THE EFFECT OF CORPORATE SOCIAL RESPONSIBILITY STRATEGY ON THE
GROWTH OF MULTINATIONAL FOOD AND BEVERAGE
COMPANIES IN CHINA

by

Alison Flood

_______________________

Doctoral Study Submitted in Partial Fulfillment

of the Requirements for the Degree of

Doctor of Business Administration

_______________________

Liberty University, School of Business

September 2021
Abstract

As multinational food and beverage companies experience an increased demand to act mindfully in a changing globalized world, many are improving their corporate social responsibility (CSR) techniques. The specific problem to be addressed is the socio-economic barriers that have resulted in the failure of multinational food and beverage companies to implement effective corporate social responsibility techniques in China. Multinational food and beverage companies have used CSR strategies for years to address environmental and social concerns while always pursuing their corporate objectives. These efforts often include philanthropy, labor rights, environmental preservation, conservation of resources, and consumer safety. In this context, CSR emerged as businesses realized that the CSR outcomes were desirable for customers. This qualitative case explores the CSR techniques of multinational food and beverage companies and how they work around China's rapidly growing socio-economic environment.

*Keywords:* Corporate social responsibility (CSR), multinational food and beverage companies, China, Environmental, Social, Governmental (ESG) Matrics
THE EFFECT OF CORPORATE SOCIAL RESPONSIBILITY STRATEGY ON THE GROWTH OF MULTINATIONAL FOOD AND BEVERAGE COMPANIES IN CHINA

by

Alison Flood

Dissertation Submitted in Partial Fulfillment of the Requirements for the Degree of

Doctor of Business Administration

Liberty University, School of Business

October 2021

Approvals

__________________________  __________________
Alison Flood, Doctoral Candidate  Date

__________________________  __________________
Dr. Reshowrn B. Thomas, Dissertation Chair  Date

__________________________  __________________
Dr. Latasha King, Committee Member  Date

__________________________  __________________
Dr. Edward M. Moore, Director of Doctoral Programs  Date
Dedication

To my children Grace and Trevor, my hope for you is that you always seek knowledge. To be a lifelong learner, I wish more than anything that you find your passion and run with it without hesitation.

My parents, who deserve endless gratitude, provided me with a strong foundation while instilling core values, strong work ethic, faith, and integrity in me. They inspire me every day to live to my potential and to embrace the journey along the way.
Acknowledgments

Foremost, I would like to extend my sincere appreciation to my committee chair, Dr. Reshowrn B. Thomas, for her patience, support, prayers, enthusiasm, and guidance in my DBA research and study. Your encouragement and ongoing support have been the unwavering pillar needed in navigating through the complexities of research and while maintaining focus.

In addition, I would like to thank the rest of the committee members, Dr. Regina King and Dr. Edward M. Moore, for challenging me throughout my research and providing guidance, comments, and encouragement each step of the way.
# Table of Contents

Abstract ........................................................................................................................................... ii

Approvals ......................................................................................................................................... iii

Dedication ........................................................................................................................................ iv

Acknowledgments ............................................................................................................................ v

List of Tables ..................................................................................................................................... xi

List of Figures .................................................................................................................................... xii

Section 1: Foundation of the Study .................................................................................................. 1

  Background of the Problem ............................................................................................................ 1

  Problem Statement ......................................................................................................................... 2

  Purpose Statement .......................................................................................................................... 3

  Nature of the Study .......................................................................................................................... 3

    Discussion of Method .................................................................................................................... 4

    Discussion of Design ..................................................................................................................... 6

    Summary of the Nature of the Study .............................................................................................. 9

Research Questions .......................................................................................................................... 9

Conceptual Framework .................................................................................................................... 10

  Socio-economic Barriers ................................................................................................................. 10

  Multinational Food and Beverage Companies ................................................................................ 12

  Four Concepts of CSR .................................................................................................................... 13

  Impacts of CSR on Infrastructure ................................................................................................ 14

  Relationships Between Concepts Matrics ....................................................................................... 14

  Discussion of Relationships Between Concepts .......................................................................... 15
Summary of the Conceptual Framework ................................................................. 15

Definition of Terms .......................................................................................... 15

Assumptions, Limitations, Delimitations ......................................................... 16
  Assumptions ................................................................................................. 17
  Limitations ................................................................................................. 17
  Delimitations ............................................................................................ 18

Significance of the Study ................................................................................. 18
  Reduction of Gaps ..................................................................................... 19
  Implications for Biblical Integration ............................................................ 19
  Relationship to Field of Study ................................................................. 21
  Summary of the Significance of the Study ................................................. 22

A Review of the Professional and Academic Literature .................................. 23

Current Situation .......................................................................................... 25

Chinese Government Intervention ................................................................. 27
  Human Rights .......................................................................................... 28
  Labor ........................................................................................................ 28
  Environment ............................................................................................. 28
  Anti-Corruption ....................................................................................... 29
  Cultural Differences ................................................................................ 31

Multinational Food and Beverage Companies ............................................. 35

Company Background .................................................................................. 35

CSR and Multinational Food and Beverage Companies ............................. 37
  CSR Challenges in China ............................................................................ 38
Consumer Expectations ................................................................. 41
Risk and Opportunity Assessment ........................................................ 42
Incorporation of CSR into a Business Model ........................................... 44
CSR Strategies ................................................................................. 45
Attributes of CSR ............................................................................. 46
CSR Constructs .................................................................................. 49
Environmental, Social, Governmental (ESG) Matrics .................................. 50
Potential Themes and Perceptions .......................................................... 52
Questions for Further Research ............................................................... 53
Methods and Standards ........................................................................ 54
Summary of the Literature Review ......................................................... 56
Summary of Section 1 ........................................................................... 57
Section 2: The Project .......................................................................... 59
Purpose Statement ................................................................................ 59
Role of the Researcher .......................................................................... 60
Participants ............................................................................................ 60
Research Method and Design ................................................................ 61
Discussion of the Method ...................................................................... 61
Discussion of Design ............................................................................ 62
Summary of Research Method and Design .............................................. 63
Population and Sampling ...................................................................... 63
Discussion of Population ....................................................................... 63
Discussion of Sampling ........................................................................ 64
Sampling Frame ........................................................................................................... 64
Sample Size .................................................................................................................. 65
Summary of Population and Sampling ......................................................................... 66
Data Collection .............................................................................................................. 66
Instruments ..................................................................................................................... 67
Data Collection Techniques ........................................................................................ 68
Data Organization Techniques ...................................................................................... 69
Summary of Data Collection ....................................................................................... 69
Data Analysis .................................................................................................................. 69
Coding Process ............................................................................................................. 70
Summary of Data Analysis ......................................................................................... 71
Reliability and Validity ................................................................................................. 72
Reliability ...................................................................................................................... 72
Validity .......................................................................................................................... 73
Summary of Reliability and Validity ............................................................................. 74
Summary of Section 2 .................................................................................................... 74
Section 3: Application to Professional Practice and Implications for Change ............... 75
Overview of the Study ................................................................................................. 75
Anticipated Themes/Perceptions .................................................................................. 77
Presentation of the Findings ......................................................................................... 78
Theme 1. Top-Down Government CSR Intervention ..................................................... 89
Government Corruption ............................................................................................... 95
Theme 2. Historical Food and Environmental Safety Concerns .................................. 96
Theme 3. Continuous Acquisitions and Human Rights Violations ........................................... 102
Relationship of Themes/Patterns to Research Questions ...................................................... 104
Summary of the Findings ........................................................................................................ 105
Applications to Professional Practice ..................................................................................... 106
  Improving General Business Practice ............................................................................... 106
  Potential Application Strategies ......................................................................................... 108
  Summary of Application to Professional Practice ............................................................... 110
Recommendations for Action ................................................................................................. 110
Reflections .............................................................................................................................. 112
  Personal & Professional Growth ......................................................................................... 112
  Biblical Perspective ........................................................................................................... 113
  Summary of Reflections ..................................................................................................... 115
Summary and Study Conclusions .......................................................................................... 116
References ............................................................................................................................... 117
Appendix A: Consent Form ..................................................................................................... 133
Appendix B: Consent Form ..................................................................................................... 135
Appendix C: Recruitment Template ....................................................................................... 136
Appendix D: Interview Guide (employees) ............................................................................ 137
Appendix E: Interview Guide (Consumers/ Residents of China) ........................................... 139
List of Tables

Table 1. Top Five Multinational Food and Beverage Companies (2018) ........................................12

Table 2. Study Participant Breakout .................................................................................................79
List of Figures

Figure 1. Relationships Between Concepts .................................................................14
Figure 2. The Pyramid of Social Responsibility..........................................................48
Figure 3. National People’s Congress (NPC) and the European Commission (E.C.) Definitions of CSR.................................................................90
Figure 4. Stakeholder Relationships ........................................................................91
Figure 5. 2008 Chinese Nestle Milk ......................................................................98
Section 1: Foundation of the Study

This study addresses the correlation between socio-economic barriers and corporate social responsibility (CSR) of China's multinational food and beverage companies. There are broad agreements and mounting evidence that CSR can significantly contribute to social advancement, financial stability, and overall infrastructure (Deng et al., 2013). Also, research indicates that there is currently a positive reaction by consumers with companies that engage in CSR, which is the company's engagement in benefiting society, typically without legal obligation (Alhouti & D'Souza, 2018). Companies that implement CSR policies gain competitiveness and value when linking CSR to consumers' needs and values (Marín et al., 2016). While more and more multinational food and beverage companies adopt CSR techniques, it is still considered ambiguous in the international community (Chapple & Moon, 2015). This research paper explores China's socio-economic barriers that prevent multinational food and beverage companies from successfully implementing CSR.

Background of the Problem

Due to the rapidly changing socio-economic environment and the constant concern for social welfare and the growth in this developing country, the Chinese government increasingly pressures several multinational food and beverage companies in China to incorporate more rigid CSR initiatives into their business models. Social issues currently plague China are a predominant wealth gap between the rich and the poor, air and water pollution, diminishing resources, population corruption, labor issues, censorship, and women's rights. As China aims to become an integral part of the world economy, the government has recognized the overwhelming need to incorporate MNC's to increase CSR programs within its economic and social sectors (Tian & Slocum, 2016). The Chinese government's efforts to broaden MNC's CSR involvement
in the local economy have become more imperative; however, these practices have lacked the desired results (Lau et al., 2016).

Though there is a plethora of published material on CSR from a global perspective, there is limited conclusive data on multinational food and beverage companies and their ability to successfully implement CSR in developing countries. Specifically, there is a lack of exploration of CSR in China in which rapidly changing socio-economic conditions impede CSR techniques. There is even less research on the correlation of CSR techniques in countries like China with extensive government involvement. This research study explores the causes of these issues and their impact on the food and beverage companies and the Chinese infrastructure.

**Problem Statement**

The general problem addressed was the socio-economic barriers resulting in the failure of multinational companies (MNCs) to implement effective corporate social responsibility (CSR; De Cremer, 2016; Kim & Ji, 2017; Tian, 2016). De Cremer (2016) stated that socio-economic barriers emphasized the need for CSR by MNCs. Due to rapid changes, current techniques have been less effective in China than in developed countries. Multinational corporations hold different philosophies of what CSR means and to what degree it should be incorporated into their business model while still focusing on financial performance and sustainability. In addition, Tian (2016) discussed that increased Chinese government involvement in conjunction with a vastly growing economy and the population had changed CSR's needs, which are still being understood and developed by MNCs. A research study conducted by Kim and Ji (2017) examined the ongoing pressures MNCs face due to the new Chinese government directives for increased CSR regulations and compliance. As MNCs grow, they are more likely to scrutinize local laws, regulations, and monitoring (Husted et al., 2015). The specific problem to be addressed is the
socio-economic barriers that have resulted in the failure of multinational food and beverage companies to implement effective corporate social responsibility techniques in China.

**Purpose Statement**

The purpose of this qualitative case study was to understand and explore the CSR techniques of multinational food and beverage companies and how they work around China's rapidly growing socio-economic environment. Through this in-depth research, the central problem to be explored is the socio-economic barriers that have resulted in the failure of multinational food and beverage companies to implement effective corporate social responsibility techniques in China.

This study's results are expected to provide a better understanding of the complications of socio-economic barriers and their effects on implementing effective CSR in a developing country such as China. The study results provided a more transparent comprehension of how government intervention on CSR can impact the program's overall process and intention. New techniques are critical in successfully executing CSR in continually changing markets (Martinuzzi & Krumay, 2013). Through this research, an in-depth exploration of how companies have reacted and circumvented these problems was a lesson for companies to implement CSR strategies in the future.

**Nature of the Study**

The nature of this study evaluates how the research was performed and discusses why the selected method is the appropriate fit for the research type. There are three main methods used in research studies: qualitative, quantitative, and mixed methods. After evaluating the overall objectives of this research, the qualitative approach is the preferred and used method. This qualitative study focused on the five leading multinational food and beverage companies of 2018
(Forbes Global 2000 Index, 2018) to explore the CSR techniques used and how they work within China's rapidly growing socio-economic environment. The qualitative method discussed how these companies carry out CSR, which techniques are used, their interactions with the Chinese government, and their impact on China's infrastructure.

**Discussion of Method**

The researcher has evaluated three potential standard methods for this study. The three methods are qualitative, quantitative, and mixed methods. In evaluating these methods, the researcher must weigh how the data were obtained and used in the study. It is equally important to assess the purpose of the data and its aims to prove or support it. The researcher must determine the study's objectives and what process would best fit the study's critical research questions.

According to Leavy (2017), the researcher should use the qualitative method when exploring, describing, or explaining a situation. This research method attempts to seek an in-depth understanding of a problem. The research was conducted through case studies, one-on-one interviews, and observations to explore the reasons and motivations behind specific actions. Qualitative research looks at experiences and perspectives and the overall picture of why things happen.

Quantitative research typically uses numbers and metrics to prove a hypothesis. Quantitative research seeks complete control of the data within its design. In the quantitative research method there is no ambiguity. At the beginning of the study, it is determined what is to be measured and how the procedures in which the data were obtained. The quantitative process was controlled by parameters that did not change throughout the study (Johnston et al., 2019). The quantitative method also examines cause and effect dynamics that are directly tested.
Mixed methods research is the utilization of aspects from the qualitative and quantitative methodologies. This method is needed when concepts can be used from qualitative and quantitative methods to support the findings (McKim, 2017). A critical determinate that the researcher must analyze when carrying out a mixed method study is to examine if quantitative and qualitative methods add value to the overall research.

Through my research, I explore the underlying issues that multinational food and beverage companies have to effectively implement CSR programs in China. I describe the current companies' techniques, government involvement, and the roadblocks these companies face. Luo and Creswell (2016) stated that the qualitative method emphasizes quality articles, procedures, intensity, occurrence, and interpretations that are not measured through quantity or experimentally examined. The nature of this study involves the analysis of subjective topics such as socio-economic barriers and CSR. When using the qualitative method, the researcher is the one assessing the data to provide findings. This information is supported by various criteria established in the development, and ultimately, research (Noyes et al., 2018).

There are too many quantitative research variables in exploring socio-economic barriers that caused the failure of multinational food and beverage companies to implement effective CSR techniques in China. This could be argued based on several individual's personal feelings, tastes, or opinions and, therefore, can not be independently quantified. This research expects to explore the circumstances and behaviors the prevent CSR techniques by multinational food and beverage companies from being effective in China. Exploratory research is indicative of the qualitative method, which allows the flexibility of the data and information to support the outcome through the interpretation and analysis of the data (Bidart & Dupray, 2015). Because
such overwhelming indicators help the research used in this study fall under the qualitative research method, it is determined that any quantifiable research would not prove helpful.

This exploratory research is in complete contrast to the concepts and applications of quantitative research. Quantitative research involves researching questions as to "how many "and "how much" as opposed to answering the question "why." The data and research in this paper do not fall under that level of measurability (Luo & Creswell, 2016). The researcher is exploring a vast number of subjective variables based on various experiences and interpretations. These variables include the socio-economic barriers in China and how they influence multinational food and beverage companies' CSR techniques. This research also involves the overall perceptions of how these CSR techniques impact and whether they are successful.

The measurability factor holds for not using mixed method research. There is not a quantifiable variable that could add meaningful input to this study. The use of any quantified data would add to the confusion in an already complex topic. The key variables are, by nature, subjective, and trying to put measurable boundaries around them would only lead to questioning and having to support challenging assumptions. These challenges would complicate the study and potentially lead to confusion and a lack of clarity in the findings. This study focuses on broad, subjective topics analyzed, explored, and developed in their entirety. Between the qualitative, quantitative, and mixed methods forms of research, it is clear that the qualitative method is the correct method to use in this study.

Discussion of Design

There are five main designs used with qualitative methods in conducting a study. These designs are narrative, phenomenology, grounded theory, case study, and ethnography. Each
design contributes to a unique way of looking at data and performing a study. As a researcher, determining the appropriate design adds value and ease of execution throughout the study.

The research design in this study was a case study. According to Campbell et al. (2016), case studies depend intensely upon subjective information obtained from interviews, data sources, and observations. The research lends itself to the case study design because it explores in-depth interactions between the socio-economic barriers and CSR's impact within the five multinational food and beverage companies. This information can come from six distinctive sources when developing a case study. These six sources include documentation, documented records, interviews, observation, and participant observation of these companies' ongoing socio-economic issues in their efforts to implement CSR in China.

The case study design is a method that introduces in-depth insight into the understanding of a complicated issue. This is most helpful when the study's phenomenon has not been thoroughly analyzed or is intricate by having several moving pieces. The case study involves the topic subject and the contributing conditions to the question, most likely to come from multiple sources (Creswell & Poth, 2018). This design is more often used when trying to address a descriptive question such as "what has happened or is happening?" or an explanatory question like "how or why did something occur?" (Yin, 2014, p. 23).

Narrative research and its design are qualitative approaches to exploring individuals' lives and experiences through their own stories (Creswell & Poth, 2018). The narrative method provides the means to understand and analyze the story in a sequence of interactions and events. The narrative design approach is most applicable when focusing on information from an individual's circumstances and perspective. This study does not involve a specific individual but rather an overall infrastructure, and therefore, the narrative design is not used.
The phenomenological design is a popular type of qualitative research that entails studying the experience of a person or group of people related to a specific phenomenon. This research tries to provide the human nature and essence of an event or situation where people reacted to it in specific ways (Creswell & Poth, 2018). The purpose of the phenomenological design is to portray the actual phenomenon of how those impacted responded to it individually or collectively. This study did not use this design because it does not involve a specific phenomenon but a broad view of how many CSR practices reflect Chinese communities.

Grounded theory and ethnography design are qualitative research methods in which the researcher can extract categories and similar themes of collected data from various sources of information (Creswell & Poth, 2018). This method is an inductive approach that answers the "how" and "why." Grounded theory is best applied to social sciences and interactions within human nature. It looks at the cause and the effect of actions in individuals that had shared experiences. The grounded theory method allows for a systematic categorization (Strauss & Corbin, 1998). Once commonality is discovered within the categories, one can determine a theory or a hypothesis for additional analysis. The exploration and variables are too many to categorize amongst a broad infrastructure such as China. In addition, the categories and themes would be extensive when trying to incorporate socio-economic barriers and CSR techniques used by food and beverage companies. While some of the five designs have various factors that could potentially help multiple qualitative studies, in this situation, the case study design best encapsulates the nature of the research and how to best obtain and use the data for the intended purpose.
Summary of the Nature of the Study

The case study allows the researcher to obtain a wide breadth of information from five multinational food and beverage companies' CSR techniques and discern how it impacts the Chinese infrastructure. In addition to questionnaires, observations, research of previous case studies, and surveys, I gather secondary information from the five selected companies. Secondary data included company CSR reports, ESG data, webpages, case studies in CSR, and literature reviews. Company website data were utilized to improve further and upgrade the quality and value of this data. The use of annual financial reports is included in this data collection process. These methods allow for a comprehensive understanding of the scope and findings of this research.

Research Questions

Multinational CSR can vary in content from narrow and specific social responsibility elements to broad social-economic barriers, such as hiring criteria, environmental factors, human rights, health practices, safety practices, discrimination, and labor standards (Kolk & Tulder, 2016). A primary issue of multinational food and beverage companies engaging in business with China is varying social-economic barriers.

These research questions addressed critical areas where social-economical barriers impact CSR techniques of multinational food and beverage companies' influence in China. Specifically, this study addressed the following questions:

RQ1. How is CSR viewed in China, and how does it compare to western cultures?

RQ2. What are the drivers for these companies in China for the implementation of CSR?

RQ3. What do these companies perceive as the socio-economic barriers to CSR implementation?
RQ4. How do these companies circumnavigate socio-economic barriers in China when implementing CSR techniques?

Conceptual Framework

The methodology implemented in this paper includes aspects that determine what socio-economic barriers impact the effective execution of CSR initiatives by multinational food and beverage companies in China. As part of this study's critical framework, I conduct a research study with a literature review foundation, including case studies and surveys and a validation review. The process behind CSR factors’ determination is based on the most common indicators found in research studies. According to leading scholars, CSR’s significant aspects in today's MNCs are driven by environment, legal, corporate leadership/culture, and philanthropy (Schrempf-Stirling et al., 2016). The study includes interviews with employees from each of these companies and their customers. The incorporated five companies in the framework were selected from the Forbes Global 2000 Index that included throughout 2018 the five leading multinational food corporations. Also, supplemental information was used throughout the analysis of the study. Additional data consist of but are not limited to exploratory company information, corporate CSR documents, websites, published data, annual reports, and press releases.

Socio-economic Barriers

Environment – Air pollution has already reached an intolerable level and rapidly worsens due to numerous social and political factors (Li et al., 2017). Manufacturing and corporate growth have led to an enormous increase in coal consumption and automobile usage over the past ten years. World Bank 16 determined that China has been rated as having 20 of the worst cities with polluted air, and approximately a fifth of urban Chinese breathe intensely
contaminated air (Xi et al., 2016). Air pollution on some days is so high in Beijing and Shanghai that airports have to delay or cancel flights. Health concerns have increased highly for individuals that live in congested areas. There have even been claims about areas being called "cancer villages" throughout China because of the health conditions of those exposed to massive amounts of air contaminants. The government has claimed that the government does not conduct intensive studies on the volume of air pollution in certain regions; thus, it proves alarming and impacts the local structure.

Social – Numerous social inequalities currently plague the Chinese culture. These inequalities include education, discrimination of women, elitism, unemployment, organized crime, overpopulation, and regional disparity. Even as China is growing in leaps and bounds in being a global financial leader, these social inequalities are still underlying problems and growing (Xu & Xie, 2017). As western MNCs increase business and efforts in these areas, their practices turn a blind eye to these issues. Even some companies putting forth CSR efforts, their techniques are insufficient and are not producing expected or wanted results.

Governance – The Chinese government faces the task of working with the region’s social and environmental problems. They also face internal corruption and a lack of rule within China. While under a communist government, there is still widespread poverty and regional inequality. As China aims to become an integral part of the world economy, the government has recognized the overwhelming need to incorporate MNC's to increase CSR programs within its economic and social sectors (Tian & Slocum, 2016). The Chinese government's efforts to broaden MNC's CSR involvement in the local economy have become more imperative; however, these practices have lacked the desired results (Lau et al., 2016).
**Multinational Food and Beverage Companies**

According to Forbes Global 2000, the five most abundant multinational food and beverage companies of 2018 from 1\textsuperscript{st} to 5\textsuperscript{th} are Nestlé, Anheuser-Busch, PepsiCo, The Coca-Cola Company, and Mondelēz International. These companies were ranked based on a composite score of revenue, profit, assets, and market value (Forbes.com). These companies lead the market in food and beverage and are, in some cases, singularly responsible for developing economies. According to a Plunket Research report (2019), the food and beverage industry makes up over 10\% of the world's GDP and over $8 trillion.

**Table 1**

*Top Five Multinational Food and Beverage Companies (2018)*

<table>
<thead>
<tr>
<th>Industry Rank</th>
<th>Index Rank</th>
<th>Logo</th>
<th>Company</th>
<th>Country</th>
<th>Sales</th>
<th>Profits</th>
<th>Assets</th>
<th>Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>#1</td>
<td>#42</td>
<td>Nestle</td>
<td>Nestle Switzerland</td>
<td>$93.4 B</td>
<td>$10.4 B</td>
<td>$139 B</td>
<td>$281.3 B</td>
<td></td>
</tr>
<tr>
<td>#2</td>
<td>#69</td>
<td>Anheuser-Busch InBev</td>
<td>Belgium</td>
<td>$54.6 B</td>
<td>$4.3 B</td>
<td>$233.8 B</td>
<td>$175.7 B</td>
<td></td>
</tr>
<tr>
<td>#3</td>
<td>#86</td>
<td>PepsiCo</td>
<td>US</td>
<td>$65 B</td>
<td>$12.6 B</td>
<td>$75.5 B</td>
<td>$178.2 B</td>
<td></td>
</tr>
<tr>
<td>#4</td>
<td>#133</td>
<td>Coca-Cola</td>
<td>US</td>
<td>$31.7 B</td>
<td>$6.4 B</td>
<td>$83.2 B</td>
<td>$203 B</td>
<td></td>
</tr>
<tr>
<td>#5</td>
<td>#228</td>
<td>Mondelez International</td>
<td>US</td>
<td>$25.9 B</td>
<td>$2.5 B</td>
<td>$62.7 B</td>
<td>$72.4 B</td>
<td></td>
</tr>
</tbody>
</table>

*Note.* * Data based on the Forbes Global 2000 Index (Forbes.com) comprises the top 2000 public companies worldwide.
Four Concepts of CSR

Environment - CSR and environmental activities play a crucial part in multinational companies affecting climate, water utilization, and energy. A few driving organizations that have accomplished CSR victory with natural activities can spur the commercial center's competitive scene to make strides towards operational productivity, change corporate culture, and look for imaginative innovation. Positive campaigns lead to openings for increased impact in overall brand quality through positive notoriety, which ultimately can result in sustainment and positive financial effects.

Legal - Companies' lawful obligation is that they follow their home country's laws and the host. Laws can be an onerous obligation to follow, as laws globally are very diverse. Laws represent the do's and do not's within society (Waldman et al., 2014). Adhering to laws is a prerequisite for any enterprise to be socially dependable. Corporate history is the field with occasions where infringement of laws refused enterprises to run any longer.

Ethics - Corporate ethics codes can vary in content from narrow and specific social responsibility elements to broader corporate standards, such as hiring criteria, environmental factors, human rights, health practices, safety practices, discrimination, and labor standards (Kolk & Tulder, 2016). A primary issue of multinational companies engaging in international business is that various nations and cultures have different business ethics sets.

Philanthropy – Philanthropy is the idea of looking inside the corporation's watchfulness to improve others' quality of life better, neighborhood communities, and eventually society at large. Altruistic behavior cases make gifts to charitable causes, building recreational offices for workers and their families, supporting innovation, and bettering economies. It is imperative to
ensure that the charitable causes in companies formed by them are for better developing communities and not just society's expectations.

**Impacts of CSR on Infrastructure**

CSR is a progressively essential component in the global business world. The primary impression numerous individuals have towards enterprises is that businesses are taking advantage of buyers and society. They do not contribute much to the community. In truth, many business visionaries need to remove the negative perception in global respects of enterprises infused in people's minds and demonstrate that with their activities. In their opinions, they feel corporations are all about profit. They care less about society, the environment, and human rights issues. Multinational companies are now working to establish different programs and strategies to adjust both productivity and social obligation ranges.

**Relationships Between Concepts Matrics**

**Figure 1**

*Relationships Between Concepts*
Discussion of Relationships Between Concepts

The way toward setting the main course of direction for the study incorporates the system of an all-encompassing methodology which reviews scholarly data, consumer and stakeholder feedback, as well as corporate data, and then the ability to incorporate CSR with meeting the needs of the developing host economy and the shareholders (Ott et al., 2017).

This study first demonstrates a correlation between Chinese socio-economic barriers in multinational food and beverage companies, CSR attributes, and infrastructure impact to illustrate the relationships between the above concepts. First, the study established how this correlation is devised and provide researched examples to support such findings. Through surveys, I determine data collection from companies, annual reports, impacts to developing countries, and customer perception, a distinct correlation to the questions proposed in the study.

Summary of the Conceptual Framework

CSR inside multinational food and beverage companies has been determined to directly impact the customer, company, global infrastructure, and shareholder. International food and beverage companies practice CSR as their primary processes affect local developing economies and their companies' perceptions. Therefore, I attempt to illustrate the impact of socio-economic barriers on these companies and, ultimately, how they impact Chinese culture. This study aims to produce results using Chinese socio-economic barriers, five leading multinational food and beverage companies, CSR attributes, and the impacts on China's infrastructure.

Definition of Terms

The following definitions aided in providing clarity to the study.
**Corporate Social Responsibility**: the concept that companies act with corporate governance instills that their standard operations are ethical and benefit society (Liang & Renneboog, 2017).

**Food and beverage company**: refers to a company that specializes in the process of preparing, presenting, and distributing food and beverages to their customers (Weber & Saunders-Hogberg, 2020).

**Multinational company**: Refers to a corporation that maintains assets and operations in more than one country (Armstrong & Li, 2017).

**Socio-economic barrier**: refers to a problem due to social and economical that can impact an individual or group's health and wellbeing (Rahman et al., 2017).

**Undeveloped country**: refers to a nation that is not as developed economically as other nations. These countries are very poor, and poverty is widespread (Zou et al., 2019).

**Western culture**: An expression used to describe the social standards, belief systems, traditions, customs, and values of the modern culture of Western Europe and North America (Rosenmann, 2016).

**Assumptions, Limitations, Delimitations**

Multinational companies' CSR processes are voluntary, unregulated, and challenging to monitor. It is subjective, can be vastly interpreted, and is not consistently accurate. While numerous companies are committed to corporate social obligation, it can regularly be constructed to accommodate the customers rather than the stakeholders. Therefore, it can also be deceptive as to the real cause for the seemingly altruistic actions. This thought works to determine companies that are substantively more viable at genuine CSR and make substantial
commitments, good moral choices, and honesty in their efforts to enhance the local community (host).

**Assumptions**

This study design assumes CSR's definition from the European Commission (European Union, 2011, p. 11) as "the responsibility of enterprises for their impacts on society." The description continues by stating the importance of businesses "to integrate social, environmental, ethical, human rights and consumer concerns into their business operations and core strategy in close collaboration with their stakeholders" (Keller & Alsdorf, 2012).

Therefore, this study assumes that the five leading multinational food and beverage companies studied voluntarily engage in CSR for the host country's best interest and stakeholders. Be that as it may, the public's request and desires towards the company's conduct have a widespread impact as long as its fundamental mission is to fulfill its financial obligations (Oh et al., 2017). In addition, there is the assumption that the companies abide by the strict adherence to government regulations and restrictions for CSR, which has become common in China. Finally, there is the assumption that consumers and employees most often view CSR as a benefit to humanity and general universal wellbeing (Ryan & Deci, 2017).

**Limitations**

The concept of CSR is based on interpretation and tends to be highly subjective. In questioning individuals and performing surveys on this topic, one must set exact parameters of how the subject matter was defined and not make general assumptions about what is implied by the data collected. This particular limitation could potentially skew the participant's understanding of the question. To mitigate this limitation, a full explanation and discussion were made in the interview process. There also was a follow-up session to discuss the findings and the
final write-up. The follow-up allowed for additional communication and clarification of key
points and ideas.

**Delimitations**

This study confines its data gathering and comparison to the five selected multinational
food and beverage companies. These companies include Nestlé, Anheuser-Busch, PepsiCo, The
Coca-Cola Company, and Mondelēz International. The gathered information was by interviews
from their employees, customers, and financial reports. This information was expressly used to
ascertain the answers to the research questions. Interviews and surveys were conducted. These
include one customer interview, one employee interview, and one resident interview. In addition,
all CSR data come specifically from the 2018 published annual reports.

**Significance of the Study**

This study analyzes the correlation between China's socio-economic barriers and how
they hinder CSR programs in multinational food and beverage companies. While more and more
multinational food and beverage companies adopt CSR techniques, it is still considered
ambiguous in the international community (Chapple & Moon, 2015). One of the most substantial
problems facing companies is corporate social responsibility practices acceptable between the
home and host markets. What is considered socially responsible in one country could be
regarded as entirely irresponsible in another. Each organization must distinguish the significant
concerns to its market, given management and staff's needs, just as your client base is worried
about and the networks where your business operates. Being aware of these needs is the initial
phase in addressing social issues in the industry.
Reduction of Gaps

There is limited to unclear research on how China's socio-economic barriers impact multinational food and beverage companies and CSR. There is even less information on the impact of government intervention in MNC's CSR techniques and their lack of success. There is an indication of an increased need for CSR in developing countries. This qualitative case study evaluates how socio-economic barriers impede multinational food and beverage companies from successfully carrying out CSR in China. This study enhances the body of knowledge for future companies to understand their complications when conducting CSR in China and serve as lessons learned in current failures. In addition, the study advances the understanding of government involvement in CSR regulations.

Implications for Biblical Integration

Many biblical values coincide with leading multinational companies and how their CSR structure and policies impact developing countries. Acting in societies, best interest, and constant improvement are at the heart of those values. It is essential for the integration of faith and striving to improve continually. Like Esther's biblical story, one should not look to make an excellent name for themselves; instead, by serving the Lord with excellence, one was a person of greatness (Keller & Alsdorf, 2012). There is a temptation in life to desire to take all or partial credit for the success of other individuals.

The prevailing thought put forward in different definitions of CSR is that companies ought to conduct their trade in a manner that illustrates thought for the broader social environment to arrange to serve society's requirements constructively (De Bakker et al., 2005). CSR behavior alludes to the behavioral perspectives of CSR and its impact on society. These attitudes infer that CSR is not limited to a few set activities but includes the core and culture.
Another angle of CSR is the relationship of the company with its stakeholders and society at large. In the introduction to his work Every Good Endeavor, Keller and Alsdorf (2012) explained how the "ecumenical movement has contributed an emphasis on Christians using their work to further social justice in the world. And that helped us understand that faithful work demands the application of distinctly Christian ethics" (p. 20). In operationalizing CSR behavior, we utilize different behavioral measures to participate in its stakeholders' interface.

As we explore the integration of the Bible and our current business system, we must first recognize that we must begin with the Bible and its teachings as it is the foundation for everything. "The starting point for a Biblical worldview is the existence of God who is personal and moral; and the creator of all else that exists" (Anderson, 1983, p. 20). God and the way He created us enabled business behavior, which has given us the role to enact it in his purpose.

As stewards of God, we utilize quality management elements in our everyday lives to serve his purpose. Within the teachings of the Bible, devotion is illustrated and presented as an essential aspect of humanity. Today's quality strategies and allocations of resources practices are correlated to the Bible through concepts of time management, being heterogeneous, applying social networks (organizations), acting as agents (stewards), making commitments (promises/deals), and we are not omniscient and therefore are risk-takers (Van Drunen, 2014).

CSR is the activity that involves the allocation and exchange of resources concerning time. God has given us the ability to utilize constant improvement to engage in stewardship. However, there are cases where we as humans get caught in greed and the effects of sin, which directly undermines the service of God's glory. Two great teachings from the Bible are, "For the love of money is a root of all kinds of evil, for which some have strayed from the faith in their greediness, and pierced themselves through with many sorrows" (1 Timothy 6:10, The New King
James Version) and, "No one can serve two masters. Either you hate the one and love the other, or you was devoted to the one and despise the other. You cannot serve both God and money" (Matthew 6:24, New International Version). While these are not directly discussing the allocation of money as a resource, they are embedded in our Christian faith to remind us that we are to act by the scripture. Doing one's best has played a crucial role in man's lives since the beginning of time. It has provided man the capability to use it as power and to threaten others. These are human temptations that manifest within us, and with the power of free, we are to avoid such acts that would displease God.

While we still find it prudent to invest in our global future, we must humble ourselves that the riches are with God and not the monetary value or items presented before us or what we may attain. “Command those who are rich in this present world not to be arrogant nor to put their hope in wealth, which is so uncertain, but to put their hope in God, who richly provides us with everything for our enjoyment” (1 Timothy 6:17, KJV). Our wealth on earth is only to function and prosper as a society without indicating status and notoriety.

**Relationship to Field of Study**

The topic of multinational food and beverage companies and CSR directly correlates to the international business cognate. This topic explores how global food and beverage companies interact globally when dealing with the complexities of differing laws and cultures. These differences shape a company's growth and develop us as humans and take care of our fellow man.

Global business is critical because it gives local organizations access to new markets, conceivably expanding deals, and overall progress (Ozturk et al., 2015). Likewise, international trade can enable an organization to bring down costs through direct access to less expensive
materials and labor exchange. Due to increased technologies and enhanced communication, we face compromising business interactions and internal differences as the world becomes smaller. Our culture develops and understands humankind's betterment and diversity by addressing CSR and legal differences.

Keller discusses how minor jobs contribute to the whole and how it is to maintain a fully functioning system (the international community). Thus, we all must be held accountable to focus on the world around us to the best of our ability. We must understand the repercussions of our actions and that our efforts are from us, even in the work environment. How we conduct ourselves globally is just as important as how we act in other venues. We so often find it easy to fall into the conveniences of modern culture. "Modern culture seems addicted to ease and entertainment. It has produced a generation of educated yet often dishonest, unproductive, and weak-ed men. God desires higher standards for His people."

**Summary of the Significance of the Study**

Collaboration and breaking barriers between countries is an essential step in progress for our global future. Multinational companies that recognize the importance of collaboration and compromise were a long-term success within trade and business. Each culture and country have its history, traditions, conventions, and code of morals. Social hindrances incorporate language, which regularly implies an organization must depend on interpreters when addressing business contacts and clients. Religious differences and can also have direct business implications in specific regions. Acting to moral and ethical conduct is critical for a global organization to sustain, grow, and accomplish an upper hand in a particular market.
A Review of the Professional and Academic Literature

This study addresses the challenges of conducting corporate social responsibility (CSR) and the socio-economic barriers multinational food and beverage companies face in China. Corporate social responsibility between companies and nations has become an overarching challenge in today's international trade (Andrade et al., 2017). As companies advance in an international career, it is imperative that they understand the constraints and how to accommodate differences (Vertigans & Idowu, 2016).

There are broad agreement and mounting empirical evidence that CSR can significantly contribute to social advancement, general wellbeing, and environmental improvements. The conceived rationale for why companies engage in CSR is that it improves financial performance and sustainability, which labels firms as "doing well by doing good" (Dimson et al., 2015). Companies gain competitiveness and value when linking CSR to consumers' value (Marín et al., 2016). While more and more multinational food and beverage companies adopt CSR techniques, it is still ambiguous in the international community (Kim & Kim, 2019). They stated that even with MNCs' struggles, the increase and need for CSR in China had grown exponentially.

One of the most considerable problems facing companies is CSR because there is a question about acceptable CSR practices in different countries and markets. There is also uncertainty about how underdeveloped markets react to CSR as the practice is still reasonably new and continuously changing. What is considered socially responsible in one country could be regarded as entirely irresponsible or socially unacceptable in another. Through greater direct engagement, companies are increasing initiatives in China. Each organization must distinguish the significant concerns to its market, given management and staff's needs, just as your customer base is worried about and the networks where the business operates (Halkos & Skouloudis,
Being aware of these needs is the initial phase in addressing social issues where MNCs can make a difference.

The widely accepted CSR understanding is that companies give selflessly to improve their community with less emphasis on the resulting profits. This means that their actions are not entirely self-serving but benefiting the economy and social networks in which they conduct business (Kim & Kim, 2019). Multinational food and beverage companies have used CSR strategies for years to address environmental and social concerns while always pursuing their corporate objectives. These efforts often include philanthropy, labor rights, environmental preservation, conservation of resources, and consumer safety. In this context, CSR emerged as businesses realized that the CSR outcomes were desirable for customers. MNCs have utilized CSR techniques to increase market and brand recognition by providing public goods globally for general wellbeing, human rights, education, environmental protection, and stewardship.

As stated previously, the early defenses for CSR in the west were on an ethical premise. Nonetheless, it has been seen as an essential measure to be fused in business tasks, equipped to expand the upper hand with time. In China, a significant part of CSR reasoning lies in qualities and profound quality. There is an overarching idea of CSR being at the expense of ethical behavior instead of adding to it (Chong, 2018).

The multinational food industry must be especially aware of the impacts of their decision as they provide food and nourishment globally. Their CSR efforts or lack of CSR efforts can significantly affect a developing country's overall wellbeing for many reasons. Their efforts impact individual sustenance and employment, economic development, local labor infrastructure, and societal needs. The leading multinational food and beverage companies are, by virtue, are significant players in the advancement of developing countries. Companies have a genuine
ability to set worldwide measures and a model of ethical corporate conduct through CSR that builds infrastructure and employment while respecting human rights and natural resources.

While CSR is difficult to pinpoint as it is ambiguous, there are criteria to consider and evaluate when examining the implications of companies' various strategies. Some claim that CSR is the contribution of business to sustainable development while ensuring stakeholder wellbeing. According to others, CSR is to further social good beyond the firm's interests and go beyond what is required by law (Karbassi, 2019). It has also been described as merely the right thing to do, which benefits the corporate shareholder value and society (Franklin, 2008). The purpose of this literature review is to examine the socio-economic barriers that prevent multinational food and beverage companies from carrying out CSR practices in China effectively.

**Current Situation**

Today's current shape of CSR was presented to China by Western MNCs in the early 1990s. The purpose of CSR's original development is due to labor conditions in its foreign operations in China. There are now new techniques introduced to address these concerns by improvement in labor laws. The Chinese government became one of the most influential and integral parts of enforcing CSR throughout the Chinese market. Part of this is driven by the government's power over state-owned enterprises (SOE).

In recent years it has become the norm and ultimately the expectation that Multinational companies utilize global CSR standards and reporting practices while conducting business. For example, the first six principles of the United National (UN) Global Compact focus on social sustainability and improving human rights globally (Karbassi, 2019). Also, reporting on companies' corporate social responsibilities in developing countries has become a standard
business practice in multinational food and beverage companies (Attig et al., 2016). In 2017, a KPMG International Cooperative survey concluded that 58% of global companies that responded include CSR metrics and sustainability metrics on their annual financial reports (The KPMG Survey of Corporate Responsibility Reporting, 2017). These metrics represent a significant increase when compared to 20% in 2011 and 9% in 2008. Also, the study found that more than 84% of the Fortune 500 companies address CSR issues.

The local Chinese news has reported many incidents that display poor CSR practices in China's multinational food and drug companies. These incidents include worker suicides, defective goods, toxic emissions, ongoing pollution, and reduced labor standards (Bengsten, 2018). As a result of this inadequate exposure and the drive to compete as a world leader, the Chinese government has started to intervene in corporate practices (Manos & Drori, 2016). While it is viewed that the advancement and introduction of successful CSR techniques are moving at a crawling pace with ongoing setbacks, the government is adamant about striving for change.

CSR in developed countries has had a bottom-to-top approach in which non-government organizations (NGOs) and consumers pressure corporations for CSR initiatives. In China, the method has become a top-down process with the government enforcing CSR. CSR's mandate has caused multinational corporations to evaluate their CSR initiatives and comply with government policies (Kim & Ji, 2017). While multinational companies must address China's social responsibilities, it is also equally important to maintain financial performance goals.

Tom Lyon, director of the University of Michigan's Erb Institute for Global Sustainable Enterprise, states that "In China, corporate responsibility is not driven by the consumer, as in the United States. The state-owned enterprise is the leading edge of corporate social responsibility at
the moment" (Mullich, 2015). The increased Chinese government involvement in conjunction with the vastly growing economy changed its implementation and techniques. Previously, CSR's focus was mainly on the exporters, but it has now shifted to the local economy and multinational companies to obtain licensing (Tian, 2016).

China is currently the world's most populated country, with over 1.4 billion and growing 39%. Being such a vast country, China also maintains the most abundant food market of $1.2 trillion and is based on current trends on the effects of aging and the new two-child policy. There was a continuous increase in beverage and food consumption. Some theorists predict that food consumption will increase by 50% in the next 10 years (Wei et al., 2017). This trend provides considerable influence within the Chinese food and beverage industry.

Most of the previous literature on CSR research development in China focuses primarily on stakeholder value. This information is scarce and incomplete due to a prior lack of interest in stakeholder value and CSR. CSR is in its beginning stages in China as the government has embraced its public sector needs (Pan et al., 2018). As CSR is beginning to develop more in China, the Chinese government has become an integral part of this unfolding. Unlike western countries, Chinese stakeholders do not emphasize CSR’s demands to be a part of business structures. In western countries, civil society pushes CSR. In China, it is driven almost solely by the government or company interests.

**Chinese Government Intervention**

China has made numerous economic advances since it joined the World Trade Organization (WTO) in 2001; however, it is still considered a developing nation with a human development index (HDI) of .75 in 2018 (United Nations Development Program, 2019). This rating of .75 places China in the 86th ranking of countries for social and human development.
Social issues currently plague China are a predominant wealth gap between the rich and the poor, air and water pollution, corruption, labor issues, censorship, and women's rights. As China aims to become an integral part of the world economy, the government has recognized the overwhelming need to incorporate CSR within their economic and social sectors (Chang et al., 2018). Founded in 2000, the United Nations Global Compact included 10 universal principles that address major CSR issues in four areas: human rights, labor standards, environmental protection, and corruption (Unglobalcompact.org).

**Human Rights**

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

**Labor**

Principle 3: Businesses should uphold the freedom of association and effectively recognize the right to collective bargaining.

Principle 4: the elimination of all forms of forced and compulsory labor.

Principle 5: the effective abolition of child labor; and


**Environment**

Principle 7: Businesses should support a precautionary approach to environmental challenges.

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.
Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

In 2006 the government the Chinese government devised a 5-year plan to look at infrastructure focusing on economic and social development. The government dictates resources, regulations, subsidies, and taxation that shape the competitive environment (Marquis & Qian, 2014). China's government has placed its country on a path of rapid economic growth. However, human rights abuses, labor inequalities, pollution, and failed product lines came with this growth, including recalls. Given the overall economic growth in China, the desire for expanding MNCs to provide a means of supporting social responsibilities has also increased. CSR is beginning to grow faster with a tremendous amount of guidance and mandates from the government. For example, the China Securities Regulatory Commission (CSRC) mandates companies to provide annual CSR reports independently from their other reporting practices. CSR is actions beyond the firm that offers social good and is not required by law (Chen & Wan, 2019). Companies use CSR for entirely unselfish reasons and for an ulterior motive that provides them a competitive edge. CSR techniques are often used to better society and companies to gain notoriety for being ethical and conscientious to increase brand recognition and stakeholders' faith in its services and products. The public sector's general view is that CSR is just an add-on and not taken seriously or regulated.

Even with the government's intervention on CSR practices, it is widely believed that they are not doing enough to regulate the MNCs' and local companies' efforts for social sustainability. Major cities such a Beijing and Shanghai are overwhelmingly inundated with air pollution and the adverse effects of mass production. A pollution alert was issued in December 2015, which
required individuals to stay inside due to the intensity of the contaminants in the air. This mandate caused alarm for the Chinese citizens regarding whether or not the government was doing enough. It also started discussing the balance between economic growth and its effects on the environment (Miao et al., 2019). Noticing these dangerous impacts, President Xi Jinping's policies in his early years of office emphasized a strong focus on sustainable development and the economic pressures the country was facing.

As stated in the Brunswick Press (2016), the government's current Five-Year Plan, based on the quote from Guo Peiyuan, General Manager of SynTao, ”puts a strong focus on innovation and the green economy.” As such, MNCs need to embrace the 'new normal' by adjusting their China strategies. At their core, these strategies should aim to become more involved in Chinese society using environmental and social responsibility strategies as pillars for business, establishing trustworthy relationships with Chinese stakeholders” (Jianzhong & Zhao, 2016).

Many researchers have stated that there are corporate directives behind their enactment of CSR. They say that CSR is not a voluntary and charitable action but the corporation's reaction to external factors. There are considerations that these ideas hold in China as well as other emerging economies.

The Chinese Federation for Corporate Social Responsibility (CFCSR) is a non-governmental organization (NGO) that promotes CSR and its social benefits in China. The headquarters are in Beijing, and it trains members to act within their policies and procedures and disseminate this information in their interaction with MNCs. The stronghold of the CFCSR is gaining recognition by partnering with well-known and financially thriving MNCs and spreading their policies and understanding of CSR (Deephouse et al., 2017). There is a sense that over time there was an increased desire and stricter regulations around CSR.
Even under recent scrutiny and surveillance by the government, CSR measures have in some cases failed in China's food and beverage industry. There have been numerous safety issues and food recalls. What has caused additional concern is that the Chinese market has increased qualified foreign institutional investors (QFII) by opening its capital market and lowering overall restrictions. In 2017 the State Administration of Foreign Exchange (SAFE) lowered foreign currency's cost to attract foreign investors. This policy initially managed foreign exchange risks; however, it did not impose CSR's stricter regulations within these companies (Nirino et al., 2019). In the past, multinational food and beverage companies have been at the forefront of implementing integrated approaches to sustainability in China. As the economy increased rapidly, the demand was more significant, and there are expectations of more successful results than previously demonstrated. These efforts are vital in proving the company's concern in a socio-economic environment struggling with massive problems.

There is now a push from the Hong Kong Stock Exchange for companies to increase their reporting standards. The new expectations have increased reporting standards from have companies move from "recommended" to now reporting "comply" regarding environmental and social issues. Because of these changes, there is now an emphasis for MNC to look for solutions in incorporating CSR as a mainstay in their corporate policies and objectives (Jianzhong & Zhao, 2016). Even with the more substantial mandates for MNCs to report CSR in China, less than 8% translated into the Chinese language. At the same time, individual and concerted efforts to move forward with stricter CSR practices are often not enforced nor adequately evaluated.

**Cultural Differences**

When conducting business with foreign countries with different laws and ethics standards, multinational food and beverage enterprises are limited by CSR initiatives. This
problem directly impacts MNCs when leading international firms with global companies with differing ethical conduct codes, corporate governance, and local regulations. For multicultural business ethics to have any commonality or structure to impose moral standards, there must be a legal authority to enforce and regulate conduct (Xiao et al., 2017). CSR lines have blurred dramatically due to sustainable development, corporate citizenship, and human rights (Kolk, 2016). A practice deemed unethical in the United States may be considered ethical in a less developed nation. A standard form of methods and enforcement of ethical guidelines and corporate governance is imperative in protecting human rights, global responsibilities, and corporations involved.

There has also been an increased interest throughout the decades highlighting CSR in multinational business practice, research, and policy (Hosmer, 1994). Research indicates that consumers currently have a positive reaction with companies that engage in CSR, which is the company’s engagement in benefiting society without legal obligation (Alhouti & D'Souza, 2018). With the increase of globalization, one of the highest issues, consumers have concerns about social responsibility (Chernev & Blair, 2015).

The business approach that characterizes the scope or circles inside which employees make educated CSR activity decisions must be well defined. The responsibilities of all workers must be clear. Corporate responsibility must ensure the environment for future eras, and the shareholders and other stakeholders are communicated with to support maintainability activities.

A powerful driving force and socio-economic barrier for MNCs in China is enacting sanctions within international trade. Sanctions are a penalty or the threat of a punishment used to ensure adherence to laws, rules, and regulations. Saterlee (2014) stated that sanctions are actions, including economic measures inflicted upon an opposing group or nation due to a trade dispute.
In modern-day business and international trade, sanctions are used to enforce laws and reprimand those that do not abide by set regulations determined by individual nations. Penalties are a tool used to implement security for a nation's citizens and economy. Specifically, their purpose is to deter, punish, or rehabilitate unlawful behavior. Economic sanctions include the deliberate withdrawal or threat of withdrawal financial arrangements made with foreign nations or companies to achieve political or commercial goals. Sanctions act as a regulation to keep order and have definitive consequences when they do not adhere.

While economic sanctions are established to protect and impose them, is there a humanitarian impact on the country that the sanction imposed? In the 1990s, the "Sanctions Decade" (Cortright & Lopez, 2000), in which the "increased use of sanctions and the resultant humanitarian crises with which they became associated led policymakers and academics to re-evaluate their potential negative externalities" (Allen & Lektzian, 2013, p. 128).

The purpose of this is to reduce resources to the intended country and ultimately cause civil unrest to allow for change demanded within the government, which "reduces national wealth and creates a sense of deprivation in the targeted population" (Allen & Lektzian, 2013, p. 123). However, the statement is usually at the cost of individual citizens that their government impacts. The article discusses three models used to determine the humanitarian impact of sanctions. They found that there is a direct relation to sanctions affecting citizens, primarily through malnourishment and healthcare. Healthcare can decrease up to 25%, which also affects the average life expectancy for sanctioned countries. In many cases, the individuals most affected by sanctions are innocent and at the mercy of their government leaders' behaviors.

The United Nations (UN) was founded in 1945 to advance international cooperation and maintain international order (Geringer et al., 1989). The UN acts as a global umbrella to monitor
peace and humanitarian efforts and has a less recognized international business influence. The UN sets the norms for data transfer and exchange and aids in the investments of emerging nations. The UN has educational programs to train potential laborers and provide them with the skillset to trade effectively.

The World Trade Organization (WTO) is the largest international economic organization globally, made up of over 159 nations, and founded in 1994 (Geringer et al., 2016). China included as active national members of this organization, bound by five main principles. These five principles are

1. Trade without discrimination,
2. Freer trade, gradually through negotiation,
3. Predictability, binding, transparency,
4. Promoting fair competition, and
5. Encouraging development and economic reform (Geringer et al., 2016).

Where the WTO has set rules and policies for energy, they have been difficult to regulate. "Existing explanations for the absence of WTO challenges to fossil fuels have focused primarily on the lack of a mandate within the WTO" (Meyer, 2016, p. 145). Incorporating these policies into your corporate structure and working with the WTO enable them to have the information needed to enforce energy practices better.

Representation in China, as in other nations, is being driven by authority and development. Even though most Chinese companies casually utilize CSR announcing for open relations without internationally recognized third-party reviews. Numerous multinational food and beverage companies in China identify themselves within the commercial center by honestly
and impartially measuring, inspecting, detailing, and moving natural and social practices forward.

**Multinational Food and Beverage Companies**

According to Forbes Global 2000, the five most abundant multinational food and beverage companies of 2018 from first to fifth are Nestlé, Anheuser-Busch, PepsiCo, The Coca-Cola Company, and Mondelēz International. These companies were ranked based on a composite score of revenue, profit, assets, and market value based on Forbes. These companies lead the market in food and beverage and are, in some cases, singularly responsible for developing economies. According to a Plunket Research report (2019), the food and beverage industry makes up over 10% of the world's GDP and over $8 trillion (see Table 1).

**Company Background**

Nestlé - Nestlé has continuously been one of the world's most extensive food & beverage companies. It has over 328,000 workers and more than 2000 brands extending worldwide symbols to nearby top choices, shown in 191 nations worldwide. Sales from 2018 exceeded $90B. The company was founded in 1866, headquartered in Switzerland. The Swiss multinational food and beverage company presently operates in 189 nations and has 335,000 workers universally. Nestlé has set up itself as a global family name, and its brand represents sweetness, goodness, and warmth. Recently they have expanded their beverage enterprise, which equates to a little over 21% of their revenue. The company has also made strides in customers' dietary, wellbeing, and wellness needs by adjusting recipes for nourishment and food allergies.

Anheuser-Busch InBev. - Their company incorporates marketing and distribution of alcoholic and non-alcoholic drinks. They employ more than 155,000 people in 25 countries. Anheuser-Busch is best known for its beer products, such as Budweiser, distributed worldwide.
In 2008, Anheuser-Busch InBev was merged with a merger between three huge brewing companies: Belgium-based Interbrew, Brazillian-based AmBev, and American company Anheuser-Busch. It currently operates out of Belgium and is now the largest brewer in the world. The company sells more than 200 brands.

PepsiCo, Inc. - Established in 1965, PepsiCo is one of the United States' biggest beverage companies. With over 264,000 employees, PepsiCo 22 brand produced more than $1 billion in evaluated yearly retail deals in 2018. Caleb Bradham created a cola formula to match Coca-Cola. Recently, the company has moved its focus to be more nutritional to meet customer and cultural demands. They have reportedly stated that they are lowering sugars in their beverages while still maintaining taste. Also, PepsiCo entered into an association with TB Organization, a non-profit association committed to tuberculosis treatment progression.

The Coca-Cola Company - One of the world's most global and recognizable brands, Coca-Cola company's portfolio highlights 21 billion-dollar brands. More than 1.9 billion servings of refreshments made by Coca-Cola were distributed in more than 200 nations. Through its world's supply chain framework, Coca-Cola is additionally the world's driving supplier.

Coca-Cola distributes a yearly CSR and Supportability Report included within the stock trade markets' data for stakeholder information. In arrange for social bookkeeping to display truthful and trustworthy information, Coca-Cola executes yearly reviews and assessments by outside accomplices. Communication with all partners could be a key component of its methodology since it usually can accomplish sustainability in each activity.

Coca-Cola has faced a lot of scrutiny within China for the health of its beverage and its labeling. As the CDC continues to face the obesity epidemic, Coca-Cola is also adjusting its product line and product awareness to provide healthy alternatives to meet the public's demands.
"Coca-Cola has reinvented itself as part of the solution to the global socio-economic 'problem' of childhood obesity, by globalizing philanthropic programs that attempt to teach schools, teachers, and children to be more responsible for children's health, lifestyles and fatness" (Powell & Gard, 2015, p. 864). Coca-Cola also increased its efforts to compete with healthier alternatives in the late nineties.

By far, the most important new product of 1997 was Coca-Cola Light, replacing Diet Coke in the area. During October, Coca-Cola Light sales were almost 55% above what Diet Coke had sold the previous year. Coca-Cola continues to invest in marketing - and tweak the image - of its core brands. (Sutter, 1998, p. 46)

Coca-Cola has taken after all the essential rules of the CSR hypothesis, and its programs are effective. Its applications are long-term and incorporate numerous exercises. Its technique includes environmental care and discourse with all partners and aligns with its history and trends.

Mondelēz International - Mondelez is a global leader for snack products and employs approximately 83,000 individuals globally. The company specializes in items such as refreshments, beverages, snacks, and chocolate. They encourage nutritious snacking and distribute to 150 countries with ~$26 million in revenues.

**CSR and Multinational Food and Beverage Companies**

The Chinese government increasingly pressures several multinational food and beverage companies in China to incorporate more rigid CSR initiatives into their business models. These pressures are due to the rapidly changing socio-economic environment and the constant concern for social welfare and growth in this developing country. Social issues currently plague China are a predominant wealth gap between the rich and the poor, air and water pollution, diminishing resources, population corruption, labor issues, censorship, and women's rights. As China aims to
become an integral part of the world economy, the government has recognized the overwhelming need to incorporate MNC's to increase CSR programs within its economic and social sectors (Tian & Slocum, 2016). The Chinese government's efforts to broaden MNC's CSR involvement in the local economy have become more imperative; however, these practices have lacked the desired results (Lau et al., 2016).

While there is a considerable amount of published material on CSR from a global perspective, there is limited conclusive data on the multinational food and beverage companies and their ability to successfully implement CSR in developing countries. Specifically, there is a lack of exploration of CSR in China in which rapidly changing socio-economic conditions impede CSR techniques. There is even less research on the correlation of CSR techniques in countries like China with extensive government involvement. This research study explores the causes of these issues and their impact on food and beverage companies. Also, this research aims to focus on the effect on the Chinese infrastructure.

**CSR Challenges in China**

A few of the most significant challenges in the food and beverage industry are environmental pollution and nutrition. Even though companies in this industry are committed to lessening their worldwide footprint, a few objectives need satisfactory natural administration frameworks to realize wanted results (Kim & Ji, 2017). CSR is of great importance for the food and beverage industry because it gives consumers another means to develop brand loyalty and compassion. As a result, CSR activities have become the core method to establish these relationships and understand a need for ongoing sustainability.

As food and beverage companies expand across national borders, managers must understand the foreign country's legal systems. The adherence to the laws and cultures overseas
enables a company to adapt and be a competitive leader. Laws are a framework as to how business practices are structured and how they do business. While many countries have similar legal structure characteristics, they all vary based on their culture and values. The understanding is that within developed nations, the participants' legal codes demonstrated a basic understanding and agreement that laws are reasonable within their society. The businesses operating within their jurisdiction are forced to follow such laws.

When identifying and understanding the global legal systems, they divide into totalitarian and democratic. Totalitarian regimes are often classified as corrupt and suppressive, whereas democracies are considered more harmonious and striving for equality. Understanding the companies' legal boundaries is critical in adaptation to a new environment (Zhigockiy, 2015). Should such laws conflict with the home nation's core values and mission, it would be a low mix and not advantageous to enter that market. For a company to thrive, it must comply with the limitations of that market.

Firms and corporations segment into formal organizational structures that enable coordination and control throughout the business as part of larger global firms, a specific organization dedicated to an international division. This group is a detailed arrangement of positions, responsibilities, and relationships accountable for overseeing all international activities within the firm. This organization structure design is a strategy used by companies to ensure adequate communication and specific international rules and policies. Notification of decision-making processes is essential as there are numerous nuances and additional techniques when working internationally. Open discussion allows for synergy and a hub for expertise on global matters. It also provides its segment apart from the rest of the company in international conflicts, economic fluctuations, or corporate restructuring.
Most international business companies break off the corporate umbrella segment and
distinguish it as foreign vs. domestic. The break-off of global sections has proven positive as
strategic goals and decisions made by a specific portion of a company that caters to a different
culture and various rules and regulations (Geringer et al., 2016). The decisions and strategies
used in international segments vary dramatically from those of domestic policies. Management
has to explore the local sectors and set standardized systems that are appropriate. This separation
can stir discontent and potentially lower employee morale, which should be monitored by
management.

However, executives in multinational companies can seek to identify the logic of global
policies by "examining the extent to which they help secure benefits from coordinating and
integrating their various units and assisting in the learning of lessons across sites" (Edwards &
Kuruvilla, 2005). As with any business dealings, there are many pros and cons within the
decision-making process. But in this case, the ability to segregate international portions of a
company and monitor it separately most times proves to be the most natural and seamless way of
conducting business.

Numerous global businesses have faced many origination designs and restructure over a
short period, and they continue to progress as globalization continues to improve. The
cornerstone of active management and securing a solid foundation in leadership distinguishes
what best suits their customers, employees, and shareholders’ needs early on and builds from that
foundation. Included in corporate strategies are the decisions based on the global and local needs
of the company. International companies may expand and dissolve over time, but the decisions
made in today’s era set the precedents at the forefront of globalization. Agility is a crucial
element of these decisions as there are so many extenuating circumstances in globalization, and it is constantly changing.

Evaluating the current market and understanding its impact on your business is essential in avoiding problems and mitigating risks. The Porter Model emphasizes the importance of location when assessing a company’s competitiveness by highlighting the “geographical concentration of firms enhances productivity, innovation, and export sector” (Alexandros & Metaxas, 2016, p. 84).

Understanding the essentials of this model and how to apply it to current conditions and future expectations better enable companies to have a clear direction. Strategic development in the business community is the cornerstone of the continuity of the company. As in business, we, too, look forward to our lives and set goals and objectives of where we would like to be in the future.

The current global business environment faces increased competition throughout many companies on the international level. The ability to practice sustainability becomes more and more challenging as competition increases. The competition provides constant innovations and ways of doing business, which companies must adapt or outperform. The customer’s demands have also become more complex, and their ability to purchase from numerous suppliers forcing companies to remain vigilant in evolving to hold a competitive edge (Mohd et al., 2015).

Innovation by companies is an ever-evolving web of complex business decisions, negotiations, purchases, and development.

**Consumer Expectations**

Companies must continually be looking ahead to determine what is next and what the consumer wants? Measuring sustainability is hugely problematic because no current
understanding adequately describes sustainability through the economy, interaction with our environment, and the government. It is incredibly challenging to produce a universal definition of decision-making techniques when dealing with so many variables between developed and undeveloped nations from a global aspect. There have been indicators and indices compiled to enable companies to make decisions about becoming more stable. While they provide a complete idea of the topic, they can often be misconstrued and considered unpasteurized and subjective; the ability to monitor decisions and strategies has also proven problematic. The concern is with data integrity and reporting. Having adequate guidelines and data collection methods in developing countries can prove extremely difficult (Neuman & Churchill, 2015). Often third-party auditors are trying to assess data reliability within companies. There is little confidence in such assessments.

**Risk and Opportunity Assessment**

A country’s risk assessment would play a vital role in developing a company’s international strategy. There are many factors first to weigh when collecting information and understanding the economic and cultural conditions. A country’s risk assessment gives invaluable information on the country’s influence, ability to pay debts, political and economic standing (Tomic-Plazibat et al., 2010). The ability to collect this data and assess a country's risks before doing business better positions a company in reducing the obstacles they may face. Should the risks be significant enough for each nation, should the company opt-out of trade or investment? Companies face collecting this extensive amount of data and processing it to make sound business decisions. Once the information is determined, it is equally painful to decide which strategy best moves forward.
The information provided by the assessment indicates the risks and opportunities that can directly or indirectly impact the business. In the overall picture, the country-risk assessment entails “analyzing countries’ performance while considering their economic and socio-political characteristics” (Zopounidis & Doumpos, 2002, p. 232). The company doing the evaluation should obtain an independent panel to allow for objective thinking and fair analysis. There should also be a formal set of standards and criteria that form a threshold for the decision-making process. Developed countries may not need to go through the level of scrutiny as other less developed countries. However, it would be beneficial to do risk analysis in the industry or product you wish to pursue in that country.

The incorporated framework was established by Forbes Global 2000 Index that included throughout 2018 the five leading multinational food corporations. The process behind CSR factors' determination is based on the most common indicators found in research studies. According to leading scholars, CSR's significant aspects in today’s MNCs are driven by environment, legal, corporate leadership/culture, and philanthropy (Schrempf-Stirling et al., 2016). The study includes interviews with employees from each of these companies and their customers. Also, supplemental information was used throughout the analysis of the study. Additional data consist of, but not limited to, exploratory company information, corporate CSR documents, websites, published data, annual reports, and press releases.

De Cramer (2016) stated that socio-economic barriers emphasized the need for CSR by MNCs. Due to rapid changes, current techniques have been less effective in China than in developed countries. Part of this nuance is driven by a lack of experience involving CSR in the region and the mandates from a government that is not overly familiar with CSR strategies and expected outcomes. There is also a failure of benchmarking between CSR techniques to
determine which are helpful and why. Multinational corporations hold different philosophies of what CSR means and to what degree it should be incorporated into their business model while still focusing on financial performance and sustainability. In addition to this barrier, Tan and Ko (2014) discussed that increased Chinese government involvement in conjunction with a vastly growing economy and population has changed CSR's needs, which are still being understood and developed by MNCs. A research study conducted by Kim and Ji (2017) examined the ongoing pressures MNCs face due to the new Chinese government directives for increased CSR regulations and compliance. As MNCs grow, they are more likely to scrutinize local laws, regulations, and monitoring (Husted et al., 2015).

The multinational food industry must be especially aware of the impacts of their decision as they provide food and nourishment globally. Their CSR efforts or lack of CSR efforts can significantly affect a developing country's overall well-being for many reasons. Their actions impact individual nutrition and employment, economic development, local labor infrastructure, and societal needs.

Incorporation of CSR into a Business Model

Given an appraisal from Gamble et al. (2019), the fifth condition of surveying execution and starting therapeutic activities is to examine your external situation. An examination finished by Sulkin (2016) looked at the achievement of family-possessed organizations and external elements' effects. Sulkin claimed that businesses are incredibly affected by government controls and assessments. These organizations are dependent on external factors working to support them or not fluctuating excessively altogether for the organizations to endure.

An organization's outside condition, according to Gamble et al. (2019),
Incorporates the quick business and focused condition and more extensive large scale natural factors, for example, general financial conditions, societal qualities, and social standards, political elements, the lawful and administrative condition, environmental contemplations, and innovative variables. (p. 38)

**CSR Strategies**

CSR strategy development involves understanding your organization's specialty in the market and how it thinks about your competitors. By benchmarking current execution, the executives can determine to enter centers of the center they may need to receive into their current vital arrangement. The board's comprehension of its present market position is fundamental in excelling or remaining ahead as an industry head.

As Gamble et al. (2019) indicated, there are six primary considerations of the large-scale condition. These components are political variables, monetary constraints, sociocultural, innovative, ecological, and legitimate and administrative elements. These segments cooperate as outside powers that shape the dynamics of the organization. The board must know about these markers and what changes can affect the business's present and future condition. These components can conceivably have a significant effect or little effect on business. An organization must almost certainly adjust as per their progressions and impacts. There ought to likewise be dangers, and the executives hold put aside for potential outside unforeseen risk. By setting safeguards early and as a feature of the necessary arrangement, an organization can withstand issues.

Establishing a CSR strategy against external risks takes a lot of research and timely data. What makes this assignment so overwhelming is because outer dangers are ordinarily out of your control. They are forces exerted on business, and the only thing an organization can control is its
response to external power. There are additionally such a significant number of questions with external components. Companies need to survey the whole market continually and fence against issues that may emerge. In all likelihood, being arrogant can cause an organization to be behind their rivals and, in the end, place themselves out of the market.

Attributes of CSR

While CSR's terms and use are broad, its full definition and implications are complicated to pinpoint by industry or nation. CSR is a very complex and widely studied concept, and the term can be used loosely (Alhouti & D’Souza, 2018). The conceptual system for sustainable improvement and CSR clarifies the schedule arenas that any business undertaking should center on the off chance it desires to be maintainable.

CSR is commonly considered to be a practice that incorporates morals or generosity. It is genuine that CSR often consolidates both of those things, in theory, not solely defined by those two concepts. MNCs must think of the many implications that come with their CSR process. These implications include ethics, environment, legal, philanthropy, and financial security (Kolk, 2016). The task is primarily to find a perfect mix of these concepts, which allows for local economic prosperity and company sustainability. These concepts' ideal mixture would benefit all involved, including the customers, stakeholders, global community, suppliers, and employees. CSR incorporates financial obligation, legitimate duty, moral obligation, and magnanimous obligation.

A broad survey of the literature uncovers that strict components drive magnanimous practices in Western nations. For example, research shows that Protestantism urges devotees to be proactive in giving, chipping in, good cause, and social support. Konrath and Handy (2018) contended that the local area reaction drives Western nations' generosity to the social issues
brought about by significant companies and individual qualities, like charitableness, convictions, peer pressure, confidence, blame, vanity, among others. The writing likewise uncovers the ascent of vital giving. Huge organizations improve their situation on the lookout while profiting the beneficiaries and the pattern towards creative altruism, otherwise called social business, adventure generosity, or philanthrocapitalism.

Chinese society has developed unexpectedly, its form of CSR over the years, determined by dutiful obligation and Confucianism. This makes 'official' benevolent giving in China more modest than most nations around the world. To all the more likely comprehend the Chinese outlook, we should think about the job of China's casual establishments, for example, dutiful devotion and family relationships emotionally supportive networks, and endeavor to quantify their financial commitment to society. In the same way as other Asian social orders, China has a long custom of casual establishments and cycles for different capacities, from settling questions to making bargains and donating and providing for the local area. For China, these cycles are giving foundations every day. China's way of achieving undertakings 'casually' diverges from the West, where most formal techniques are. This distinction presents another measurement for review the Chinese culture of donating. For instance, donating and volunteering are commonly recognized as Western values (Anheier & Salamon, 1999). There are no conventional principles about volunteering or donating in China. This form of charity is considered less formal and less structured.

The research in this study centers around Carroll’s four-pyramid model of CSR, which is one of the most widely used models to the current date. This CSR pyramid (Carroll, 1991) includes four different responsibilities, philanthropic, ethical, legal, and economic.
Ethical obligations incorporate the essential concerns of society and partners like security and securing the environment. Many duties include corporate activities that can be considered a reaction to social desires, where businesses progress human welfare and contribute to social programs (Carroll, 1991). Financial and lawful duties are the negligible CSR level enterprises must carry out, but moral duties regularly play a vital part in corporate administration. In addition, financial obligations are to create exceptional quality items and provide benefits to customers. The organization is additionally anticipated to take after laws and controls and expect lawful responsibility (Spence, 2016).
**CSR Constructs**

Economical – The CSR pyramid's foundation is economics and, first and foremost, to be profitable. It is a clear understanding that companies are ultimately incorporated to be profitable and to increase shareholder value. According to SynTao, a Chinese CSR consulting company determined that most MNCs in China are not aware of their CSR investment return. Many companies that report CSR key performance indicators (KPIs) only publish an abridged version to the government (Wagner-Tsukamoto, 2019).

Legal – Companies' lawful obligation is that they follow their home country's laws and the host. Laws can be an onerous obligation to abide by, as laws globally are very diverse. Laws represent the do’s and don’ts within society (Waldman et al., 2014). Taking by-laws is the prerequisite for any enterprise to be socially dependable. Corporate history is the field with occasions where infringement of laws refused enterprises to run any longer.

Ethical – For multicultural business ethics to have any commonality or structure to impose moral standards, there must be a legal authority to enforce and regulate conduct (Xio et al., 2017). Corporate social responsibility (CSR) lines have blurred dramatically due to sustainable development, corporate citizenship, and human rights (Kolk, 2016). A practice deemed unethical in the United States may be considered ethical in a less developed nation. A standard form of methods and enforcement of ethical guidelines and corporate governance is imperative in protecting human rights, global responsibilities, and corporations involved.

Corporate ethics codes can vary in content from narrow and specific social responsibility elements to broader corporate standards, such as hiring criteria, environmental factors, human rights, health practices, safety practices, discrimination, and labor standards (Kolk & Tulder, 2014). A primary issue of multinational food and beverage companies engaging in international
business is that various nations and cultures have different business ethics and laws. These questions address critical areas where ethical and corporate differences have impacted American companies. They enhance the researchers understanding of how legal and cultural differences have an impact on global business.

Philanthropic - Philanthropy is the idea of looking inside the corporation’s watchfulness to improve others' quality of life, neighborhood communities, and, eventually, society. Altruistic behavior cases make gifts to charitable causes, building recreational offices for workers and their families, supporting innovation, and bettering economies. It is imperative to ensure that the charitable causes in companies formed by them are for better developing communities and not just society's expectations.

Even with such a disparity in how CSR is defined, MNCs have no choice but to work with stakeholders to ensure the environment and change in global health and concern. The strategy must be unambiguous and be seen to be uniform and dependable.

Effective communication with employees and the advancement of CSR activities are necessary business processes and play a large part in eliminating or reducing any obstacles to strategy and long-term growth (Fatemi et al., 2018). Ongoing corporate financial improvement and CSR must be intertwined, and there ought to be board oversight, management responsibility, and transparency. Therefore, companies should focus on improving CSR process execution in their products, marketing, operations, logistics, and company personnel growth.

**Environmental, Social, Governmental (ESG) Matrics**

One broadly acknowledged system for this appraisal comprises three components: environment, social, and governance (ESG). The ESG contributing system can be utilized for positive screening (choosing companies with outstanding records) and adverse selection (barring
unfavorable records). Each of the three ESG main components comprises various issues that substantiate them from each other. When producing ESG techniques or reserves, companies utilize diverse categories to come up with an overall score. Not all approaches are equal, and therefore there is fluctuation (Avetisyan & Hockerts, 2017).

This study uses environmental, social, and governance (ESG) factors to measure CSR. ESG criteria are benchmarks for a company’s operations that socially conscious financial specialists utilize to screen potential investors. ESG standards consider how a corporation behaves as a steward of nature. Social components look at how it oversees connections with representatives, providers, clients, and the communities where it works. Governance works with a company’s management, reviews, inside controls, and shareholder rights (Garcia et al., 2017).

Within the plan of an ESG portfolio, there is the idea of eliminating specific segments or distinguishing the leading companies inside each division. A few particular areas, such as social lifestyle, are inclined to move in general ESG scores. In contrast, others, such as innovation, may have higher available scores due to the underlying trade models' nature. An inter-sector approach, which expels low-scoring ESG segments from the portfolio, guarantees prohibition; as it may, it may lead to following an additional blunder from the benchmark. An intra-sector approach, which looks to choose the leading ESG companies inside each segment, holds an introduction to the best ESG companies inside intrinsically challenging ESG segments (Cappucci, 2018). A middle-of-the-road approach is additionally conceivable, whereby many low-scoring sub-industries, such as coal mining, are disposed of afterward. In contrast, the remaining portfolio is built utilizing an intra-sector demonstrate a promising outcome.

Though there are numerous striking improvements in Chinese abroad, speculation in later a long time is developing intrigued among Chinese companies in accomplishing specific
universally recognized ESG measures. Whether propelled by developing universal investigation, Chinese government regulations on CSR, or lessons learned from a growing portfolio of worldwide ventures, CSR is presently a theme of intrigued numerous of China’s major abroad companies.

Like numerous worldwide partners, Chinese companies are at different stages in applying corporate social obligation standards. It may, with significant variety in execution and results among the countless Chinese companies working overseas. Whereas a few areas, it was starting to consider the esteem of substantial ESG commitments. Others have, as of now, contributed broadly in instructive, wellbeing, and other programming nations, indeed looking at times to worldwide benchmarks, such as ISO 26000, for direction on evaluating and tending to social responsibilities.

**Potential Themes and Perceptions**

Within this study, there is a constant element of ambiguity and potential distrust. Firstly, these elements are demonstrated with the interpretation of CSR's definition and use and secondly with the intentions in which a company may utilize CSR in their practices. This distrust may potentially be enhanced when leading multi-billion dollar firms are making money off developing countries. Even with the performance of good deeds, there could always be potential skepticism as to the rationale behind their actions.

Even though the idea of shared obligation does not give clear-cut parameters to the part businesses ought to play in social issues, it does appear that the plausibility of corporate responsibility for wellbeing should not be dismissed. This corporate obligation's scope ought to be and how it relates to other entities (i.e., governments, non-governmental organizations, and buyers) required to encourage efforts for nourishment and well-being reform. On the off chance
that one is genuine, almost handling populace well-being issues, it is essential to realize that these issues are multifaceted and interface numerous distinctive groups responsible and obligated to incorporate CSR in their business model. This suggests typically including governments, which, given the undecided commerce behavior, concerning the population's health.

Chinese companies and services are significantly advancing toward characterizing and applying corporate social obligation, domestic and overseas. Much more remains to be done, in any case, mainly as companies see to develop their extractive segment speculation. Chinese companies can be pioneers in CSR by creating improvement objectives within the nations where they are doing, intentionally joining social and environmental concerns in their trade forms and connections, and viably connecting CSR to company strategy, counting with the assistance of new insights and advances.

**Questions for Further Research**

In exploring CSR, the specific ongoing problem is how multinational food and beverage companies directly impact the host country when conducting international business with transnational codes of ethical conduct, corporate governance, and local laws? Understanding the differences between our corporate culture and other multinational companies can provide insight into the overarching problem and identify areas to focus on in the future.

Multinational food and beverage companies are criticized for using CSR to improve consumer beliefs about the company’s practices or fix a damaged reputation propagated by poor company actions. How are these issues handled, and to what extent do they impact the company's financial performance?

Often, with CSR issues that are ambiguous and convoluted, an integrated grey area should be avoided. As the CSR activities increase, it would be practical to look at cases where
the boundaries were not met and the MNCs? Should an inappropriate outcome prevent MNCs from moving forward with unethical behavior in situations where the company is financially liable? To what extent are the impacts?

**Methods and Standards**

The groundwork and information provided for this thematic literature review, focusing on CSR techniques, are mainly pulled from peer-review journals and studies supplied in the subject matter. The goal was to obtain pertinent information on how multinational food and beverage companies utilize CSR to increase shareholder value. While this topic is still and most likely be somewhat subjective, it gives a solid overview of CSR and MNCs' areas.

This qualitative research represents a study of corporate social responsibility for the top 5 global food industry leaders of 2018. This study analyzes the correlation of CSR techniques in multinational food and beverage companies and their impact on China as a developing country. I also evaluated the association above with shareholder returns and company sustainability. This study's framework is under the phenomenological design method, which best encapsulates the information needed and provides the best way for conveying the message. A sample size of the five leading multinational food and beverage companies was used and analyzed based on their impact on the host country and individual company financial performance. This process incorporates the collection of qualitative data that were obtained and analyzed. Also, peer-reviewed research and case studies were examined and studied.

The performance period is 2018 company results for the basis of this study and the data leading to these results. Historical data were accessed where applicable in determining hypotheses and making conclusions on current-day business interactions. This analysis used Nestlé, Anheuser-Busch, PepsiCo, The Coca-Cola Company, and Mondelēz International as
standardized, leading multinational food and beverage companies. Earlier research has recommended that firm size and industry impact stakeholder decisions (Hillman et al., 2001). Financial analysis was evaluated based on its growth to sales and earnings related to CSR techniques and development.

The study also addresses negative press and misconduct implications in not following laws and business practices. This study includes exploring negative ramifications for companies found having conducted illegal business practices directly related to local laws. Data retrieved for this study consist of interviews, surveys, case studies, peer-reviewed research, and financial documents.

As indicated in the introduction, there is limited documented knowledge of the correlation between financial performance and CSR in the business environment. Even with a plethora of empirical studies that emerged on the topic of CSR. With these investigations and a complete understanding of what it could mean to corporations, researchers discovered reliable CSR indicators that proved to be value-added. Still, there was no way to pinpoint critical quantitative measures. Due to this topic’s complexities and the human condition most likely continue to be an ongoing challenge.

Much of the research data were pulled from peer-reviewed research databases, mainly journals, academic findings, and case studies. While most case studies involved CSR’s benefits, there was very little insight into the various techniques. Techniques and reviews were often high or surface-level applications such as trust and honesty and CSR techniques' influencing effects. While the subject is too complicated and can vary significantly between individuals and companies, the premise is the same.
The majority of the case studies that are pulled were primarily from workplaces in international case studies. While it appears that the trend of CSR is spreading rapidly, it seems that its initial beginnings were mainly within the American corporate business environments. This study uses environmental, social, and governance (ESG) factors to measure CSR. ESG criteria are benchmarks for a company’s operations that socially conscious financial specialists utilize to screen potential investors. ESG standards consider how a corporation behaves as a steward of nature. Social components look at how it oversees connections with representatives, providers, clients, and the communities where it works. Governance works with a company’s management, reviews, inside controls, and shareholder rights.

While this information is helpful to get a sense of the profession as a whole, it was not as informative as seeing case studies where specific techniques are applied and determined if they were successful or not. The subject of CSR is increasing vastly, and through future developments and applications, one should expect to see an even more extensive wealth of data in the next five years.

Summary of the Literature Review

While the research community sees CSR and organizations' everyday practices, the local economies and stakeholders should be kept as a focal point of core interest. The client and market designs lead the technique to the organization’s ideal outcomes (Gamble et al., 2019).

With globalization, companies need to understand the complexities of diverse nations and their corporate culture (Enderle, 2015). The central issue in establishing an international business code of conduct inherently lies in differences between determining a general standard of ethics and recognizing multicultural diversity among companies (Tan & Ko, 2014). However, CSR and
business ethics adapt and change to become standardized across nations as companies strive to become leaders in a global market.

International business must manage the business patterns and influences among the various nations of the world. International business practices need to consider different countries' business strategies that govern their imports and export policies and procedures. Global corporations and government practices mandate certain restrictions and controls that significantly differ between nations due to cultural influences (Tan & Ko, 2014).

Currently, China is the most prominent and fastest-growing rising economy in the world. For this reason, increasingly, multinational food and beverage companies are seeing financial gain and positioning by entering this market space. There have been numerous shifts in China's buying and spending power, which have given rise to significant corporations' interests. The Chinese government and consumers are becoming increasingly aware of CSR and its impact on the Chinese infrastructure.

**Summary of Section 1**

Corporate social responsibility between companies and nations has become an overarching challenge in today’s international trade (Andrade et al., 2017). As companies advance in international trade, it is imperative that they understand the constraints and how to accommodate differences. In this study, the relevant assessed empirical data are analyzed to find critical themes between researchers and those who have actively studied CSR's effects. The process behind CSR factors' determination is based on the most common indicators found in research studies. According to leading scholars, CSR's significant aspects in today’s MNCs are driven by environment, legal, corporate leadership/culture, and philanthropy (Schrempf-Stirling et al., 2016). This research study explores these concepts and explains why multinational food
and beverage companies are constrained by socio-economic barriers when incorporating CSR techniques in China.
Section 2: The Project

Section 2 of this qualitative research analysis discusses how the project is to be implemented throughout the study. Firstly, it defines the purpose of the research, which provides the overall foundation for the study. It continues by discussing the researcher's roles and responsibilities and their expected contributions, and the participants. It is followed by the research method, which details how the study was conducted to ensure that the researcher’s desired outcome is achieved. Next, an overview of the targeted population was presented, and the sample size fits the depth of information analysis. The study's expectations presented data collection and organization techniques, procedures, reliability, and data validity. In the conclusion of this section, a summary recaptures the information provided.

Purpose Statement

The purpose of this qualitative case study is to understand and explore the CSR techniques of multinational food and beverage companies and how they work around China’s rapidly growing socio-economic environment. Through this in-depth research, the central problem to be explored is the socio-economic barriers that have resulted in the failure of multinational food and beverage companies to implement effective corporate social responsibility techniques in China.

This study's results are expected to understand better the complications of socio-economic barriers and their effects on implementing effective CSR in a developing country such as China. The study results also provide a more transparent comprehension of how government intervention on CSR can impact the program's overall process and intention. New techniques are critical in CSR's successful execution in continually changing markets (Martinuzzi & Krumay, 2013). Through this research, an in-depth exploration of how companies have reacted and
circumvented these problems was a lesson for companies to implement CSR strategies in the future.

**Role of the Researcher**

The researcher's role is considered instrumental in collecting data in a qualitative study (Denzin & Lincoln, 2003). The qualitative researcher is a stark difference from a quantitative researcher, where the researcher is practically non-existent. That is to say, the researcher in a quantitative study acts independently of the data based on non-subjective and factual inputs. In this case study, the researcher serves as an involved observer and objective viewer by questioning and seeking additional information germane to the subject matter.

The qualitative researcher document all aspects of the research, including biases, expectations, assumptions, and all other attributes they experience collecting and analyzing the data (Greenbank, 2003). In this study, the researcher has obtained ten employees from the five multinational food and beverage companies to question their experiences with the outcome of CSR in China. In addition, 10 product consumers and 20 participants who currently live in China were asked to discuss their observations and views towards CSR and how it directly impacts their economy.

**Participants**

This study's participants include 10 employees of the five different multinational food and beverage companies and 10 product consumers. The five companies identified in this study are Nestlé, Anheuser-Busch, PepsiCo, The Coca-Cola Company, and Mondelēz International. Employees from The Coca-Cola Company, PepsiCo, Nestlé, and Mondelēz International have been identified. These 10 employees directly interact with international relations and CSR, including an explicit understanding of their company’s effort in China.
Ten consumer participants and 20 residents of China have also been identified and interviewed until the study reaches saturation. These individuals are native to China and utilized the products contained in the study. These participants live in metropolitan areas and rural locations. Their perspective is to provide how Chinese culture views CSR and its importance in their day-to-day lives. As the researcher, it is also essential to ensure that the appropriate amount of detail is collected. Case study designs tend to incorporate large amounts of data to account for events from a large enough sample to determine a comprehensive conclusion-based data collection. Questions must be poignant, and ultimately large quantities of information must be analyzed, sifted through, and discussed. All of these participants have direct interaction with the researcher. The participants complete an interview and then have a follow-up session to clarify key points and ideas.

**Research Method and Design**

The research and design protocols outline the relationship between the top five food and beverage companies, the Chinese government, and the local Chinese culture when advancing CSR techniques and applications. Within this segment, I discuss the rationale of the selected method and design to carry out this study.

**Discussion of the Method**

A qualitative research method is used in this study that explores the impact of CSR on multinational food and beverage companies in China. The research method that best encompasses this study is a qualitative research method that entails studying a person or group of people's experience related to a specific understanding of how CSR is conducted within the multinational food and beverage industry in China's infrastructure advancements. This research tries to provide the human nature and essence of an event or situation and why people reacted to
it in a particular way (Creswell & Poth, 2018). To sufficiently reflect reality in models, consequences of the different examinations are utilized, receiving various exploration strategies to investigate biological and monetary procedures, which envelop the qualitative model. The most valuable models are: experimental and distinct, realistic, relational, and informatics (Schrempf-Stirling et al., 2016).

Through my research, I explore the underlying issues that multinational food and beverage companies have to effectively implement CSR programs in China. I describe the current companies’ techniques, government involvement, and the roadblocks these companies face. Luo and Creswell (2016) stated that the qualitative method emphasizes quality articles, procedures, intensity, occurrence, and interpretations that are not measured through quantity or experimentally examined. The nature of this study involves the analysis of subjective topics such as socio-economic barriers and CSR. When using the qualitative method, the researcher is the one assessing the data to provide findings. This information is supported by various criteria established in the development and, ultimately, research (Noyes et al., 2018).

**Discussion of Design**

The research design in this study was a case study. According to Campbell et al. (2016), case studies depend intensely upon subjective information obtained from interviews, data sources, and observations. The research lends itself to the case study design because it explores in-depth interactions between the socio-economic barriers and CSR's impact within the five multinational food and beverage companies. This information can come from six distinctive sources when developing a case study. These six sources include documentation, documented records, interviews, observation, and participant-observation of the ongoing socio-economic issues these companies face in their efforts to implement CSR in China.
The case study design is a method that introduces in-depth insight into the understanding of a complicated issue. This method is most helpful when the study's phenomenon has not been thoroughly analyzed or is intricate by having several moving pieces. The case study involves the topic subject and the contributing conditions to the question, most likely to come from multiple sources (Creswell & Poth, 2018). This layout is more often used when trying to address a descriptive question such as “what has happened or is happening?” or an explanatory problem like “how or why did something occur?” (Yin, 2014).

**Summary of Research Method and Design**

The qualitative method and case study design were decided after considering the structures of all available possibilities. These designs include phenomenology, ethnography, narrative, and ground theory. Understanding that this was a subjective framework that explores perspectives, perceived value, and culture integration has led me to this research focus.

**Population and Sampling**

The discussion of population and sampling is explored in this section of the study. This exploration includes the researcher's method for selecting the population for which the sample was taken. The researcher describes and defends the sampling method chosen and the various elements of the sampling. Finally, an explanation of the sample's appropriateness and characteristics to the overall study was concluded.

**Discussion of Population**

The population that was best suited for this study is two-fold. The first one is the leading multinational food and beverage companies that operate and distribute in China. The second one is China’s inhabitants. This study explores how the leading multinational food and beverage companies' impacts impact China’s population by executing CSR techniques in China.
The leading multinational food and beverage companies of 2018 were selected to address how that industry would impact the Chinese population. According to a Plunket Research report (2019), the food and beverage industry makes up over 10% of the world's GDP and over $8 trillion. Also, they are internationally recognized as leading contributors to developing economies such as China. Multinational food and beverage companies lead the market and are, in some cases, singularly responsible for developing economies.

The Chinese population was chosen because they are significantly impacted by the multinational food and beverage companies and how they practice CSR. Specifically, there is a lack of exploration of CSR in China in which rapidly changing socio-economic conditions impede CSR techniques. There is even less research on the correlation of CSR techniques in countries like China with extensive government involvement. This research study explores five leading multinational food and beverage companies on the Chinese infrastructure.

Discussion of Sampling

The discussion below explores the researcher’s methodology and explanations in the sampling process of this study. The sampling that is presented was a direct subset of the aforementioned population. The researcher explores the sampling frame, sample size, and sample criteria.

Sampling Frame

This study utilizes non-probability sampling. Each member of the population does not necessarily have a random chance of being selected but is explicitly chosen by the researcher (Raina, 2015). Within this non-probability framework, two types of non-probability sampling were conducted. The first is a purposeful sampling applied to the selected multinational food and
beverage companies. The second type is convenience sampling, which consists of the individuals that live in China.

Purposeful sampling was selected for the multinational food and beverage companies because of their impact on China's CSR utilization. In this study, the top five multinational food and beverage companies were selected. According to Forbes Global 2000, the five most abundant multinational food and beverage companies of 2018 from first to fifth are Nestlé, Anheuser-Busch, PepsiCo, The Coca-Cola Company, and Mondelēz International. These companies were ranked based on a composite score of revenue, profit, assets, and market value (Forbes.com).

Convenience sampling was utilized in the selection of participants that currently live in China. This sampling type was chosen as I have limited access to those available. Through creditable references and word of mouth, I was able to find individuals who were available and suitable for the study.

Sample Size

The researcher determined an adequate sample size within this study framework of potential participants to allow sufficient data. Based on Sim et al.’s (2018) findings, the sample size can be specified on methodological considerations and past experiences, modeling characteristics, numerical guidelines, and statistical formulas on sufficient sample size. A sample size of five of the top multinational food and beverage companies was selected based on these criteria. The five companies are well-known and established companies that have led the food and beverage industry for several decades. They were also chosen of the top five out of 56 food and beverage companies of the Forbes Global 2000 (2018) list and made 78% of all revenues. I also used a 70/30 rule for revenue in which these five companies more than surpassed. Based on
these criteria, it is evident that the five samples for this time frame were sufficient in this study. It also does not cause excessive unneeded data collection.

Ten consumer participants have also been identified and were used until saturation is met. These individuals are native to China and utilized the products contained in the study. These participants live in metropolitan areas and rural locations. Their perspective is to provide how Chinese culture views CSR and its importance in their day-to-day lives. As the researcher, it is also essential to ensure that the appropriate amount of detail is collected.

**Summary of Population and Sampling**

Five leading international food and beverage companies have been selected as the population for this study. Also, 10 employees, 20 residents of China, and 10 consumers have been selected to represent their industry and homeland, respectively. The compilation of data gathered and analyzed based on this sampling and population serves as a thorough and robust foundation to support this study's findings.

**Data Collection**

Data collection and information integrity is a critical part of your research. It is based on what you use to analyze your questions, test outcomes, and determine findings. It must be adequately done in which only data essential to the study should be requested and reviewed. The collection procedures need to validate the research and provide the same or similar outcome for future studies.

This effort is a qualitative research study with data collected from the top five leading multinational food and beverage companies and Chinese residents or residents of developed countries to explore the impact of CSR techniques. In this section, the researcher addresses data collection techniques used to obtain information from study participants through a detailed
questionnaire and its relation to the problem statement and the research questions addressed in this study.

**Instruments**

A semi-structured interview approach is used as the primary form of data collection in this qualitative study. The semi-structured interview may provide some consistency in gathering information that can understand each participant's experiences. This structure is comprised of 10 to 15 questions. These questions are predetermined and allow the researcher to facilitate the discussion and collect complete and exhaustive data. The questions' format leads the participant in a systematic path, enabling them to formulate an optimal response that was comprehensive and focus on areas of exploration germane to the subject. The questions also allow the researcher to explore emergent themes that may evolve through the process.

While there are numerous benefits to using semi-structured interviews, it also faces limitations. The collection of information can frequently be lengthy and require gathering a plethora of information. Collecting the data may be difficult in finding a suitable sample to reflect an unbiased representation of the story or cause sufficiently. When accounting events have impacted several individuals, the questions must be poignant and cumbersome amounts of information need to be discussed, sifted through, and analyzed. The piecing together of what data are relevant and what should be discarded can be tedious and problematic. Since the interview or questionnaire is the primary method of extracting the data, ample time and consideration must be given in this process. The language included in the interview is clear and concise to the person interviewed.

Another challenge with semi-structured interviews is that they involve people and events in which one can never guarantee that the event can be replicated. Because it happened in one
instance with one group, it cannot be guaranteed to occur again. Enough information must be produced to substantiate that the evidence and findings from that study give the researcher ample reason to decide in their conclusions. The concern is with data integrity and reporting. Having adequate guidelines and data collection methods in developing countries can prove extremely difficult (Neuman & Churchill, 2015).

Finally, the researcher must be unbiased in their findings. Because the information is qualitative and based on human conditions, it can be subjective. The person presenting the data can in no way be persuaded in their interpretation of the data. The evidence needs to be fully expressed as comprehensively as possible to account for what occurred entirely. Through the semi-structured interview design, its approach and applications are flexible.

Data Collection Techniques

All interviews were conducted through the use of Skype or Microsoft teams. These software tools allow for video conferencing and recording of the conducted interview. The participant was asked to review the recording to ensure complete and adequate information was provided. The purpose of this method was to allow for a wide breadth of participants between multiple continents and still have a face-to-face interview. This enabled the researcher to gain insight into the participant's remarks through nonverbal cues and gain the participant's trust.

All participants were given a pseudonym for confidentiality. The pseudonyms had the naming convention of E1, E2, E3, and so on, for the employees interviewed, C1, C2, C3 for the consumers interviewed, and R1, R2, R3, and so on, for the residents interviewed. The companies had a pseudonym naming convention of MNC1, MNC2, MNC3, and so on., related to the employee participant. There was no way to link an employee participant back to a specific company.
**Data Organization Techniques**

The interviews are stored on a password-protected hard drive. Research notes were taken during the interview and were also stored in the exact location. All information is electronic, with nothing maintained outside of the hard drive.

The researcher established a separate digital folder for each participant, including their interview and all typed notes. The researcher also maintained an excel spreadsheet with key metrics to better analyze the provided data in a condensed format. The excel spreadsheet does not include participants with descriptive information and present data within the study.

**Summary of Data Collection**

The data collection consists of interviews between the researcher and employees of China's top five leading multinational food and beverage companies, consumers, and residents. These interviews were conducted through video conferencing and recorded to maintain the integrity of the data during analysis. All participants were given pseudonyms, and the data are stored under a password-protected hard drive.

**Data Analysis**

Data analysis is completed by developing a structured set of original categories, elaborating on additional subcategories within these original categories to portray emerging patterns and form a theoretical model (Creswell & Poth, 2018). The data analyzed in this qualitative study includes collecting information from 40 participants and information collected from the selected companies' websites and annual reports. This information was a thorough sampling that allows for a complete understanding of the addressed problem. This section discusses how the data were classified and utilized to draw information about how CSR from
multinational food and beverage companies is addressed and its perception in China. Various themes were discussed, as well as how the coding process is developed and implemented.

**Coding Process**

Reliability in qualitative research depends upon the quality and consistency of coding. Creswell refers to this strategy as “intercoder agreement” (Creswell & Poth, 2018, p. 265), reflecting the consistent output and repeatability of multiple coders assessing the same data. The coding process’s reliability depends upon developing and adhering to a standardized code list and referencing system. Once established, the initial codebook is tested and refined. A cross-comparison of the output of multiple coders provides a measure of the reliability of the process. The higher the percentage of intercoder agreement, the higher the perceived trustworthiness of the evolving themes and findings (Creswell & Poth, 2018).

In most cases, data are gathered through a series of interviews in which the researcher can find discernable categories. Categories are considered information units, such as events, happenings, or instances from the collected participants. This finding group process is also known as the “constant comparative” data analysis method (Creswell & Poth, 2018). Creswell and Poth discussed the critical elements and traits that emerged within the data and identified them through coding to analyze it better. The data were considered saturated once the coding had evolved to where no additional categories or questions could be revealed. In the analysis of the data, three types of coding were used:

1. **Open coding** – dividing the information into similar groupings about the phenomenon researched.

2. **Axial coding** – bringing together the categories into groupings. The new groups start to show new patterns that may emerge.
3. Selective coding – The researcher uses the categories and themes to determine a theory.

The next step after data collection in the analytical process is data coding (Ngulube, 2015). The coding process used in this study includes open, axial, and selective coding. The researcher collects data from the seven transcripts and matrices within an Excel-based platform. The themes applied to understand CSR in China are government intervention, Westernized thinking in a developing country, and consumer reaction to CSR in China. The questions enable a full range of understanding within these three main categories. They are used by the researcher to fully develop a complete and unbiased interpretation of the data collected.

The third and final step in the data analysis process addresses the research questions and how the data collected answers those questions. This information was pulled from the transcripts and excel matrix to provide a narrative from the researcher to explain the current phenomena' findings. A detailed description addresses and answers the research questions and provides a glimpse of the next steps in resolving the overarching issue.

**Summary of Data Analysis**

The data collected for this qualitative study includes interviews with forty participants. Ten participants work at one of the determined multinational food and beverage companies, 10 product consumers, and 20 in China. The analysis process includes transcribing the interviews, placing them into an Excel-based matrix, apply three central theses, addressing the study research questions, and creating a final narrative that discusses findings and areas of future vital issues managed. The three major themes identified to analyze CSR in China are government intervention, Westernized thinking in a developing country, and consumer reaction.
Reliability and Validity

Creswell and Poth (2018) described reliability and validation as the process of assessing accuracy in terms of “trustworthiness” and “authenticity” as opposed to verification or the formulation of scientific or mathematical proof. For both instrument and reporter, validation is an ethical relationship between the observer, the observed, and those reading the account (Creswell & Poth, 2018). The researcher’s data must be reliable and valid to substantiate the study (Bridge, 2017). In this section, the researcher addresses the importance of saturation and triangulation techniques and their application to this study’s reliability and validity.

Reliability

Testing reliability in a qualitative method study design is much harder to support than a quantitative design. The use of Creswell and Poth’s (2018) approaches to reliability testing is necessary for supporting an individual’s research. Coding provides an excellent technique of pulling together information that demonstrates patterns. By portraying these consistencies and themes in the study, the facilitator can support their findings. As discussed in Creswell (2012), other reliability methods, such as test-retest, alternate forms reliability, alternative forms, test-retest reliability, inter-rater reliability, and internal consistency reliability, support the consistency research method and findings. This is evident through the quality of research and is directly related to the testing and increasing the study’s validity or trustworthiness (Golafshani, 2003).

In qualitative research, the numbers' quality and depth are more important than the data (Burmeister & Aitken, 2012). The researcher was conducting in-depth substantive interviews with 10 employees until saturation was met for the five different multinational food and beverage companies: 10 employees, 10 product consumers, and 20 individuals in China. The interviews
were conducted based on the interview guide (Appendix D). The five companies identified in this study are Nestlé, Anheuser-Busch, PepsiCo, The Coca-Cola Company, and Mondelēz International. Employees from The Coca-Cola Company, PepsiCo, Nestlé, and Mondelēz International have been identified. These employees directly interact with international relations and CSR, including an explicit understanding of their company’s effort in China. Ten consumer participants have also been identified. These individuals are native to China and utilized the products contained in the study. These in-depth interviews consist of 10-15 questions and dialogue with the researcher. The write-up of the interviewer also is provided to the participants to assure accuracy and understanding. These steps were to ensure that proper saturation is acquired. Due to this study's specific aim, the scale reaches saturation more rapidly than a more extensive study with a broader range.

**Validity**

Data are collected from interviews, peer-reviewed publications, corporate annual reports, and discussions with colleagues. These multiple facets enable triangulation within this study and better test and increase the data's validity. The collection of interviews and personal accounts incorporated the qualitative rationale and explanation of the findings. A proportionate sample size of participants and their experiences was collected and analyzed to determine consistency. As interviews were completed, the participant was involved in an open dialogue to confirm their interview account. Feedback from counterparts was encouraged and potentially embedded in the research. Feedback is not to have consensus but to foster growth and development in the study. Peer-reviewed research on the subject matter was also be reviewed and correlated as appropriate to the study. Corporate annual reports from Nestlé, Anheuser-Busch, PepsiCo, The Coca-Cola Company, and Mondelēz International were used to address the overall company’s stance on
CSR in China and their findings. Finally, discussion with colleagues and the researcher's university community enabled a better assessment and reflection of the data. The combination of these methods enables the trustworthiness and reliability of the research and the findings.

**Summary of Reliability and Validity**

Creswell (2014) stated there are eight primary strategies for validity and reliability, which include triangulation, member checking, use of detailed descriptions, clarify the bias, present negative or contrasting information, dedicated prolong the time in the field, leverage peer debriefing, and leverage an external auditor. The researcher has utilized these techniques and approaches to test and verify the data's reliability thoroughly, and validity is maximized and fully obtained.

**Summary of Section 2**

This qualitative research analysis discusses how the project was implemented throughout the study. It has defined the purpose of the research, which provides the overall foundation for the study. In addition, the researcher's roles and responsibilities, participants, research method, targeted population, and sample size. Finally, the study's expectations were discussed through data collection and organization techniques, procedures, reliability, and data validity.
Section 3: Application to Professional Practice and Implications for Change

Section 3 of this dissertation concentrates primarily on the study's findings and how to apply them to professional business practice. The researcher focuses on themes, patterns, and relationships drawn from the evidence collected within the findings. This analysis stems from and addresses the research questions and the initial hypothesis. Specifically, this study's focus area addressed the themes, patterns, and relationships the researcher withdrew from a total of 40 interviews conducted.

Subsequent to analyzing the findings, the researcher provides recommendations for actions based on their understanding of the data and an opportunity for additional growth to further the study. The recommendations offer guidance on how multinational companies can implement CSR strategies that impact the Chinese population. Also, the researcher provided recommendations for future researchers. The suggestions provide future researchers a viable starting point for key topics that would enhance the knowledge base of implementing CSR strategies in China.

The final portion of Section 3 reflects the researcher’s experiences with the research process and provides an overall summary of the research and how it closes the literature gap. This section allows for reflection and provides a more personal understanding of what the researcher noticed throughout the study.

Overview of the Study

The purpose of this qualitative case study is to understand and explore the CSR techniques of multinational food and beverage companies and how they work around China's rapidly growing socio-economic environment. Due to rapid changes and socio-economic barriers, current strategies have been less effective in China than in developed countries.
Multinational corporations hold different philosophies of what CSR means and to what degree it should be incorporated into their business model while still focusing on financial performance and sustainability. In addition, Tian (2016) discussed that increased Chinese government involvement in conjunction with a vastly growing economy and population had changed CSR's needs, which are still being understood and developed by MNCs. There are broad agreements and mounting evidence that CSR can significantly contribute to social advancement, financial stability, and overall infrastructure (Deng et al., 2013).

Also, research indicates that there is currently a positive reaction by consumers with companies that engage in CSR, which is the company's engagement in benefiting society, typically without legal obligation (Alhouti & D'Souza, 2018). Companies that implement CSR policies gain competitiveness and value when linking CSR to consumers' needs and values (Marín et al., 2016). Companies that implement CSR policies achieve industry competitiveness and status when linking CSR to consumers' needs and values (Marín et al., 2016).

Multinational CSR can improve social-economic barriers, including environmental factors, safety practices, human rights, hiring conditions, health practices, discrimination, and labor standards (Kolk & Tulder, 2016). These impacts improve the Chinese population's well-being and contribute to business growth through positive reputation and consumer loyalty.

Within this study, four research questions focus on critical areas where social-economical barriers influence Chinese culture's CSR methods of multinational food and beverage companies. The first question relates to the perception of corporate social responsibility in China vs. western cultures. The subsequent three questions focus on implementing multinational food and beverage companies' corporate social responsibility and challenges.
In China, multinational food and beverage companies are receiving pressure from the Chinese government to incorporate more rigid CSR initiatives into their business models. This is due to the rapidly changing socio-economic environment and the constant concern for social welfare and the growth in this developing country. Social issues currently plague China are a predominant wealth gap between the rich and the poor, air and water pollution, diminishing resources, population corruption, labor issues, censorship, and women's rights.

The use of the case study and the design used in this qualitative research proved successful in obtaining insight into how multinational food and beverage companies implemented CSR strategies in China and how socio-economic barriers caused unsuccessful results and numerous adjustments. Methods used by the five leading multinational food and beverage companies differed significantly; however, they all but one outlier showed a pattern of having poor results and making changes in processes that differ from the strategies used in westernized countries. The overarching theme caused by these issues was driven by the multinational food and beverage companies attempting to execute westernized thinking and not adapting. Chinese government intervention and mandates to how companies and how much money companies must contribute to CSR and where their efforts should also be spent played a role in their success.

**Anticipated Themes/Perceptions**

In the initial research phases of this dissertation and in the progression of reaching the final topic of the socio-economic barriers that multinational food and beverage companies face when implementing CSR in China, the researcher noticed that government intervention and mandates were a reoccurring theme. While much of the present-day literature focuses on government intervention, the researcher also wanted to understand how China's people viewed
CSR and if they thought it would effectively build sustainment. With this information, specific themes, patterns, and relationships should emerge regarding how multinational food and beverage companies implement CSR and why they have had such difficulty succeeding in the past.

The initial thought was that the multinational food and beverage companies used westernized CSR strategies that failed due to the Chinese government and interference. The population of China was unaware of the contributions these companies had made to their economy. Therefore, the companies’ efforts and resources were wasted. Then again, this goes back to the fundamental question of why do companies implement CSR? Do they do it for the altruistic, philanthropic aspect, or is it really about the bottom line? To conduct business in China, these companies must abide by the policies of the Chinese government. It would behoove these companies to collaborate with the government to gain a relationship and semi mutual understanding that the companies' CSR goals align with the government to want what is best for sustainment. However, in doing so, are they reaching the Chinese population in brand recognition and consumer loyalty? The research questions were derived to explore these critical points to understand better how multinational food beverage companies would need to modify their westernized CSR methods and adapt to the Chinese culture.

**Presentation of the Findings**

This qualitative case study explores the correlation between socio-economic barriers and corporate social responsibility of China's multinational food and beverage companies. The study specifically examined the five leading food and beverage companies from the Forbes 2000 in 2018 and how they circumnavigated socio-economic barriers when implementing CSR in China. To fully explore this topic, a primary source of forty participants was interviewed. Ten
participants work at one of the determined multinational food and beverage companies, 10 product consumers who currently live in China, and 20 participants who reside in China but may or may not be consumers. The breakout of participants is as follows:

**Table 2**

*Study Participant Breakout*

<table>
<thead>
<tr>
<th>Multinational Company</th>
<th>Employee Pseudonym</th>
<th>Consumer Pseudonym</th>
<th>Population Type</th>
<th>Resident Pseudonym</th>
<th>Population Type</th>
<th>Resident Pseudonym cont.</th>
<th>Population Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>MNC1</td>
<td>E1</td>
<td>C1</td>
<td>Rural</td>
<td>R1</td>
<td>Rural</td>
<td>R11</td>
<td>Metro</td>
</tr>
<tr>
<td></td>
<td>E2</td>
<td>C2</td>
<td>Metro</td>
<td>R2</td>
<td>Rural</td>
<td>R12</td>
<td>Rural</td>
</tr>
<tr>
<td>MNC2</td>
<td>E3</td>
<td>C3</td>
<td>Rural</td>
<td>R3</td>
<td>Metro</td>
<td>R13</td>
<td>Metro</td>
</tr>
<tr>
<td></td>
<td>E4</td>
<td>C4</td>
<td>Metro</td>
<td>R4</td>
<td>Rural</td>
<td>R14</td>
<td>Rural</td>
</tr>
<tr>
<td>MNC3</td>
<td>E5</td>
<td>C5</td>
<td>Metro</td>
<td>R5</td>
<td>Metro</td>
<td>R15</td>
<td>Metro</td>
</tr>
<tr>
<td></td>
<td>E6</td>
<td>C6</td>
<td>Metro</td>
<td>R6</td>
<td>Metro</td>
<td>R16</td>
<td>Rural</td>
</tr>
<tr>
<td>MNC4</td>
<td>E7</td>
<td>C7</td>
<td>Rural</td>
<td>R7</td>
<td>Rural</td>
<td>R17</td>
<td>Metro</td>
</tr>
<tr>
<td></td>
<td>E8</td>
<td>C8</td>
<td>Metro</td>
<td>R8</td>
<td>Metro</td>
<td>R18</td>
<td>Rural</td>
</tr>
<tr>
<td>MNC5</td>
<td>E9</td>
<td>C9</td>
<td>Metro</td>
<td>R9</td>
<td>Rural</td>
<td>R19</td>
<td>Rural</td>
</tr>
<tr>
<td></td>
<td>E10</td>
<td>C10</td>
<td>Metro</td>
<td>R10</td>
<td>Rural</td>
<td>R20</td>
<td>Rural</td>
</tr>
</tbody>
</table>

While not by design in the study, the participants who live in metro areas vs. rural areas are equal when totaling the consumers and the residents. Nine of the five companies’ employees live in the U.S., and the tenth employee currently lives in Beijing, China. Each of the participants spoke English, even though, in some cases, Chinese was their first language, and there was a minimal language barrier during the interviews. Follow-up conversations were also performed to ensure that there was no confusion in their replies. Each participant was receptive and willing to share their answers with me with no reluctance throughout the interviews. Most of the interviews lasted approximately an hour, with the follow-ups being usually 30 minutes.

Secondary data of current literature and corporate annual reports are also used. However, the existing literature heavily revolves around CSR in developed westernized countries, and hence the researcher relied heavily on the primary sources in the overall evaluation. The exploration and focus of CSR in China are still a pretty modern and ambiguous field. The use of
CSR is changing rapidly within the socio-economic Chinese culture. The influence of foreign companies and the rapid growth of the economy is adjusting the overall approach to CSR moving forward.

Throughout the interviews with multinational food and beverage employees, an underlying tone was that their efforts to conduct CSR were welcomed and encouraged in America or Western countries. While trying to exert the same actions in China, the concept seemed imposed, with pressure coming from the top, whether from China’s government or the international codes of conduct. E8 stated that “there is a ridiculous amount of red tape and politics that we have to work around,” which is also expressed by Marquis and Qian (2014), who stated that the government dictates resources, regulations, subsidies, and taxation to shape the competitive environment. E6 also said that working in China is a lot more complicated than it needed to be. Seeming now that the country is open to change and is multiplying, the implementation of basic processes appears to be more complex than they need to be.

E6 mentioned a situation in a small city in China where they promoted a new healthy snack and provided free giveaways in the local community. The provincial government was so stringent that they ended up in a roundabout way confiscating the product, and it was never adequately distributed. This employee indicated that it was earlier in their career. Still, it was a real “eye-opener” as to working in China and how something that should have been so simplistic ended up costing the company a lot of money. Their intentions to benefit the local economy were circumvented by the government.

In China, adhering to legal requirements drilled down by the government has been the primary motivation for companies to conduct CSR. Hence, executing CSR initiatives becomes a mandated burden instead of being in the companies’ self-interest and self-directed. The overall
mandates have added to cynicism with nongovernment organizations (NGOs) and have weakened CSR's general concept and purpose. Besides, there has been little to no enforcement and no real ramifications for non-compliance. This proves to be difficult since it was consistently expressed by E2, E4, E5, E8, and E10 that their company is held and holds itself to a higher standard to comply with American and China’s laws. This is reflected in the literature research study conducted by Kim and Ji (2017) examined the ongoing pressures MNCs face due to the new Chinese government directives for increased CSR regulations and compliance. As MNCs grow, they are more likely to scrutinize local laws, regulations, and monitoring (Husted et al., 2015).

In contrast, their foreign competitors did not hold such high standards and could penetrate the market with less cost. Thus, CSR’s strategic approach has not been extensive. The application of CSR practices has instead been viewed to stress crisis management, interactions with the public, and indifference. Ironically, the models and conventional, capitalist instruments used and working in developed countries may be the techniques that help China confront a socialist government and its ongoing socio-economic problems.

In 2008 the first CSR wake-up call came to foreign corporations that had adopted international standards and cookie-cutter doctrines to ensure best practices in all markets. In China, MNCs operated under the perception that international CSR doctrines could be standardized by implementing global procedures to secure best practices in every market.

E8 and R17 commented on how historical events have shaped the mindsets of the Chinese culture and have led to a distrust of large MNCs. They both specifically referenced the occurrence of the 2008 earthquake and how MNCs responded to this occurrence. On May 12, 2008, the Sichuan earthquake resulted in the death of 70,000 people. In addition, the now five
million homeless changed the global perception of CSR. As a result of the devastation, domestic and multinational corporations constructed Chinese mindsets on CSR while some MNCs pledged cash, many others committed a combination of equipment, services, and money. However, domestic companies by far donated more than multinationals. The difference was so egregious that consumers started publicly chastising significant MNCs. This followed the appearance of a list named the “Iron Roosters” (those that would not give a feather), including Coca-Cola. Thus began the first wave and transformation of CSR in China. While CSR still progressed at a snail’s pace, the government to measures to mandate specific policies in which state-owned enterprises (SOE), NGOs, and foreign companies had to comply.

Within the study, of the individuals interviewed, when asked about current CSR strategic initiatives, eight participants (one employee, three consumers, and four residents) elaborated emphatically on the numerous proposals and recent projects underway in China. The participants emphasized a shift in the perception of CSR even from 5 years ago. Even with MNCs’ struggles, the increase and need for CSR in China has grown exponentially (Kim & Kim, 2019). With less than a quarter of the participants seeing a direct change to their local area when it involved CSR initiative projects, more than 75% stated that they see an overall more country-wide spread. Especially now, considering the current global pandemic, all five multinational food and beverage companies included in this study have offices and factories in Wuhan, China. Each of the five food and beverage companies is donating money, supplies, and aid across China, emphasizing the Wuhan region.

Throughout the interviews with the employees, it became apparent that two main drivers focus on CSR strategies in China within the food and beverage industry. They revolve around the Chinese government mandates and intervention as well as company-driven westernized CSR
strategies. Eight of the 10 employees commented explicitly about China’s population and significant economic growth over the past 15 years. E4 stated that “one of the biggest hurdles we have faced is keeping the government happy.” Referencing their company managing CSR in China. When asked about the specific obstacles, they replied, “It seems as though the rules are always changing, or are different depending on what level of government you are talking to.” This comment relates to (Tian, 2016) in which CSR’s focus was mainly on the exporters, but it has now moved to the local economy and multinational companies required to obtain licensing.

These factors play an essential role in food and beverage companies’ desire to have a mainstay and strength in their economy. Population growth in China is one of the main reasons the food and beverage industry leaders have aimed to have China as part of their core international demographic. E4 stated, “China has always been one of the most complex countries to do business with, but they have the numbers and where we are targeting.” E4 described the population and growth as well as their recent economic growth.

Established CSR requirements in the global community are maintained in agreements and documents produced by several international organizations. The United Nations Global Compact is the world’s most significant corporate sustainability initiative, having 12,000 participants from over 160 countries, both developed and developing (Unglobalcompact.org). Four of the five companies included in this research study are participants (Nestle 2001, Anheuser-Busch 2005, Coca-Cola 2006, and PepsiCo 2008) in the U.N. Global Compact. The outlier, Mondelez International, adheres to the “Women’s Empowerment Principles – Equality Means Business, produced by United Nations Entity for Gender Equality and Women’s Empowerment (U.N. Women) and the U.N. Global Compact.” When asked about labor rights and emphasizing women in the workplace, all 10 employees stated distinct initiatives in China that specifically
address this ongoing social issue. The complexity of multinational food and beverage companies in China distinguishes international CSR constraints and local ones.

For instance, since the U.N. Global Compact, China has created its own local CSR constraints. These include (a) the China Social Compliance 9000 for Textile and Apparel Industry (CSC9000T) monitored by the Responsible Supply Chain Association in Beijing; (b) the Chinese Academy of Social Sciences’ (CASS) CSR reporting guideline; and (c) other CSR requirements that reflect the laws and principles of the Chinese government. While many CSR doctrines are still in the beginning stages, they add to confusion and frustration for foreign businesses. In addition to the disorder as to which policies to implement, enforcement presents an ongoing China problem.

Multinational food and beverage corporations must understand the discrepancies between international and local conditions and devise creative solutions to deal with them. E7 states that their company has diligently strived to build a strong relationship with China, especially the Chinese government. For instance, Coca-Cola has built a China-specific CSR strategy that integrates critical aspects of China’s international and local needs. Within this plan, they have accounted for environmental, social, and governance factors. Coca-Cola has taken the food and beverage industry lead when conducting CSR business with China using the following lessons learned (Silk Initiative, 2015).

1. Obtain the advantage in your product within the industry.
2. Leverage global brands.
3. Form strategic collaborations.
4. Results benefit ‘China’ and the culture.
5. Establish production facilities within China.
Coca-Cola’s entrance into China can operate as a model for companies in the beverage industry to penetrate the Chinese market. Coca-Cola also works with local Chinese entities and international partners to identify and address CSR issues. This construct better enables Coca-Cola to achieve credibility on CSR matters both in China and worldwide.

There are evident disparities in anti-corruption between international requirements and those in their local government in China. E2 stated that they see that when doing market research on their competitors how some of them are tied to the government, and “you can plainly see the government’s influence on how they run their companies.” China has taken this opportunity to develop its anti-corruption guidelines. However, these laws can be challenging to implement because violations occur in high-level positions within the government and ultimately become systemic. For instance, the “guanxi-based” Chinese culture makes it very hard to differentiate between gift-giving in forming relationships and bribery (Xian & Reynolds, 2017). “While insisting on the international anti-corruption requirements, global corporations must innovatively work out ways to get business done in the corrupt Chinese environment, which can be a daunting task” (Tian & Slocum, 2016, p. 45). In interviews with employees, they see a challenge in China to succeed in the Chinese relationship culture and corrupted bribery environment.

If a foreign company does not consider and respect China’s business relationship culture, it may be ostracized. During the interviews, employee E2 indicated that their company maintains supply chains locally in China, and critical personnel are native and understand the culture. E2 stated, “We pride ourselves on following the rules and taking the ethical high road.” In addition, “Our company never offers bribes and is definitive in that policy, but we do recognize and celebrate Chinese holidays.” Chinese companies, driven by culture and language barriers, often prefer to work in silos.
Also, current business strategies and practices are kept close to the vest as they see them as successful business practices that are not be readily shared. Open communication policies need to be put in place to build trust and a strong rapport and address cultural differences to avoid social “silos.”

In the recent past, CSR was often viewed as corporate philanthropy in which corporate donations of large sums were given to a cause or current disaster relief. While that is an aspect of CSR, that overall scope has become more significant in the past ten years. CSR is not about one-time donation but building a sustainable environment where consumers and corporations can thrive. As part of this initiative, corporate policies must protect human rights, the environment and eliminate government corruption.

Nine participants (E8, E9, C3, C7, C10, R4, R8, R17, and R19) specifically brought up the environment, and the devastating impact MNCs have on the local ecosystem. Kim and Ji (2017) discussed that a few of the most sizeable food and beverage industry challenges are environmental pollution and nutrition. Even though companies in this industry are dedicated to reducing their worldwide footprint, a few objectives must be within the specific frameworks to realize intended results (Kim & Ji, 2017).

Over 80% of the participants (eight employees, eight consumers, and 17 consumers) discussed the technological advancement within China and e-commerce. The overall distribution of information would need to entail digital communication in some form or facet to implement CSR successfully.

Finally, the influence of E-commerce in China today and its impact on companies and CSR strategies is increasing. Web-based communication has grown significantly throughout the culture, developing by over 52% (Kao et al., 2018). Chinese shoppers are more likely to respond
to internet business and web-based media. Chinese buyers look to online sales for ease of use vs. costs. Shoppers in China value new advancements and have a quicker positive reaction to new products and technologies. Internet business is more used in China than in different business sectors because of its solid technological foundation.

At each development of the buying path, buyers should be kept engaged. If something is of interest or value to the individual in China, they often follow it or research it online. Naturally, they most likely share it with friends and family via some sort of technological platform. C6 stated that “I send over 50 emails a day and probably over 400 texts and Instagram messages” they later reiterated, “I live on my phone.”

China is an altogether unexpected market in comparison to somewhere else on the planet. If unfamiliar brands cannot discover quality merchants, they try to profit from speculation (Geng & Li, 2020). Neighborhood Chinese merchants are exacting in the Chinese market. They likewise keep a standing; like this, getting seen by them is nearly incomprehensible if a brand does not strictly make Chinese netizens follow web-based media stages. A significant influence of spending in the Chinese culture is reliant on surveys and feedback from various customers.

Chinese customers do not trust marketing ads in general from various internal and external companies. To proactively compete in today’s environment, multinational food and beverage companies must have a web-based media presence (Geng & Li, 2020). Online media presence can blow up, as well, if not dealt with as expected. Subsequently, joining forces with a trustworthy computerized organization in China for social media with online business utilization is crucial. The internet business channel has kept on soaring, developing by over 52%. Chinese buyers are likewise quicker at adjusting to internet business and web-based media (Huang, 2017).
Web-based business is more used in China than in different business sectors, principally because of China’s strong technology foundation. Buyers in China value innovations and cutting-edge products that are new to the global industry. Chinese purchasers like to buy items online more for comfort than cost. Chinese clients are exceptionally tech-savvy and utilize portable devices to expand their ability to function across many platforms.

In China, customer service and product quality are expected and often communicated in online forums or among friends and family. Due to extensive corporate and government fraud and fake knock-off products. The use of online communication and E-commerce as a medium of information spreading is considered by far more beneficial when compared to corporate advertisements or other news media.

R11 stated, “The news is just what the government wants to hear, and I feel most comfortable in online information.” There is a level of trust within the Chinese culture in which friends feed off each other’s buying experiences and value their opinions (Wang et al., 2020). This external influence results in the bulk of an individual’s spending, and brand loyalty depend on word of mouth through what gets communicated online.

In e-commerce in China, online sellers often send coupons (monetary reward) or greeting cards (social reward) to customers with no direct requirements to influence customer satisfaction and behavioral intention. Consumers’ behavioral intentions usually contain the following two aspects: willingness to recommend behavior and future purchasing behavior. (Maulisa & Hijrah Hati, 2019, p. 83)

China is unlike most other global markets. It is evident through China's current economic growth and the ongoing population growth issues. Foreign brands must find trustworthy wholesalers with impeccable reputations. Chinese wholesalers are selective, and they want to
maintain a positive image. Building the ideal alignment would benefit corporate communication to the public, trust from the public sector, and branding. E10 stated that “keeping a reliable and constant supplier in rural areas is next to impossible.” MNC’s ability to acquire from several suppliers forces companies to maintain consistency and evolve to hold a competitive edge (Mohd et al., 2015).

**Theme 1. Top-Down Government CSR Intervention**

E1, E4, E5, and E8 emphasized the difference between western CSR practices and China’s. The difference has a significant impact on the way their companies conduct CSR strategies. E4 stated, “We have a completely separate team that conducts CSR for non-western regions.” E4 discussed how the team works independently while still following corporate procedures and expectations. Their approach and research are different than that of the traditional “America group.” The government mainly drives these differences as expressed by the four participants.

Balanced cultural policy changed China’s attention from economic growth to strive for equitable stability. In the 2005 National People’s Congress, a strengthened concentration on CSR stemmed from this program. Chinese Company Law obliged all companies to conduct CSR in performing business within China.

The CSR definition by the National People’s Congress (NPC) versus the European Commission (E.C.) differs in meaning and intent. While the NPC specifically notates “a company shall comply with all laws,” conversely, the E.C.’s definition emphasizes that efforts shall be “voluntary” and mentions nothing of laws or regulations.
The NPC stresses that the government is directly involved in CSR, being the polar opposite of Westernized countries. The NPC goes even further to stress that companies shall "accept the government’s supervision and the general public," while the E.C. definition refers to "stakeholders." While NPC calls for "social morality and business morality," the E.C. definition asks to "integrate social and environmental concerns in business operations," Finally, the NPC states a narrow set of recipients as "accept the supervision of the government and the general public and bear social responsibilities."

In contrast, the E.C. points out the "stakeholders" to understand those affected by corporation procedures. To that end, it may include groups such as employees, customers, company owners, local community, NGOs, and the media. In China, the central regime and local governments often have conflicting plans. These differing views confuse companies about which regulations to follow and which portion of the government enforces them.
In the westernized countries, the stakeholders, including NGOs, customers, government, media, and trade unions, perpetuate CSR. However, the government of China makes the aim of the laws and the ability to enforce them. Customers affect CSR through brand loyalty and expectations of the company’s CSR behavior and implementation. The NPC does not state any additional stakeholders.

Chinese consumers’ anticipations of companies are increasing rapidly. Foreign consumers are expecting more from suppliers, but consumers within China are not. The new generation’s use has had a significant impact on Chinese culture. They often use the internet to communicate their likes and dislikes and ultimately have a more substantial effect on the economy than the media. The media in China is also controlled and closely monitored by the government, where there are a few more liberties when using technology.
As with anything, it makes a difference depending on which country you are conducting business in. Imposing laws from the government can impact the stakeholder relationship and influence CSR development in different ways. When looking at it from a multinational food and beverage company point of view, stakeholders play roles in the other foreign countries where they oversee the business.

In 2006 the Chinese government started to embrace the idea of CSR and realize the benefit it would have, specifically on the current environmental and economic gap issues they were and still are facing. CSR was included in Chinese corporate law and disseminated to SOEs, NGOs, and all other entities as mandates to be implemented as part of the standard business practices within the judicial system. The purpose was to focus on CSR as an essential standard within the culture for growth and sustainability. Instead, the problem ensued for the multinational food and beverage companies when the government strayed from the standardized global norm of the U.N. global compact and instead developed their policies based on the current socialist government structure. This occurrence led to the divergence of understanding and CSR advancement among foreign companies in China. Within that same timeframe, companies were starting to develop CSR reports as mandated through Chinese law.

The Government of China strongly supports Chinese companies’ involvement, mainly state-owned, in advancing CSR to drive balanced assimilation within the international market. However, the government moved forward with country-specific regulations that pushed costly and burdensome mandates through China's corporate and labor laws, contradicting Western ideals. There was guidance for SOEs issued by the State-owned Assets Supervision and Administration Commission of China's State Council (SASAC). The overall government regime
of China directly oversees the SOEs. CSR expectations between local and foreign companies have led to confusion and further mistrust in the government.

CSR in China is undeveloped and still focuses on short-term fixes instead of the long-term strategic planning Westernized countries have started to embrace. The government drove the CSR approach in China as opposed to corporate initiatives. As a result, the obligations for the multinational food and beverage companies appeared to be more punitive and not in the interest of the overall corporate wanting to better the socio-economic and cultural environment. The CSR regulations center on the plan of the Chinese government in which companies saw as intrusive and burdensome.

With a communist market economy and many state-possessed endeavors, China’s political-financial conditions are different from those of developed nations. Per Zhu and Zhang (2015), locals need to make their own CSR ideas to gain CSR support. This addresses the distinctions regarding how CSR was seen and incorporated and discusses the improvement phase of CSR in China versus developed countries.

It has become apparent that organizations have seen CSR as, to some degree, a forced idea, coming from top-down political stress. This is further apparent in CSR’s current classifications in China, where lawful consistency and ethical quality are highlighted for CSR strategies. CSR drivers have not been established to organizations’ most significant advantage along these lines but instead regarding outside requests, which has prompted a typical CSR view as a burden. Interestingly, the western understanding has been that market-driven perception of CSR has driven their strategies (Salazar et al., 2018). The estimation of deliberately carrying out CSR measures as a threat overseeing system and an instrument to encourage upper hands has been acquired for achieving recognition. This drives numerous organizations to accept the idea
of self-serving internal conditions. The Chinese government causes this. MNC’s must be able to satisfy the demands of the local government and the overarching government.

As stated previously, the early defenses for CSR in the West were on an ethical premise. Nonetheless, it has been viewed as an essential gauge to be mixed with the expectations, equipped to expand the upper hand over time. In China, a significant part of CSR reasoning lies in qualities and profound quality. There is an overarching idea of CSR being at the expense of ethical behavior instead of adding to it (Chong, 2018). This shows itself, for example, through altruism having a more significant impact on CSR in China than in the remainder of the world.

In global reviews of CSR, much spotlight has been put on motivations for joining global CSR constructs. In China, where the essential inspiration to address CSR has been sticking to lawful criteria, this idea is weakened by loosely adhered to and enforced requirements (Zhao et al., 2019). Hence, CSR’s fundamental approach has not been limitless. The execution of CSR demonstrates the overall desire of the MNCs to conduct good business practices and give back to the local communities (CSR Asia et al., 2015). 72% of residents agreed that the government should not be involved in CSR, and for the majority (62%) of responses, it was because these major companies can coerce the Chinese government.

In China, a large part of CSR’s establishment follows uniformity. With the lack of consistent support from the local government and the overarching government, the CSR process and regulations become untrusted. It goes back to which company can gain the upper hand with the government to achieve the industry market share (Shen et al., 2017). As well as being a vital way to stick to government legislation, CSR is still broadly viewed as altruism, advertising, and aid. In the absence of motivation from the consumer, it is regularly seen as an expense instead of an essential method to improve business.
Also, CSR execution is exceptionally subject to “the individual readiness of organization pioneers, as opposed to the institutional interest for framework activity” (Lin et al., 2016, p. 107). In the same way as other Western partners, Chinese organizations confronted different cultural and market pressures that provoked their CSR venture. Be that as it may, maybe more than their rivals, numerous Chinese organizations see their fates as inseparably connected to their CSR execution and have started seeing it as a severe possible edge.

**Government Corruption**

While corporate and government corruption is a foundational issue across countries and societies, it is more overwhelming inside the Chinese culture because of crossline contrasts in governmental economies and diplomacies. Corruption is prevalent in China at the corporate level halfway due to the system’s extremist nature and the recorded business connections of payoff in the Chinese culture that encourages defilement (Camilleri, 2017). Irreverence seems to overwhelm each component of Chinese society at the moment. Worldwide organizations frequently think it is challenging to work in China without rehearsing activities thought about damaged or exploitative in the West.

Multinational food and beverage must incorporate environmental, social, and governance (ESG) issues into their core business principles and decision-making practices. Including CSR goes beyond ethical box-checking and legal compliance. E9 mentioned the regular brainstorming sessions and market research that help to understand “what works and what doesn’t in China.” Ongoing discussions over suitable ways to deal with CSR presents a test intending to CSR issues. CSR is characterized in an assortment of ways. It alludes to the possibility that finance managers should consider their activities' morally acknowledged social and natural outcomes when settling on financial and contractual business choices. There is a move to CSR’s expected
worth, seeing CSR as a business process that eventually benefits all stakeholders. In any case, a few MNCs were trapped in China’s corruption issues that impact company image and CSR progress. This conduct was from one of their vendors exhibiting unethical behavior, resulting in a significant backlash and PR nightmare for the parent company.

**Theme 2. Historical Food and Environmental Safety Concerns**

Nestlé has investigated China since the company bribed staff in Chinese hospitals to obtain patients’ medical records and promote its infant formula to increase sales. This occurrence violated a Chinese 1995 regulation that aimed to prevent the medical team from interacting with companies and academic institutions in promoting baby formula and other goods to their patients. Consequently, six Nestlé employers were given prison sentences between one and six years.

The second central theme that evolved was that of trust and lack thereof in the products’ safety. This included general food safety and safety to the environment in an already heavily populated country. According to Food and Beverages Consumer Knowledge in China study, 86% of customers consider sanitation before purchasing it. Sixty percent (60%) of consumers and 70% of residents stated that CSR does play a factor in their buying habits and the quality of the product itself. R6 noted that they would rather pay more for their favorite product that they know and trust than try something new that they have never heard. Chinese buyers are cautious about food items. It does not take long for them to quit utilizing an item if a food brand brings controversy or health concerns.

As per an overview directed by Ipsos (www.ipsos.com), up to 90% of Chinese customers lean toward edibles without food added substances. As a healthy living component, the more significant part of the Chinese populace carefully watches their weight and likes to devour food
with fewer calories. There is right now a settled caution and absence of trust towards outsiders in the Chinese culture. Individuals suggest that organizations and brands that they trust are straightforward and care about their prosperity as clients. Customers also choose which MNCs or SOEs brands are reliable depending on their corporate conduct, including CSR. However, what the government has not realized at this point, is the benefit of looking and talking about CSR issues in China as a consumer rather than a seller.

The push for all citizens in China to have adequate health care and nutrition has been an ongoing struggle due to the abnormally high growth rate (Taylor & Jaussaud, 2018). Lately, procurement obstacles on milk powder and baby formula in Hong Kong have prompted the mark of sanitation to become a subject of discussion. Shoppers are currently more centered on sanitation, while most undertakings seek financial advantages yet disregard their prosperity. Ongoing research on CSR depends heavily on the studies that have already been conducted in China.

With ongoing health care and nutritional awareness increasing among buyers, the Chinese culture has started to understand and embrace CSR. R4 pointed out that if multinational food and beverage companies profit from the Chinese people, they must preserve the local environment and citizens’ wellbeing. Thus, international food and beverage companies provide their CSR reports to the general population, which shows that CSR is a critical portion of the internal controls (World Bank, 2019). Moreover, a definitive objective of improving internal control quality (ICQ) is to accomplish business goals, improve working conditions, and manage capabilities to guarantee that their company can proceed with their projects while advancing corporate performance.
When asked the consumers and residents about Nestle and their CSR image, four consumers, eight residents specifically, brought Nestle as an untrustworthy company for their financial and food, and health scandals. Specifically, the milk scandal in 1974. Through the interviews, Nestle was under the most scrutiny for health and wellbeing and ethical practices. R3 specifically stated that “I will not buy anything associated with that company….my family won't either.”

Figure 5

2008 Chinese Nestle Milk

The government found melamine in a Chinese-made Nestlé milk item in September 2008. Six newborn children had kidney problems and ultimately died and 860 infants were hospitalized. The Dairy Ranch milk was made by Nestlé’s division in the Chinese waterfront city Qingdao. Nestlé confirmed that every item was protected and was not produced using milk contaminated with melamine. In 2008, the Taiwan Wellbeing service reported that six kinds of milk residues distributed in China by Nestlé contained melamine and were removed from commercial sales (Semba, 2016).

Sixteen babies in China’s Gansu Territory were determined to have kidney stones. The occurrence harmed the standing of China’s food sends out and managed an overwhelming hit to
the growing homegrown dairy industry, encouraging a progression of consolidations and unions. The rigid infant market supported from then on supported other foreign brands. After 2009, over 100 foreign brands overflowed into the Chinese market. Looking back, it is anything but an exaggeration that the 2008 occurrence is one of PRC’s most noticeable hygiene scandals.

Other scandals have plagued Nestle that have caused distrust in their recent CSR efforts. This includes when Nestlé has been scrutinized in China since 2011 over charges that the organization paid off emergency clinic staff to get patients’ clinical records and push its newborn child recipe to expand sales. There have been ongoing struggles as the Asian diet is historically different from Westerners, especially the American culture. While the Chinese youth, more so than adults, are starting to develop a more western palette, there is still an overarching concern for healthy and safe choices. This was found to disregard a 1995 Chinese guideline that expects to get clinical staff’s unbiasedness by forbidding emergency clinics and intellectual foundations from elevating moment equations to families. As an outcome, six Nestlé businesses were given jail sentences somewhere in the range of one and six years.

Many companies talk openly about natural issues in China. And there are also Chinese residents inquiring about why pollution is occurring at an alarming level in China and getting some information about the execution of CSR in China from MNCs. The main change is that multinational organizations presently do not acknowledge China’s manufacturing economy as a consumer-based financial system.

In China, the ecological recommendations on the emanation of poisons, the unloading of toxic synthetic substances, and dangerous substances in the work environment are powerless contrasted with those in superior nations. Accordingly, global businesses would go contaminating pieces of their worth chain from domestic countries to China. Contamination has
become severe trouble in China. Episodes of water contamination, food contamination, and toxic substances in the working environment are accounted for each day.

China is known for pollution and contamination, with dust storms frequenting numerous regions a few times each year. Chinese firms are, in fact, a critical fountain of environmental contamination. However, MNCs additionally add to the issue. As indicated by a Greenpeace report, 18 organizations (two of them being food and beverage companies) were observed distributing contaminations into China’s environment. This was a violation of the Chinese central contamination law. This law produced results in 2008 and expected organizations to uncover subtleties of contamination to the general population.

These organizations included food-leading industry companies such as Nestle and Kraft, as indicated by a report given by the Chinese Economic and Environmental Coalition. It is of consensus that environmental conditions and pollution have reached extreme measures in China. E8 stated that their company had concern for their employees sent to more heavily polluted regions in China. As a result, they have initiated to provide contamination risk pay to expatriates working in China. These bonuses act as a sort of monetary appropriation for breathing the contaminated air in the country. There are strides from four of the five companies to reduce packaging, emphasizing their foreign regions with higher populations. There is also promoting water stewardship.

Coca-Cola has been under increased pressure from concerned partners to increase their general concern for the environment. E8 states that “of the CSR initiatives we conduct in China, the environmental focus is by far our leading area of concern.” These partners are requesting that MNCs create approaches that improve their local area, affecting all activities. Global partnerships feel the international, public, and focus on gas emissions, water pollution, unfair
treatment of women, excessive labor hours, work security, and minimal wages. Numerous MNCs have customarily strived revenue-driven expansion as the sole objective to contend with competitors. On occasion, this was accomplished to the detriment of civilization and the climate.

In China, the ecological guidelines on the outflow of contaminations, unloading harmful synthetics, and toxic substances in the workplace are powerless compared with those in developed nations (Yasuda, 2018). Contamination has grown to be an extreme obstacle in China. Episodes of water pollution, contaminated food, and harmful materials in the work environment are accounted for each day.

China is known for its air pollution, with sandstorms frequenting numerous China places a few times each year, thus causing an increasing effect of stirring contaminants into the air. Chinese firms are responsible for the constant contamination. However, worldwide partnerships likewise add to the issue. As per a Greenpeace report, 18 foreign organizations neglected to report what contaminant they were responsible for contributing to China’s air and water. This disregarded the Chinese principal contamination law. This law produced results in uncovering subtleties of contamination to general society (McDowall et al., 2017). Mondelez International (Kraft), as per a report provided by a Chinese ecological group, was among the worst offenders of pollution. One of the employees mentioned contamination pay to employees so they would stay in the Chinese region. It has also been reported that natural contamination is so extreme in China that multinational food and beverage companies such as Coca-Cola have begun to give ‘contamination bonus pay’ to ex-pats working in China. This endeavor intends to compensate for having to breathe the overly polluted air.

Due to the imminent need to focus on the environment, China has introduced and conducts emissions trading. The expectations provide a significant opportunity for ecological and
social transformation. The effort has been put forward to reduce the gap between the urban-rural economic imbalance, nurturing investment, public-private community partnerships, and social enterprises. Like the U.N. Clean Development Mechanism (CDM), metropolitan networks may balance a portion of their outflows by buying carbon credits from locations in less developed China areas (Zhong & Shi, 2020).

In this regard, contriving insignificant norms, particularly for work and the climate, and upholding existing negligible principles, are two of governments’ essential obligations. CSR’s prevailing thought as primarily market-driven and willful can occasionally hamper government progress in setting the least business conduct requirements. For instance, in China, worldwide companies have campaigned intensely against current moves to fix work enactment, an administration reaction to worries that social turmoil could come about because of enlarging pay differences.

**Theme 3. Continuous Acquisitions and Human Rights Violations**

In the interview process, resident R12 in the study almost immediately interjected into the discussion that “It is almost as if America is just buying up all of our small businesses and trying to take everything over.” He is now glad to see more laws to ensure the Chinese people and businesses are protected. While he feels that western companies have contributed to some of the relief in the area and now with COVID-19, he thinks that these companies are the same ones that caused the problem and that “they are cleaning up their own mess that they caused, and not doing good at it,” when asked if he would support this business if they would do more for community growth or provide more aid, he replied “no.” In the interviews, I heard the word “agenda” enough to take note of it. China’s consumers and residents had the overall sense that there was an “agenda” behind the westerners conducting CSR. The skepticism and general attitude were that
of mistrust and that the point of CSR projects is to, in the long run, take over the Chinese companies.

Human rights include a broad scope of concerns, with the riskiest issues being (a) fundamental everyday freedoms, like the opportunity of affiliation, the right to speak freely, the right to free assembly, information being expressed freely, and the freedom from political suppression; (b) explicit work rights identified with working age, hours, and conditions; and (c) the consistency of social norms (Cheng et al., 2013). Unlike the environmental issues in which the results are more evident, human rights issues are regularly debatable because of an absence of generally acknowledged standards, principles, and practices. China mirrored the sharp clashes between their freedoms vs. fundamental Western liberties. The regard for work rights in China is the second rate compared to that in developed nations. Worldwide, companies must improve work rights while working in China and other Asian countries. Some worldwide partnerships were discovered participating in rehearses that disregard work rights to reduce operational expenses.

Multinational food and beverage companies have put forth attempts to improve working conditions in China. Sixty percent (60%) of the residents and 70% of the consumers interviewed said that they had as a whole noticed an improvement in the last five years when it came to working conditions, women in the workplace, and reasonable pay. Worldwide, companies regularly disregard the issue of the rights of underprivileged people. China has encountered an augmenting of financial differences during the time spent incorporation with the worldwide business sectors. Worldwide, companies have added to the broadening hole by finding their venture projects in areas where affluent Chinese citizens tap the wealthiest utilization influence, like the eastern seaside territories. Although China has fundamentally reduced the number of
individuals under the poverty line, many disadvantaged individuals live opposite western regions. These citizens are in the more impoverished portion of the pyramid. R17 stated, “all individuals of China deserve the same basic human rights.” To meet the market is to set out business open doors to increase income and address global issues.

**Relationship of Themes/Patterns to Research Questions**

To help protect human progress and culture, a ‘moral arrangement of qualities’ is roused by a sacrificial worry for other people and the climate, social equity, and equality. The first and overall test of CSR in China is the absence of a critical combination. There is a distinction between industry and CSR practices because of a lack of institutional interest for a fundamental methodology towards social and natural issues. This implies that CSR has been used to gain efficiencies and create brand recognition instead of a proactive measure to gain the upper hand.

One of my sources' remarks delineated the absence of comprehension in Chinese organizations to incorporate CSR with center business methodically. Organizations should understand that CSR is not simply trying to do what it is supposed to do but having a committed division and distributed staff to screen its everyday social and ecological effects. CSR’s center issues’ conversation showed that there are yet significant difficulties in common liberties, work rights, environmental assurance, reasonable working practices, customer issues, and local area inclusion. Many of these issues are associated with the way of life of benefit that arose after the economic changes and a noticeable culture adjustment in Chinese culture. Nonetheless, one can see progress indications, particularly when the climate assumes a significant part in the Chinese setting. China is currently experiencing a wide breadth of environmental issues, including pollution, water, and soil, the effects of corporate acts of neglect in the environment, which ultimately influence the Chinese individuals’ wellbeing.
Furthermore, it represents a significant threat to the potential business of numerous Chinese organizations. This has driven the government in China to carry out severe natural enactment, trailed by stricter requirements. Likewise, new administrative systems address specific issues, which saturates Chinese society, requiring fundamental state-claimed ventures to deliver constant information. Natural corruption’s social results instigate social distress and increased investigation, and cause businesses to go into partnerships. This likewise applies to food and item security embarrassments, fortifying Chinese organizations’ market motivators to extend their CSR responsibility (Camilleri, 2017).

China is an entirely unexpected market in comparison to somewhere else on the planet. If unfamiliar brands cannot discover quality merchants, they are trying to profit from the venture. Nearby Chinese wholesalers are exceptionally particular in the Chinese market. They also keep a standing; subsequently, getting seen by them and getting picked by them is not likely. Eighty percent (80%) of the consumers and residents state that where they do like the western food and beverage companies, they want the companies to see their culture and economy in their best interest and not only their native country.

Summary of the Findings

CSR’s current definitions in China, where legitimate consistency and ethical quality are accentuated as legitimizing for undertaking CSR-related exercises. Interestingly, Western understanding that the market base is crucial has driven numerous organizations to perceive CSR as a wellspring of the upper hand progressively. A big piece of China’s dependence on imported food items comes from four huge issues. Firstly, China is the most crowded country on earth, and just 11% of China’s property is reasonable for cultivating. The subsequent explanation is that 20% of China’s property and 40% of its waterways are contaminated, restricting its capacity
to deliver groceries inside its boundaries. This verifiable truth adds to the third explanation: numerous Chinese are concerned over the quality of local products. Different food scandals have accepted a part in driving Chinese buyers towards MNCs. An additional reason is a developing desire for local food flavors. While having a history of cultural differences in implementing CSR for western food and beverage companies in China, there are steady strides to lessen the gap. Ultimately, the Chinese government embraces CSR and puts forth efforts to compromise to benefit both the companies and the local economy. In the international forums on CSR, much spotlight has been put on fusing social and environmental administration into the central business, strengthening CSR's consistent use and enforcement in China.

**Applications to Professional Practice**

CSR is a comprehensive and subjective concept that can be interpreted and applied in various ways. Each corporation may choose to use CSR and typically within their scope of understanding and their implementation strategy. However, in China, CSR is highly regulated and not viewed as the corporation being socially responsible but being mandated by what is required by the Chinese government to conduct business within their borders. While in western developed countries, it is the buyer that essentially drives CSR, and in China, it is the government. The overarching similarity between the two practices is that CSR operates socially, environmentally, and sustainably. Corporations seeking to conduct business in China must be conscious of this difference and adjust their CSR strategy and expectations accordingly.

**Improving General Business Practice**

This study provides an underlying understanding of how International food and beverage companies integrate CSR in their business practices in China and how the Chinese people view the concept of CSR. From this vantage point, CSR can be considered to be a public relations
endeavor. But not only touches on the humanistic result of the uses and techniques of CSR and their benefits but also the government intervention and how this impacts foreign companies.

China has faced many internal social-economic hurdles over the past several years, creating a very different culture from Western society. While the gap is starting to narrow through China's digital and economic growth, which converges their civilization with western countries, government intervention is still significant. Historically, there has been mistrust of the government. As discussed through the study and various examples, it is in the best interest of foreign corporations to ally with the government while maintaining a moral ground in noncorrupt practices. This can prove difficult when these interactions can cost the company millions in revenue if there is a falling out. It is complicated when competing for the same patrons with limited resources.

A corporation needs to be in good standing with the government. They must also find a bond with local vendors that are reliable and trustworthy. As discussed throughout the study, the Chinese business culture is built on camaraderie and trust. That usually takes time to acquire, and western corporations should understand this custom and adapt. That is a little easier said than done. When the ordinary mindset of foreign corporations is efficiency-driven, you can build the highest quality product in the least amount of time with the least amount of capital.

Social issues that currently afflict China are a predominant wealth gap amongst the rich and the poor, air and water pollution, dwindling resources, population corruption, labor issues, censorship, and women's rights. Specifically, there is an absence of exploration of CSR in China in which rapidly changing socio-economic conditions impede CSR techniques. As China aims to become an integral part of the world economy, the government has recognized the overwhelming need to integrate MNC's to increase CSR programs. The Chinese government's attempts to
broaden MNC's CSR participation in the local economy have become more essential; nevertheless, these practices have required the desired results (Lau et al., 2016).

**Potential Application Strategies**

One of the most considerable problems facing companies is CSR because there is a question about acceptable CSR practices in different countries and markets. There is also uncertainty about how underdeveloped markets react to CSR as the practice is still reasonably new and continuously changing. What is considered socially responsible in one country could be regarded as entirely irresponsible or socially undesirable in another. Through greater direct engagement, companies are increasing initiatives in China. Each organization must distinguish the significant concerns to its market and given management and staff's needs.

The essential methodology has acquired recognition by leaders of multinational food and beverage companies. The five major companies have started to lead the pack and primarily create approaches to quantify and see shared value from a CSR standpoint. The essential organization’s pervasiveness lies in coordinating CSR and moral issues with the business procedure. This offer to bosses who need to at the same time handle the double pressing factors of revenue-driven increase and CSR. The production of collective worth is hard to survey. The approaches to make shared worth are dependent upon the conditions a worldwide partnership face. Multinational food and beverage companies in China need to create straightforward ways to make shared worth considering their specific requirements.

Multinational food and beverage companies have identified China’s market as one with significant growth potential. As a result, one of the most important aspects of any responsibility program is the responsibility to Chinese consumers. The dynamic market of China requires patience, expertise, and adaptability. As they changed their China methodologies from
fabricating to Chinese customers, these issues add significance as the monetary emergency hardly left any development showcases outside China. At the same time, a few major item wellbeing embarrassments grasped the market. In building up a procedure that proactively addresses customer concerns and supports firms who experience a disappointment of any size, few core interest sectors exist.

The basic methodology maintains that organizations ought to make money worth in manners that advantage the environment and society. They should make bargains shared by the organization, the local area, and the biological system. The formation of shared worth is not tied in with rearranging the weight caused by a firm. These worries are fundamental to an organizations’ techniques.

Multinational food and beverage companies like Nestle, Coca-Cola, and PepsiCo have accepted this methodology. There are three widespread administrative practices in which an essential structure can be developed in China. The critical practice is to assume ideas that meet society’s fundamental human needs. These necessities incorporate wellbeing, improved housing, improved quality of healthy food, financial security, less environmental contaminants, reduced homelessness, and other improvements.

Furthermore, the training is to rethink profitability in the worth chain to produce social, biological, and monetary advantages simultaneously. Worldwide organizations can review efficiency in numerous regions, including coordination, assets, water and energy, obtainment, conveyance, and board support. For example, influential organizations in China decreased bundling and rerouted their vehicles to reduce the distance from conveyance courses, saving assets and energy. This training likewise dedicated working expenses.
Summary of Application to Professional Practice

Collaboration and shattering barriers between countries are necessary steps in development for our global future. Multinational groups that understand the significance of collaboration and compromise gain long-term success inside change and business. Each subculture has its history, traditions, conventions, and code of morals. Social stumbling blocks contain language, implying an organization must rely on interpreters when addressing business contacts and clients. Religious differences and can also have direct business implications in specific regions. Acting to moral and moral behavior is imperative for a world corporation to sustain, grow, and achieve an upper hand in one market.

Recommendations for Action

Integrating CSR from bottom to top is essential when implementing new strategies, especially when an international component is involved. The CSR strategies must be in line with the company’s vision and support its employees. Addressing local exchange and social justice can and want to emerge as a phase of this process. CSR into the MNC’s strategy of a business practice takes a traditional approach. Many advise that to obtain the success of political local climate change efforts relies upon to impact the private sector. Foreign companies are not a threat and are ultimately the leaders. They are drivers of equalizing gender, sexual preference, and household issues. As discussed by the World Business Council for Sustainable Development, businesses cannot do well if the economy does not thrive.

MNC’s want to foster responsive stakeholder dealings while retaining a particular alignment to China’s improvement priorities. There are instances when an improvised technique can be designed. Still, barring shared information of focus, capacity, or outcome, the efforts, in all likelihood, do not produce the desired result. They spend the time and cash to strengthen the
system and create a shared appreciation of expectations and goals. Funding that corporations are given is often with restricted resources is typical within MNCs. Many corporations fail to apprehend that CSR is when the company becomes conscious of a problem uncovered and engages as an organization. The organization builds potential for alternate and then proceeds via several tiers of executing and scaling the strategy. It is no longer volunteering, nor is it giving money. It is creating an extensive scope of appreciation around their understanding and concept as a central concern.

CSR has emerged as extra outstanding in managerial, governmental, coverage analysis, and civil society journals. In discussing CSR, many groups have grappled with discovering a definition that works for them in China. At the primary level and accountable, MNC obeyed the laws, paid taxes, furnished as many jobs as possible, and made a profit. As a result, the producers that had mounted workshops in China have been considered as frontrunners. They frequently invested in areas where jobs have been limited, and their earnings assist fund quite a few public works tasks that would be quintessential to long-term development. The primary driver for any endeavors past was once frequently in worldwide anxiety over their connections inside China. They had been the most significant buyers in China. As a result, overseas producers running in China often had higher reputations for behaving as exact companies. Many corporations adopted this premise and are now leaders in CSR and sustainable development. However, they received criticism for their misuse at the beginning of these initiatives, and among these businesses is Coca-Cola.
Reflections

Personal & Professional Growth

In today’s fast-paced environment, you seldom get the chance to take a moment and reflect. Fortunately, I have been tasked to a moment and am glad I did. At the same time, glancing back on my experiences and lessons gained throughout this study related to my cognate of international business and my future. The outcome is that I have gained a significant appreciation for the larger picture and an understanding of the world personally and professionally.

The one thing I remember pondering throughout this study is that there were constant changes. This has been steadfast throughout my life and through this study. I went in with a particular assumption that I felt confident I knew where the investigation would lead, yet it took several turns. I find that so often in my life and profession. I set a path and expectation, yet when I reach the end, I wonder how I got to a vastly different point than what I thought. I have learned to adjust to change reasonably well and, within this process, have seen and practiced this concept repeatedly. I realized the importance of setting reasonable expectations and tracking them. This allowed me to get a feel and understanding of what has occurred, so I am not so overwhelmed with the unknown.

The topic of CSR in and of itself was uplifting for the most part. However, it did have its dark moments when realizing how some of my favorite food and beverage companies were exploiting the people of China—using CSR under the guise of doing what is best for the country and yet avoiding fair labor laws, adding to the pollution, overuse of the local resources, and overpowering the local smaller competition. It paints a complete picture that there always be an altruistic reason for CSR and focuses on shareholder value. In these cases, the multinational food
and drug companies utilized the weaknesses of a developing country for internal gain. Activity such as this has heightened my awareness to ask questions and dig deeper to see if there is more to the narrative than meets the eye.

**Biblical Perspective**

There has been a range of thoughts on the challenge of the Christian strategy to the social order. These vary from the excessive of keeping entire non-involvement to the severe of wholehearted commitment. This is based totally on the idea that Christianity is religious and no longer social since the bible genuinely focuses on man’s spiritual problems.

In the gospel, Jesus remarks that His environment is a ‘faithless and perverse generation (Matt. 17:17). The outcome of this has to be a warping of social responsibility. No longer does man use herbal sources for the proper of all, however selfish ends. If the surroundings are polluted, it is no extra than a final result of this everyday situation of perversity. There no longer be the want for consistent warnings in the New Testament about social evils (Rom. 1:24, Col 3:5) if these have been now not a non-stop trouble in the cutting-edge world. The New Testament no longer produces a social application for removing these evils because it acknowledges that the root reasons are now not social but spiritual.

In different words, the trouble lies deep inside the fallen nature of man. No social application applies to man’s sinful nature is in all likelihood to succeed. It would, for instance, be vain to devise a scheme for the enterprise which would rely on everybody being as worried about the hobbies of others as about their very own on account that it is evident that the assumption would be unrealistic.

The Bible sets the stage and teaches us better decision-making and faith that doing the right thing for God's purpose always prevails. God has supplied us with the ability to utilize CSR
to engage in stewardship. Providing good stewardship is the fulfillment of God’s mandate to fill the earth, watch over it (govern), work it, and care for it (Genesis 1:28-30, Genesis 2:15, KJV). We are to use the resources provided to us to work together as a society to serve God’s purposes. Even as society progressed and the population grew, it is stated that “They are no longer in a garden, but a city with foundations, walls, gates, tree-lined streets, iron, gold, domesticated animals and merchant ships” (Isaiah 60, Revelation 21, KJV). The Bible sets the stage and teaches us better decision-making and faith that doing the right thing for God's purpose always prevails.

We are still utilizing the tools we have constructed and the means of exchange to promote progress and civility within our land. As stewards of God, we use elements of finance in our everyday lives to serve his purpose. This has been illustrated and presented to humanity through numerous teachings within the Bible. Today’s CSR techniques and allocations of sources practices are correlated to the Bible through time management ideas, being heterogeneous, applying social networks, acting as stewards, making commitments, and not omniscient; therefore, they are risk-takers (Van Drunen, 2014).

Borrowing and lending money in an advanced society is a structured way of enabling goods and services (resources). While we still put trust in the economy and our employer, we know that “my God meet all your needs according to his glorious riches in Christ Jesus” (Philippians 4:19, KJV). Our ability to recognize that our efforts in our profession are to better our society and enable us to come together in an organized and cohesive manner to serve God’s purpose.

The combination of work and our faith is essential to our day-to-day lives. Our efforts in our job bring value to our communities and ourselves, which enables us to have a purpose and
become wholly fulfilled. When we are without work or goals, we become disengaged and distant not only with God, but with society, family, and ourselves.

We can see the straightforward integration of how giving back to our community has influenced our culture and faith over time. It most likely is an ongoing progression teaching man and enabling us to work together and function with justice and compassion. When feeling that work has overpowered us, be reminded “Then He said to them all, ‘If anyone wants to come with Me, he must deny himself, take up his cross daily, and follow Me’” (Luke 9:23). We work to serve our Lord, and within that service, we shall find peace. Along with anything in our lives, work must be moderated, and one must find meaning and fulfillment in what we do with it. Work fills all our days and is vital to what we are and what we feel. It is critical to remember its purpose and ultimately serve the Lord through everything we do and produce. “So do not fear, for I am with you; do not be dismayed, for I am your God. I strengthen you and help you; I uphold you with my righteous right hand (Isaiah 41:10, NIV).

**Summary of Reflections**

While we know that God consistently delivers on his promises, rooted in the Bible, these promises and outcomes are only on God’s terms. To expect differently would be to deny God’s sovereignty. In strategic decision-making, we are often faced with making choices without knowing what the outcomes were. We use lessons learned, experience, and faith to guide us to making sound and prudent financial decisions. Our efforts are suitable for the collective whole by being good stewards and steadfast in our faith. For those in business or any form of management, this study hopes to increase their awareness of the interrelatedness of religion and CSR. Religious executives ought to be mindful of the charitable contribution to CSR and confront the challenge to implement important devout values comparing with center values of
the concept of CSR into their business behavior, such as stewardship, human respect, and helpfulness. Shareholders need to progress management’s commitment to CSR and be mindful of the impact of religiosity on CSR behavior. Different influences of religion on CSR behavior, Christian organizations, churches, and other social groups attracting devout employees ought to create various programs to advance CSR from those used by organizations fundamentally connected with nonreligious executives.

**Summary and Study Conclusions**

While CSR constructs are still maturing, current methodologies empower neighborhood and community advancement to ensure shared opportunities. Worldwide partnerships are starting to pull away from independent endeavors and work together on a global front. Each international organization is influenced by its encompassing foundation and different organizations founded by local groups. A worldwide collaboration prevails locally with comparable firms, related organizations, providers, specialist co-ops, strategic foundations, and open and straightforward business sectors. Neighborhood people group improvement is a social issue. Likewise, it is a business issue because the neighborhood local area’s selfless advancement fills in as an obstruction to a worldwide enterprise’s upper hand. MNCs can make shared worth by advancing group improvement in the local sector. MNCs effectively participate in group CSR techniques in improvement by giving monetary and specialized help to neighborhood providers. These lines make financial worth in the regions that improve China's local area’s socio-economic conditions.
References


https://cf.linnbenton.edu/bcs/bm/gusdorm/upload/Pyramid%20of%20Social%20Responsibility.pdf


https://doi.org/10.1177/0007650305278086


109. https://doi.org/10.1016/j.jfineco.2013.04.014


https://doi.org/10.1080/0958519042000295920


https://doi.org/10.1016/j.gfj.2017.03.001

http://www.economist.com/node/10491077


https://doi.org/10.1556/SocEc.36.2014.4.3


https://doi.org/10.2298/PAN1003283T


Appendix A: Consent Form

The Effect of Corporate Social Responsibility Strategy on the Growth of Multinational Food and Beverage Companies in China

Alison Flood
Liberty University
School of Business

You are invited to be in a research study on the effects of multinational food and drug companies' corporate social responsibility in China. You were selected as a possible participant because you are either working at one of the five multinational food and beverage companies chosen for this study, consumers of these products, or current residents in either China or a developed country. Please read this form and ask any questions you may have before agreeing to be in the study.

Background Information: The purpose of this study is to understand and explore the CSR techniques of multinational food and beverage companies and how they work around China’s rapidly growing socio-economic environment.

Procedures: If you agree to be in this study, I would ask you to do the following things:

1. Complete an interview lasting approximately one hour, in which 10-15 questions will be presented.

Risks: The risks involved in this study are minimal, which means they are equal to the risks you would encounter in everyday life.

Benefits: Participants should not expect to receive direct service from taking part in this study.

Benefits to society include the opportunity for small businesses that are not using social media for customer relationship management to benefit from the insights gained through this study.

Compensation: Participants will not be compensated for participating in this study.

Confidentiality: The records of this study will be kept private. In any report I might publish, I will not include any information that will make it possible to identify a subject. Research records will be stored securely, and only the researcher will have access to the documents. Any data collected will be stored securely on the researcher’s computer. The survey will not collect any personally identifiable information about participants. The data may be used in future studies or presentations regarding the study findings.

Voluntary Nature of the Study: Participation in this study is voluntary. Your decision whether or not to participate will not affect your current or future relations with Liberty University. If you decide to participate, you are free not to answer any question or withdraw at any time without affecting those relationships.
**How to Withdraw from the Study:** If you choose to withdraw from the study, please contact the researcher at the email address/phone number included in the next paragraph. Should you decide to withdraw, data collected from you will be destroyed immediately and not included in this study.

**Contacts and Questions:** The researcher conducting this study is Alison Flood. You may ask any questions you have now. If you have questions later, you are encouraged to contact her at [insert contact information].

Suppose you have any questions or concerns regarding this study and would like to talk to someone other than the researcher. In that case, you are encouraged to contact the Institutional Review Board, 1971 University Blvd., Green Hall Ste. 1887, Lynchburg, VA 24515, or email at irb@liberty.edu.

Please notify the researcher if you would like a copy of this information for your records.

**Statement of Consent:** I have read and understood the above information. I have asked questions and have received answers. I consent to participate in the study.

To acknowledge your review of this information and proceed to the survey, click here □

_________________________________________  __________________________
Signature of Participant                      Date
Appendix B: Consent Form

[Insert Date]

[Recipient]
[Title]
[Company]
[Address 1]
[Address 2]
[Address 3]

Dear [Recipient]:

As a graduate student in the School of Business at Liberty University, I am conducting research as part of the requirements for a Doctor of Business Administration degree. The title of my research project is The Effect of Corporate Social Responsibility Strategy on the Growth of Multinational Food and Beverage Companies in China.

The study participants will include employees of Nestlé, Anheuser-Busch, PepsiCo, The Coca-Cola Company, and Mondelēz International, consumers of these products, and residents of either China or a developed country.

Participants will be asked to contact me to schedule an interview. Participants will be presented with informed consent information before participating. Taking part in this study is entirely voluntary, and participants are welcome to discontinue participation at any time.

Thank you for considering my request. If you choose to grant permission, respond by email to Alison Flood.

Sincerely,

Alison Flood
Candidate for Doctor of Business Administration
Appendix C: Recruitment Template

[Insert Date]

[Recipient]
[Title]
[Company]
[Address 1]
[Address 2]
[Address 3]

Dear [Recipient]:

As a graduate student in the School of Business at Liberty University, I am conducting research as part of the requirements for a Doctor of Business Administration degree. My study aims to explore The Effect of Corporate Social Responsibility Strategy on the Growth of Multinational Food and Beverage Companies in China. I am writing to invite you to participate in my study.

Suppose you are 18 years of age or older. In that case, work at Nestlé, Anheuser-Busch, PepsiCo, The Coca-Cola Company, and Mondelēz International, or are residents of China or a developed country and are willing to participate. You will be asked to complete an approximate one-hour-long interview. You will also be asked to participate in a 30-minute follow-up interview to ensure the data's accuracy. Your name and other identifying information will be requested as part of your participation, but the information will remain confidential.

A consent document is attached to this letter. The consent document contains additional information about my research. Please sign the consent document and return it to me at akflood1@gmail.com.

Sincerely,

Alison Flood
Candidate for Doctor of Business Administration
Appendix D: Interview Guide (employees)

Introductory statement: I appreciate you agreeing to participate in this study and taking the time to meet with me today. The purpose of this study is to understand and explore the corporate social responsibility techniques of multinational food and beverage companies and how they work around China’s rapidly growing socio-economic environment. I want to assure you that all information discussed today will be confidential, and aliases will be used in any publishing. This interview is being recorded to ensure integrity and understanding of the information provided and reviewed in the analysis process. I will be conducting “typed” notes during our discussion. Four research questions are governing this study. The first question relates to the perception of corporate social responsibility in China vs. western cultures. The subsequent three questions focus on implementing multinational food and beverage companies’ corporate social responsibility and challenges. I will be asking a total of 15 questions.

Questions:

1. For which multinational food and beverage company do you work?
2. In what capacity does your position relate to corporate social responsibility (CSR) in China?
3. What do you feel are the core CSR values of your company?
4. What priority do you feel that the CSR values rank within the business model of your company?
5. How do you feel these priorities rank between western developed countries and undeveloped countries?
6. Would you state that these priorities are fair?
7. What barriers are there for your company when implementing CSR in China?
8. How does your company respond to these barriers?

9. Has your company specifically handled government differences between the CSR strategies in western developed countries and China?

10. What specific CSR strategies have been used in China in the past five years?

11. In what you have observed, how have the residents of China responded to these CSR techniques?

12. Have consumers shown a direct reaction to the CSR techniques used in China? If yes, how so?

13. Have any of these strategies been controversial or brought about an economic or reputation backlash within your company? If yes, how so?

14. What high-level changes have been or are being implemented with CSR techniques in China?

15. What CSR Changes do you feel would most benefit your company and the Chinese economy?
Appendix E: Interview Guide (Consumers/ Residents of China)

Introductory statement: I appreciate you agreeing to participate in this study and taking the time to meet with me today. The purpose of this study is to understand and explore the corporate social responsibility techniques of multinational food and beverage companies and how they work around China’s rapidly growing socio-economic environment. I want to assure you that all information discussed today will be confidential, and aliases will be used in any publishing. This interview is being recorded to ensure integrity and understanding of the information provided and reviewed in the analysis process. I will be conducting “typed” notes during our discussion. Four research questions are governing this study. The first question relates to the perception of corporate social responsibility in China vs. western cultures. The subsequent three questions focus on implementing multinational food and beverage companies' corporate social responsibility and challenges. I will be asking a total of 10 questions.

Questions:

1. Where do you live?

2. Of the five leading multinational food and beverage companies (Nestlé, Anheuser-Busch, PepsiCo, The Coca-Cola Company, and Mondelēz International), what company do you purchase the most products?

3. What is your view of each of these companies?

4. What do you feel most led to this view?

5. Do you feel that any one of these companies has been actively involved in the community? If yes, what is your reaction?

6. Do you feel that any of these companies have done anything specifically to harm the community? If yes, how so?
7. What are your views on corporate social responsibility (CSR) from a company within a community?

8. Would a company that displays robust CSR strategies and community involvement impact your view of their products?

9. Would a company that displays robust CSR strategies and community involvement impact your willingness to purchase their products?

10. Do you feel that the government should be involved in CSR? Why or why not?