

出國報告（出國類別：國際研討會）

Consortium for International Marketing
Research (CIMaR) 2014
annual conference
國際行銷年會

服務機關：國立政治大學

姓名職稱：簡睿哲副教授

派赴國家：加拿大

出國期間：103 年 6 月 26 日至 103 年 6 月 30 日

報告日期：106 年 5 月 8 日

摘要：

本人於 103 年 6 月 26 日至 103 年 6 月 30 日 到加拿大的 University of Victoria 參加國際行銷年會 Consortium for International Marketing Research (CIMaR) 2014 annual conference 。此研討會為國際行銷領域每年的固定年會。過去該研討會曾經於台灣舉辦。當年在此地舉行。本人於研討會中發表“供應鏈採用企業社會責任前因與結果在不同體制國家的比較：以台灣與中國為例”。此研討會中各國知名學者聚集。在研討會參與過程中得到許多寶貴意見。對於論文未來投稿有很顯著的幫助。此外，與各國學者的互動累積寶貴的學術人脈，對於未來在學術上的發展也是獲益良多。

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目的：

此行的目的為參加 103 年 6 月 26 日至 103 年 6 月 30 日由加拿大的 University of Victoria 所舉辦的**國際行銷年會**(Consortium for International Marketing Research , CIMaR) 2014 annual conference 。此研討會為國際行銷領域世界上最大的年會。故此行目的為參加國際主要研究領的國際研討會，並進行發表學術論文：供應鏈採用企業社會責任前因與結果在不同體制國家的比較：以台灣與中國為例的論文。

過程：

103 年 6 月 26 日 舉辦歡迎酒會，103 年 6 月 27 日 研討會不同的議程如創新與關係管理，全球不同體制與國外直接投資，文化與國際行銷影響等。

103 年 6 月 28 日 研討會不同的議程如國際行銷管理，國際供應鏈管理等。晚上也有研討會的晚宴讓參與學者進行更深入的互動。

103 年 6 月 29 日 研討會不同的議程如新興市場國際行銷，科技與國際行銷等。研討會也在當天閉幕。

心得與建議：

此研討會中各國知名學者聚集。如國際行銷的大師像 Tamer Cavusgil, Daniel Bello 等。在研討會參與過程中得到許多寶貴意見。對於論文未來投稿有很顯著的幫助。比如在觀念上的建構以及研究方法的嚴謹性。此外，與世界上各國學者的互動累積寶貴的學術人脈，對於未來在學術上的發展也是獲益良多。感謝政大研發處這次在經費上的贊助，得以成行。

CIMaR 2014 AGENDA
June 26-29, 2014

Date	Start Time	End Time	Event	Presenter	Location
Thursday, June 26					
	6:00 PM	7:00 PM	Registration Check-In		
	6:30 PM	8:00 PM	Welcome Reception		Union Club of British Columbia, main dining room
END of Day 1					

Date	Start Time	End Time	Event	Presenter	Location																								
Friday, June 27																													
	8:00 AM	8:30 AM	Bus to UVic		Pick up from Parkside Hotel																								
	8:00 AM	3:00 PM	Registration Check-In		DSB lobby																								
	9:00 AM	10:00 AM	Traditional Welcome Ceremony		UVic First Peoples' House																								
	10:00 AM	11:00 AM	Keynote Address I – "Some Global Macroeconomic Issues"	Dr. Martin Murenbeeld	DSB C103																								
	11:00 AM	11:15 AM	Break		DSB C113																								
	11:15 AM	12:30 PM	Concurrent Sessions I																										
<table border="1" style="width: 100%;"> <tr> <td colspan="6">IA: Born Global and Global Brand - chaired by Catherine Axinn</td> </tr> <tr> <td></td> <td></td> <td></td> <td>What Makes Born Global Firms Born-Global</td> <td>Daekwan Kim</td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td>The Alliance Capability of Technology-Based Born Globals</td> <td>Liliya Altshuler</td> <td>DSB C125</td> </tr> <tr> <td></td> <td></td> <td></td> <td>The effects of entrepreneurial marketing strategies on the long-term competitive sustenance of born global firms: examples from Indian knowledge-intensive services industry</td> <td>Nishant Kumar</td> <td></td> </tr> </table>						IA: Born Global and Global Brand - chaired by Catherine Axinn									What Makes Born Global Firms Born-Global	Daekwan Kim					The Alliance Capability of Technology-Based Born Globals	Liliya Altshuler	DSB C125				The effects of entrepreneurial marketing strategies on the long-term competitive sustenance of born global firms: examples from Indian knowledge-intensive services industry	Nishant Kumar	
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	12:30 PM	1:45 PM	Lunch		University Club - Salal/Snowberry/Honeysuckle rooms																								
	1:45 PM	3:00 PM	Concurrent Sessions II																										
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	3:00 PM	5:30 PM	City Tour with Wilson Transportation		Pick up from UVic and then Parkside Hotel																								
	5:30 PM	9:00 PM	Dinner Cruise on the Orca Spirit II		Victoria Inner Harbour																								
END of Day 2																													

Date	Start Time	End Time	Event	Presenter	Location
Saturday, June 28					
	8:00 AM	8:30 AM	Bus to UVic		Pick up from Parkside Hotel
	9:00 AM	10:00 AM	Keynote Address II - "How to publish at top-tier journals: Contractual and Relational Governance"	Dr. Kevin Zhou	DSB C122
	10:00 AM	10:15 AM	Break		DSB C113
	10:15 AM	11:45 AM	Concurrent Sessions III		
IIIA: Innovation and Relationship Management - chaired by Fang Wu					
			Recovering Interfirm Exchanges From Noncooperation Efficacy vs Equity Logics	Chun Zhang	
			Environmental turbulence and entrepreneurial orientation of the firm: The moderating role of network relationships	Ming-Chao Wang	DSB C125
			The Role of Dynamic and Ordinary Capabilities in Product Innovation	Fang Wu	
			An Ambeidextrous Perspective on Global Account Management	Linda Shi	
IIIB: Global Institutional Environment and FDI - chaired by Firouze Pourmand Hilmersson					
			Institutional forces and firms' positioning in China and Brazil	Pervez Ghauri	
			Resource Commitment by Small Firms in Response to Supportive and Coercive Political Initiatives	Firouze Pourmand Hilmersson	
			A Framework for Understanding FDI Firms' Exit Behavior	Qun Tan	
			The Relationship of Income Change to Buying Criteria in the Middle of Pyramid: International Comparison between Japan and China	Yoritoshi Hara	DSB C122
			Ownership Mode Choice, Host Country Institutional Environment And Firm Characteristics: An Empirical Study of Brazilian Multinationals	Angela de Rocha	
	11:45 AM	1:00 PM	Lunch		DSB C113
	1:00 PM	2:30 PM	Concurrent Sessions IV		
IIVA: Culture Influences - chaired by Jeff Wang					
			Monetary and Non-monetary Gifts' Influences on Gift Acceptability within Different Guanxi Types in Chinese Business Circles	Wenting (Christina) Zhu	
			Towards Creation and Testing of a Model of Cultural Appropriation in Marketing	Stefanie Beninger	DSB C125
			Rethinking the role of employment agency in triangular employment relations	Ming-Chao Wang	
			Country-of-Origin Research: Publication and Methodology Trends over the Past 35 Years	Irene Lu	
IIVB: International Marketing Management - chaired by Tage Koed Madsen					
			Market orientation in international markets: Challenging the market orientation construct	Carl Solberg	
			New framework of internationalization of the Japanese SMEs	Masaaki Takemura	DSB C122
			Small Country Specialization In Global Value Chains: Evidence From The Cut Flower Industry	Maureen Benson-Rea	
			Market Innovation Strategy and Execution Plan	Akeem Abujade	
	2:30 PM	3:00 PM	Bus to Parkside Hotel		Pick up from UVic
	4:15 PM	5:00 PM	Bus to Church & State Wines		Pick up from Parkside Hotel
	5:00 PM	8:00 PM	Wine Tasting & Dinner		Church & State Wines
	8:00 PM	8:20 PM	Bus to Butchart Gardens		
	8:20 PM	11:00 PM	Garden Walk & Fireworks		Butchart Gardens
	11:00 PM	11:45 PM	Bus to Parkside Hotel		
END of Day 3					

Date	Start Time	End Time	Event	Presenter	Location
Sunday, June 29					
	8:00 AM	8:30 AM	Bus to UVic		Pick up from Parkside Hotel
	8:45 AM	10:15 PM	Teaching Workshop	Dr. Tamer Cavusgil & Dr. Gary Knight	DSB C125
	9:45 AM	10:15 AM	Bus to UVic		Pick up from Parkside Hotel
	10:15 AM	10:30 AM	Break		DSB C113
	10:30 AM	11:30 AM	Keynote Address III - Globalization and the Global Factory	Dr. Peter Buckley	DSB C122
	11:30 AM	11:45 AM	CIMaR 2015 presentation	Barbara Stöttinger & Bodo Schlegelmilch	DSB C122
	11:45 AM	12:00 AM	JIM presentation	Bodo Schlegelmilch	DSB C122
	12:00 AM	12:45 PM	Concurrent Sessions V		
VA: Global Marketing and Supply Chain Management - chaired by Barbara Stöttinger					
			The Effects of Congruence in Transnational Buyer-Supplier Entrepreneurial Orientation on the Selection and Congruence of Product Level Marketing Strategies	Jack Cadeaux	DSB C125
			Drivers and Customer Satisfaction Outcome of CSR in Supply Chains in Different Institutional Contexts: A Comparison between China and Taiwan	Ruey-Jer "Bryan" Jean	
VB: Marketing in Emerging Markets - chaired by Josh Ault					
			Local adaptation of international business-to-business marketing in emerging markets - The case of Swedish firms in China	Susanne Sandberg	DSB C122
			Design of Web 2.0 Technology Websites in Tourism Industry in India: Conceptual Framework, Empirical Study, and Implications for International Marketing	Ajay Manrai	
	12:45 PM	2:00 PM	Closing Lunch		DSB C113
	2:00 PM	2:30 PM	Bus to Parkside Hotel		Pick up from UVic
	After	2:30 PM	Free time on your own to enjoy Victoria, BC See http://www.partner.viator.com/en/3994/Victoria/d617-ttd?activities=all		
END of Day 4					

Drivers and Customer Satisfaction Outcome of CSR in Supply Chains in Different Institutional Contexts: A Comparison between China and Taiwan

Ruey-Jer “Bryan” Jean • Zhiqiang Wang • Xiande Zhao • Rudolf R. Sinkovics

Abstract

- **Purpose** – While firms have widely adopted corporate social responsibility (CSR) initiatives in their supply chains. Little work simultaneously examines drivers and outcomes of CSR initiatives in supply chains. Specifically, it is not clear how different institutional contexts may shape CSR initiatives in supply chains. The study examines the drivers and performance outcomes of CSR initiatives in supply chains in two different institutional contexts: mainland China (transition economies) and Taiwan (market economies).
- **Design/methodology/approach** – Data were collected from mainland China and Taiwan manufacturing factories engaging in CSR initiatives in supply chains. Relationships are examined in a “soft-modeling” partial least squares (PLS) analysis.
- **Findings** – The findings suggest that CSR initiative in supply chains positively impact on customer satisfaction both in mainland China and Taiwan. Yet, the influence of different drivers on CSR initiatives in supply chains differs in different institutional contexts. In the transition economy of China, CSR initiatives are driven by regulatory force and efficiency force but not by competitive advantage. In contrast, in the market economy of Taiwan, CSR initiatives are driven by competitive advantage but not by regulatory force and efficiency force.
- **Research implications** – This paper provides some empirical evidence of the influence of different institutional context on CSR initiatives and its impact on customer satisfaction. The research contributes to emerging theme of institutional theory in international marketing.
- **Practical implication** – Managers should be aware of different institutional context may shape firms’ CSR initiatives in supply chains. However, CSR initiatives in supply chain do matter in terms of enhancing customer satisfaction in all institutional contexts.
- **Originality/value** – We develop and test a framework of drivers and customer satisfaction outcome of CSR in supply chains in both transition and market economy.
- **KEYWORDS:** Supply chains; CSR; transition economy; market economy; customer satisfaction; institutional difference

Authors

Ruey-Jer “Bryan” Jean (✉)
Associate Professor of International Business
National Chengchi University
64, Sec.2 Zhi-Nan Road, Taipei, 11605, Taiwan
(e-mail: bryan@nccu.edu.tw)

Zhiqiang Wang
Lecturer, Department of Technological Economics and Management
South China University of Technology
(e-mail: zhiqiangw@gmail.com)

Xiande Zhao
Professor of Operations and Supply Chain Management
China Europe International Business School

(e-mail: xiande@ceibs.edu)

Rudolf R. Sinkovics

Professor of International Business

Centre for Comparative & International Business Research (CIBER)

The University of Manchester, Manchester Business School

Booth Street West, Manchester M15 6PB, UK.

(e-mail: Rudolf.Sinkovics@manchester.ac.uk, Web: <http://www.personal.mbs.ac.uk/rsinkovics>)

Drivers and Customer Satisfaction Outcome of CSR in Supply Chains in Different Institutional Contexts: A Comparison between China and Taiwan

1 Introduction

The notion of corporate social responsibility (CSR) has become strategic important for many companies. As firms rely more heavily on outsourcing to reduce total costs in their global supply chains, CSR has become an important issue for firms' supply chain management. Social and environmental misconduct of firms' global suppliers may be detrimental to firms' reputation. For example, recent workers' suicides incidents in Foxconn factories, Apple's iPhone contract manufacturer, has caused a lot of concerns for Apple's CSR in global supply chain management. Accordingly, an increasing number of firms, especially large multinational corporations, are increasingly under pressure from stakeholders to incorporate CSR into operations and supply chain strategies.

In line with these key trends, research in marketing and related field has started to make inroads into the topics (Homburg, Stierl, and Bornemann, 2013; Hult, 2011). While some progress has been made, extant studies suffer from following limitations: First, extant work on CSR focuses more on consumer marketing and consumer responses, thereby excluding B2B marketing (Vaaland, Heide, and Grønhaug, 2008). Second, the focus of the majority of prior research has been either the relationship between CSR and its antecedents (Ehrgott et al., 2011) or between CSR and associated performance outcomes (Luo and Bhattacharya, 2006). Very few studies have attempted to model the entire relationship while focusing on the role of CSR and discussing its drivers and outcomes simultaneously, particularly in the supply chain context. In addition, research has examined some CSR in B2B issues by studying "purchasing social responsibility" from buyers' perspectives (Ehrgott et al., 2011). However, research has neglected to study the antecedents of supplier's CSR efforts and their effects on organizational customer outcomes (Homburg, Stierl, and Bornemann, 2013; Lai et al., 2010). Finally, little work compares antecedents and outcomes of CSR in B2B or supply chains in different institutional contexts.

Against this background, our study develops and tests a model of antecedents and customer satisfaction outcomes of CSR in supply chains in different institutional contexts. Different institutional contexts are expected to have different social standards which may influence motivation and outcomes of firms' CSR practice in their supply chains (Ehrgott et al., 2011). Drawing on difference theoretical lens including stakeholders theories, transaction cost economy,

signaling theory and institution theory, we examine CSR in supply chains in different institutional context and compare practices in mainland China (a transition economy) and Taiwan (a market economy). The key research questions of this study are: (1) What factors influence CSR in supply chains? (2) How does CSR in supply chains influence organizational customer satisfaction ? (3) Do antecedents and customer satisfaction outcomes of CSR in supply chain vary across different institutional contexts?

The empirical context of this study is from suppliers' perspective in their supply chain relationships with industrial customers. The supplying firms in this research are OEM manufacturers in relationships with industrial customers. Customers in the context of this research are firms that manufacture and market the final branded product that have mainly strategic relationship with their OEM suppliers. The OEM suppliers- industrial customers relationship is an idea setting because suppliers are under more pressure from their customers to engage in social and environmental responsibility initiatives in their supply chains. Accordingly, it is important to understand how suppliers can develop their CSR capability and its customer related outcomes in the customer-supplier relationships. Accordingly, the unique empirical setting of this study provides a good opportunity to investigate the CSR initiatives process in supply chains.

The paper proceeds as follows: In the next section, a conceptual framework provides the rationale for the drivers and customer satisfaction outcomes of CSR initiatives in supply chains. We then propose several hypotheses suggesting relationships among the key constructs in different institutional context in the conceptual framework. We then assess these hypotheses in an exploratory, survey-based study. Finally, we report on the empirical findings, providing an overview and substantive discussion.

2 Conceptual framework and hypotheses

The term "CSR" generally refers to firms' voluntary activities taken by corporations to enhance social and environmental performance voluntarily (Lai et al., 2010). In this research, we extend this notion to the context of supply chains and define CSR in supply chains as firms' initiative of environmental or social voluntary activities in their supply chains.

Prior work already draws different theories to discuss antecedents of CSR. Most widely adopted theory is stakeholder theory (Donaldson and Preston, 1995; Freeman, 2010). The stakeholder theory emphasized the fundamental idea behind the notion of CSR. The stakeholder theory suggested that firms must consider stakeholders and community interests such as customers, government and employees in order to ensure their long term prosperity and survival (Ehrgott et al., 2011). In addition, competitive advantage related theory has been also applied to examine drivers of

CSR. In this stream of research, mostly drawing mostly on the resource-based view, CSR initiatives are treated as a resource or capabilities which can drive firms' competitive advantage. In addition, CSR initiatives are also argued to reduce production or transaction cost which leads firms' competitive advantage (Stuebs and Sun, 2010).

In terms of the outcomes of CSR, prior empirical studies have examined the impact of CSR on different performance outcomes such as financial performance, strategic performance, innovation performance and marketing performance. However, the link between CSR and performance outcomes is still equivocal. In addition, some customer investigated the impact of CSR on customer related outcomes such as customer satisfaction, reputation and brand equity have been examined in the literature (Lai et al., 2010; Luo and Bhattacharya, 2006; Surroca, Tribó, and Waddock, 2010). The literature mostly adopted stakeholder theory and signaling theory to theorize the link between CSR and customer outcomes. However, most work focuses on consumer outcome. Prior work neglects to study the effects of CSR efforts on organizational customer outcomes.

Based on an aforementioned review of literature on CSR, as shown in Figure 1, we propose a conceptual framework, which delineates the interrelationships between the key constructs in this research. We build the research model by integrating the stakeholder theory (Freeman, 2010), resource-based view (RBV) (Barney, 1991), transaction cost theory (TCE) (Williamson, 1985) and signaling theory (Connelly et al., 2011). Applying the logic of RBV, CSR initiatives in supply chain can be seen as strategic assets which help suppliers develop their competitive advantage. Hence, suppliers are driven by competitive advantage to engage in CSR initiatives in supply chains. In addition, borrowing the logic from TCE, CSR initiatives in supply chain help suppliers reduce production cost and also transaction cost with their industrial customers. Hence, suppliers are also driven by economic rationales to develop CSR initiative in supply chains. In addition, drawing from stakeholder theory, suppliers are under pressure from government and regulators to adopt CSR initiatives in order to show good to the society. Hence, regulative force is another driver of suppliers' adoption of CSR initiatives in supply chains.

In terms of the customer outcomes of CSR initiatives in supply chains, we focus on customer satisfaction of organizational customers as ultimate outcome. Drawing on the signaling theory, we develop the link between CSR initiatives and customer satisfaction. Signaling theory suggested that CSR can be seen as a signal which indicates firms' capability and reputation (Connelly, Ketchen, and Slater, 2011). Hence, we argue that CSR initiatives in supply chain can enhance customer satisfaction for suppliers.

Institutions are social, economic and political bodies that articulate and maintain widely observed norms and rules (Scott, 2001). Institution theory suggested that institutional contexts may

shape firms' strategic behaviors and their outcomes (Peng, Wang, and Jiang, 2008). The perception of social standards and values may differ in different regularly, normative and cognitive institutions in different countries. However, existing literature provides little empirical evidence on this aspect. In order to shed light on the impact of different institutional contexts on CSR in supply chains, we compare the interrelations between the key constructs in the proposed model in transition economies and market economies. We argue that antecedents and customer satisfaction outcomes of CSR in supply chains may have different effects in different institutional contexts. Transition economies are those economies that are transforming from command to a market economy. Transition economies feature centralized control and operational inefficiency. In addition, government involvement is still high which leads to much institutional uncertainties. China is the largest and the fastest-growing transition economy in the world and it appears to be having more success than its Eastern European counterparts with its reform (Child and K., 2001). Accordingly, we examine CSR in supply chains in China as an example of transition economies. In contrast to transition economies, market economies are economies characterized by market competition. Most economic activities in market economies are coordinated by market mechanisms. Government interventions are much less common in market economies than in transition economies. Compared with China, Taiwan is a market economy which most economic activities are free and government interventions remained restrained. Accordingly, examine CSR in supply chains in Taiwan as an example of transition economies.

We discuss the arguments that support the interrelationships between the key constructs in the model in the following section.

Insert Figure 1 about here

2.1 Antecedents of CSR in supply chains

2.1.1 Regulatory forces

Regulatory forces refer to the perception of to what extents government's role in controlling firms' social and environmental conducts through regulations and laws (Ehrgott et al., 2011). Regulatory forces play an important role in driving firms' CSR initiatives in supply chains. According to stakeholder theory, firms face pressure from different stakeholders such as suppliers, customers and government to conduct sustainable conduct. The stakeholder theory treats CSR in supply chains as an strategic behaviors which maximum stakeholder benefits (Garriga and Melé, 2004). Regulatory forces have been seen as a critical driver of firms' CSR initiatives. For example, Ehrgott et al. (2011) show that pressures exerted by the government is positively related to socially

sustainable supplier selection. In addition, Banerjee et al.(2003) indicate that regulatory force drives corporate environmentalism. In line with this stream, the institutional theory also argued that firm's CSR initiatives can be seen as a strategic response to institutional regulatory pressure (Connelly, Ketchen, and Slater, 2011).

While regulatory forces drive suppliers' CSR initiatives in supply chains, the effects may be different in different institutional contexts. In transition economies, government rules and regulation play significant role in shaping firms' allocation of resources and strategy development. For example, in China, the Five-Year Plan developed by central government largely guide firms' strategic planning. The institutional theory indicated that regulatory institutions significantly influence firm's strategic behaviors (Peng, Wang, and Jiang, 2008). In contrast, in market economies like Taiwan, pressure from government play less significant role in shaping firms' strategic behaviors. These arguments yield the following hypothesis.

Hypothesis 1: The positive effect of regulatory forces on suppliers' CSR initiatives in supply chains is stronger in a transition economy than in a market economy.

2.1.2 Efficiency forces

Efficiency forces refer to the extent to which suppliers' CSR initiatives in supply chains are driven by economic and cost reduction consideration. The TCE logic may guide theoretical development of arguments. The TCE suggests that firms try to minimize transaction cost in the exchange (Williamson, 1975). Extending this perspective to CSR context, suppliers engage in CSR activities in supply chains because CSR initiatives are expected to reduce transaction cost between firms and different stakeholders such as employees, suppliers and customers.

While efficiency forces drive suppliers' CSR initiatives in supply chains, the effects may be different in different institutional contexts. In transition economies, firms are expected to face higher transaction costs than in market economies due to significant institutional voids. Institutional voids originate from lack of market institutions which govern transitions ranging from protecting intellectual property to reaching customers. Inefficient market transition in transition economy drives firms to put a priority on efficiency seeking strategies. For example, prior work shows that Chinese firms are more likely to pursue cost leadership strategies than differentiation strategies. In addition, recent work indicated that Chinese firms are more likely to adopt imitation strategies than creative innovation (Lee and Zhou, 2012). In contrast, in market economies like Taiwan, efficient market institutions help reduce transactions cost and reduce firms' incentives to pursue efficiency seeking strategies. These arguments yield the following hypothesis.

Hypothesis 2: The positive effect of efficiency forces on suppliers' CSR initiatives in supply chains is stronger in a transition economy than in a market economy.

2.1.3 Competitive advantage forces

Competitive advantage forces refer to the extent to which suppliers adopt CSR initiatives in supply chains are driven by their intention to pursue competitive advantage against their competitors. The rationale which links competitive advantages as a driver of CSR initiatives is based on the RBV. The RBV suggested that firms as bundles of resources (Barney, 1991). The RBV further argues that firms' unique, inimitable resource and capabilities are sources of competitive advantage. Extending the notion of RBV to CSR research, researchers argue that CSR initiatives may be useful for firms insofar as they can provide competitive advantage (Connelly, Ketchen, and Slater, 2011). Some empirical studies already show competitive advantage is a drivers of firms' CSR initiatives. For example, Banerjee et al.(2003) show that competitive advantage as a main antecedent of corporate environmentalism.

While competitive advantage drives suppliers' CSR initiatives in supply chains, the effects may be different in different institutional contexts. In transition economies, firms focus more on cost leadership strategy instead of differentiation strategy. Hence, CSR in transition economies are less likely to be seen as a source of competitive advantage than in market economy. In addition, most firms in transition economies are still in early stage of CSR initiatives. From legitimacy perspective, they don't have much mimic pressure of CSR initiatives from their competitors. For example, most Chinese firms are unwilling to adopt CSR initiatives to stay ahead of competition because investments are costly and their Chinese competitors are still in early stage of CSR initiatives. In contrast, firms in market economies are less likely to compete on the basis of cost and also in a more developed stage of CSR initiatives. They tend to take the "get-ahead" approaches to develop CSR initiatives. CSR initiatives help them differentiate themselves. These arguments yield the following hypothesis.

Hypothesis3: The positive effect of competitive advantage on suppliers' CSR initiatives in supply chains is stronger in a market economy than in a transition economy.

2.2 Customer satisfaction outcomes of CSR in supply chains

Customer satisfaction in this research refers to an overall evaluation based on the organizational customer's total purchasing and consumption experience with suppliers (Homburg and Rudolph, 2001). In supply chains and industrial markets, customer satisfaction has been recognized as an important part of business strategy and a key driver of profitability and market value (Lewin, 2009). While the link between CSR and customer satisfaction has been verified, prior work focuses only on consumer satisfaction. The impact of CSR initiatives in supply chains on industrial customer satisfaction has not been examined in the literature.

The rationale which links CSR initiatives in supply chains and customer satisfaction are

based on stakeholder theory and signaling theory. The stakeholder theory view social and environmental initiatives as a contribution to all stakeholder including customers. Hence, customers are likely to be more satisfied by socially responsible suppliers. Signaling theory argues that firms in a market characterized by information asymmetry could use signaling to communicate unobservable qualities (Connelly et al., 2011). Recent marketing literature has applied signaling theory to understand organizational activities with respect to CSR (Connelly, Ketchen, and Slater, 2011). According to signaling theory, CSR initiative can be seen as signals which help build reputation and reduce information asymmetry in the markets, which in turn, can lead to customer satisfaction.

While CSR initiatives drive customer satisfaction in supply chains, the effects may be different in different institutional contexts. In transition economies, firms tend not to be reputable and seek external legitimacy. CSR initiatives in a transition economy are more likely to signal firm's better capabilities and reputation, which enhance customer satisfaction. This is because information asymmetry is more prevalent in transition economies than in market due to institutional voids such as lack of efficient intermediaries. In contrast, in market economies, customers may be less likely to depend on CSR initiatives to evaluate suppliers' capabilities and reputation due to more transparent and symmetric information in the markets. Hence, we argue that the effect of CSR initiatives on customer satisfaction is stronger in a transition economy than in a market economy. Hence, we predict:

Hypothesis4: The positive effect of suppliers' CSR initiatives in supply chains on customer satisfaction is stronger in a transition economy than in a market economy.

3 Method

3.1 Measures

We used seven-point Likert-type multiple-item scales to operationalize the constructs and variables. Measurement scales were taken from established literature whenever possible. The interviews were used for scale development where no suitable operationalizations and measurement items could be used from prior studies (see 錯誤! 找不到參照來源。). We adopted the scales of regulatory forces from Banerjee et al.(2003) but adapted to the current context. Efficiency forces scales are taken from and adapt to the current context. Three items taken from Banerjee et al.(2003)are adapted to measure competitive advantage force. The CSR in supply chains scales are taken from Ehrgott et al. (2011)'s study and adapted to the current context. The customer satisfaction scale is taken from Luo and Bhattacharya(2006)

Insert Table 1 about here

3.2 Samples and data collection

Data were collected as part of the research effort of the fourth High Performance Manufacturing (HPM) Project since 2012. HPM project is a large-scale, multi-country, multi-industry research project conducted by a team of international researchers and designed to comprehensively assess a manufacturing plant's operation (Mishra and Shah, 2009; Naor, Linderman, and Schroeder, 2010). Manufacturing plants selected from China and Taiwan should have at least 100 employees as target samples. All plants were from different parent corporations. In each plant, questionnaires were sent to two informants who are managers in these plants. Final samples include 94 plants from China and 66 plants from Taiwan. These industries were selected to include a mix of stable and rapidly changing competitive environments. Data were collected from plants in three industries: machinery, electronics and transportation components. Table 2 shows the sample description in China and Taiwan.

Insert Table 2 about here

A set of several hundred items and summated questionnaire scales related to supply chain management practices, environmental affairs, plant management practices, and performance were assembled. The plants were first contacted to obtain their agreement of participation and identify the potential survey coordinator. The questionnaires with different sets of questions were completed by the informants with different job titles who are knowledgeable of different sets of questions.

3.3 Common method bias

We assessed common method bias by applying two separate procedures. In a first step, Harman's one-factor test (Podsakoff and Organ, 1986) was performed using principal component analysis of all the items included in the study. Since no dominant factor emerged, we conclude that there is no evidence suggesting the presence of common method bias in the study.

We also check the correlation matrix. CMV is unlikely present if there are no too high correlations (>0.9) (Pavlou et al., 2007).

4 Assessment of the research model and hypotheses

4.1 Measurement model assessment

First, we examined the loadings of the individual items with their respective constructs (see 錯誤! 找不到參照來源。). All measurement items with loadings above 0.4 were retained (Ainuddin et al., 2007). The loadings for the measures range from 0.6552 to 0.999, with most items exceeding the threshold level of 0.7, recommended by Fornell and Larcker (1981). In a second step, we examined Cronbach's alpha and the composite reliability values for each latent variable. Both measures suggest reasonable reliability, with all values exceeding the 0.7 threshold (Nunnally and Bernstein, 1994).

Convergent validity was assessed using average variance extracted (AVE) (see 錯誤! 找不到參照來源。), as suggested by Fornell and Larcker (1981). Convergent validity was found to be satisfactory as all the values are greater than 0.5 (Henseler, Ringle, and Sinkovics, 2009). We further checked discriminant validity using two methods, the Fornell-Larcker criterion (1981) and the cross-loadings of items. For each variable, the AVE is higher than its highest squared correlation with any other variable, thus we can assume an adequate level of discriminant validity. This is supported by the cross-loadings. The loading of each indicator is greater than all of its cross-loadings (Henseler, Ringle, and Sinkovics, 2009).

Following the procedure used by Duque and Lado (2010), data equivalence is established. First, functional, conceptual, and category equivalence are assured through literature review and pretest of the questionnaires. Second, sample equivalence is assured by using similar sampling frames in China and Taiwan. Last, metric equivalence is demonstrated by the psychometric properties from China and Taiwan that have same coherence and structure (Table 1).

Insert Table 3 to 5 about here

4.2 Structural model assessment

After ensuring that the outer model was both reliable and valid, we examined the inner path model using SmartPLS (Ringle, Wende, and Will, 2005). The explanatory power of a partial least squares (PLS) model is determined by the amount of variance explained (R^2) by the endogenous latent variables (Henseler, Ringle, and Sinkovics, 2009). The R^2 value for CSR in supply chains in China/Taiwan are 0.399/0.176. The R^2 value for customer satisfaction in China/Taiwan are 0.104/0.091. To check the prediction capability of the model, we used Stone-Geisser's Q^2 , as suggested in Henseler et al. (2009), applying the blindfolding method (Tenenhaus et al., 2005).

4.3 Results and discussion

Hypotheses 1 claim that regulatory forces drive CSR initiatives in supply chains and the result is stronger in China than in Taiwan. The results show that regulatory force is positive related CSR (($b=0.316$, $p < 0.01$) in China. However, the relationship between regulatory force and CSR is not significant in Taiwan. To test our hypotheses, we compared path coefficients of the two samples and examined possible differences between the model results. Differences in path coefficients were identified using the Keil et al. (2000)'s method of a modified independent samples *t*-test. The results support Hypotheses. Hypothesis 2 states that efficiency forces drive CSR initiatives in supply chains and the results are stronger in China than Taiwan. The results show that efficiency force is positive related CSR (($b=0.387$, $p < 0.001$) in China. However, the relationship between regulatory force and CSR is not significant in Taiwan. We compared path coefficients of the two samples and examined possible differences between the model results. The results support Hypotheses 2. As a consequence, their motivation to completely replace traditional export marketing channels with the Internet is reduced. Hypothesis 3 states that competitive advantage will result in CSR initiatives in supply chains and the results are stronger in Taiwan than in China. Our results also support this hypothesis ($b=0.309$, $p < 0.01$) in Taiwan. However, the relationship between competitive advantage and CSR is not significant in China. Hypothesis 4 states that CSR initiatives in supply chains will lead to higher customer satisfaction and the results are stronger in China than Taiwan. Our results also support this hypothesis both in China ($b=0.322$, $p < 0.001$) and in in Taiwan ($b=0.302$, $p < 0.001$). However, the difference is not significant which indicated the effect of CSR on customer satisfaction is equally important in both institutional contexts.

5 Discussion and conclusion

With increasing trend of global production networks, firms have developed social and environmental initiative through their global supply chains. Suppliers are under pressure to initiate CSR in their supply chains in respond to customers' demanding requests. However, existing studies neglect to investigate supplies' CSR initiatives in supply chains, particularly the impact of different institutional contexts on the antecedents and outcomes of CSR in supply chains. Drawing from different lens of theories and based on supplying firms in China and Taiwan, this study attempts to identify and compare drivers and customer satisfaction outcome of CSR in supply chain in transition and market economies (China VS Taiwan). The results of this study have implications for theorizing and thus for future theory development.

First, in terms of the impact of regulatory forces on CSR initiatives in supply chains, this study finds that regulatory forces only drive CSR in supply chain in China. The results do not

support the relationship in market economies of Taiwan. The results indicate that regulatory forces play a more significant role in driving CSR initiatives in transition economies. The result is consistent with institutional theory which suggested that transition economies are more subjected to government interventions and regulations than market economies (Peng et al., 2009). CSR initiatives in supply chains are more likely to be seen as a strategy in response to regulatory institutions in the transition economies.

The results of this study also show that efficiency forces only drive CSR initiatives in supply chains in China but not in Taiwan. These findings are consistent with research that highlights that firms may incur high transition costs in transition economies due to high institution voids (Peng et al., 2009). CSR initiatives in supply chains are more likely to be seen as an efficiency seeking strategy for firms in transition economies than in market economies.

The findings also indicate that competitive advantage drives CSR in supply chains only in Taiwan than in China. The results are consistent with research which highlights differentiation strategies are more likely to be prevalent in market economies than in transition economies (Luk et al., 2008). CSR in supply chains are treated as a strategic weapon which leverages firms' competitive advantage, particularly in market economies.

With regards to the link between CSR in supply chains and customer satisfaction, this study finds that CSR in supply chain leads to customer satisfaction in both transition and market economies and the results have no significant difference. The results show that CSR in supply chains does enhance suppliers' reputation, which in turn, drives customer satisfaction. The results hold in different institutional environments. The findings extend CSR and its customer related outcome stream of research to different institutional contexts.

The results of this study should be interpreted in light of several inherent limitations. First, this study only uses cross-sectional data, and thus does not offer a time-invariant perspective. Second, this study focuses on three antecedents of CSR initiatives in supply chains. Future studies may incorporate other variables as antecedents of CSR in supply chains. In addition, we only examine customer satisfaction as customer related outcome. Future studies may investigate different outcomes variables such as profitability and market performance. Also, we only compare the proposed model in only one transition economy and one market economy; future studies may test the model in other different institutional contexts.

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7 Appendix – Tables and Figures

Figure 1: Conceptual Framework

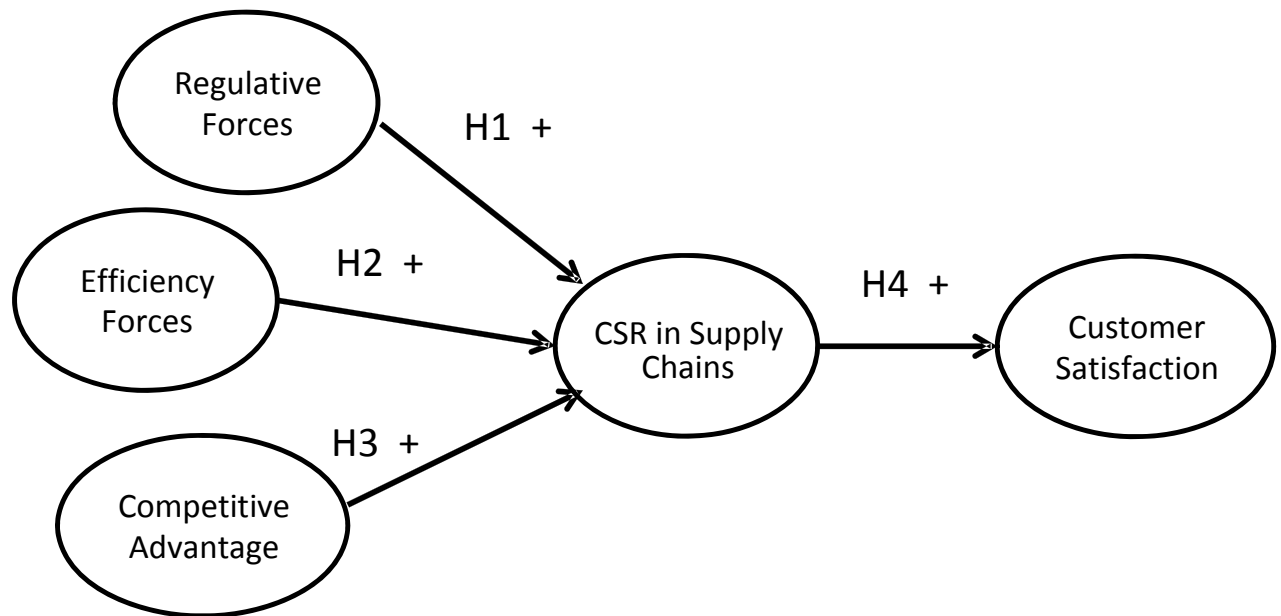
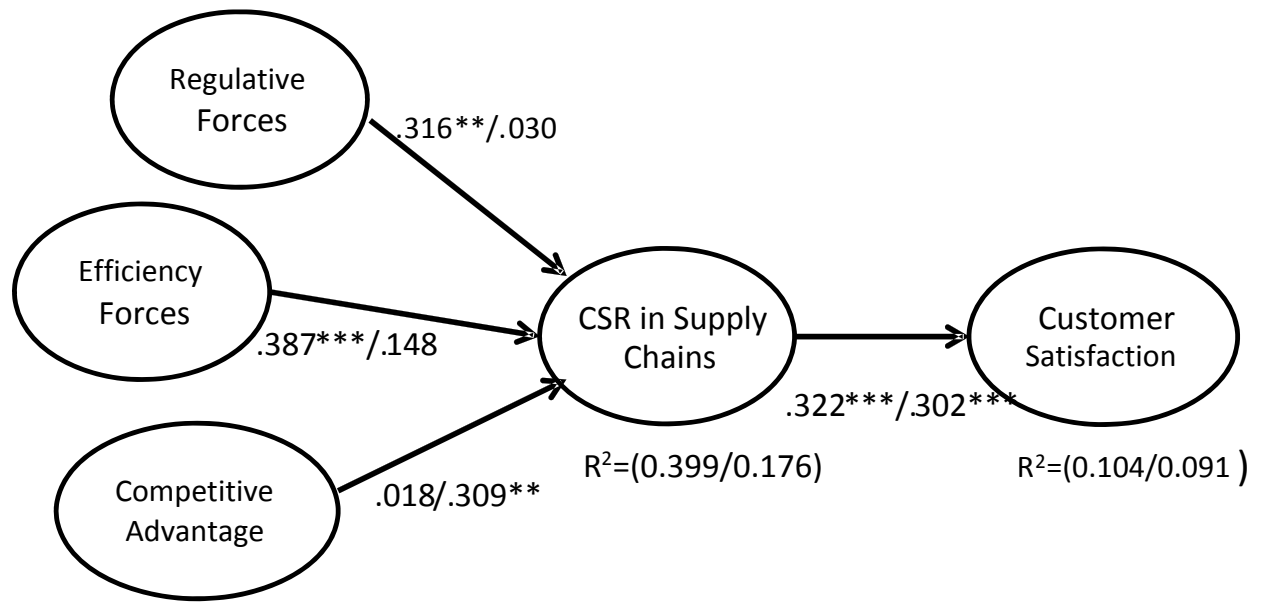


Figure 2 Results of the PLS structural model for N = 115



*** p<0.001 ** p<0.01 *P<0.05 †p<0.1 (China/Taiwan)

Table 1: Reliability and factor loadings of scale items

Items	China sample (n=94)			Taiwan sample (n=66)		
	Factor loadings	CR	AVE	Factor loadings	CR	AVE
Regulative forces		0.88	0.72		0.89	0.74
Current government legislation	0.737			0.843		
The threat of future government legislation	0.880			0.755		
Regulations dealing with the environment	0.914			0.967		
Efficiency forces		0.93	0.77		0.91	0.72
The belief that we could reduce costs and help the environment at the same time	0.773			0.642		
The desire to be more cost competitive	0.923			0.852		
The need to reduce costs	0.917			0.925		
The desire for cost savings	0.889			0.933		
Competitive advantage forces		0.86	0.68		0.92	0.80
By regularly investing in research and development on cleaner products and processes, our plant can be a leader in the market	0.751			0.946		
Our plant can increase market share by making our current products more environmentally friendly	0.815			0.812		
Better environmental performance can differentiate our plant from our competitors	0.902			0.923		
CSR in supply chains		0.87	0.63		0.85	0.59
Ensuring that suppliers comply with child labor laws	0.698			0.892		
Asking suppliers to pay a “living wage”	0.781			0.857		
Incorporating environmental considerations in evaluating and selecting suppliers	0.895			0.704		
Providing design specification to suppliers in line with environmental requirements (e.g. green purchasing, black list of raw materials)	0.794			0.577		
Customer satisfaction		0.88	0.64		0.91	0.71
Our customers are pleased with the products and services we provide for them	0.765			0.898		
Our customers seem happy with our responsiveness to their problems	0.775			0.790		
Our customers have been well satisfied with the quality of our products, over the past three years	0.834			0.905		

Our plant satisfies or exceeds the requirements and expectations of our customers

0.820

0.763

Table 2: Sample description

China sample		Taiwan sample	
Industry	Percentage	Industry	Percentage
Machinery	48.9	Machinery	66.7
Electronics	35.1	Electronics	27.3
Transportation components	16	Transportation components	6.1

Table 3: Validity of latent constructs - China

No.	Construct	(1)	(2)	(3)	(4)	(5)
1.	Regulative Force	0.847				
2.	Efficiency Force	0.570	0.878			
3.	Competitive Force	0.261	0.438	0.825		
4.	SC-based CSR	0.541	0.575	0.270	0.795	
5.	Customer Satisfaction	0.185	0.282	0.199	0.322	0.799

Note: Square root of AVE is shown on the diagonal of each matrix in bold; interconstruct correlation is shown off the diagonal.

Table 4: Validity of latent constructs - Taiwan

No.	Construct	(1)	(2)	(3)	(4)	(5)
1.	Regulative Force	0.860				
2.	Efficiency Force	0.663	0.846			
3.	Competitive Force	0.347	0.497	0.896		
4.	SC-based CSR	0.235	0.321	0.393	0.768	
5.	Customer Satisfaction	0.118	0.235	0.209	0.302	0.841

Note: Square root of AVE is shown on the diagonal of each matrix in bold; interconstruct correlation is shown off the diagonal.

Table 5: Statistical comparison of path coefficients in China and Taiwan

	China(94)		Taiwan(66)		T
	Path		Path		
	Coefficient/SE	Coefficient/SE	Coefficient/SE	Coefficient/SE	
Regulative Force -> CSR	0.316	0.1019	0.030	0.1217	1.815+
Efficiency Force -> CSR	0.387	0.0937	0.148	0.1342	1.521
Competitive Force -> CSR	0.018	0.0538	0.309	0.1204	2.223*
CSR -> Performance	0.322	0.0937	0.302	0.0875	0.157