and our company and employees practice it naturally and silently as much as they can.” (Manager, IT Industry)

Each company has its own educational elements or HRD strategy, which could be related to their CSR perception and practice (C H Kim, 2009; Bolton et al., 2011). I discuss these educational factors in the sections below. In terms of organisational culture, I will discuss how SMEs formalise CSR activities and how CSR internal issues are connected to non-financial elements of SMEs including HR policies and diversity issue. Through this, I could examine their internal elements of CSR within their organisational environment.

Formalising CSR Activities: CSR division and Management of resources

How the firm formalises the decision making process could affect the characteristics of its CSR activities. And for understanding the characteristics in SMEs, we need to learn their CSR division and managements of resources. Unlike large firms, SMEs tend not to have a CSR division (Jenkins, 2006).

In the Korean SMEs, they tend not to have separate CSR division. Instead, the marketing or Human Resources/Management support department is in charge of CSR operations aside from their main work. They tend to be in charge from planning to practice to

evaluation and often combine CSR tasks with their original role in the company (SMBA, 2010; NHRCK, 2011). As seen on the division of interviewees (see Appendix E), most of them seem to be in charge of CRS along with their actual role. In this case, depending on the professional background of the personnel, CSR is perceived as a tool for promoting the corporate image and supporting the organisation management.

One manager explained that their CSR activities are in charge of the corporate culture division by mentioning that:

“We created a corporate culture team for the first time last year. It performs training for all employees, public relations... external public relations, as well as internal communication, too. Team members are able to achieve synergy across their tasks in each area through the planning and operation of programs to get the organisation active in participating in outside social contribution efforts, and this is in contrast to how things would be if they ran these efforts independently.” (Manager, Manufacturing Industry)

Another manager explained that their CSR activities are in charge of the marketing division by mentioning that:

“As marketing is our main area, this is what the top levels of the company expect of us ... I do it because it’s (CSR) one of my jobs. We were able to do it without burdening each other. We were able to improve awareness because we didn’t have to come up with targets for thousands of such projects.” (Manager, IT Industry)

Even if there are CSR managers, the majority of them are in charge of other tasks, apart from one or two corporations. CSR managers of some enterprises do not fulfil these activities alone; therefore entire departments share or support CSR activities. One senior manager explains this based on the example of their PR division by mentioning that:

“Our company has employees who are responsible only for CSR, but we have a lot of other work to do too, so though we are dedicated only to CSR, we don’t just work in CSR but also advertising. We do a few kinds (of work) and including me, there are four of us in the PR department.” (Senior Manager, Pharmaceutical Industry)

Moreover, there is only one enterprise that still has an independent CSR department which used to be part of the inter-growth support department and currently is part of the strategic planning department. One manager reported:

“The independence of the CSR department for external activities is still ensured. We are cooperating more closely than before.” (Manager, Construction Industry)

Besides the management of human resources within each division responsible for their CSR activities, most SMEs conduct CSR operations with funds raised by both employees and the company. A company, for instance, matches the amount of an employee’s donation through the matching gifts programme and runs an in-house café. In terms of this financial management for CSR activities, one senior manager emphasised the spontaneity and transparency by mentioning that:

“The company matches the funds donated by employees and all funds are used for certain activities, such that all funds which are provided by the employees from their salaries must be used completely and purely on volunteer work...We have a good and transparent system on the company intranet where everything is included, where questions are posted and responses given, and where the details of funds use, volunteer participation rates and fund balances are reported transparently.” (Senior Manager, Pharmaceutical Industry)

When the human resources department was not in charge of CSR activities, the manager or administrator of the human resources related department was interviewed. Taking care of these human resources elements is closely related to CSR and is contained in CSR issues in which human rights and labour are most important apart from external activities.

Non-Financial Elements: HR Policies

In this section, I illustrate how corporate values and culture are related to CSR activities: not only each firm’s major values but also how the firm deals with internal CSR issues such as diversity (e.g. gender, nationality) and work-life balance. I also discuss that non-financial elements of SMEs might be possibly related to internal CSR issues.

As this study focuses more on education factors rather than political or economic ones, and in order to find the SMEs' organisational education factors, and the fact that most of them do not have a CSR division, I tried to investigate HRD elements of each firm in order to find the particular characteristics of their CSR activities. In doing so, I divide these elements into 3: training and development, recruitment processes, and communication and evaluation

For training and development, I found that most of the case SMEs in this study provided a variety of educational programmes for their employees. They seem to be passionate to educate their employees. One manager mentioned that various education programmes including CEO's lecture about corporate philosophy and mentoring for new employees:

“We provide support for English conversation and leadership training... training for job holders. We have our own academy and we publicly post through the company intranet information about various technical training and about seminars regarding various business subjects in each area of planning and marketing so that people can freely get training...Whether providing training to introduce new employees to the company, for those having difficulties with finances, about the personnel system, or about management philosophy which is taught by the CEO himself, all of the employees are made to attend once. The level of satisfaction with this training is very high... we are even running a three-month mentoring program so that mentors can teach mentees who may be facing fear upon first joining the company or feeling insecurities in their job.” (Manager, IT Industry)

Some of the case firms utilise CSR issues in order to provide their affiliate's human resources programme or external training service. This could help SMEs to overcome their resource challenge to provide various education programmes. One manager reported how their company utilise external educational programmes for their employees:

“Within the group, we have a group research centre. Basically, they develop basic programs for when employees get promotions, for job leadership or so that employees can demonstrate their abilities... Some courses are managed by having employees apply for them and by having people go themselves to apply at outside agencies, such as at the Korea Productivity Centre, the Korea Management Association or the Korean Standards Association. For global foreign language ability, we are having that offline in the company

by bringing in teachers during lunchtime and evenings and employees apply for those too so that we run a course after reaching a certain number of applicants.” (Manager, IT Industry)

Compared to MNCs, it seems that SMEs are difficult to provide CSR education based on their own expertise and resources. Exceptionally, only one SME directly practised CSR education by providing CSR lectures to employees. One deputy manager mentioned that:

“We could not always provide CSR training to internal employees, but because it was needed in order to provide an awareness of what CSR is within the organisational culture which had already become established internally, we had to think hard about effective training methods. I wish we could have received relevant content from outside the company, as it was not easy to find.” (Deputy Manager, Construction Industry)

With the extension of CSR education, one manager mentioned the importance to make their employees to intimate to ethical issues in order to promote awareness:

“Referring specifically to our efforts, I think it would be related to issues of communication with employees each time. The basic ethics that employees must comply with... For example, there is a pop-up window that shows up in the company intranet every Thursday that always includes information about ethical issues (in the form of a quiz)... upright management... Employees have to get the answer right in order to connect to the intranet, and can only start their work after connecting. This is a way through which awareness must be created for the organisational culture.” (Manager, Manufacturing Industry)

Except for these extraordinary cases, SMEs seem not to provide direct CSR educational programmes to their employees. The reason is that SMEs are likely to lack information and resources to manage CSR education. Their informal learning has been centred on the skills and personal values of owner-managers (Fassin et al., 2011).

Next, I could connect the CSR elements from the SMEs’ recruitment policies and process. Most of the case SMEs recruit new employees regardless of gender preference and prepare three to five steps in the recruitment process.

One interesting thing is that one SME does not set a limit on the number of new employees and emphasises passion and strategic ideas as the most important elements in recruitment; in the promotion department, there is no discrimination against educational background, and no extra pay for work, but the salary is as high as one at a large firm. One manager mentioned that:

“There isn’t a fixed number to recruit employees. Our hiring standards look at enthusiasm and strategic mind set. The characteristics of our personnel system include ‘no specs’, ‘no punishment’, ‘absolute evaluations’, ‘automatic promotions’ and ‘no extra pay’. Our wages are on par with large companies. Bonuses are given based on the benefits to the team, rather than on individual basic pay. We have a variety of benefits and the fitness centre is also run without charging employees to use it. With a competition rate of 500 to 1, it isn’t easy to choose.” (Manager, IT Industry)

Surprisingly enough, many respondents reported that they prioritise personality apart from professional competency. A case enterprise has been found to take into account household situation and where the applicant is from for selecting overseas trainees. One manager mentioned that:

“The Human Resource Development Centre recruits every year. Of applicants who are able to speak English fluently, if possible, they try to select people who are disadvantaged or who have come up to the big city from the countryside, rather than picking people with good family backgrounds.” (Manager, IT Industry)

Particularly, one SME respondent explained about their recruitment policy. Once they recruit interns for the company, they could become permanent employees after their internship is finished. This decision is not easy for the company but it could generate positive results. For example, this policy may encourage good applicants to apply for jobs at this company and also interns could have the behaviour of a permanent member of staff.

According to the case SMEs, the employment welfare system is generally stated on the website. Interestingly, one firm is reported to have improved its welfare after joining its

parent company and another firm believes that a high salary is part of CSR. One senior manager confirmed:

“In order for the company to keep a clean image, it should, in fact, give that money to employees in the form of higher salaries. That’s because, the money is the result of their hard work. Some people may not think of this as the best way to practice social responsibility, but we give the highest salary in the industry and think that we have to maintain our role as a respected company that clearly returns residual value to society.” (Senior Manager, Pharmaceutical Industry)

Besides the recruitment process, I want to discuss the internalised CSR elements from SMEs’ organisational communication and evaluation process. In this regards, I identified that SMEs encourage their employees to participate CSR activities in a voluntary manner and CSR human resource discuss CSR projects with their co-workers from other different divisions. Two managers mentioned that:

“All regular employees are encouraged to participate voluntarily in service activities one time each year.” (Senior Manager, Pharmaceutical Industry)

“We carry these projects out by first surveying 20 close co-workers and then reporting to the president for his evaluation.” (Manager, IT Industry)

For the communication issue, as I pointed out about these SMEs’ corporate culture, most of them have horizontal communication system and actively share the information (BISD, 2009).). In my investigation, I found that most of them try to be open to their employees’ opinions, and some of them share CSR reports with employees because they value sharing company information and prefer to listen to their employees. One firm encourages its employees to understand its corporate philosophy and values through the pop up quiz system on the work computer. One manager explained:

“Referring specifically to our efforts, I think it would be related to issues of communication with employees each time. The basic ethics that employees must comply with... For example, there is a pop-up window that shows up in the company intranet every

Thursday that always includes information about ethical issues (in the form of a quiz)... upright management... Employees have to get the answer right in order to connect to the intranet, and can only start their work after connecting. This is a way through which awareness must be created for the organisational culture.” (Manager, Manufacturing Industry)

For evaluation systems, two companies include CSR items in the work plan and assessment report and nominate an employee for a good example of CSR operation. One enterprise has answered that it rewards outstanding employees according to good examples of social philanthropy apart from their four core values. One manager mentioned:

“We have appreciation events, and in addition, we even practice social contribution (CSR) by finding those who are doing these five things well and select them as excellent employees... If we ask for recommendations, each centre provides them. I am the assistant administrator in charge of getting the heads of each of the planning teams together here to have them explain their positions. They explain and then we evaluate how the candidates match each of the core values and we use evaluation table including CSR section. The points are tallied and a priority list prepared up to a certain cut-off point.” (Manager, Manufacturing Industry)

Diversity Issues

The lower ranking on the Women Empowerment Index shows that Korea has serious gender equality issues (WEF, 2013) even though it accomplished high economic and political development. And thereby, I want to discuss argument on the gender equality issue of SMEs by asking interview questions about their organisational policies for women workers.

As for internal CSR matters, respondents were asked about the low female employment rate and employee empowerment in South Korea. Most SMEs showed a remarkably low female employment rate, 20% of the total number of employees on average; most female employees work in the management support department and their work position can reach as high as a managerial level, but not board member. A female employee can use one year-long maternity leave while her position is temporarily occupied with her substitute. No female employees in this study seemed to experience any disadvantage on their maternity leave and

in case of a conflict between work and childcare, some companies allow flexible working hours. One manager mentioned that:

“We are complying with the law on this, and it is usually one year. We provide (paid) parental leave, and employees can even take unpaid parental leave until their children are in the 2nd year of elementary school. Even when they return, they can work with flexible working hours based on the needs of raising their children. They don’t quit because of their children.” (Manager, IT Industry)

There was a case company given an award by the Korean President for an excellent working environment, e.g., over 40% of female employment rate. The company was a joint venture with an international company and is assumed to be influenced by its partner’s working culture. One senior manager reported:

“We received a presidential award as a good place for women to work because of this corporate philosophy of our company. We work without discrimination between men and women and our benefits are not the type that exist in the system but which people are afraid to use. When pregnant women give birth, we arrange substitutes to fill in for them and even promote such women during their leave because we see them as still working. For one year. That’s because, using contract labour for one year creates a job for the substitute. We even give paternal leave up to two times... We have to produce innovative products that promote health, but the corporate culture and other aspects are also a measure of the social responsibility we take and the respect which we receive.” (Senior Manager, Pharmaceutical Industry)

In spite of these efforts to achieve gender equality, the traditional culture of patriarchy has still remained in Korea. This could be one of the main reasons why Korea has one of the lowest rankings of women empowerment in the world (WEF, 2013). Patriarchy has influenced corporate policy for women workers and the social role of Korean women in their families (Baek, 2009). Women workers seem to have difficulty in balancing their work and life because they are usually in charge of most of the house chores and of nurturing their children. Therefore, this issue should be understood not from the corporate perspective but from the national or global perspective. From the broader

perspective, this gender issue could be improved with the development of a social structure in the national context.

Besides the gender issue, many workers from neighbouring Asian countries are flooding into Korea and the domestic firms are expanding their market territory overseas as well. Recently the cultural diversity has become an increasing social concern (Kang, 2006). Several SMEs respondents mentioned that they share the same business goal but try to consider local situation. Some companies with an overseas branch annually organise a workshop, inviting overseas employees to teach their organisational culture. The CEO and board members train them in person. One manager reported:

“We take into account the fact that the cultures are different and make it so local employees from overseas offices can learn about the organisational culture of the head office through workshops by coming to the head office once a year or so, or else the CEO or executives from the Overseas Business Division go themselves each year to set business goals.” (Manager, IT Industry)

Other companies with a high foreign worker employment rate ensure labour rights and safety operation management are complied with and at the same time offer their foreign workers Korean language courses, the chance to attend cultural events and holiday incentives.

In summary on the organisation culture as internalized CSR elements, as Jenkins (2006) examines the common characteristics of SMEs CSR champions from the British case study, I also found that Korean SMEs CSR champions tend to internalise CSR issues within their organisational culture and they are not likely to publicly advertise this organisational culture because they have more normative motivation to practise CSR. Most of the case SMEs understands CSR as external activities but a few companies define CSR as the term including not only external activities but also management of these organisational elements.

This shows that there are more possibilities for SMEs to integrate CSR internal issues within every element of business management as government agents emphasised the necessity to go beyond social contribution (basic external activities).

Pointed out the significance in this section, these internal issues such as diversity (gender, nationality) and work-life balance are important issue in this aspect, and they are not limited to only these individual or families or SMEs. They are connected to Korean social and cultural backgrounds. Therefore, in order to solve these issues, I need to look at the

issues in the deeper and wider respect by examining the Korean national context and getting lesson from the international context. Thus, I will discuss about this in section 7.5.

This section could initially explore how and to what extent SMEs' CSR get influenced by both corporate and state education factors/policies. As the most powerful influence within SMEs are usually CEOs' decisions, they also influence most on their CSR practice by not only assigning human resource, division and budget for CSR activities but also through organisational culture from corporate philosophy and HR policies. CSR trends and CSR terms could be changed according to what a society emphasises, as corporations and governments could also be affected by the global political economy and its changes. That is why it seems significant to understand not only organisational difference but also external change and impacts on these organisations. Next, in this reason, I want to discuss how state governance and education/public policies influence SMEs' CSR in the Korean context.

7. 2. 2. State Governance and Education

Developmental State: Emerging Social Issues in Korea

CSR has become one of the standards to measure global competitiveness and contributes to the accumulation of social capital within a nation. In this regard, each nation approaches CSR public policy with a different political, economic and cultural background (Steurer, 2013; Krumboltz & Martinuzzi, 2013). As there are differences in government policies depending on the political and economic context of each nation, so there are differences in CSR public policy (Steurer, 2013).

Korean SMEs are also under the supervision of the Korean national government, and thus they could be influenced, directly or indirectly, by the government's educational policy for CSR and its educational programmes/strategies. In this reason, we need to identify Korean public policy on CSR for attaining the fully understanding for Korean SMEs' CSR.

For doing that, we should consider the current situation of Korea from the CSR perspective. As we can see, advanced economies are early adopters, and other developing countries are latecomers. Learning through the cases in the early adopters' history, the latecomers are attempting to set their own guidelines and implement the policies required to

support corporate CSR; pressure on the latecomers from the global political organisations is involved in this process as well.

Korea is one of the various Asian Confucian countries. Confucian countries in this category include South Korea, China, Japan, Singapore, and Taiwan. Among these, Korea is definitely the case to note in that: 1) globalisation spurred the nation to advance its economy and political system in a short period of time, spawning a handful of conglomerates; 2) in the meantime, serious social problems arose; and 3) it is one of the divided countries in the world. As Korea is one of the latercomers, accordingly, Korea has lower social capital index and has not paid for social development because they accomplished rapid economic and political development in a short period and failed to keep up with the pace of social development (Kim, 2012). Therefore, Korea has more social issues compared to other developed countries and I could say that Korea is in a 'development state'.

In this national background, Korea has accepted CSR 10 years ago. These policies show that the Korean government has made efforts to achieve social development through CSR (C H Kim, 2009).

One government agent mentioned the history of CSR in Korea:

"It has been more than 10 years since Korean companies first accepted CSR. Companies first prepared CSR reports or used it in marketing strategies for branding. Therefore, CSR did not become internalised within corporate management. Recently, more (companies) have joined as members of UNGC and more and more of those are subsidiaries of large companies. Korean companies must practice CSR, too. Though it seems they are thinking hard about it, they still have a long way to go in the future."

In this regard, Korea has established CSR public policies. For example, the local government, such as the Seoul metropolitan government, or self-governing bodies give preference to SMEs which are committed to CSR, e.g., a company with a high employment rate of the social minority (female, the disabled or elderly) over other SMEs when selecting companies for a government contract. One government officer mentioned that:

"In the case of public agencies... there is something about handicapped companies, but I can't think of the precise title. They have to buy a certain allocated amount based on so-called principles of priority purchasing from female-owned companies or from handicapped-

owned companies. You can see from (searching and) looking over there that each company must buy a certain percentage no matter what. They must purchase there first.”

One governmental agent mentioned that CSR is not yet utilised as one of the major business strategies in Korea:

“About whether or not the Korean enterprises have started to utilise CSR as a major organisational strategy, my answer is negative. They are not practicing it strategically and are viewing it more as something institutional. Looking at it from an institutional viewpoint, it is true that things are moving in a positive direction since it means they are spending on social contribution and managing the company in that direction. But there is a big difference between a company which hasn’t even started to integrate stakeholders into the approach and a company which is already practicing strategically.”

One government agent also mentioned the difficulty to get governmental support because CSR is originally based on company’s spontaneity:

“In terms of support being provided, there are still no special incentives in the law for SMEs that reward them for good CSR performance or even anything specific about this in the law. CSR is not mandatory, and no certifications such as ISO9001 or 14000 exist. Therefore, this area is generally left to the voluntary participation of individual companies.”

Moreover, globalisation fuelled the dramatic economic growth of Korea, helping Korean MNCs, in the form of the so-called “Chaebol conglomerate”, which is rooted in a family business, to go beyond territorial barriers out towards the world. Now these companies wield greater influence than the government. In spite of the impact of these MNCs, their power and wealth tends to be passed on by inheritance along the blood lineage within the family. They are often criticised for unethical practices such as deliberate tax evasion in order to retain more wealth and power within the family (Kim, 2012). One government agent mentioned that:

“Large companies and companies that provide products to the government in Korea are held to the same standards and so they must respond. Global trends also impact the

domestic situation and that includes even Korean companies such as Korean Air that present governance risk or companies involved in severe environmental pollution or corruption.”

SMEs find it difficult to gain the benefits of CSR activities, such as getting a good corporate reputation or image because the public media focus CSR activities from large corporations and their activities are easily advertised, unlike SMEs’ (Jenkins, 2006). One government agent mentioned:

“Decisions are generally made internally and SMEs don’t worry much about their public reputation. The media doesn’t show interest in what SMEs do either. Articles don’t get written about them just because they did bad things.”

These external factors in the national context could influence SMEs’ CSR in a negative way. Therefore, governments need to pay more attention to prevent large companies’ unethical behaviour and implement more CSR policies. Currently there is only governmental support for smaller-sized companies. Korean policy makers pointed out the difficulties of medium-sized companies because they are dramatically different from MNCs and belong to the group of mutual financing limit (KFTC, 2016; AHPEK, 2013; SMBA, 2010). In 2016, Korean policy makers suggested to provide support for medium-sized companies.

Table 12: The Korean National HRD Strategies for CSR Education

Ministry of Korean Government	IOs/Governmental agencies
Ministry of Industry, Trade and Energy	Other governmental agencies
Ministry of Education	The Korean national office of UNESCO Business schools
Ministry of Health and Welfare	Community Relation Centre (Social Contribution Information Centre in Korean language)

As show on Table 12, I could draw the Korean national HRD strategies for CSR education. The education programmes of governmental agencies from the three different

ministries seem to be a part of a joint CSR public policy established by the Korean government.

Most of the governmental agencies related to CSR education belong to the Ministry of Industry and Trade. These agencies tried to provide CSR education to Korean companies that operate on both global and domestic markets. Particularly, one of these governmental agencies provides various education programmes to Korean companies. This agency recently became the representative agency for SMEs' CSR education. The Small and Medium Business Administration authorised the agency to represent CSR education for SMEs based on the Korean law for supporting SMEs' CSR (KPC, 2016).

Moreover, the Korean national office of UNESCO belongs to the Ministry of Education and cooperates with the ESD projects in cooperation with educational institutions (UNESCO, 2016). Universities in Korea are also influenced by the public policies of the Ministry of Education. Some of the business schools currently have CSR related degree programmes and essential/elective courses. As the priority of the Korean national education system is individual success through competition (Wolton, 2012), it seems difficult for the majority of business schools to accept CSR related curricula which have mainly dealt only with the ethical aspects of the business (UNGC, 2007).

Interestingly, one of governmental agency belongs to the Ministry of Health and Welfare (CRC Korea, 2016). As the long-term influence of Confucian ethics, Korea seems to conceptualise CSR as the extension of normative public welfare policies to help poorer people.

Isolation in CSR Public Policy

With continuous and rapid economic development, South Korea has produced many successful global companies which have gradually taken on CSR activities. The same, however, cannot be said of Korean SMEs, which suffer from lack of incentives and financial resources to get involved in CSR. Another major problem is government policy (Choi, 2007; Hwang, 2007; Kim, I, 2009).

Some scholars insist that government support through appropriate policies is crucially necessary for SMEs to implement CSR, unlike large-scale companies that are capable of adopting and developing their own CSR (Jenkins, 2006). Meanwhile, a contemporary debate that has surfaced recently is how to educate in support of CSR.

SMEs account for 60% of the global economy and the majority of global employment. Their status is also important in national economies. More importantly, SMEs account for more than 90% of the national industry in developing countries (Bauman-Pauly et al., 2013). Italian SMEs implemented CSR in a proactive manner in the local community and thereby they sharpened their competitive advantages, formed social capital, and grew in the long run both socially and economically (Sen & Cowley, 2013).

It seemed that the governmental agencies tend not to take into account the firm size when setting up the objectives for the CSR education programmes. They are not likely to care about the peculiar differences in CSR practices according to firm size.

I found out that one government agency provides CSR education only for SMEs. One government agent mentioned that:

“Some Korean laws are geared toward promoting SMEs. This includes legislation that defines support of SME CSR activities on a national level and the terms of these laws require establishment of centres to support socially responsible management by SMEs. Our production centre is in charge of socially responsible management by SMEs and of an SME CSR support centre. That is where I work to plan, manage and run projects.”

One government agent mentioned that providing education support for SMEs' CSR is a priority for the government:

“It would probably be difficult to start out right away with material support, but putting personnel support first seems right. If we can improve people's awareness of things like this training and help them see the need for it, I wonder if it wouldn't be possible to provide material support after that. But at the beginning, training needs to be the first step of support.”

It seems that the government should pay more attention to SMEs and provide tailored education programmes and support.

As Jenkins (2006) and Inyang (2013) noted, MNCs are held in check by the government CSR policy, whereas small and medium sized companies which lack CSR information and resources are supported in practising CSR. The Korean situation is also analysed through the empirical findings of this study. There are not many policies,

educational programmes and projects only for SMEs, and even the relevant information is not being delivered well. A tailored CSR education for SMEs could develop the capabilities of human resources in order to improve the competitiveness of SMEs and perform CSR more effectively (Oh, 2013; Almunawar & Low, 2013).

I was able to identify multiple government institutions specialising in CSR education for general Korean companies, but most government organisations are engaged in partnerships with MNCs. There are more and better case studies of CSR activities from MNCs than SMEs and more MNCs are making an effort to practice CSR in Korea. As such, it seems not easy for SMEs to access appropriate information and education for their particular needs (Jenkins, 2006).

Under pressure from the outside world, the Korean government is making an effort to establish a CSR culture, but has only tried to achieve short-term objectives (unlike the spirit of Confucianism) (C H Kim, 2009); such a short-sighted approach has led to a lack of interest from SMEs, which take longer to achieve CSR, and education programmes are only oriented towards social success, not towards CSR.

Compared to this strong organisational educational factor, governments' CSR policies are still progressing on social issues such diversity and work and life balance for SMEs because Korea is still in developmental state. Governments have mainly educated and supported MNCs. As SMEs have different characteristics from MNCs, they seem to be isolated from the CSR public policy; the number and scale of tailored educational programmes for SMEs are not enough so they need to expand. Until this section, I could discuss the relationship between SMEs' CSR and education factors/policies in both corporate and state (government) governance. Next, I will discuss global education influence through the perspectives of the Korean national IO offices and academia and examine the significance of SMEs' relationships on CSR strategies.

7. 3. Education, Global Influences and Relationships

Asian countries with a tradition of Confucianism for over 2000 years show a significant difference from Western countries in the understanding of CSR (Tseng et al., 2010; Low, 2013). It seems that the differences between these two mainstream cultures have affected government policies and the actual CSR practice by corporations, and further studies are necessary to understand these issues. In this section, I will explore this based on the second

thematic discourse- Education, global influences and relationships. I will explore how and to what extent SMEs' CSR get influenced by global factors (IOs and academia) and examines how important SMEs have trustful relationships/partnership as CSR education strategies. First of all, I will introduce how SMEs could interact with other stakeholders' educational settings, such as IOs, academia and NGOs, and how they affect their CSR practices. Finally, I will discuss SMEs' characteristics on relationships/networks within the companies and externally then linking this to their current CSR network. Due to identified limitations between SMEs and other stakeholders' educational settings, I will emphasise the importance of inserting CSR inside the existing educational curricula and the role of government in order to provide better educational environment for SMEs' CSR.

7. 3. 1. Global Influence and Education

National office of IOs

As we entered the era of globalisation, most companies tended to find it difficult to resist the flow of global economic and political changes. Therefore the researcher assumed SMEs must also be subject to this trend and become influenced by global organisations. Since Kofi Annan, the former UN Secretary General, officially encouraged enterprises to practise CSR, UN agencies and other IOs have worked to set global standards for CSR and encourage national governments to mobilise educational schemes and encourage private companies to participate through their regional and national offices in the different locations of the world (Albander, 2011). In this chapter, I focus on exploring how global CSR guidelines from UN agencies and other IOs and their headquarters, regional or national offices have influence as global educational factors of CSR in SMEs' conceptualisations, and I explain this into two parts: the global CSR guidelines and IOs; and the national offices of IOs.

In the era of globalisation, it seems to be difficult to avoid the global political and economic flow. IOs are still playing a central educational role to lead CSR trends by producing global CSR guidelines and educational programmes for private companies (Albander, 2011). As the above IOs are actively advocating CSR in the world, Korean governments and MNCs are getting high pressure to practice CSR within their public policy and supply chains from global business community. However, by international standards, Korea ranks relatively low among OECD nations when it comes to CSR involvement (EAI,

2009; Kim et al., 2012; Choi, 2007; KOTRA, 2010). Therefore, in order to encourage CSR activities, UNGC and UNESCO are working hard to educate CSR programmes and provide CSR information in Korea. Their current main objectives are different; UNGC members are mostly companies but UNESCO has most of partnerships with educational institutions under the ministry of Education. These two national offices' activities are the most relevant and were performed with a partnership of the Korean national government.

The objectives of the UNGC are to employ ten principles of global social responsibility for human rights, labour, environment and corruption in corporate organisation management and engage corporate bodies with MDGs and Sustainable Development Goals (SDGs) (Post, 2013; Ennals, 2013). The Korean national office of UNGC is making efforts to spread CSR by providing CSR educational programmes to companies and convincing universities to add CSR education to their curriculum. First of all, to achieve their objectives they take a role model, organising regular training courses and forums for all private sectors. One IO officer identified:

“It is not just an issue for Korean companies. Multinational companies are already active beyond borders. International organisations and agencies like the UN are focusing on social responsibility, and especially on poverty and environmental issues like climate change. In this context, companies, either positively or negatively... The biggest effect... The negative effect is large, and so... It is necessary for companies trying to solve these issues and connect with international development to go beyond social contribution and charity to integrate into the operations of the company the four big issues, which are human rights, labour, environmental friendliness, and anti-corruption.”

Secondly, they have also tried to introduce the UN principles of responsible management education to the MBA curriculum in which a few universities have already been participating. One IO officer said:

“There are basic principles for UN responsible management training and Korean organisations and higher education institutions are actively involved in this. The Principles for Responsible Management Education is an initiative in which management departments and management graduate schools are participating in and they are suggesting that CSR is

put into the curriculum. CSR would likely be in the curriculum at one university, and I understand that they are studying it too under business ethics at another university.”

UNGC is utilising their strategy to differentiate firm size and CSR education. They view that MNCs practice CSR based on higher level of expertise and plenty of resources while SMEs have less experiences and limited resources to practice CSR. One IO officer mentioned that:

“The UNGC is also providing training and consulting on how to prepare reports for SMEs that join as member companies. Large companies must prepare reports at an advanced level. But SMEs can meet the requirements at just a basic level, and SMEs are encouraged to get through the process slowly and voluntarily, even if it takes a long time for them to submit the reports.”

With efforts of the Korean national office of UNGC, since 2005, 280 Korean organisations became members of UNGC; 40 of them are SMEs. As other UN agencies are becoming more interest in corporate partnerships, UNGC could play a significant role as platform to connect their previous memberships to their joint projects in the future. A UNESCO representative has also been emphasising the significance of CSR education (UNGC, 2007). UNESCO suggested new learning systems, including “learning for changing self and society”, and in 1996 proposed four pillars for sustainable development: learning how to know (learning to learn); learning to do; learning to live together (learning to relate); and learning to be. The basic idea of sustainable development education is to educate knowledge, values, and behaviour for integrated development of environment, economy, and society, and especially to deal with climate change, life variety, the education boom, energy education, environment education, international understanding education, world heritage and local cultural properties (International Commission on Education for the Twenty-first Century & Delors, 1996).

As CSR has become important, the Korean national office of UNESCO tried to set up educational programmes and train teachers and students of educational institutions and lay people beyond encouraging only enterprises to practise CSR (UNESCO, 2016). Further, this activity is being implemented globally by using sustainable development, which is a similar

term to CSR. UNESCO is providing ESD, which could share CSR issues. One IO officer explained about the ESD:

“Looking at the words ‘education for sustainable development’.... Providing education for sustainable development... In other words, if we say that the first step is to teach students and learners what is not sustainable and what is sustainable, as well as provide lessons about this, then the second step seems to be to talk about educating them for continuous development. However, educating about continuous development seems to be different than educating for continuous development. Students are in the process of becoming change agents that have basic knowledge about sustainable development and know and act on what can be done to make the world sustainable.”

As UNESCO emphasised the significance of ESD, they are practising ESD projects with teachers and students from Korean educational institutions. However, ESD is not yet practised with corporate CSR personnel (UNESCO, 2016). In future, UNESCO expects that they could play an important education role to decide direction of CSR issues through ESD.

The global standard CSR guidelines have been drawn up, but they are applicable neither to SMEs lacking resources and information, nor to developing countries, because they are focused on CSR in the Western developed countries and MNCs from those countries (Wals & Jickling, 2002; Tseng et al., 2010). There are possibilities for the national offices of UNGC and UNESCO to influence more SMEs’ CSR in future. However, there are limitations for them to influence SMEs’ CSR directly because the membership number is small and there is no enough education programmes for SMEs. The global educational factor appears to show low influence on SMEs’ CSR, as most local community-based SMEs have little information and awareness of CSR and IOs do not seem to have any customised CSR education programme for SMEs either.

Academia

Despite the fact that SMEs have a vital position in the international or domestic economy, due to their complexity, they have been excluded from the CSR study and the need for further research has only recently been argued (Lapointe & Gendron, 2004; Spence et al., 2003).

In this regard, UNGC is making efforts to add CSR subjects to the Korean universities' curricula, especially in business schools as principles for responsible management education project. But only a few universities accepted this initiative (UNGC, 2007). It does not seem feasible to include the SME sector within the CSR courses. One professor pointed out that one of the difficulties is lack of CSR teachers in education:

“Corporate social responsibility is taught at business schools and liberal arts studies just require ethics subjects. In the USA since the economic crisis, such topics are gaining traction through the gradual introduction of these subjects in schools. In particular, more and more schools are making the subject a requirement for their MBA courses. Even in Korea, we are trying to go in that direction, but we don't have anyone to teach in the field. In 2007-2008 after the economic crisis in the USA, I went and took classes there, but most places didn't have faculty who could teach corporate ethics at that time and so, often they would have people (professors) in philosophy or other related fields who had retired coming back to teach. They didn't have resources that had majored specifically in business ethics. But now that the topic is being pushed in schools, a growing number of people are joining the field. That is how it is in the USA, but in Korea, we are still not far along this path, though we are trying. In the current circumstances, it is difficult to require that students take these subjects.”

Before providing CSR education or adding CSR subjects in the educational institutions' curricula, raising CSR teachers/lecturers seems primordial. Therefore, preparing to provide CSR education should be examined closely. IOs and Academia also compared CSR in Korea to other Western developed countries which have been the main geographical territories of CSR research and emphasised the difficulties encountered by women workers. Government, IOs and academia are currently providing CSR education and doing research on CSR but they still need to provide more educational programmes focusing on SMEs. Next, I will discuss SMEs' characteristics on relationships/networks within the companies and externally then linking this to their current CSR network.

7. 3. 2. Trustful Relationship and Education: Developing Social Capital

The internal and external educational factors of SMEs' CSR show the peculiar characteristics of SMEs, such as to value trusted networks and access to education within limited trustful partnerships. Compared to other global and national educational factors, these organisational factors could influence SMEs in more direct and strong manners due to the internalising characteristic of SMEs' CSR (Jenkins, 2006). This also shows that there are several future tasks such as SMEs' external partnership, CSR legislation and CSR curriculum to discuss in order to support the Korean SMEs to practise CSR. Through this, SMEs could accumulate social capital within the organisations and with the relationship of other stakeholders (Sen & Cowley, 2013). In this section, I will discuss SMEs' characteristics on relationships/networks within the companies and externally then linking this to their current CSR network. Due to identified limitations between SMEs and other stakeholders' educational settings, I will emphasise the importance of inserting CSR inside the existing educational curricula and the role of government in order to provide better educational environment for SMEs' CSR.

SMEs' Trustful Relationships and CSR Education

SMEs value relations with the local community, keeping close to them. This is because most SMEs grow on the platform of the local economy, especially in the early stages. Such informal/private networks of SMEs make their stakeholders less influential in the decision-making process (European SMEs, 2004).

SMEs tend to value their network and trust which is in turn gained through its network. In terms of CSR, to get CSR information through their network and to make a CSR partnership are also limited to the internal relationship within a company and partnerships with a few external stakeholders such as local communities, other companies and NGOs (Jenkins, 2006; Ciliberti et al., 2008). Also, they tend to access CSR information through their network and practise CSR with these limited partners. In this part, I want to discuss how to create trusted SMEs' networks and CSR education.

One manager mentioned that they value trust in their employees:

“It is a characteristic of Koreans that if it's not included in core abilities evaluations or if people don't have their own individual determination to practice CSR diligently, then I

don't think it will be easy for companies and people to put it into practice. A top-bottom approach from the CEO could work, but it doesn't seem like it would be easy to achieve from the bottom up. People would suffer from internal resistance and complaints.” (Manager, Manufacturing Industry)

In two of the case SMEs', a CSR network has been formed with about twenty members of SMEs and large companies to reduce the financial burden and maximise the effect of CSR. One manager noted:

“We have a local children's centre that supports local children who have been marginalised in competition under the economic and social systems, and we are promoting a network for CSR which was started by 16 companies, and later expanded to 21 companies. With expansion of the company overseas, we are also interested in CSR activities to strengthen public confidence and trust overseas, and we are following a staged strategy of forming partnerships with the United Nations Food and Agricultural Organization.” (Manager, Construction Industry)

Two SMEs practise CSR project with other companies which they trust in order to overcome their resource challenge. One manager mentioned that:

“Just like maintaining positive relationships with stakeholders, creating positive social value within positive relationships with other companies and finding sites to demonstrate the company's true corporate culture are what network CSR (Project Team) is all about.” (Manager, Construction Industry)

Most SME respondents are reported to have hardly been aware of any government training or other programme specialising in CSR and only a small number of SMEs are active in CSR, participating in an international conference and collaborating with others.

Most SMEs mentioned that they never attended CSR education programmes provided by the government. One manager mentioned that:

“I never attended (CSR educational programmes). I didn't know it was available.” (Manager, IT Industry)

In relation to the government, most of SMEs agree that the government's support for SMEs' CSR is limited to tax benefit. One manager mentioned that:

"The company gets tax benefits from making donations in the company's name."
(Manager, IT Industry)

Exceptionally, the following two SMEs are actively engaged with other external partners such as IOs, government and academia. This shows the possibility to overcome their limitations as SMEs, and access CSR and benefit from it. One deputy manager mentioned that:

"Because we are a mid-level company and don't know much about CSR, we are trying to implement it together with UN organisations that enjoy a high level of public confidence."
(Deputy Manager, Construction Industry)

"When we first started, we also didn't have a lot of information and so we gathered the materials available from the Internet and from specialised literature, and we participated in a lot of forums and conferences held by the government, international organisations and other public institutions to receive training... This paid off because training managers and others involved in corporate work were impressed with this attitude and helped a lot by sharing even more information with us." (Deputy Manager, Construction Industry)

Moreover, most of SMEs recognise the importance of partnership with government. However, there are limitations for SMEs to access to their economic/educational support programmes. One manager pointed out the problem of government involvement by mentioning that:

"When participating in training, the government gave CSR awards in an awards ceremony which it held. It also recognised companies that have demonstrated excellent practice. However, most companies applying for these awards were large (companies)... Our company is a mid-level company and we haven't adhered to some of the terms, and so we

haven't entered competitions and have not been able to take part.” (Deputy Manager, Construction Industry)

The Korean SMEs also have a partnership with a government agency in order to procure financial support and information through education or their network. They are more likely to have partnerships with governmental agencies which are located in their local community because they focus on more local area where their companies are placed rather than national or global agencies (Jenkins, 2006; Arend, 2014). Because it is very difficult to prepare a proposal and get it approved. It seems common to trying a CSR project with a government agency but difficult to continue with a series of similar projects.

As SMEs tend to value their community and customers, most of them focus on CSR activities which engage the community (Jenkins, 2006; Arend, 2014). Some of them also value community networks and they usually gain information from their regional government agencies or participate in their educational programmes. One manager mentioned that:

“We received information from public agencies in the area where our company is located and cooperated with the district Office department which oversees corporate social contribution to support boys and girls in the city who are their families' breadwinners [sole or main supporter of own family], to engage in volunteer activities with community centres and to help other neighbours in need. Since moving to another city, we are making kimchi as our volunteer activity at the Senior General Community Centre located in this area.” (Manager, IT Industry)

In order to overcome their limited access to information or resources, they tend to practise CSR in partnership with NGOs. Those SMEs which are interested in CSR but lack information and resource to plan and practice CSR tend to accept their proposals. One manager observes:

“NGOs contact us when they need corporate support or publicity (rather than to have an influence on our training) and we are encouraging contact with NGOs in meetings where we discuss our social contribution plans.” (Manager, IT Industry)

Unlike other partnerships, some SMEs have a close partnership with NGOs but SMEs also pointed out the need for better planning and for financial reporting in order to provide a better educational setting for SMEs' CSR. Since SMEs tend to learn from peers and value trustful networks, they like to hear about best case studies in the same industry and they find it difficult to access information from governments and IOs so they are likely to neither attend educational programmes nor pursue a partnership with the government and IOs. In this regard, there are necessary tasks to support SMEs' CSR and to educate SMEs to understand the genuine CSR concept and approach and its economic use of social capital which could be created through it. Therefore, I will discuss what kind of external support SMEs demand to improve CSR based on lessons from other developed countries which have been mainly dominant territories of CSR research and practices.

CSR legislation and Education curriculum

Global Comparison on CSR Public Policy and Education

As there are differences in government policies, depending on the political and economic context of each nation, there are differences in CSR public policies (Steurer, 2013). As CSR has evolved based on civil society in the USA and from a legal approach in Europe (Avetisyan & Ferrary, 2013), currently a few countries have legislated CSR as their national policy. The South Korea government promotes CSR, given the weaker role of the government in the globalisation era, but seems to have difficulties in closing the gap between the degree of geographical/economic development and firm size (Scherer & Palazzo, 2009).

The European government intervene actively in CSR activities; therefore such activities are institutionalised in some countries and they all have better policies on CSR than Korea. Europe has a longer history of industrialisation and overall the society and the corporations are widely interested in CSR (Kang & Moon, 2011; SMBA, 2010). Some countries have legislated for CSR with active government involvement. One IO officer said:

“It is legislated (for companies to do CSR) in Europe and so the situation is better than in Korea. Europe has a long history of industrialisation and culturally, they are thinking about these things within the social culture itself, which includes the corporate culture. They are more interested in it so companies also have to go along with the related laws, and this

shows how they have clearly developed. The UK is one of the most advanced countries in this area, and though I don't think they have such a person now, they had previously appointed a minister for CSR in order to achieve good CSR practices. They passed the Pensions Act to legally enforce the practice of Social Responsible Investment for the first time. In such ways, they are providing practical support at the national level.” (IO)

Among these European countries, the UK has appointed CSR minister in the past in order to led CSR activities legally. The Pensions Act legalised Social Responsible Investment for the first time. In Sweden, where there are many international enterprises, they designated a CSR ambassador to encourage CSR worldwide and so did Italy (Kang & Moon, 2011; SMBA, 2010). One professor said that:

“It seems that we could benchmark against the UK experience. I think we need to ask at the outset though why the UK eliminated its CSR office and why this is now overseen by the Ministry of Labour. Sweden has a CSR ambassador and they seem to have given it a name since they have a lot of global companies there, but from what I know, only Sweden has such a CSR ambassador (though Italy had one for a while but doesn't anymore). In the UK, they had a government department for it, but that also went away. If Europe is where CSR is being driven mostly by the government, then these results are rather disappointing. In the USA, because the government isn't interested in it... In the USA, foundations and centres have a role and perform social contribution, but in Europe, because these are countries where the influence of the government can be felt more, I think they're going to have to take another look at where things are. We can compare Europe, where the government participates actively in CSR and the USA, where the government doesn't intervene at all and where CSR is practiced by the civil society.” (Professor)

The EU adopted a directive on Environment, Social and Governance for MNCs which have more than 500 employees. Korean companies need to respond to this in order to obtain competitive advantage in the European market (Kang & Moon, 2011; SMBA, 2010). Especially, UK government is currently making efforts to spread anti-corruption strategies to the whole world and they are also educating Korean companies based on cooperation with the Korean national officer of UNGC.

Since CSR has evolved based on civil society in the USA and a legal approach in Europe (Avetisyan & Ferrary, 2013), the USA, the most influential country to South Korea, has faced the economic decline from the subprime mortgage crisis; and since then, the awareness of CSR has been greatly increased. In case of the USA, the civil society is exerting pressure on CSR rather than the government (Kang & Moon, 2011; SMBA, 2010). In Korea, there are a few universities which include CSR in the curriculum and an increasing number of professors are specialised in CSR and are capable of lecturing to a professional level.

Besides UNGC, the UNESCO ESD project has been run in public schools and in the community. The project sponsors teachers willing to experiment with the UNESCO school project in the public education system, and generates a partnership with other local institutions. The major issues raised in this education project are environment, cultural diversity and social equality of minor ethnic groups, human rights and international fair trade (UNESCO, 2016). One IO officer reported:

“We also are trying to cover everything we can. But in Japan, they include content about reducing disasters and catastrophes, and in fact, it seems that each country has its own views on the subject. In Korea, unlike in Japan, we do not need to reduce disasters and catastrophes. So schools are mainly teaching about the environment, and recently, they are also including a lot about multiculturalism. It seems we are dealing quite a bit with human rights, too. On the economic side, I think they are discussing fair trade. In terms of the labour environment, foreign worker problems naturally come up when teaching about multiculturalism and so that’s included too. It is still difficult for students to go any deeper than this.” (IO)

UNESCO points out that one of the major limitations of ESD in Korean society is that Korean students have no time to participate in the project because the most important goal of the Korean education system is to enter a good university rather than to participate in this kind of education programme or learn about universal values for sustainable development.

Improving CSR public policy and education in Korea

Different Korean stakeholders gave suggestions for improving CSR of SMEs. One IO officer talked about the task of developing countries to improve CSR of SMEs in Korea:

“Asia is still an emerging market; therefore Korea and China are closely related in regard to the history of industrialisation. Developed countries are putting pressure on developing countries due to environmental issues. It should take a long time for developing countries to achieve social and economic growth if they use eco-friendly technology due to its high costs. There may be lots of such practical issues. They are at the initial stage and have a short history of CSR therefore CSR activities would be insufficient if performed.” (IO)

The majority of respondents have answered about the needs of the social environment for encouraging enterprises to conduct CSR, as emphasised previously in the education or the need for educational support and information or manuals for good execution of CSR (Jenkins, 2006). One deputy manager clearly said that:

“It is difficult to secure funds for CSR and so I think it would be good if the government would provide subsidies for it. Either funding or training to make it possible to be more professional... In particular, I wish there was training suited to SMEs.” (Deputy Manager, Construction Industry)

Korean SMEs also demand external support such as economic and educational support for overcoming their limitations of CSR.

One manager mentioned the sustainable support for their CSR project:

“If we start with support, then the support should continue, but if it gets cut, then we operate under strong drivers that push us to continue (motivation and will) and so we go on. Without a strong driver like us around, I frankly don’t know what would happen; it would be difficult.” (Manager, IT Industry)

One senior manager mentioned the external support from the government:

“As I mentioned earlier, the government gives tax benefits for donations, and I wish it would expand the range of these designated donations. Even though we say we will use our money to provide more help, they just want to interfere and give advice about every little thing rather than providing support. I wish the government would have a more open mind

about dealing with the issue of wasting so much time on administrative matters and come up with better models for cooperation.” (Senior Manager, Pharmaceutical Industry)

The case SMEs also expressed the willingness to participate in CSR education in the future. One manager mentioned that:

“If the training is provided, I think I should attend.” (Manager, IT Industry)

Among many prospective CSR policies, the incentive system is the most debatable issue in terms of motivating CSR. Those against the CSR incentive policy are concerned about CSR changing from optional and voluntary to mandatory. Further, some SMEs are concerned that the government support could be a benefit which could cause problems in voluntary execution of CSR activities. One manager confirmed:

“If special benefits are given, then the purpose of CSR can become distorted. I’m opposed to that. Rather than giving preferential treatment, the government needs to provide training so that companies can take their natural responsibilities as members of society. I think a better approach would be to reinforce motivation through awards.” (Deputy Manager, Construction Industry)

IOs also emphasise change of educational curricula in educational public policy and educational institutions. The UN principles for responsible management education project stress the importance of CSR education for the young and worldwide 400-500 universities are involved (UNGC, 2007). They value youth because they are potential employees, managers, consumers and investors in the future and should be aware of global social issues. One IO office noted:

“Students who study management work in companies, and all fields of studies are ultimately connected with companies. This is why UNGC emphasises youth. The reason university students are important in youth programs is that they are potential labourers, managers, consumers and investors. Therefore, before they go out into society, it is important for them to have a bit more interest and participate in these issues. Thus, it is important for

schools to participate and for university students and other youth to learn about these issues and have an interest in them. This is something we are also working on in our business.” (IO)

One governmental agent also agreed with necessity to insert CSR in education curriculum in order to learn social responsibilities and sustainability by mentioning that:

“I think it is necessary (to have CSR to be included in education curricula). Corporate people must do a good job managing their corporate activities, but fundamentally, if we think that they must be diligent in performing their roles also as corporate citizens, then CSR must be taught at school and in the home. Companies are set up to go after money based on collective greed, but I think we need a lot of people who, rather than that, create healthy and desirable services that are beneficial to us as humans and who take full legal, ethical and moral responsibility in the process of creating those services, and who think hard about environmental issues and do all that as owners of those companies in order for those companies to be healthy. From that perspective, we must provide training which teaches that CSR is a very important function that holds the future sustainability of the planet in our hands.” (Government)

One IO officer emphasised the necessity of CSR education, especially for CEOs, as they could influence the whole of CSR activities by communicating with CSR staff.

“I think they (companies) can perform a role. They can implement ESD together when their technologies and improved consumer awareness complement each other.” (IO)

One governmental agent agrees that they need to work on cooperation. They have various partnerships from governments, other governmental agencies, academia, NGO and even private organisations which have CSR education purpose or industrial purposes.

“We have been relatively active cooperating with non-profit associations, and we are partners with the government’s Ministry of Health and Welfare. When I was there, we also maintained a strong relationship with the Federation of Korean Industries, and wrote white papers on mid-level company and SME social contribution in association with the Korean

Chamber of Commerce & Industry. I agree 100% with the idea that we have to work under this kind of cooperative framework.” (Government)

Also, there is the need for expanding CSR education by suggesting more active interdisciplinary CSR research and inserting CSR in the previous education curriculum. As the concept of CSR is contested and flexible (Okoye, 2009; Baden and Harwood, 2013; Idowu et al., 2013), this interdisciplinary approach is possible and it could expand to other areas of study.

In this regard, one governmental agent suggested that CSR could be connected to other academic sectors and thus Korean scholars are trying to combine CSR to other sectors of business/management:

“There are those who research CSR in terms of the supply chain, and others who focus on ethical management in the field of organisational behaviour. Some people in the Public and Private Partnership field link their research to the private sector, international development or overseas CSR, as well as to governance. There are also professors working on stakeholder management. These professors are all under business schools, and even those working with CSV all belong to the field of management strategy.” (Government)

Knowing the difference according to firm size, having the governments and IOs play a more active role, and establishing a CSR educational curriculum could provide a better educational environment for SMEs, helping them build more trust through more partnerships and CSR practices.

Gender Equality

While Korea is located in the lower ranking in the World Women Empowerment Index (WEF, 2013), some SMEs try to have special education or meetings for improving gender equality. Apart from maternity leave, however, it seems to be difficult to find any other female employee welfare policy available in SMEs. One respondent pointed it out as a characteristic of the Korean working environment. One manager said:

“Nobody quits their job because of attitudes within the company. Each person faces different circumstances and it is difficult to raise children and work at the same time. I think this is just the way things are. They might quit because of a home situation that they need to take responsibility for and which prevents them from achieving the necessary results at work, but they don’t ask for special consideration. If a woman is a manager and I let her leave work early because of her young child, then a male employee who is also a manager and has a young child might have grounds to complain. That kind of special treatment is not good. Each person must do a good job on his or her own work. The reasons for parental leave include the lack of trusted places to leave children, and the fact that parents need to raise their babies until they can walk.” (Manager, IT Industry)

Therefore, there are limitations for women workers to balance work and life in the Korean context because of Korean peculiar socio-cultural traditions and lack of governmental support.

In summary the CEO’s influence on CSR is considerable, as already stated (Fassin et al., 2011). Active participation in CSR operation helps organisational communication and improves the employee welfare system, particularly in female employment rights and overseas work environment. SMEs that have no solid CSR operation system, however, reflect and internalise the elements of it within general training programmes. Since most of SMEs are medium-sized companies which established more economic stability and better formalisation than smaller companies, there are multiple good HR policies and a variety of online/offline education classes for their employees (Preuss & Perschke, 2010). Remarkably, one SME CEO make a lot of efforts to learn the best case of MNCs abroad and listen to their employees’ needs in order to make better HR policies. Thanks to those efforts, many talented young job seekers show their growing interest in applying for these constructive SMEs.

In South Korea, with ineffective government CSR policies, there are nevertheless some firms that take the initiative in being responsible for their corporate activities. There is the case of a company driven by the CEO with a strong vision and conviction to merge profit generation with social contribution (Fassin et al., 2011). That is, despite the lack of strong external incentives, the right internal drive can lead to a positive CSR outcome.

From the national context perspective, the education system in Asia went through a transformation to catch up with its Western counterpart, shifting the focus away from cultural traditionalism towards economic growth (Tseng et al., 2010; Oh, 2013). Recently, however, the East has been confronted with education and social problems, mainly caused by

globalisation. The competition-oriented education system was established by the previous generation, obsessed with social success and materialistic capital. Social capital based on traditional good has been seriously undermined, pushing the society and country backwards (Oh, 2013). The proper inheritance of Confucian ethics could be the essence of CSR education to gain social capital through CSR practice (Low, 2013). Therefore, governmental agents also agree with inserting CSR subject to the education curricula from elementary to university levels in order to encourage students to be aware of CSR issues and thus they work for the companies which are becoming aware of CSR practice. Ultimately, this can help the society more sustainable. Not only educational institutions but also families need to educate their children about these CSR issues and how to contribute to making sustainable society. As SMEs have an important status in the national and global economy, the pressure for them to practise CSR is gradually increasing (Jenkins, 2006). Therefore, more active partnerships with other external stakeholders could support SMEs to overcome human/material resources and thus access more strategic CSR based on trust they could gain from their relationships. Again, SMEs could utilise strategic CSR to accumulate social capital which help SMEs gain competitive advantages from the long-term perspective (Sen & Cowely, 2013).

7. 4. Summary and Conclusions

This chapter has discussed how and to what extent global, national, and organisational education factors influence SMEs' CSR conceptualisation and practice. The chapter has evaluated whether CSR initiatives have helped these SMEs to develop and survive in global or national markets and achieve competitive advantages in order to develop their business strategy or to scale it up.

This chapter could initially explore how and to what extent SMEs' CSR get influenced by both corporate and state education factors/policies. As the most powerful influence within SMEs are usually CEOs' decisions, they also influence most on their CSR practice by not only assigning human resource, division and budget for CSR activities but also through organisational culture from corporate philosophy and HR policies. Compared to this strong organisational educational factor, governments' CSR policies are still progressing on social issues such diversity and work and life balance for SMEs because Korea is still in developmental state. Governments have mainly educated and supported MNCs. As SMEs have different characteristics from MNCs, they seem to be isolated from the CSR public

policy; the number and scale of tailored educational programmes for SMEs are not enough so they need to expand.

This chapter could also explore how and to what extent SMEs' CSR get influenced by global factors (IOs and academia) and examines how important SMEs have trustful relationships/partnership as CSR education strategies. IOs and Academia also compared CSR in Korea to other Western developed countries which have been the main geographical territories of CSR research and emphasised the difficulties encountered by women workers. Government, IOs and academia are currently providing CSR education and doing research on CSR but they still need to provide more educational programmes focusing on SMEs. Unlike other partnerships, some SMEs have a close partnership with NGOs but SMEs also pointed out the need for better planning and for financial reporting in order to provide a better educational setting for SMEs' CSR. Since SMEs tend to learn from peers and value trustful networks, they like to hear about best case studies in the same industry and they find it difficult to access information from governments and IOs so they are likely to neither attend educational programmes nor pursue a partnership with the government and IOs. Knowing the differences according to firm size, having the governments and IOs play a more active role, and establishing a CSR educational curriculum could provide a better educational environment for SMEs, helping them build more trust through more partnerships and CSR practices.

Chapter 8: Reframing SMEs' CSR: A Social Capital Theory Perspective

8. 1. Introduction

The previous chapter explored how SMEs' CSR integrated the educational elements from organisational, national and global settings and suggested to provide a better educational environment for promoting SMEs' CSR. This chapter will reframe SMEs' CSR by examining the relevance to SCT (Sen & Cowley, 2013) and the theoretical frameworks of this study with regard to the relationship between SMEs' CSR and Coleman's (1988) and Fukuyama's (1995) theories. As a result of thematic analysis, I could generate two thematic discourses in order to reframe SMEs' CSR from a Social Capital Theory perspective.

First, in this chapter, I will explore this centred on the first thematic discourse-SCT VS Stakeholder theory. I will discuss how SMEs' CSR is more relevant whether to SCT or stakeholder theory. I will show collected evidence for the peculiar characteristics of SMEs' CSR and identify how SMEs' CSR could be theoretically explained by matching their characteristics to the elements of SCT.

Secondly, I will also explore this based on the second thematic discourse-Social capital in the process of nurturing human capital. Based on the new integrated model to understand CSR, I will discuss how the Korean SMEs' CSR could be reframed by combining two different social capital perspectives (education and economics). Therefore, extending from this analysis, I will try to examine the conceptual frameworks of this study in two phases. For the first phase, I will propose how CSR could be linked to SMEs, Education and Social Capital, an association which previous scholars have not tried. Next, for the second phase, I will argue the relationship between different stakeholders and CSR centred on how SMEs' CSR interact with them and how they nurture social capital through their interactions. Lastly, I will extend these arguments for the main contribution of my thesis by emphasising the significance of a normative framework for understanding SMEs' CSR in Korea in order to move beyond social contribution. In Korea, SMEs' CSR has been conceptualised as social contribution because CSR has been interpreted as a limited concept and limited practices.

8. 2. Evidence for the Peculiar Characteristics of Korea SMEs' CSR: Social Capital Theory vs Stakeholder Theory

Increasingly, however, scholars point out that this approach to examine CSR factors in the different dimensions has limitations because of the particular characteristics of SMEs (Jenkins, 2004). There is thus a need to study CSR in the context of SMEs in more theoretically relevant and accurate ways (Lapointe & Gendron, 2004; Spence et al. 2003). Trust is closely related to care; there is virtually no trust without care. Since caring is an intrinsic value of **CSR**, meaning that **CSR** is very much about the provision of care, companies practising **CSR** will build or strengthen trust, which becomes a source of **social capital** for them to grow further (Inyang, 2013).

I found that positive characteristics stand out when individuals/organisations plan, practise and evaluate CSR with the right attitude. When their CSR practices are sustainable, expandable, creative, circling and accessible, they could get intangible value as well as tangible benefits. In this regard, one governmental agent also emphasised the necessity of evaluating the benefits which CSR provides. In CSR, there are two important positions such as beneficiaries and suppliers (practising individuals/organisations). Some people might think beneficiaries could be outside the suppliers but the suppliers themselves could become beneficiaries because they can also receive direct/indirect benefits from their own CSR practice.

In order to evaluate whether CSR generates intangible values, I checked whether organisations could accumulate social capital by CSR practices. I was able to define social capital as intangible values, such as trust, cooperation and participation (Sen & Cowley, 2013), all of which were also identified by one governmental agent. Most of the case companies put these values as their corporate philosophy/values. One IO officer explained that caring for these non-financial elements could result in multiple benefits such as human resource development for the organisation. For example, one SME respondent mentioned that they could have many good applicants who want to work for this company since they know that this company practice CSR better than others. In this particular case, one external CSR agency had evaluated CSR activities in MNCs and SMEs in Korea, and the media had announced the results of that evaluation, showing that multiple medium-size companies including this company practice CSR better than MNCs (Preuss & Perschke, 2010). Moreover, most of those employees who participate in CSR activities are satisfied and

changed their mind set and attitude about participation. Multiple SMEs respondents recognised that those employees who have children were very satisfied because they could educate children about CSR issues by participating in these activities together, and these activities could help their children fulfil dutiful volunteering hours.

Tangible benefits of CSR could also be evaluated. SMEs usually have a relative normative motivation to practise CSR. These economic effects such as corporate image, advertising, financial growth and risk management could follow the organisational philosophy/culture to generate intangible values (C H Kim, 2009). For example, one SME respondent mentioned that the number of employees of their company has increased from 100 to 300. As this company is one of the CSR champion SMEs, their CSR practice to generate intangible values could be relevant to their organisational growth. Furthermore, another SME respondent also mentioned that they never had any deficit since they started the business 21 years ago. As they also mentioned that they never had any corruption cases for 21 years, their practice to keep the transparency value could be relevant to their financial state. Additionally, one IO officer explained about risk management by taking an example of child labour. If the company stops child labour, they might have disadvantaged in price competition but they could reduce risks such as corporate image and penalty from IOs, governments and other companies. More importantly, those children could be free from labour.

I tried to evaluate whether CSR initiatives have helped nurture social capital within SMEs according to the process of Sen & Cowley (2013) to compare the relevance of SMEs' CSR between SCT and stakeholder theory. Qualitative thematic analysis based on social constructionist approach generated the themes to evaluate the extracts from the interview transcripts. The extracts were assessed for relevant elements of SCT or stakeholder theory. As Sen & Cowley (2013) examined the relevance of SCT with Austrian SMEs' CSR and suggested this was to be tested in various locations, I will try to examine the relevance for Korean SMEs' CSR based on evidence collected from their peculiar characteristics and since they are different from MNCs.

Table 13: Relevant Evidences of Social Capital Theory

CSR	Korean SMEs' Conceptualisation
Definition	<p><i>"<u>Helping</u> those in need."</i></p> <p><i>"In terms of <u>sincerity</u>."</i></p> <p><i>"Employees practice it <u>naturally and silently</u> as much as they can."</i></p>
Activities	<p><i>"It couldn't be a one-off event but had to have <u>continuity</u>."</i></p> <p><i>"Volunteer participation rates and fund balances are reported <u>transparently</u>."</i></p>
Stakeholder Influence	<p><i>"The CEO has the biggest influence."</i></p> <p><i>"Is truly <u>for the communities or people they serve</u>."</i></p> <p><i>"All funds (of CSR) are given <u>voluntarily</u> by employees."</i></p>
Motivation	<p><i>"<u>Sharing</u> our abilities with others and then sharing the fruits of that."</i></p> <p><i>"The <u>moral</u> responsibility of companies is extremely important."</i></p>
Benefits	<p><i>"I feel that I am an educator or leader who can spread these <u>values</u> to others and so I feel a sense of achievement about this."</i></p> <p><i>"These are the things that contribute in a big way to improving internal <u>loyalty</u>."</i></p>

First of all, as seen in

Table 13, Korean SMEs often use terms such as trust, satisfaction and loyalty which could be consistent with elements of social capital. For example, the contents of the Korean SMEs' organisation culture include terms such as family-like and human-oriented working environment, trust, teamwork, transparent management, horizontal communication, liberty and positive influence on the community ((Cornelius et al., 2008; Bauman-Paully et al., 2013).

Even though Korean SMEs struggle to survive in the market due to resource issue, they define CSR as a duty of corporate citizen, giving a part of profit to society and help other people which are connected to social development rather their own economic/legal responsibility. Also they tend to focus on community and get influence most from CEOs

(Baden and Harwood, 2013; Fassin et al., 2011). This could mean that they relatively do not get influenced from other external stakeholders or factor in terms of their CSR practices. The reason is that their motivations in most cases are normative and moral. From the long-term perspective, they value trustful relationship within and outside companies (Jenkins, 2006). They believe CSR could improve employees' loyalty and trust from customers and other stakeholders (Sen & Cowley). This could bring them to be more competitive in the market.

Sen & Cowley (2013) discovered that "social responsibility in SMEs is about building relationships and networking with a range of stakeholders, not judged by their stake in the business, but the social capital these connections create for the business."

Therefore, the characteristics of SMEs, from its conception to its main activities, influential factors, motivation and benefits, show that CSR is connected to elements of SCT.

Sen & Cowley (2013) also examined the relevance of the Stakeholder theory which has been the main theoretical background for CSR research. They concluded that "it became clear that Freeman's (1984) definition of stakeholder and Mitchell et al.'s (1997) stakeholder salience model (suggesting businesses to prioritise the demands of stakeholders who have financial interests in the business), fail to embrace the challenges and motivations of SMEs to engage in CSR."

From the characteristics of the Korean SMEs' CSR, I also found that they tend to practice CSR in order to add trust to the relationship with their stakeholders. CEOs mostly influence CSR decision and formalisation and they care about community (Fassin et al., 2011; Baden and Harwood, 2013). They do not practice CSR in order to respond to their stakeholders' expectations or needs. With normative and moral motivation, they do not consider that CSR is directly connected to their economic profit. Unlike SMEs, MNCs tend to respond sensitively to their stakeholders' feedback because they believe it is directly connected to their corporate image and economic earnings. That is why they are more likely to utilise CSR as instrumental tool to contribute to their profit within short time (Sen & Cowley, 2013; Baden and Harwood, 2013).

SMEs relatively have normative motivation and practice CSR for trustful relationship between employer and employees and the relationship with other partner firms and customers. The trustful relationship within SMEs (organisational level) could influence external relationship of the firms in a positive manner.

Examining Sen & Cowley (2013)'s arguments in the Korean context, the Stakeholder Theory has limitations, as compared to the SCT, to explain SMEs' CSR. As globalisation and

neo-liberalism have resulted in decreasing social capital, leading to competition-oriented societies based on individualism (Wolton, 2012), accumulating social capital within the organisation and society (Almunawar & Low, 2013; Sen & Cowley, 2013) could be an objective of CSR beyond gaining legitimacy and meeting the expectations of stakeholders (Burlea & Popa, 2013; Matten et al., 2003; Idowu et al., 2013).

Furthermore, Almunawar & Low (2013) pointed out that “as key factors for a corporation to grow into a large and sustainable MNC”, “companies practising CSR will build or strengthen trust that becomes a source of social capital for them to grow further.” Therefore, building trust as social capital between a company and its stakeholders through CSR is now essential for enterprises’ development.

8. 3. CSR for SMEs’ Development: Social Capital in the Process of Nurturing Human Capital

The study applies Coleman’s (1988) model of the inter-relationship between social capital and educational performance to examine conceptualisations of CSR in the process of accumulation of social capital. Secondly, the study applies Fukuyama’s (1995) model of the inter-relationship between trust (social capital) and economic growth to examine conceptualisations of CSR and the impact of CSR education designed by organisation (SMEs) and national policy.

SCT was first developed in the education studies as effort was put into creating a global community and sustainable society (Coleman, 1988), and it has recently been understood as a critical concept to resolve the social conflicts caused by capitalist globalisation (Fukuyama, 1995; Oh, 2013).

Therefore, I will explain the findings on Korean SMEs’ CSR focussing on the conceptual frameworks of this study and discussing Coleman’s (1988) and Fukuyama’s (1995) theoretical backgrounds of social capital.

In order to determine whether CSR helps to nurture the social capital of these companies, I investigated first what kind of impact CSR has had within the organisation by analysing their individual and organisational changes after they initiated CSR activities. Then, I also investigated whether virtuous cycles exist between external factors, such as a society/nation, and internal factors, such as the organisation itself, and thus explored the

existence of trusted relationships with both internal and external stakeholders of these case companies.

8. 3. 1. Virtuous Cycle: Educating CSR Strategies for SMEs' Development

According to SCT, a trustful network can be built through the process of normative CSR activities generating social capital, which translates into social virtues and the creation of value for both the business and the public interest, contributing to the society and the nation (Coleman, 1988; Fukuyama, 1995; Oh, 2013). Unlike MNCs' CSR conceptualisation, SCT could provide a more comprehensive theoretical understanding of SMEs, which have more genuine motivation to practise CSR and value trustful networks to carry out their business (Almunawar & Low, 2013; Sen & Cowley, 2013).

Coleman (1988) defined social capital by connecting it with trust. He defined human capital as knowledge and technology embodied in the form of observable materials; and social capital as inherent in the relationship of trust between people. This study particularly distinguishes the two sides of CSR activities of SMEs, donation and volunteering in external CSR and improving the working environment and creating equal opportunities internally. This affects internal stakeholders of these companies. Both sides of the CSR operation stem from the CEO's personal values and beliefs, giving positive effects to the organisation and later generating organisation culture and nurturing social capital.

Colman (1985) advanced this theory in an effort to transform the USA education system. At the centre of his argument was trust; social capital (i.e. public interest) builds through a trustworthy network, and this capital makes a contribution to society and the community. His argument is mainly in line with the aforementioned ultimate purpose of CSR, and is gaining attention as an alternative way to finally explain the connection between CSR and SMEs without limitations (Almunawar & Low, 2013; Sen & Cowley, 2013).

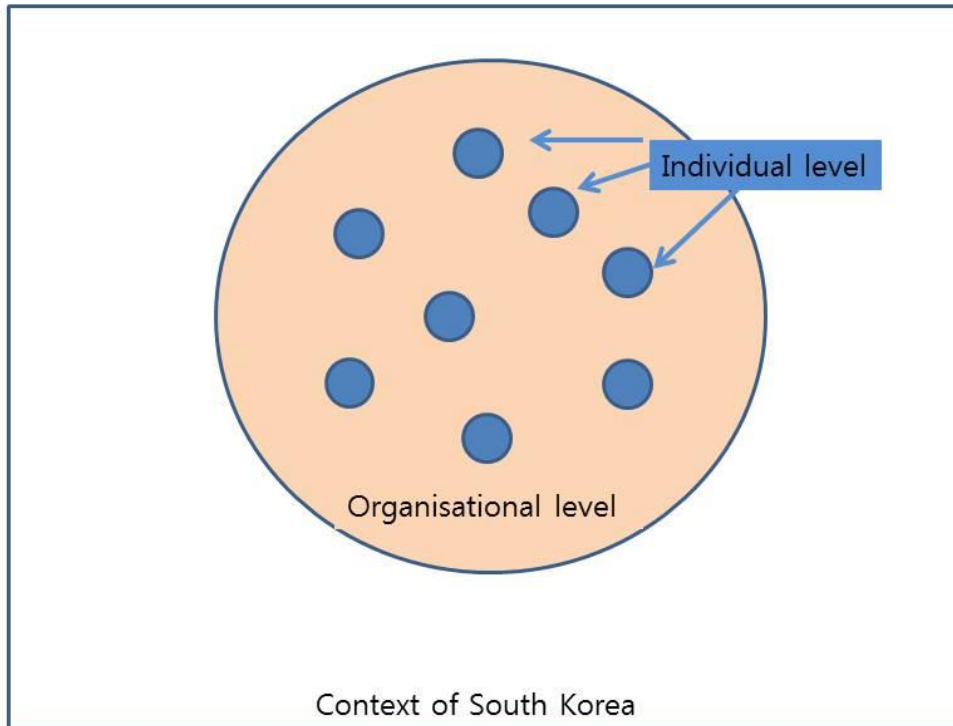


Figure 12: Social Capital and Educational Performance (Human Capital)

First, Coleman (1988) found that individuals (students) with higher social capital tend to achieve higher educational performance in educational institutions. Figure 6 illustrates that his findings could apply to this study, in that employees with higher social capital tend to achieve higher CSR education performance in the learning organisation (SMEs) based on evidences from both theoretical and empirical findings.

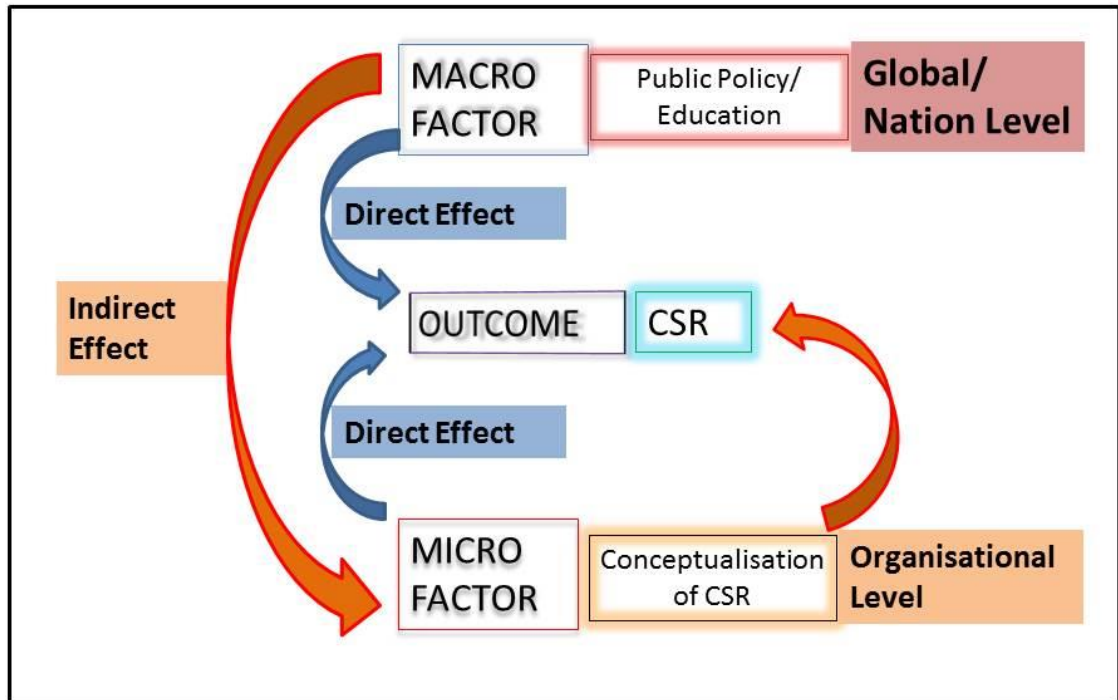


Figure 13: New Integrated Model to Understanding CSR (1): Educating CSR Strategies for SMEs' Development

Figure illustrates how public policy, education policy, and an organisation's conceptualisation of CSR can help us appreciate the qualities and dynamics of CSR in a Korean context.

One governmental agent mentioned the relationship between social capital and CSR:

"I think that qualitative and subjective evaluations are more important than tangible results (when it comes to CSR). People call that social capital, trust, cooperation and participation... Those are the more important values. People who make social contributions... managers, CEOs and participating employees think that we have to put more emphasis on the intangible values than the tangible ones and participate by looking at social contribution activities as areas in which we can easily participate in a continuous, expansive and creative way."(Government)

As the manager mentioned, intangible values of CSR are more likely to be related to tangible assets and as such SMEs could obtain competitive advantages in order to survive in the market from the long-term perspective. CSR can externally enhance corporate competitiveness. 90% of enterprises in South Korea are SMEs and CSR's external influence is certainly significant over their external stakeholders, such as customers in the local community, domestic market, society and nation (KTFC, 2016; AHPEK, 2013; SMBA, 2013). UNGC explains about the significance of CSR on their website as "we should keep in mind that transparent and constructive corporate culture could contribute to the development of wide foundation and sustainable market, building trust and social capital" (UNGC, 2016). In this regard, related to CSR's contribution to society, one IO officer mentioned that:

"Companies have a very big impact. People who work in companies make up 60-70% of the population. But whether it is workers, consumers, investors or local residents, if you look at society, it is the actual people who are the ones impacted a lot from companies and so whether companies take their full responsibility or don't take it, the effects on society are huge. From that perspective, when a company becomes a responsible one that can carry its social responsibility, this has a good impact and leads to social capital. Social capital is soft power."(IO)

The CSR personnel also personally show a positive change. They become more interested in social responsibility after dutiful CSR operations motivate more employees to participate and expand CSR to other areas. One deputy manager mentioned that:

"Personally, my life values were already oriented this way and I knew I wanted to work in this field, and that is why I joined. I am proud when I meet others and I feel good about being able to do this. I feel that I am an educator or leader who can spread these values to others and so I feel a sense of achievement about this. In our company, employees collect donations and apply to other CSR projects, and I have heard that they are participating diligently. Though it's not a lot of money, voluntary participation that helps others can lead to a sense of achievement." (Deputy Manager, Construction Industry)

One deputy manager also added the virtuous cycle between social responsibility and economic benefit through CSR by mentioning that:

“I think it also includes giving back internally by providing employee benefits and ensuring wage levels. I think this drives an economically virtuous cycle that can reduce income level gaps.” (Deputy Manager, IT Industry)

Countries with government-led CSR campaigns try not to undermine spontaneity (the guiding spirit of CSR). In an effort to encourage voluntary CSR activities, they develop essential educational programmes and compensation systems that eventually affect corporate policies; by doing so, the governments can help CSR to become established in companies. If the management philosophy of the CEO or the corporate culture is similar to the spirit of CSR, the establishment of CSR inside the organisation will be easier (Fassin et al., 2011).

Their loyalty and commitment to work, as a result, improve the working environment and employment welfare system. Apart from such external activities, the participating employees are the subject and beneficiary at the same time when external activities are harmonised with internal CSR issues such as improvement of the working environment. Furthermore, the level of satisfaction with the organisation and loyalty increase. Accordingly, the possibility of forming a virtuous cycle can benefit the organisation and consequently have positive effects on the organisation (C H Kim, 2009).

One senior manager explained creation of value from CSR education and employee participation by mentioning that:

“We can develop individual values and embed them in the organisational culture to give people a significant reason for having joined the company. In the first year that I joined, the company gave me an award for doing a good job, and gave me an opportunity to give a presentation at an event at which all of the employees were gathered in order to encourage employee participation. Looking at that culture... For example, seeing that the level of participation is gradually increasing and that going out and meeting others at production facilities gets people away from, say, just doing marketing in the PR department... These are the things that contribute in a big way to improving internal loyalty.” (Senior Manager, Pharmaceutical Industry).

Therefore, there are several factors shaping CSR. Internal factors include conceptualisation of CSR, which is affected by relationships with the local communities, the

family-like corporate culture, and the learning atmosphere (Cornelius et al., 2008; Bauman-Pauly et al., 2013), while external factors may include public education policies, which are related to the government. Each of these factors could directly affect CSR in SMEs (Jenkins, 2006). Both the internal and social characteristics need to be examined. These are also relationships which indirectly affect SMEs' CSR practices.

Likewise, such CSR activities bring positive effects on external stakeholders; therefore the corporation's image is improved too. Accordingly, such SMEs would form a virtuous cycle of trust between internal and external stakeholders through CSR. Furthermore, this would positively affect the development of the enterprises and they would have the potential for affecting the society and the world in a positive way.

From the HRD perspective, mentoring could improve employees' relationship. This could contribute to generate cooperation and teamwork, which could be elements of social capital within the organisation level, rather than competition (in the individual level) which the Korean national education system usually emphasise.

8. 3. 2. CSR in SMEs as a Process to Accumulate Social Capital

In spite of its rapid economic and political development, South Korea ranks low on women empowerment index and social capital index compared to other developed countries (WEF, 2013; Lee et al., 2009). Therefore, social development through SMEs' CSR could contribute to improve social capital and care for gender issues (as one of the CSR issues) and thus South Korea could improve national competitiveness.

This study anticipates that focusing on the social and financial achievements of medium and small companies, through a CSR lens, may contribute to enhanced national competitiveness and promote Korea's commitment to CSR (Sen & Cowley, 2013; Inyang, 2013), leading to increased social capital and also reducing social costs.

Therefore, care could mean paying attention and then this attention follows action. Ultimately the actions will show the result such as intangible values - trust - a source of accumulating tangible assets (KBS, 2011). By correlating CSR to social capital, I first will discuss how to evaluate CSR in terms of accumulation of social capital in both intangible and tangible way and then examine how CSR contribute to internal stakeholders within SMEs and external stakeholders outside SMEs.

The expectations of stakeholders are the primary focus of CSR in large-scale companies, but this is not the case in SMEs. Rather, trustful networks and relationships with stakeholders matter more. Given this characteristic, SMEs that build trust with local communities and do business based on such trust will, unlike large corporations, end up amassing social capital. By doing so, SMEs could play a key role in boosting social and national interests. CSR approach is clearly different from MNCs since SMEs have more genuine motivation to implement CSR and this motivation is the crucial condition needed for raising social capital through CSR (Fukuyama, 1995; Oh, 2013).



Figure 14: Social Capital (Trust) and Economic Growth

Fukuyama (1995) discovered that nations with higher social capital tend to achieve higher economic growth because they can avoid social expense caused by mistrust. His discovery could apply to this study, as Figure shows, in that organisations are influenced by national context and their public policy, that is, organisations in the context of nations with higher social capital tend to achieve higher economic growth because they can save on social expense through employees' relationships within the organisation (SMEs).

CSR operation transfers trust to the market, promotes the brand and increases the corporate reliability in the market, securing an advantageous market position among competitors. One government agent agreed with the possible economic effect through CSR by mentioning that:

“There have been a lot of attempts to find out whether CSR has a direct effect on operating activities, but this doesn’t seem to be an easy thing to prove. When we thought about it, the biggest benefit that companies promoting CSR gain seems to be that they can achieve a stepping stone toward sustainable growth. If the company can work within their field of expertise to solve social problems, then it becomes an ethically and socially respected company. Recently, because consumers prefer responsible companies, these activities are an important factor in running a sustainable business. However, SMEs may not find it easy to set up a strategy to this extent. Therefore, SMEs will first be able to provide a good impression to local consumers as well as local governments through CSR, while ultimately being able to earn positive operating activity results.” (Government)



Figure 15: New Integrated Model to Understanding CSR (2): CSR in SMEs as a Process to Accumulate Social Capital

Figure shows how we can think about CSR initiatives as part of broader education and social processes that nurture social capital. The significance of the relationship between SMEs' CSR, its conceptualisation in a Korean context and social capital is that the Korean government is devising policies to help establish an economy that is entrepreneurial, but largely supportive of assistance and interventions (Kang & Moon, 2011) in curricula for building social capital and knowledge management. I positioned these arguments within a developing country context.

The personal philosophy and values of owner-managers of SMEs play a significant role in the practice of CSR. They are likely to value networks such as partnerships and other SMEs (Inyang, 2013; Sen & Cowley, 2013).

Medium and small companies believe applying CSR is important to company survival and development (Jenkins, 2006; Sen & Cowley, 2013), by facilitating accumulation of capital, building trustful relationships among stakeholders, contributing to community development projects, and also to succeed in competitive markets in the long term.

One IO officer and one government agent mentioned that social capital could be created through CSR practices:

“It is both (within the company and in the greater society that CSR builds up social capital). Rather than thinking one must come before the other, these are things that should be carried out simultaneously. Looking at it from a long-term perspective, though the group (which we call a company) responds quickly to achieve its own short-term benefits, non-financial factors which aren't linked directly to revenue must also be approached from a long-term perspective and this can lead to one coming before the other, but in some cases, the results can be seen right away, too.” (IO)

“It is still difficult to find cases where the practice of sustainable management is clearly linked to the generation of economic results, but I think that companies are getting benefits such as social acceptance, employee commitment, productivity improvements, building up of reputation and rewards from the government. These form a foundation to support efforts when releasing new products or entering new markets.” (Government)

MNCs, which had usually focused on external CSR to meet the expectations of their external stakeholders, have now started to also care about internal stakeholders, such as their employees, centred on the establishment of an internal CSR process (Kim, C H, 2009; Bolton et al., 2011).

The majority of enterprises, especially those with employees who have families or children, have spoken about participating with their children in external CSR activities and their satisfaction about them. Three managers mentioned their satisfaction regardless of their industry difference:

“Through our CSR network project, we did a children’s project, and the employees who participated in that used their position in the construction business to do something for children and I heard that the results were good. As on-site employees led this, they felt good and gained a sense of satisfaction. I am proud of this and I hope that even more employees will participate in the future, too.” (Deputy Manager, Construction Industry)

“New employees and the ones with children have shown a positive response and they have been very satisfied with voluntary work.” (Manager, IT Industry)

“We received a good response from new employees and employees with children, and there was a high level of satisfaction with the volunteer activities within the company.” (Manager, Manufacturing Industry)

Regarding the participation of the employees’ family and their children, it seems that SMEs CSR practices could contribute to CSR education not only of employees but also their family/children. This could be connected to family education on CSR issues which could be added to part of the national CSR education curriculum.

One government agent also emphasised that companies which practise CSR could get the biggest benefit through CSR by mentioning:

“The company is the biggest beneficiary of CSR. It is the company that participates in it. The people who benefit in companies that do it are the employees who participated. Even at a low level of CSR, company’s boast that they’ve practiced it, and if they manage the

process well, then in terms of benefits, the largest part of the tangible and intangible value goes back to the people who were part of the effort. The people who perform the services receive more benefits than those who receive them. To be specific, whether it is a change to the corporate culture or in the thoughts of people, the corporation is ultimately the object of the CSR, and the members within the corporation are people. Because this work must be done in order to change the mind set of people, participants are the ultimate beneficiaries. In order for that to happen, processes and plans must be well linked, and the postures and attitudes of people doing that are also important. It is also very important who one is doing it with and how.” (Government)

CSR participants are more likely to be proud of their actions and to be loyal to their company and their job. Further, the relationship among participants in external CSR activities with positive value for the organisation could affect loyalty to the organisation and formation of team work (Sen & Cowley, 2013). One senior manager mentioned:

“There are significant positive aspects (to CSR). These days, it is difficult to develop employees who have loyalty. It is difficult to achieve this with training, but is achieved for us from an internal communications perspective through Sharing Service activity participation. That is because some people work in teams that participate together in service activities, rather than having workshops or dinners. This also contributes in a positive way to team building.” (Senior Manager, Pharmaceutical Industry).

The enterprises which are executing CSR activities have actually agreed to the creation of such intangible values. Furthermore, the IOs and government organisations have argued that accumulation of such social capital as trust and cooperation through CSR will improve the competitiveness of the organisation.

Further, I could explain how CSR assist SMEs in contributing to society by establishing virtuous cycles with other external stakeholders such as beneficiaries partners (e.g. NGO, governmental agencies) and customers.

One government agent recognised the importance of social capital by mentioning that:

“The benefits (of CSR) appear right away for individuals. That’s because I (the individual) don’t have to work in a bad labour environment anymore. It would seem that this

could vary by individual. The fact that a company has a good culture contributes to building up social capital and can be connected to competitiveness.” (Government)

In the view of the government and large organisations, CSR committed firms are preferred to make more trusted business relationships with them. Therefore companies will be able to maintain more trustworthy relations through such CSR activities than other competitors. Certainly more and more SMEs see the importance of CSR as their stakeholders also understand what CSR means (Sen & Cowley, 2013). One manager also agreed with the idea:

“Our management philosophy includes trust, pride and fun. Trust is about company management being executed transparently in terms of management, shareholders, customers and employees. From a pride standpoint, we have a bonus system under which employees can be given pride in their abilities and business results. Fun means providing a work environment where people can enjoy what they do. Personally, I like the trust part. When management shares more with employees about what they are doing, as well as with shareholders, customers and partner/customer companies, I bet it will really lead to more trust, and I like that the most.” (Manager, IT Industry)

When CEO/Top management, CSR staff and employees play their role to make decisions, plan/practise and participate in CSR activities, this could lead to SMEs practising CSR activities which include the characteristics (sustainable, expandable, creative, circling and accessible) of CSR that generate values. By volunteering rather than being forced, as SMEs CSR staff emphasises the importance of establishing a voluntary atmosphere for their employees (Perrini, 2006), their encouragement, feedback, and communication about CSR practice could reinforce this virtuous cycle. CSR operating SMEs believe that CSR brings intangible assets such as trust and collaboration to the organisation, accumulates social capital values and eventually enhances the corporate competitiveness in a virtuous cycle (Sen & Cowley, 2013).

Civil society and IOs have criticised that MNCs tend to exploit those weaker corporations rather than showing concern for them (Wolton, 2012). Under these circumstances, businesses began to advocate CSR voluntarily in an apparent attempt to avoid governments’ regulation and advertise their corporate image. A widely-held opinion is, after

all, that the upgraded corporate image achieved through CSR activities to meet the expectations of stakeholders not only helps companies improve their performance but also contributes to societies (Idowu et al., 2013). When companies manage not only financial elements but also non-financial elements, CSR can also contribute to intangible elements of organisational development such as labour, human rights and the environment (Post, 2013; Ennals, 2013). The effect slowly shows but fundamentally strengthens the corporate competitiveness in the long run. Therefore, CSR could be a significant element for companies to gain long-term competitiveness.

Their common roots are characterised by two factors. First, they have good use of CSR in order to form their social capital according to the trends of modern society. Being rooted in the community, they pioneer building up their trustworthy corporate image through SNS, and benefit from their flexible characteristic to follow the trend and adapt it to them. Second, since their founding, they have used CSR for leverage, actively shaping corporate culture and management strategy, and so making a contribution for themselves as well as contributing to the community and the country (Inyang, 2013; Sen & Cowley, 2013). I could provide good examples of some SMEs respondents who mentioned the benefits of CSR and I can recognise the case SMEs' contribution. One SME converted their CSR activities into money and made PR materials for the journalists. Another SME became a SME CSR Champion because of the organisation's public report. Clearly, their PR for CSR practices is helpful in improving their corporate image and recruiting good human resources. Furthermore, their efforts to practise CSR and advertise it could contribute to access to information of SMEs' CSR for academia, customers, and other companies. When I first tried to get information about SMEs' CSR, I had difficulties because of the lack of information (Lapointe & Gendron, 2004; Spence et al., 2003). However, their PR materials in the public domain were helpful to my initial stage of research.

SMEs tend to prioritise their survival in the market due to lower economic stability and lack of resources compared to larger companies (Jenkins, 2006; Sen & Cowley, 2013). Therefore, most of SMEs respondents openly mentioned that economic responsibility is very important and thus they could guarantee their employees' jobs and payment. Interestingly, I found that most of the case companies have gone into the black by keeping economic stability. Even one of them never had a deficit since they started their business 21 years ago. Moreover, this company never had any corruption case in their business history. Their corporate philosophy is not limited to social or environmental issues but they also value

economic responsibility as one of the important corporate responsibilities. Thus they could contribute to keeping their employees' jobs and ultimately contribute to society.

In conclusion, this study could help to reframe SMEs' CSR from the perspectives of Coleman's (1988) and Fukuyama's (1995) as its major theoretical underpinning. This theory has identified the significance of social capital, achieved through education at the organisation level, in order to enhance national competitiveness and establish the society of togetherness which CSR ultimately pursues (Sen & Cowley, 2013; Inyang, 2013; Oh, 2013; Almunawar & Low, 2013).

As shown in Figure and Figure , the new integrated models to understand CSR is based on educational performance (Coleman, 1988) and economic growth (Fukuyama, 1995). First of all, the new model theoretically explained Coleman's (1988) model of the inter-relationship between social capital and educational performance to examine the conceptualisation of CSR in the process of accumulating social capital. Second, the new model also explains Fukuyama's (1995) model of the inter-relationship between trust (social capital) and economic growth to examine conceptualisation of CSR and the impact of CSR education designed according to organisation and national policy. Based on evidence from the case companies which are medium-sized companies, finally, it could be possible to correlate CSR practices and economic competitiveness in the organisational level. The fact that they usually start CSR practices from inception of their businesses could support this argument.

8. 4. Summary and Conclusion

This chapter could explore how SMEs' CSR is more relevant to SCT rather than stakeholder theory. This chapter first tried to identify the peculiar characteristics of SMEs' CSR which were already introduced in the previous chapters, and explained the possibility to link these characteristics to SCT while previous scholars usually emphasised the relationship between the Stakeholder Theory and CSR mostly for MNCs. As Sen & Cowley (2013) tried to examine the linkage between Austrian SMEs' CSR and SCT, evidence collected from the elements of definition, motivation and influential factors of SMEs' CSR could be more relevant to elements of the SCT compared to the Stakeholder Theory.

By extending this link, this chapter also examined the conceptual frameworks of this study. This chapter could also explore how the new integrated model to understand CSR could be generated in order to reframe the Korean SMEs' CSR by combining education and economic perspectives of SCT.

CSR is applicable to SMEs differently from MNCs because of particular characteristics dependant on firm size. Specifically, as Coleman (1988) suggested, co-relation between accumulating social capital and individual/organisational performance within an educational institution, SMEs, as learning organisations, tend to value trustful relationships and more normative motivation to practise CSR. Thus, this process of nurturing human capital to perform CSR could accumulate intangible value, such as social capital, which could develop their organisation and contribute to other stakeholders through their interaction with other educational settings.

In relation to contribution to stakeholders, there are internal and external stakeholders which have different relationships with CSR practice. As Fukuyama (1995) emphasised, the relationship between social capital and economic development, social capital from trustful relationships could save money and human resource instead of spending these resources to suspect and investigate. Within SMEs, their internal stakeholders such as employees could have better a working environment if they are educated about CSR, and the companies could have economic benefits by lowering risk and accumulating social capital in the long term. Based on the relationship between SMEs and their external stakeholders such as customers, partners, nation, society and the world, SMEs could offer better services and products, reduce costs and save energy, and thus contribute to national competitiveness and sustainable development in the national and global contexts by spending accumulated social capital instead of material/human resources.

Despite their significant meanings, CSR terms are still limited and mainly related to social contribution; there is a limitation in CSR concept and activities and there are different words for SMEs' practices that are too complex to use in the Korean context. Earlier, I showed ways for SMEs to develop their companies and contribute to other stakeholders. Therefore, when motivated SMEs practise normative CSR in better educational settings, in partnerships with other stakeholders, they are more likely to get long-term competitiveness and survival in the national and global economies.

Since CSR is fluid and interpreted differently, CSR should be understood according to context such as subjective, regional (language and socio-cultural differences) and theoretical

backgrounds. However, these CSR characteristics mean more possibilities of going beyond the previous dominant meanings, interpretations and applicable theories. Through this research, with a more critical approach, I tried to challenge previous CSR research and link SMEs' CSR to a new theory in order to fill in the gaps by establishing objectives which were not dealt with appropriately before.

As the empirical findings of this study show, CSR area has been evolving. First, scholars move to other academic sectors with CSR concepts and so they expand into other sectors by combining concepts and creating new research. In this research, I also tried to combine previous CSR concept, which is fluid and flexible according to context, with other academic sectors. This attempt aims to overcome limitations from previous CSR research. Researching about SMEs' CSR, their educational factors in the three levels - global, national and organisational -, the role of CSR for SMEs' development based on the relationship with SCT and global comparison with the previous main geographic territories, I could contribute to expand the CSR area by linking issues of SMEs, education, SCT and continental/national context.

Expanding CSR territories based on this new approach, I will summarise the answers to the research questions of this study from both theoretical and empirical research and provide major contributions, policy recommendations, and directions for future research in the last chapter. I will also summarise the limitations of this study.

Chapter 9: Discussion and Conclusion: Nurturing Trustworthy Organisations Through Corporate Social Responsibility Education

9. 1. Introduction

This chapter examines the correlation of empirical findings with theories reviewed from the selected literature and how the findings answer the research questions of the present study. On the conclusion section, I explore how this study contributes to academia and practitioners, what this study recommends to policy makers, what limitations this study has in conducting empirical research and what directions this study can suggest for further research.

9. 2. Summary of Main Findings: Corporate Social Responsibility Sector Expanding to Small and Medium-sized Enterprises, Education, Social Capital Theory and Global Territories

The answers for the 4 research questions are evaluated in this section through comparison and contrast of the literature data, through theories and empirical findings from the case study, additional interviews, and document analysis.

RQ1: What is the current conceptualisation of CSR in SMEs?

RQ2: How, and to what extent, do global, national and organisational education factors shape CSR knowledge in the SME sector?

RQ3: How can CSR processes help SMEs' development?

RQ4: What are the similarities and differences between South Korea, one of the Confucian Asian countries, and the Western nations which are located in the main geographical areas of CSR research?

9. 2. 1. The Conceptualisation of CSR in the SMEs Sector

A number of previous studies have been carried out but there are several research gaps. First, some scholars researched the correlation between firm size and CSR or CSR of SMEs but these studies are not numerous. Secondly, these studies have focused on the USA and Europe, which are the main geographical areas of CSR research. However, SMEs already account for 60% of the world's industries and 70% of the entire labour population of the world and its

effect is very large. Moreover, international society is increasingly emphasising transparency and liability. As a result, CSR is required for both large companies and SMEs. In addition, Asia is currently an emerging market and is receiving attention from the world's economy; therefore studying CSR in this geographical area is valuable. Accordingly, the present study on CSR activities of SMEs of Korea may provide new implications on the existing CSR studies.

The CSR characteristics of SMEs of Korea have not been found to be very different from the CSR characteristics identified in past studies. However, SMEs of Korea are using the term 'social contribution' rather than 'CSR', unlike the enterprises of other countries. In addition, the Korean SMEs tend to define CSR activities by focusing on external activities, excluding internal CSR activities even though they have taken care of their organisational matters under their CEO's direction. They see CSR as a liability, while avoiding false motives and temporary activities. Further, they pursue normative motivation and sustainable activities and approach CSR activities according to their sizes and business types in a more strategic way. Most of the SME champions are interested in basic voluntary work for the local community and have been putting efforts into these activities. However, Korean society focuses more on large companies rather than SMEs. Further, the SMEs of Korea are faced with difficulties due to lack of education, information and internal understanding, apart from material and human resources, and therefore need support from the government or large corporations. In fact, many of them are implementing CSR activities through partnership with other enterprises or NGOs.

They are attempting to utilise such features as large organisational strategies but still focusing on instrumental usage of CSR. Furthermore, in contrast to large firms, the SMEs are not capable of utilisation of large-scale resources, and therefore need to set priorities of CSR activities with external support. The majority of case companies examined in the present study was medium-sized, and thus correlation between stability of a company and CSR has been found. Therefore, economic responsibility can also be an important factor for other social responsibilities as a part of CSR. In addition, the construction, manufacturing and pharmaceutical industries, and IT which most of the case companies of the present study belong, have been examined. The results have shown the differences between industry sectors and various CSR approaches have been found. Finally, changes and their connection to CSR have been investigated using the case of two companies which have changed governance after joining large companies.

9. 2. 2. Education Influence on SMEs' CSR: Organisational, National and Global Levels

Existing studies focus more on external CSR activities or economic perspectives to examine their features. In the present study, however, education has been found to be one of the most influential factors for perceiving and implementing CSR. Therefore, global, national, and organisational education factors which affect CSR activities of SMEs of Korea have been examined. As SMEs tend not to have a global market, the international effect does not directly affect this type of enterprise, but the national office of IOs might reach them through educational projects. In fact, the majority of them does not participate in or are not interested in these projects. Instead, the government organisations of Korea have been found to be closer to SMEs, in that the organisations are currently being provided with tax benefits or are implementing education and collaborating in CSR joint projects.

However, most of the SMEs are not aware of this and many educational programmes are not tailored for these enterprises' particular characteristics. Finally, development of CSR activities as the main strategy combined with managerial factors is the best option. Accordingly, the effect of education factors of each enterprise on CSR, linked to internal issues, especially managerial factors, has been studied. The findings indicate that SMEs are affected by implementation of CSR activities as they are affected mostly by the CEO. In contrast to large corporations, most SMEs do not have an independent CSR department or professional CSR staff within their organisational structure. Instead, marketing, PR, and human resources related departments and their staff tend to be in charge of CSR activities in addition to their main role. However, approval for CSR activities is granted directly through the CEO's approval line.

Furthermore, the budget is also operated through matching funds from staff or the company and cafés inside the company. Besides this decision making process of CSR within the organisation, CSR internal issues also include labour discrimination (e.g. gender, nationality). In particular, Korea is low in the world ranking of women's empowerment and Korean society is facing diversity issues because of international marriages and foreign workers. In fact, these enterprises assure 1 year maternity leave which is regulated by the law and many of them care for foreign workers in foreign acquisitions or overseas trainees in Korea. Furthermore, most of them do not provide official CSR education but have CSR

related values for corporate philosophy and an organisational culture in which the CEO's will is well reflected. Some enterprises are putting effort into providing philosophy lectures for the CEO, adding quizzes on their websites, communicating CSR activities to their employees, sharing opinions from and including CSR items for evaluation by employees. In addition, they carefully deal with recruitment and personnel management while taking into account ability and personality. Further, they tend to recruit people without gender discrimination.

In summary, the existing studies have focused on links between CSR characteristics of SMEs, factors of organisational management and CSR. In the present study, however, CSR characteristics (definition, motivation, main activities, challenges, and solutions) of SMEs of Korea have been compared and contrasted with each other, taking into account firm size, industrial difference and governance difference. A differentiation strategy for CSR has also been suggested according to these differences of SMEs. Global, national and organisational factors which affect their CSR activities and how they are connected have been examined. The SMEs of Korea have their unique characteristics and therefore have different CSR characteristics. In addition, they are mostly affected by the CEO's will rather than global and national factors, and therefore are more deeply connected to internal factors of the organisation. Further, they are implementing internal CSR activities. In the next section, how CSR activities can contribute to development of SMEs in a social capital perspective and similarities and differences between Korea, as one of East Asian countries, and other Western developed countries are examined.

9. 2. 3. Role of Corporate Social Responsibility Education for SMEs' Development: Making a Virtuous Cycle by Nurturing Social Capital

In the existing CSR literature, the link between SCT and CSR, as well as correlation between CSR activities of SMEs and SCT, have not been sufficiently studied. The study of CSR is centred on large corporations and thus the Stakeholder Theory seems to be the most dominant theory for CSR studies according to these corporations' characteristics. However, SMEs are chiefly affected by the CEO's will. Therefore, the influence of stakeholders is less important than in large enterprises but personal values and networking are more important. Therefore their CSR activities can be better explained by SCT, which emphasises building trustworthy relationships, rather than by the Stakeholder Theory, which emphasises the needs of firms' stakeholders. Above all, the present study has examined whether external activities, which

SMEs of Korea perform consciously, and CSR activities related to internal management factors, which they perform unconsciously, improve trustworthy relationships with executive and staff members, as well as resulting in accumulation of social capital, which could become potential resources for the firms' economic competitiveness.

In doing so, a study of Coleman (1988) on correlation between social capital and educational organisations, and a theory of Fukuyama (1995) on correlation between social capital and economic development, have been used as the theoretical framework of this study. CSR activities which affect corporate image and values positively improve trust with external customers, partners, society, and the country, therefore resulting in accumulation of social capital. The social capital is accumulated and improves competitiveness of the enterprise in the long term, creating a virtuous cycle therefore generating a positive effect on survival of the enterprise. In addition, the social capital accumulated by CSR activities becomes a good driving force for SMEs to overcome their limited material and human resources. Ultimately, these SMEs gather and contribute to the accumulated social capital of the society and its nation and this affects the national image and competitiveness.

9. 2. 4. Global Comparison: South Korean and other Western Countries

The present study focuses on Korea which is currently receiving more and more attention in the global political economy as an emerging market. The developed Western countries have been the subject of existing studies. Korea has a different geographical location, different philosophies, and different social and cultural background. Therefore, researching more and varied national cases of CSR can help broader global understanding on CSR. CSR is being more emphasised worldwide due to the unethical behaviour of large enterprises and problems of capitalism. In addition, the USA is putting pressure on enterprises through civil society and the European countries are encouraging CSR activities through legislation led by the government, since several MNCs have been criticised because of their unethical behaviour.

Korea has a traditional philosophy and culture of Confucianism which are similar to the concept of CSR values. However, after their rapid economic and political development in the modern era, even the educational system emphasises material success and good education background rather than philosophy. As a result, there are currently many social problems. Against this background, the government is attempting to set up appropriate institutions and education systems for CSR to cope with global pressure. However, the system, the industrial structure and the media are centred on large firms; therefore SMEs are not very motivated regarding CSR activities and there are many restrictions. Since SMEs have an important position in terms of the Korean industry and employment, the government ought to take action for SMEs and accept those policies that are suitable for the national context, rather than copying or rejecting the Western developed countries' approaches.

Since CSR has been evolving based on a civil society approach in the United States of America (USA) and a legal approach in Europe (Avetisyan & Ferrary, 2013). USA has leveraged its long-developed conceptualisation of citizenship to let civil society take the initiative in donation campaigns and social contribution activities. On the other hand, in Europe, it is the government that has taken the lead to drive companies to become involved in addressing social issues (SMBA, 2010). We may say, from the CSR perspective, that these advanced economies are early adopters, and other developing countries are latecomers.

I also find particular differences between the Korean SMEs' CSR and the SMEs' CSR from other Western developed countries.

First, SMEs managers were more familiar with the term social contribution, as one of the synonyms of CSR. Also, some of the governmental agents used this term frequently. The term had two meanings. One indicated the lower level of basic external activities such as community services and donations. The other indicated CSR activities instead of using the term CSR. This shows that Korean linguistic and socio-cultural differences could affect conceptualisation of CSR and the usage of CSR terms in the SMEs sector.

Secondly, gender equality as one of the significant CSR issues should be understood not from the corporate level but from the Korean national perspective. This issue is also one of the serious social issues in Korea. Because of the long standing patriarchal system, Korean women workers tend to have difficulty in balancing work and life. They usually need to work and perform most of house chores and nurture children. This issue should not be understood as one of families or one of companies. Rather, gender equality could be improved in the Korean national context when the issue is discussed with the development of social structure. In this regard, there needs to be more support and education for this issue by the Korean government.

9. 3. Conclusion

This section discusses the implications and limitations of the present study for academia, practitioners and policy makers. The direction for further research is evaluated.

First of all, this study could theoretically contribute to a conceptualisation of SMEs CSR Champions, generate the new integrated model to understand CSR, draw the Korean national CSR HRD strategy for SMEs and provide a global overview of CSR. Besides this knowledge contribution, secondly, this study also suggests that policy makers provide more tailored education support in accordance with the characteristics of SMEs, set up a direction of the national CSR public policies/education for SMEs and provide an environment where citizens and companies could learn CSR values and thus contribute to the image and development of the country.

Thirdly, this study has the following limitations: it is not representative of all the SMEs of Korea, it has limited geographical focus, it has not been fully assessed from an education perspective and it does not select multiple case companies from various industries. By identifying these limitations, lastly, I suggested directions for future research. I recommend

for study cases of SMEs in the same industry or industries with similar conditions, further research on the CSR development stage of each SME and their differences in order to distinguish and determine the approach for CSR practice, research on the relationship between education policies of Korea and CSR activities and research on how each enterprise accumulates social capital and influence factors interact and the relationship between the two.

9. 3. 1. Theoretical Contributions

The present study has made four contributions which are listed on the following paragraphs in detail.

Contributing to a Conceptualisation of SME CSR Champions

From case study of the Korean CSR Champions among SME sector, I could show there is existing empirical evidence for SMEs' CSR practice in South Korea. The CSR Champions are relatively practising better and greater CSR performance than other companies. Therefore, research about these exemplary CSR Champions could contribute to providing information about how to access CSR for other ordinary SMEs. Further, their conceptualisation about CSR could help policy makers establish which governmental support for SMEs' CSR according to their peculiar characteristics. Moreover, several scholars point out lack of research in SMEs' CSR and the range of SMEs is quite broad and complex, it seems to be difficult to research in this area. Through this research for CSR Champions, it could be a good starting point for other researchers to access SMEs' CSR

As mentioned previously, CSR activities of SMEs have not been examined in existing studies. Further, even the studies on CSR activities of SMEs have not dealt with perceptions and opinions of international and government organisations. Through this study, various empirical findings have been established through examination of cases of SME CSR Champions of Korea and interviews with representatives of IOs and CSR educators from the Korean government agencies. Through this, the present study has examined how to perceive and implement CSR activities, their limitations and solutions. Further, methods for accessing CSR according to firm size, industrial differences and governance differences have been suggested by comparing and contrasting these case companies.

Contributing to generating the new integrated model to understand CSR

This study could generate the new integrated model to understand CSR. Based on the correlation between individual educational performance and social capital of organisation level (Coleman, 1988), I tried to combine these to the economic contribution of social contribution in the national level (Fukuyama, 1995).

The concept of CSR is very broad and fluid; therefore this concept can be examined in various perspectives and contexts. Furthermore, the concept can be understood as linked to other academic theories. Previous studies have focused on large enterprises which are chiefly affected by the needs of stakeholders; therefore they have been mainly based on the Stakeholder Theory. Further, the correlation with SCT has rarely been dealt with. Placing importance on accumulation of social capital by building trust with stakeholders can lead to educational or economic development of organisations and national competitiveness as a positive impact of social capital. As understood from the peculiar characteristics of SMEs' CSR, this study examined the link to SCT in a new perspective. In addition, how CSR activities can contribute to the development of SMEs through accumulation of social capital within and outside the companies has been examined in this study.

By integrating these two previous Social Capital models, the new model could explain how education factors influence CSR in the organisation level (SMEs) and how social capital accumulated in the process of SMEs' CSR contribute to national (social and economic) competitiveness.

Contributing to Drawing a Korean National CSR HRD for SMEs

This study could contribute to drawing the Korean national HRD strategies for CSR education. Since South Korea has been influenced by Confucian ethics culture, its national education strategies for CSR seem to be based on normative motivation. This is distinguishable from other countries' CSR public policies. Therefore, different socio-cultural backgrounds could influence not only state governance (CSR public policies) but also corporate governance (SMEs' organisational culture). The existing studies have not examined CSR in connection with educational perspectives and HRD factors. However, CSR can differ according to perceptions of the activities that are measures for obtaining information and for education. Although organisations today are influenced globally, they are ultimately affected by the legislation of their countries. Therefore, both global and national factors exist in CSR activities. In addition, CSR activities of SMEs are more connected to internal issues and HRD factors of the organisation rather than external factors. Therefore, it is important to investigate how they learn and implement CSR activities while examining relations with internal management factors of the organisations separately from external CSR activities. Accordingly, the effects of global, national and organisational factors on CSR activities of SMEs have been investigated.

The importance of national HRD in Korea is a key legacy, and is likely to reflect a similar picture in other Asian Tiger economies. The medium and small companies believe that practising CSR is important to company survival and development, by accumulating capital through trustful relationships with stakeholders and contributing to community development projects. Learning is both an organisation and a government goal, a perspective that is contested and challenged in Western countries. Therefore, this study argues that focusing on the social and financial achievements of medium and small companies, through a CSR lens, will contribute to enhanced national competitiveness (Won Hoon et al 2015), promote Korea's commitment to CSR, leading to increased social capital and reduced social

costs. The study also supports the view that national HRD initiatives, embedded in Korea's political ideology can support social and education development.

Contributing to a Global Overview of CSR

As mentioned earlier, SMEs have rarely been included in previous CSR studies. Further, the focus has been on developed Western countries in general; therefore expanding the subject areas of CSR study can contribute to a more global overview of CSR. Accordingly, the present study has been carried out focusing on CSR characteristics of SMEs of Korea to determine the social and cultural characteristics and current status of CSR activities of Korean enterprises. Korea is a country in East Asia which has social, cultural and geographical features which are very different from developed Western countries.

9. 3. 2. Policy Recommendations

In this study, external support, especially government I proposes the following three policies. Firstly, the government needs to provide tailored educational support in accordance with the characteristics of SMEs. In comparison with large companies, SMEs lack staff resources and are not capable of accessing CSR-related information or interacting with government agencies. Therefore, the government needs to establish educational programmes according to their characteristics, promote awareness in a more active manner and provide education in which the SMEs can participate. Furthermore, the SMEs seem to be quite interested in the other companies in the same industry and emphasise peer learning. Therefore, education needs to be implemented according to their business type and sizes.

Secondly, this study could suggest the direction of the national CSR public policies/education programmes for SMEs. In order to gain effectiveness of the policies and programmes, policy makers have to recognise the differences according to firm size. It is difficult for SMEs to perform CSR activities by themselves and thus the government needs to provide support for joint businesses. Some government organisations are carrying out CSR joint businesses through matching investors with SMEs, but the number of participating companies is likely to be very small as compared to the entire SME sector. The government ministries or agencies need to promote more joint businesses and provide education or economic support so that the CSR projects are not temporary ones. As SMEs tend to value

their personal networks, the government also needs to play a role as a mediator for CSR joint projects/networks through linking them with other partners (i.e. large companies, other SMEs, and NGOs).

Finally, enterprises whose citizens belong to can contribute to society and the country through CSR activities, but there is no environment in which they can learn about CSR activities through actual education policies and education institutions. Therefore, the government needs to encourage CSR and provide an environment where citizens and companies could learn CSR values and thus contribute to the image and development of the country. Even the students of management schools do not have enough opportunities for learning about CSR, as CSR is not usually included in the curriculum. The empirical findings of the present study have shown the importance of including CSR in the curriculum and of nurturing staff who can teach CSR. Accordingly, the government needs to put CSR elements into the education system and nurture staff who perceive and implement CSR so that they can accumulate social capital through trust and contribute more to the society and the country.

9. 3. 3. Limitations

The present study has the following four limitations due to limited scope of the research, limited time and budget of field work.

Firstly, the cases of SMEs used in this study do not represent the entire SMEs of Korea. The research has not found many case SMEs because the current research and information on CSR activities of SMEs are very limited. Therefore, the researcher has not obtained data from a great amount of companies or various industries for the study. Through snowball sampling and due to limited documentation of other industries than IT, this study has many more case companies in IT, and thus this has brought an imbalance of the case companies' industries.

Secondly, this study has been carried out with SMEs based in the Seoul Capital Area of Korea. SMEs are distributed all around Korea. Due to the limited time and budget for fieldwork, SMEs in other areas have not been included in this study. Therefore, this study cannot represent the entire Korean SME scenario and there could be more SMEs Champions in other areas.

Thirdly, CSR activities of SMEs of Korea have not been fully studied in an educational perspective; only organisations and policies related to the actual CSR activities have been studied. Not all of the Korean national education policies have been investigated due to the

limited time and budget. There could be more education policies in Korea which are related to CSR activities of SMEs. In this study, CSR itself or CSR activities of SMEs have been evaluated in order to link these to the government agencies which are related to CSR education. Therefore, educational institutions which are related to the Korean education policies have been excluded from the study and the CSR educators from Korean government agencies/ministries have been interviewed.

Finally, because of the difficulty in identifying the case companies under the selection criteria, I could not find multiple case companies in each industry. Therefore, there is a limitation to (theoretically) generate industry differences with regards to SMEs' CSR in the Korean national context.

9. 3. 4. Directions for Further Research

I would like to propose the following four directions for further research beyond the present study. As the range of SMEs is wide and their characteristics are complex, and the concepts of CSR are fluid according to the context, I recommend further research with a more careful research attitude.

Firstly, the present study examines the cases of 7 Korean SMEs CSR champions in the industries of IT, construction, manufacturing and pharmaceuticals. Therefore, it would be recommended to study cases of SMEs in the same industry or industries with similar conditions. In the present study, characteristics of each business type of case enterprise and their CSR characteristics have been evaluated. However, plentiful and varied characteristics would be found through case studies depending on the selection of the industries conducting CSR activities.

Secondly, the case companies of this study have common CSR characteristics. However, they are different regarding the level of CSR education and implementation measures. Therefore, the CSR development stage of each SME needs to be explored further to classify these differences in order to determine the differentiation approach for CSR practice. In this study, the enterprises which are implementing external CSR practice and are attempting to combine these activities with internal management factors have been selected as case companies. However, studying characteristics of SMEs in the developmental stage by classifying companies which implement only external activities, which practise no external

activities and which perform as many activities as large firms do could provide more significant implications for CSR study.

Thirdly, as mentioned in the limitation section, it is recommended to explore the relationship between education policies of Korea and CSR activities. Employing CSR staff is significant for the development of CSR activities. Therefore, it would be meaningful to study CSR staffs who implement CSR activities under the national education system and thus further research could investigate how these human resources could be nurtured and how the country could raise more human resources within the national HRD system.

Finally, how each enterprise accumulates social capital and influential factors need to be studied based on SCT. How social capital is accumulated through CSR characteristics and how education factors of SMEs can contribute to development of the enterprises have been examined indirectly in the present study. In addition, the current status of social capital of the country and the reason for that status need to be studied for a better understanding of the correlation between enterprises and SCT. Furthermore, I recommend the further research method using time-series analysis in order to examine CSR's economic benefit through improving social capital. This research method could "identify theoretically proposed sequences of an event that are expected to lead to a certain outcome." (Yin, 1994)

In conclusion, the present study has been carried out based on a social constructionism approach and the research questions have been answered through reviewing the theoretical basis established according to the collection of existing studies, as well as analysing empirical findings obtained from multiple case studies of Korean CSR Champions, through interviews of representatives of Korean national office of IOs, CSR educators of the Korean government agencies related to CSR activities, and documents which the case companies, IOs and government agencies provided.

The SMEs of Korea perceive CSR activities differently from large corporations, having limitations as well. However, they have normative motivations and implement the activities focusing on the local community, volunteering activities, and talent donation according to their industry characteristics. They have various limitations such as lack of human and material resources and information, but could overcome these limitations through strategic CSR activities or external support from the government or large companies. As their characteristics seem to differ according to firm size, industry differences and governance differences, in addition, differentiation of their strategy to approach CSR is suggested. Further, the factors affecting the CSR activities of SMEs have been evaluated and these were

classified as global, national or organisational level. The results indicate that their CSR activities are most closely related to the organisational factors under the strong wills of their CEOs. Furthermore, the government has not many policies and educational programmes specifically for SMEs, therefore they are more related to the educational programmes or network CSR projects of local government rather than the central government's organisations. Furthermore, they do not have enough information and programmes from IOs are not available or easily accessible therefore they have not participated in these programmes. In future, educational programmes from government organisations, along with internal efforts of SMEs, could be more important than economic support. Moreover, educational programmes customised for SMEs could help them implement CSR activities.

Furthermore, the CSR activities of the SMEs play a positive role in the relationship with internal stakeholders of the organisations. Therefore, they contain social capital such as trust and cooperation, and they accumulate social capital internally. These help in building trustworthy relationships with external stakeholders through their corporate image and brand leading to the accumulation of social capital. As a result, internal and external virtuous cycle could be established; therefore this comparative advantage results in long-term competitiveness. Through the process of accumulation of social capital, I explored how CSR generates this positive impact for the development of SMEs. The CSR activities of SMEs of Korea can be compared and contrasted with developed Western countries which have been the subject of existing CSR studies. The Korean enterprises have different geographical and social/cultural backgrounds and are at an initial stage of CSR activities. Therefore, they need to take in the good measures and reject the drawbacks experienced by developed Western countries, and recognise social and cultural differences.

Korea is an emerging market; therefore there is a higher level of global pressure on CSR activities and this pressure is known to many developing countries as a good basis for national development. Therefore, CSR research is very important for improving national competitiveness in the global political economy. Furthermore, only a small number of CSR studies have been carried out on SMEs, and the range of SMEs is very broad and diverse. Therefore CSR research on SMEs needs to be carried out continuously. As the concept of CSR is very broad and fluid, and society is becoming more transparent and responsible, the importance of CSR will be greatly emphasised. As the researcher tried to link CSR research to educational perspective and SCT in this present study, therefore, further research is

expected in order to link CSR research to other academic fields and theories beyond the previously dominant theoretical background.

Appendix A

University of Manchester School of Environment and Development

Participant Information Sheet

You are being invited to take part in a research study as part of a PhD research project looking into the Role of Corporate Social Responsibility (CSR) education for South Korean Small and Medium Enterprises' (SMEs') Development from the perspective of Social Capital Theory (SCT). Before you decide to participate, it is significant for you to comprehend why the research is conducting and what it would involve. Please take the time to read the following information carefully and feel free to ask for more information, or if there is anything that remains unclear, before deciding whether to take part. Thank you for considering being a participant.

What is the title of the research?

The Role of CSR education for South Korean SMEs' Development from the perspective of SCT

Who will conduct the research?

Se-Eun Hwang, PhD student, Global Development Institute (GDI), First Floor, Arthur Lewis Building, University of Manchester, Oxford Road, Manchester, M13 9PL

What is the aim of the research?

The aim of the research is to find out in what ways and to what extent CSR education can contribute to the improvement of Social Capital at the organisational level (Small and Medium Enterprises) for organisational development in the context of South Korea. I am particularly interested in understanding how CSR is conceptualised in SMEs, how CSR education influence SMEs' development by assessing influential factors at the global, national and organisational levels, and whether CSR practices have helped nurture social capital.

Why have I been chosen?

For the selected SMEs interview participants

You have been chosen as a potential participant for this study because of your role within the case company (SME). You are deemed an important decision maker in deciding the content and delivery of the case company's (SME's) CSR practice.

For the selected representatives from the Korean national offices of international organisations, and governmental agencies related to providing CSR education

You have been chosen as a potential participant for this study because of your role as a representative within from the Korean national offices of an international organisation or in a governmental agency related to providing CSR education. You are deemed an important decision maker in deciding the content and delivery of policy and educational programmes which may influence CSR knowledge in the SME sector.

What would I be asked to do if I took part?

To be interviewed at a time and location of your choice. If you consent to an interview, I will briefly introduce the research and we will discuss the issues it raises according to your own knowledge and experience.

What happens to the data collected?

All data will be stored securely, accessible only to me, the principal investigator, for the purposes of study towards a PhD in GDI at the University of Manchester.

How is confidentiality maintained?

All information provided will be transferred onto my computer as soon as possible, and will be encrypted and password protected. All voice recordings, photographs and handwritten notes will be locked away in a cabinet only accessible to me. Written transcripts will be coded to ensure anonymity of all participants, which will be fully maintained in publication in order to protect your identity.

What happens if I do not want to take part or if I change my mind?

It is totally up to you to decide whether or not to take part. If you do decide to participate in the study you will be given this information sheet to keep as reference and be asked to sign a consent form. You can withdraw from the research at any time you want.

Will I be paid for participating in the research?

No. All participation is voluntary.

What is the duration of the research?

The research period will run until late 2016. For our interview, I ask for only around an hour of your time.

Where will the research be conducted?

The research is being conducted in the Seoul Capital Area, South Korea. For interviews, I can travel to your workplace or meet you at any other public venue of your choice at a time convenient for you.

Will the outcomes of the research be published?

The research is part of a PhD thesis, a copy of which will be kept in the University of Manchester library. I also hope to publish my findings in academic journals and present these at various conferences.

Contact for further information

My postal address is given above, and my email address is: seeun.hwang@postgrad.manchester.ac.uk

What if something goes wrong?

You can contact me at any time with reference to your participation in the research.

If you want to make a formal complaint about the conduct of the research you can contact my supervisors using the information below:

Dr Beverly Metcalfe,

Room 1.005, Global Development Institute (GDI), First Floor, Arthur Lewis Building, University of Manchester, Oxford Road, Manchester, M13 9PL

Beverly.Metcalfe@manchester.ac.uk

or the Head of the Research Office, Christie Building, University of Manchester, Oxford Road, Manchester, M13 9PL.

Appendix B

University of Manchester School of Environment and Development

The Role of CSR Education for South Korean SMEs' Development
from the perspective of Social Capital Theory

CONSENT FORM

If you are happy to participate please read the consent form and initial it:

**Please
Initial
Box**

- 1) I confirm that I have read the attached information sheet on the above project and have had the opportunity to consider the information and ask questions and had these answered satisfactorily.
- 2) I understand that my participation in the study is voluntary and at my own risk, and that I am free to withdraw at any time without giving a reason.
- 3) I understand that the interviews will be audio/video-recorded.
- 4) I agree to the use of anonymous quotes for publishing academic books or journals.

I agree to take part in the above project

Name of participant

Date

Signature

Name of person taking consent

Date

Signature

Appendix C

University of Manchester
School of Environment, Education, and Development

The Role of Corporate Social Responsibility (CSR) education
in Korean Small and Medium Enterprises' (SMEs') Development
from the Perspective of Social Capital Theory

Interview guide

Thank you for participating in this interview.

As you are already aware, I am a Ph.D. student at the Global Development Institute (GDI), University of Manchester, UK and I am researching in a study that will examine how CSR education can contribute to the improvement of Social Capital at the organisational level (SMEs) in the context of South Korea.

I have chosen to interview you because of your role within one of the selected SMEs that I am using as the case study for this research, and I'd like to ask you some questions about the ways you support CSR practice in your work.

I will try not to keep you longer than an hour. I will keep track of time as we proceed – and if you need to pause, break off, attend to something urgent or anything – just let me know.

Before beginning the interview, I'd like to give a brief summary of my research.

Background of this study

Not only financial achievement but also social responsibilities are required of a company to survive in global competitive markets, whereas financial achievement was the only focus in the past. CSR research, however, is mainly studied from the examples of large companies in Western developed countries; such large companies use CSR as a form of PR or marketing tool to survive in competitive markets. Therefore, to increase the actual number of companies that use CSR, it is necessary to study SMEs, which have different management systems and company cultures, with regard to CSR.

Though SMEs have company size and records that cannot compare with those of large companies in terms of existing documents available for research, they are in a very important position with regard to local enterprise development and the global political economy. The management systems of SMEs are different from those of large companies and the individuals concerned, including stockholders, tend to view and practise CSR not from an instrumental viewpoint, like large companies' motivation for CSR, but from a normative viewpoint. SMEs have different characteristics of innovation and entrepreneurship compared to large companies that have sufficient power and resources; have more trustful relationships between executives and staff members within groups; and also consider relationships with partner firms and customers as being important. Therefore, they can achieve not only financial survival but also social achievement. Unlike CSR research on large companies, where the Stakeholder Theory is dominant, SMEs' CSR research may apply SCT: that better results will come by decreasing social costs when individuals or organisations are in trustful relationships.

About this study

Many researchers point out that existing CSR research studies tend to be biased towards Western developed countries geographically, and critical scholars argue that it is necessary to investigate CSR as implemented in geographically different regions that have different cultures, histories, and religions. As the importance of CSR has increased in the last 10 years, more enterprises, encouraged by governments, are promoting CSR practice. Large Korean companies tend to advertise huge external CSR projects as an instrument to cover their unethical behaviours, and thus their CSR activities have failed to gain the trust of the public. This can be viewed as lost social capital compared to developed countries that have high social capital, and because of this distrust, issues like CSR and social capital have come under the spotlight.

Previous research indicates that small and medium companies are still relatively free from social responsibilities, but the pressure to implement CSR for medium and small companies has increased. Unlike large companies, medium and small companies can overcome the limitations of insufficient resources or information only through the political support of the government. The medium and small companies that believe applying CSR is important to company survival find that accumulating capital through CSR is possible; thus,

through building trustful relationships among stakeholders, they can contribute not only to survival, but also to success in competitive markets in the long term. Therefore, this study expects that focusing on the social and financial achievements of medium and small companies through CSR will contribute to enhancing national competitiveness by developing medium and small companies and boosting the national image, leading to increased social capital and also reducing social costs.

This study has the following research questions.

(1) How do SMEs conceptualise CSR?

(2) How do global, national and organisational factors of CSR education assist SME development?

(3) How is CSR conceptualised in the process of accumulating social capital?

Beginning the interview

Before I begin the interview, I want to ask you a few things.

1. Can I audio-record our conversation? Because I want to have an accurate record of what we talk about that I can go back to.

Yes/No

2. After this fieldwork, I will write the report and analyse our conversation. Can I use direct quotation from your responses? I will get your feedback before I present reports publicly.

Yes/No

Interview Questions

From now on, I will ask you some questions I'd like you to answer based on your knowledge and experience. There will be 3 sections such as CSR conceptualisation in SMEs, influential factors for SMEs' learning in CSR, and impact of CSR practices of SMEs, and I will ask you 3 to 4 questions for each section.

<Warm-up questions>

Can you describe your job in your company?

How long have you worked in the company?

<Main questions>

1. How do you understand CSR? Are you familiar with the term? What does it mean to you?
2. Do you think a company has responsibilities to the society? Can you give me examples about how your company has social responsibilities?
3. Which CSR tasks are you interested in?
 - 1) Donation
 - 2) Community Service
 - 3) Employees/labour
 - 4) Education
 - 5) Environment
 - 6) Child Care
 - 7) Others
4. How do you get information and knowledge about CSR in order to practise each one of the above tasks? Can you give me examples?
5. Have you ever participated in CSR educational programmes provided by global/governmental agencies?
6. What kind of benefit and privilege do you get from government when you practise CSR?
7. What do you think about the current government's help to support CSR?
8. How does your organisation make decisions on CSR? Do you have a different decision making process according to each task?
9. Do you have any difficulties or obstacles when your company practises CSR?
10. Do you think the economic purpose of business is contradictory to ethical obligations? If so, how do you overcome this?
11. Why do you practise these tasks?
12. Is CSR a major component of strategic planning?
13. What kind of benefit can be obtained through CSR activities? (individual/organisational)

Additionally, I'd like to ask you two more questions.

14. Can you recommend any interviewee who could provide appropriate sources for this study?
15. Are there any documents or archival records to support this study?

<Closing Interview >

This is the end of my interview.

After this interview, if I have more questions or need clarification about what you said today, can I contact you by email or telephone?

Thank you for your time. It's been very helpful.

<Section for participants from Global/Governmental agencies>

1. Are you familiar with the term CSR? How do you define CSR?
2. Why do you think Korean companies practise CSR?
3. What benefits do you think Korean companies get when they practise CSR?
4. What kind of CSR tasks do they need to accomplish?
5. Do they utilise CSR as strategic planning?
6. How do you think companies access CSR information or CSR education?
7. Is there any task in your work directly related to CSR education? If so, what is the most important issue when you deliver CSR education?
8. How many Korean companies participate in CSR education? What are their responses?
9. Do SMEs also participate in the education? Is there any separate education for SMEs?
10. Do you think do SMEs need a different approach of CSR from large companies?
11. What challenges do you think do SMEs face when they practise CSR?
12. What do you emphasise when you educate SMEs about CSR?
13. Can you recommend any other global or governmental agents related to providing CSR education as interviewees who could participate in this study?
14. Can you provide documentation or archival records for this study?

Appendix D

Example of Communication with Interview Participants

From: "Se-Eun Hwang" <gumbin.hwang@postgrad.manchester.ac.uk>

Date: Wednesday, November 05, 2014 11:52 AM

To: Anonymous

Dear Sir/Madam,

I am Se-Eun Hwang, GDI (Global Development Institute) PhD student of University of Manchester, UK. Now I am trying to explore the Korean SMEs' (SMEs) CSR (Corporate Social Responsibility) by interviewing Korean IT medium companies.

I am sending you this email in order to request interviews to get knowledge and know-how on how your company has grown as a CSR Champion company.

Compared to large companies, there are limitations for SMEs in practicing CSR. Nowadays, however, the number of medium companies which are practicing genuine/normative CSR in Korea. Based on evidences of official reports and articles, your company is one of those in active communication with other companies, with great training programmes for employees, and with external CSR projects.

I chose you as my interview participant because you have the appropriate position and job assignment to answer several interview questions about corporate philosophy, Human Resource policy, and CSR of your company during 30 minutes to 1 hour face to face interviews.

I am attaching, for your perusal, appendix A which explains about my research, interview and ethical issues.

I hope you decide whether you accept this offer of interview within two weeks. If there is anything you want to know further, please feel free to contact me by email/phone.

Thank you for reading this email. I look forward to hearing from you.

Your Sincerely,
Se-Eun Hwang

Appendix E

List of Data Collected from the Case Companies (SMEs)

Organisation Name	Division of Interviewee	Position of Interviewee	Interview Method
Company A	Marketing	Assistant Manager	Pilot Interview by Telephone
			Face to Face Interview
	PR Team	Team Manager	Interview by E-mail
Company B	Planning & Marketing Team / Management Support Division	General Manager	Pilot Interview by E-mail
			Face to Face Interview
	Human Resources Team / Management Support Division	Team Manager	Face to Face Interview
Company C	Human Resources & General Affair Team	Team Manager	Face to Face Interview
		Assistant Manager	Face to Face Interview
Company D	Happiness Management Department	Chief Staff Officer	Face to Face Interview
	Product Framework & UI Development	Assistant Manager	Interview by E-mail
Company E	Corporate Culture Team	Team Manager	Face to Face Interview
		Assistant	Face to Face Interview
Company F	PR Team	Executive Director	Face to Face Interview
	Human Resources Team	Assistant Manager	Interview by E-mail
Company G	Global Business	Team Manager	Face to Face Interview
		Assistant	Face to Face Interview

Appendix F

List of Data Collected from International Organisations

Organisation Name	Division of Interviewee	Position of Interviewee	Interview Method
UN Global Compact Korea Network		Team Leader	Pilot Interview by Telephone
			Face to Face Interview
Korean National Commission for UNESCO	Division of Education, Bureau of Policy & Programmes	Programme Officer	Face to Face Interview

Appendix G

List of Data Collected from the Korean Governmental Agencies

Organisation Name	Division of Interviewee	Position of Interviewee	Interview Method
KCCI (Korea Chamber of Commerce and Industry)	Sustainability Strategy Team, BISD (Business Institute for Sustainable Development)	Senior Researcher	Face to Face Interview
Community Relations Centre		Former Director	Pilot Interview by Telephone
		Director	Face to Face Interview
KPC (Korea Productivity Centre)	Sustainability Management Centre	Team Leader	Face to Face Interview
KSA (Korean Standards Association)	Management Innovation Division/Organisational Competency Innovation Centre	Senior Manager	Face to Face Interview
Institute for Industrial Policy Studies	Research Team/Division of Sustainability Management	Team Leader & Senior Researcher	Interview by E-mail
KOTRA (Korea Trade-Investment Promotion Agency)	Global Corporate Social Responsibility Department	Senior Manager	Interview by E-mail
KDI (Korea Development Institute)	School of Public Policy and Management	Professor & Academic Dean	Face to Face Interview
KOICA (Korea International Cooperation Agency)	Innovation Partnership Program Team, Public-Private Partnership Department	Program Officer	Face to Face Interview
		Program Officer	Face to Face Interview

Appendix H

Table: List of Data Collected from Academia

Organisation Name	Division of Interviewee	Position of Interviewee	Interview Method
Korea University	Business school	Professor Advisory Commissioner of UN Global Compact Korea Network	Face to face interview
Korea Development Institute (KDI)	School of Public Policy and Management	Professor Associate Dean	Face to face interview

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