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Exploring the Factors of Corporate Social Responsibility Practices in Small and Medium Enterprises: A Study among Chinese Private Enterprises in Chengdu, China

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ABSTRACT

Corporate Social Responsibility (CSR) is vital for the sustained success of businesses. Traditionally, large enterprises have been the primary implementers of CSR, setting them apart from private small and medium-sized enterprises (SMEs). Consequently, this study investigates the factors influencing CSR practices in SMEs among private businesses in Chengdu, China. Employing a quantitative approach and combining the Knowledge, Attitude, and Practice (KAP) theory with the four components of CSR, the research examines 15 hypotheses to explore the relationships between business owners' knowledge, attitude, and practices related to CSR elements. The sample comprises 400 entrepreneurs from private SMEs in Chengdu, selected through snowball sampling and surveyed via an online questionnaire. The results indicate that all corresponding knowledge, attitudes, and practices exhibit a significantly positive correlation, confirming the importance of knowledge and attitudes in shaping Corporate Social Responsibility (CSR) practices among private enterprises in Chengdu, China. The study concluded by highlighting its contribution to the existing body of knowledge and offering recommendations for future research.

Keywords: Business owners, corporate social responsibility practices, KAP theory, private businesses, SMEs

INTRODUCTION

Corporate Social Responsibility (CSR) is increasingly vital in global business (Kucharska & Kowalczyk, 2018), though its impact varies by country. CSR gained prominence in China in the 1990s, driven by government advocacy, as China emerged as a major economic power (Yin & Zhang, 2012).

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While CSR research often focuses on large corporations, there is limited attention on SMEs, especially in China (Zheng et al., 2022). Given their economic importance (Jin et al., 2020), it is crucial to understand the factors influencing CSR in Chinese SMEs. This study examines SME owners' CSR knowledge, attitudes, and practices based on Porter and Kramer's (2006) four CSR justifications. The findings aim to guide scholars, practitioners, and business owners in promoting CSR and corporate sustainability.

Research Objectives

The research objectives of this study are as follows:

1. To assess the level of knowledge, attitudes, and practices with reference to the four elements of CSR among private businesses.
2. To assess the relationship between knowledge, attitudes, and practices with reference to the 4 elements of CSR.

MATERIALS & METHODS

This study quantitatively explores the relationship between knowledge, attitude, and practice in CSR across Chengdu's private manufacturing SMEs, which are key to the region's Gross Domestic Product (GDP) and employment. SPSS is used to test variable differences, focusing on CSR and corporate sustainability. The sample size 400 meets Hair's minimum requirement, Cohen's (1992) 80% power, and Thompson's model complexity rules. Snowball sampling effectively reaches SME owners in Chengdu, expanding the sample while reducing costs and time and improving data quality and diversity. Data is collected using a 68-item structured survey covering respondent information, CSR knowledge, attitudes, and practices, measured on a five-point Likert scale. The survey was returned and translated for accuracy. The online survey will be hosted on *Questionnaire Stars* (He et al., 2019). Preliminary questions will screened for Chengdu private business owners; non-qualifiers will be excluded.

Research model

Research model is shown in Figure 1.

RESULTS AND DISCUSSION

Demographic Profile

The demographic data shows that most respondents are male (55.5%) with diverse educational backgrounds, mainly bachelor's degrees (41.3%). They work mostly in food manufacturing (22.5%) or apparel and footwear (22.3%). Most businesses are 1–5 years old (47.3%) and primarily small or micro enterprises (66.5%).

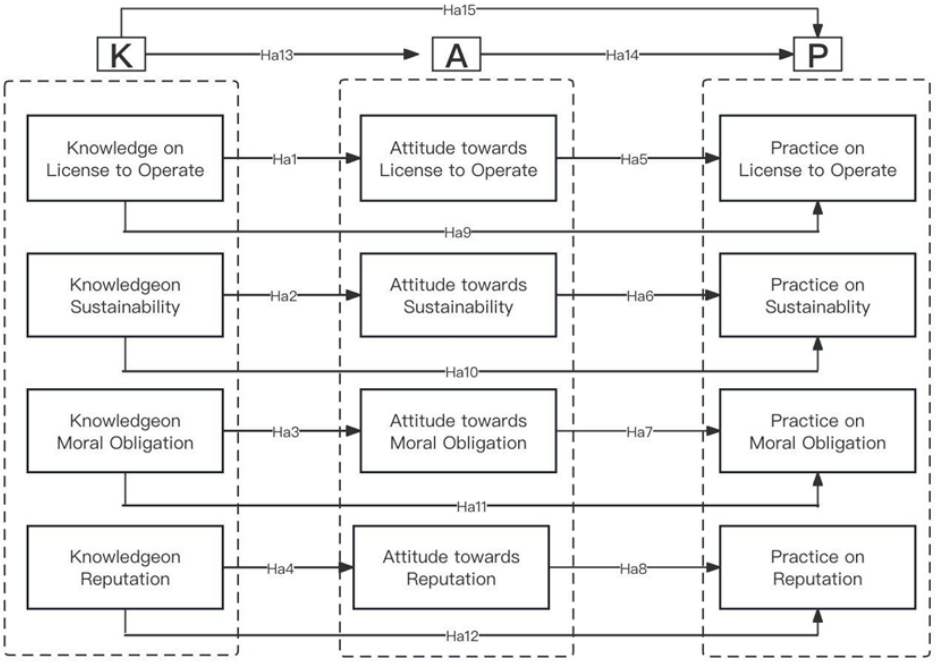

Figure 1. Research model (Porter & Kramer, 2006)

Reliability Analysis

Knowledge (K), Attitude (A), and Practice (P) on CSR show strong internal consistency with Cronbach's α values of 0.925, 0.876, and 0.897, respectively.

Descriptive Analysis

Knowledge Attitude and Practice on CSR

Respondents have high CSR knowledge (M = 3.94) and positive attitudes (M=4.34), but CSR practices are moderate (M = 3.78). Greater focus on 'sustainability' is needed in both knowledge and attitudes.

Preliminary Analysis Correlation Analysis

Correlation Between Knowledge and Attitude on CSR

The correlation tests show significant relationships between each knowledge and corresponding attitude variable: Knowledge on License to Operate (KL) and Attitude toward License to Operate (AL) (ρ = 0.301, p = .000), Knowledge on Sustainability (KS) and Attitude toward Sustainability (AS) (ρ = 0.279, p = .000), Knowledge on

Moral Obligation（KM)and Attitude toward Moral Obligation (AM) (ρ = 0.335, *p* = .000), Knowledge on Reputation (KR) and Attitude toward Reputation (AR) (ρ = 0.322, *p* = .000), and most notably, Knowledge on CSR (K) and Attitude toward CSR(A) (ρ = 0.549, *p* = .000).

Correlation Between Attitude and Practice on CSR

The correlation tests between attitude and practice variables show significant relationships: AL and Practice on License to Operate (PL) (ρ = 0.616, *p* = .000), AS and Practice on Sustainability (PS) (ρ = 0.605, *p* = .000), AM and Practice on Moral Obligation (PM) (ρ = 0.752, *p* = .000), AR and Practice on Reputation (PR) (ρ = 0.727, *p* = .000), and most notably, A and Practice on CSR (P) (ρ = 0.799, *p* = .000).

Correlation Knowledge and Practice on CSR

Correlation tests between knowledge and practice variables show significant relationships: KL and PL (ρ = 0.784, p = .000), KS and PS (ρ = 0.703, p = .000), KM and PM (ρ = 0.704, p = .000), KR and PR (ρ = 0.756, p = .000), and most notably, K and P (ρ = 0.848, p = .000).

RO1 : This study evaluated CSR-related knowledge, attitudes, and practices among private business owners. Owners are most knowledgeable and active in the "license to operate" area, while practices related to "moral obligation" are the lowest. Attitudes toward CSR are generally positive, especially for the license to operate, with less favourable views on reputation. Private businesses demonstrate a strong understanding of and a positive attitude toward CSR, although there is room for improvement in their sense of moral obligation.

RO2 : All 15 proposed hypotheses were confirmed, highlighting the significant role of business owners' knowledge of CSR components in shaping their attitudes and behaviours. Higher CSR knowledge in Chengdu SMEs leads to better attitudes and practices, with a notable gap in sustainability knowledge. Targeted education, especially in sustainability, is needed. "License to operate" has the greatest influence on CSR practices, suggesting that focusing on this area can enhance overall CSR performance.

This study enriches existing knowledge by establishing a model that integrates CSR theory and the Knowledge, Attitude, and Practice (KAP) theory, validating its applicability within the unique context of Chinese SMEs in Chengdu. Quantitative methods and a large sample boost reliability and lay the groundwork for future research. The findings deliver actionable recommendations for Chengdu's business owners and policymakers,

emphasizing the importance of targeted educational initiatives to enhance CSR awareness and engagement, ultimately contributing to sustainable development and addressing the challenges faced by local SMEs.

CONCLUSION

The study shows that CSR knowledge is key to positive attitudes and practices in Chengdu SMEs. It recommends better CSR education, especially in sustainability, and collaboration with educational and industry bodies for effective training. Promoting positive attitudes through targeted campaigns and incentives and enhancing internal management with strategies from larger firms will boost CSR implementation and regional sustainability.

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