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RESEARCH ON CORPORATE INTERNATIONAL SOCIAL RESPONSIBILITY REPORTING OF CHINESE INTERNATIONAL ENTERPRISES' IN KAZAKHSTAN

Abstract. The paper investigates about corporate international social responsibility's (CISR) disclosure to examine the reporting content about overseas markets of Chinese international enterprises' (CIE) in Kazakhstan. The purpose is to explore the level of CISR developments and international social contributions of CIE.

In this study has been applied stakeholder theory to analyse and categorize CISR, we put ours emphasizes on environmental, human resource, community, productive, political and other activities. It is across-sectional study which has exploratory in nature and involved in a secondary data collection and used of content analysis technique to assess the statistical results.

International enterprises with higher levels of CISR activities are more likely to be internationalized and capable of establishing in the international business network. The results indicated that CISR's political activity of the CIEs' have not been issued in annual reports. Moreover, the other CISR activities are in a gradually improving on various degree. This study contributes to stakeholder theory and CISR research in the international business field, implications for implementing the level of CISR activities.

Key words: Chinese international enterprise, Kazakhstan; Corporate international social responsibility, content analysis.

1. Introduction. CSR reports have received considerable scholarly attention in recent years and most research has focused on the emergence of CSR reporting [1]. However, there is a lack of researches that has done CISR disclosure reporting in the international arena. In this paper, we argued that it is important to transfer our emphases from CSR to CISR for several reasons. Smith et al. indicate country of origin may be an important determinant of the level of CSR disclosure. Whereas many studies have focused on the variation in CSR disclosure across developed nations [2], only a few have addressed this issue in developing countries [3], and not much attention to date has been directed toward CISR disclosure in Kazakhstan. The spreading CSR conception impels to ensure the implementation of needs and goals to put CSR is in a global context essential to understand the specific regional and national contexts in which CIE in Kazakhstan. In this paper, we emphasized the international context of CSR. Before distinguishing between CSR and CISR, the meaning of CSR is not only different from sector to sector, but it also differs quite substantially from country to country [4]. CISR is an internationalized enterprise not only for making economical and financial profits or increase, but also has to focus on the international social problems, social activity with engaging stakeholders and shareholders. For instance, international enterprises will operate in a foreign country and having also different ethics, and institutional theory points the obligatory parts included obeying the rules of home countries' law, respect the ethics of local nationalities permanent views, in order to make bridge cooperation between with host country and home country.

We focus on the meaning of CISR of CIE's reports. We have chosen CISR disclosures to distinguish in the Chinese context research started to take a sample of medium and small-sized CIE in Kazakhstan, after a great effort on collecting international companies' annual reports, in our temporary results have shown that none of the CIE issued CISR annual reports, as known medium and small-sized enterprises generally have not disclosed annual reports due to the lack of their financial recourses. Mostly in research articles take samplings of annual disclosures from the large enterprises because they have efficient

recourse abilities and actively join international public communities, especially by implementing CISR activities. However, any approach to CISR should take part in the practical recognition that the corporations be profitable enough to provide shareholders a return that will encourage a continuation of investment [5]. This research paper is followed these two research questions: What CSR reporting category is being a major part of the information presented by CIE? What CISR reporting formats are chosen to provide by CIE? Annual reporting is a compulsory and obligatory document for most international enterprises. Content analysis is used to investigate CISR disclosure levels in the annual reports.

2. Literature review and Hypotheses. The international evidence indicates an increase in the number of firms providing external assurance of their CSR disclosures [6]. Many researchers pointed out that the text of CSR reporting should disclose information on the following projects: environmental performance, labor rights, health and safety practices, human rights, community economic development and social impacts, corporate governance, corporate planning and policies [7]. Different countries and enterprises issue CISR in different ways and use different types of categories of CISR. Extant studies argue that building a firm reputation through voluntary CSR reporting depends on the perceived reliability and credibility of CSR information [8]. International enterprises are faced with numerous legal, regulatory, cultural problems and business environments making the challenge of legal and ethical compliance more complex.

Prior research on CSR reporting has focused on the documents that organizations disclose to communicate their efforts and commitment to CSR. CSR disclosure on the web in developing countries [8]. CSR adoption likelihood of integrated reporting assurance of reporting [9], or level of reporting [10].

These institutional pressures explain organizations as business entities operating in coordination and with the support of other activities in their field, interacting with their stakeholders and striving for social acceptability and credibility, i.e. legitimacy, to survive in their context [11].

CISR activity is necessary for the purposes of adding to market share, incrementing stockholder wealth or for straightforward ethical principles. Areas of particular emphasis are community matters, health and safety, diversity and human resources and environment. Consistent with prior research, we have chosen several CISR reporting diversity categories;

Categories	Specific examples within each category
Environmental	Prevention of environmental risks, safety, pollution, conservation of natural resources, others
Business practice	Relations with business partners, responsibility practices aboard, gender equity, employment minorities, others.
Human resources	Compensation, manpower, hygiene and safety, others.
Community	Education, associations, arts, volunteer help, others.
Product development	Product safety, presentation of products, pollution related to use of the products, others.
Political	Political problems
Others	other categories.

Figure 1 – CISR reporting diversity categories

¹Based on Cormier and Magnan 2003; Cormier et al. (2005); Ernst and Ernst 1978, and Gray et al., 1995. Murthy 2008: Holder-Webb et al. 2009.

H1: CIE in Kazakhstan annual CISR reporting is actively issuing year by year.

The Chinese economy is growing year by year, Chinese international brand is increasing so sharply, internationalization enterprises are very active to issue annual CSR report but the social problems, such as unfair income distribution, increasing employment pressure, severe resource waste, and environmental deterioration is getting obviously. This body of the literature provides evidence on how firm size, industry type, profitability, country, and media exposure influence the level of CSR reporting [12]. We predict that CIE in Kazakhstan are getting active on issuing CISR reports year by year.

H2: CIE in Kazakhstan when issue CISR reporting exists the characteristics of Chinese cultural elements.

Hu Jintao, China's president, advances the concept of a harmonious society should feature democracy, the rule of law, equity, justice, sincerity, amity, and vitality. An economics professor at Peking University argued this government-led agenda alludes to the Confucian ideal in which all people should co-exist harmoniously, love and help each other, encourage each other and make an effort to contribute to the building of a harmonious society. Mittelman (2006) claimed Confucian ethics could have a positive effect on business behavior in China's market economy. Cheung and Chan (2005) described "guanxi" as interpersonal relationships, loyalty, and ethical practices and suggested "guanxi" could help achieve harmony in social groups. Shafer et al. (2007) stated "guanxi" influences managers' perception of stakeholder power, legitimacy, and urgency managers that exposure to western ideas could influence the managers' ethical values [13].

3. Methodology. Although the importance of CISR is rather widely discussed in the scientific literature there is a lack of research on basic CISR disclosure situation, especially in developing countries. Thus, the main goal of this article is to investigate the level of social information disclosure in the annual reports of CIE in Kazakhstan after the execution of analysis of the factors of social responsibility disclosure distinguished in the scientific literature. CISR disclosure categories most commonly occurring in scientific literature, we present the assumptions for the research:

In this paper, we use an annual report for the investigation of the CISR disclosure level. 1) Referring to the scientific literature based on [14, 15]. The frequency of using annual reports are justified by their regularity, credibility, accessibility and useful information to stakeholders reporting. 2) The annual report is a compulsory document for most international enterprises. Content analysis is used to investigate the CISR disclosure level in the annual reports. Units of social disclosure in the content analysis may be various: words, phrases, characters, lines, sentences, pages. This empirical study uses two units for disclosure: a) The number of sentences for evaluating CISR since sentences provide complete, meaningful and reliable data about company's CISR disclosure level; b) The proportion of pages devoted to social accounting disclosure to determine the part in the whole document. Therefore, this study considers the CISR information disclosed in the annual reports. In addition, the annual reports of the top five CIE in Kazakhstan are public, available and easily accessible. They are Haier, Huawei, Alcatel, ICBC, CNPC (table 1). The annual reports were of 2013-2017 years, all collected CISR annual reports were in English with Chinese language translations. The analysis of the reported CISR activities in the annual reports proceeded as follows: (1) Copies all of the annual reports in pdf. files were downloaded and were given devised, (2) Those involved were asked to initially read all the annual reports to especially look the words "CSR" code general, to look for items involved in CISR disclosure, (3) Each CISR reports were distributed and reviewed, (4) After review classify the various CISR categories which the mentioned in the annual reports, (5) Getting results to discuss and disagreements.

Table 1 – Chinese the top five internationalization enterprises

Organization name	Website	Billions (RMB)	Documents	International branches
Haier	haier.com	1887	CSR Annual report	USA, Russia, Kazakhstan (100 countries)
Alcatel	zte.com.cn	3,21	CSR Annual report	Asia, North America (170 countries)
Huawei	huawei.com	395	CSR Annual report	Russia, Singapore (140 countries)
CNPC	cnpc.com.cn	4,034,10	CSR Annual report	Azerbaijan, Canada, Oman (38 countries)
ICBS	icbc.com.cn	2,220	CSR Annual report	Hong Kong, Spain, Portugal (42 countries)

4. Data sampling. We define an "information burst" as a single stand-alone document (proxy statement) or homogenous unit text (i.e. employee diversity page, product information sheet or product lines, etc.). It appears from this that the main valuation areas (environmental activity, human resources activity, community activity, product development, political and others).

5. Analyses and Results. What CISR reporting is being a major part of the category information presented by CIE in Kazakhstan?

Research Question 1 asks what CSR reporting category information will be an issue by CIE. All collected information 706 (table 2) shows the reporting rating by the disclosure category. The major part of

the information presented is on the environmental part and community activities. None of the CIE has presented the data on political activity in their annual reports. Includes all top five CIE for five years the entire sample by category 708. Percentage sum to 100% all disclosures include CISR information.

Table 2 – The frequencies of CISR disclosure, by category (n = 708)

Disclosure Categories	Frequency	Present of total information
Community	146	21%
Environment	181	26%
HRM	136	19%
Productivity	128	18%
Political	0	0%
Others	117	17%
Total	708	100%

What CISR reporting formats are of CIE in Kazakhstan choosing to provide?

Research question 2 asks what reporting formats CIE in Kazakhstan choose to convey CISR reporting. CISR reporting were collapsed into format categories: mandatory filings, website, governance documents, press releases, product fact sheets, CSR reports or brochures, and others. All collecting CISR reporting 708 information bursts are taken from websites. Used information taking 100 percentage used on the website format. CISR activity is a useful marketing tool it may provide a proxy for intangible benefits of marketing strategy. The website format of disclosure is popular among all CIE in Kazakhstan.

Hypothesis 1 asks to what CIE in Kazakhstan annual CISR reporting is getting active year by year.

There is shown the top five CIE in Kazakhstan within five years during 2013-2017 years development of issuing CISR reporting. They are Haier, Huawei, ICBS, Alcatel, CNPC international enterprises. All CIE disclosed categories are environmental, community, human resource, political and other information. Therefore, the result of the analysis is shown gradually growing, except political activity. Weem phasized the increasing political role international enterprises, for instance when enterprises provide goods and services (e.g. education and health care) in areas where governments are either unwilling or unable to protect the rights of their citizens. Statistical tests of these within the five years the development for international enterprises have mixed results. Overall result Huawei CIE in Kazakhstan has indicated gradually growing the development during five years. Another CIE in Kazakhstan has not indicated large differences within five years of issuing CISR reporting.

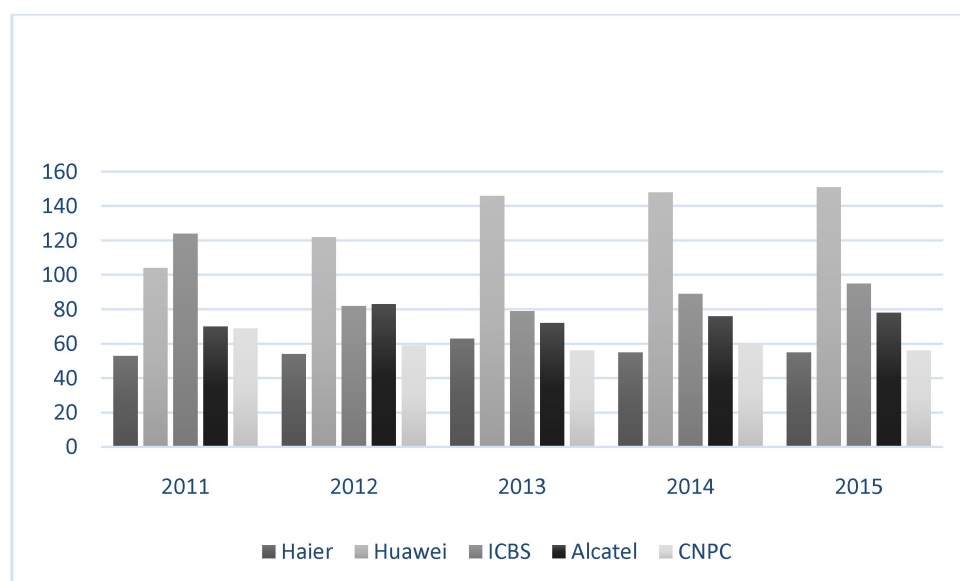


Figure 2 – Information included in CISR disclosure, by general type

Hypothesis 2 asks what extent to CIE in Kazakhstan issue CISR reporting will have details of Chinese characteristics.

The results showed that Chinese characteristics based texts and categories exist of CISR reporting documents, like the Confucian idea and “guanxi” and harmonious society. The disclosures by general Chinese characteristics based on all enterprises with all information calculated the percentage of issuing in annual reports. According to figure 3 provides a pie chart representing the relative frequency (percentages) of the whole general disclosure categories. Of these 708 disclosures are shown 56% CIE in Kazakhstan reported in their CSR annual reports, and Chinese characteristics 44% is not shown CIE in Kazakhstan reported in CSR annual reports. The observation’s innovative part based on a find according to the national characteristics involved with business management on reporting. It is possible that if the general perception is that CISR activity is business of society, it may provide a proxy for the benefits of the marketing strategy, image strategy and brand strategy and thus be considered to have value-relevance.

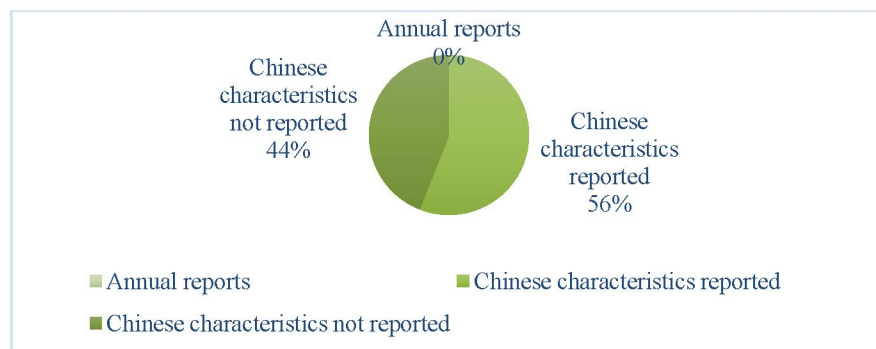


Figure 3 – Chinese characteristics content is included or not by general type of CISR disclosures, all information bursts (n=708)

6. Conclusion. Chinese international investment and subsidizing companies are spreading all over the world, it is including in developed and developing countries. Therefore, engaging in various social contribution activities need to issue their CISR annual reporting. The objectives of this study examine and describe CISR annual reporting practices among CIE in Kazakhstan. CISR reporting continues improving internationally spreading, and the levels of CISR reporting information, and influences on international enterprises in different social initiatives and social motivation.

In this paper, we have chosen the internalized top five CIE in Kazakhstan which operates in the overseas business and involved CISR annual reporting. The data collected from 2013 to 2017 years. As literature study shown that the CIE in Kazakhstan have a large pressure from the international market and some home countries various institutional requirements [16].

Firstly, the results indicate that CISR disclosure categories (environmental, human resource, community, productivity, political and others.) of annual reporting format especially is used to issue the website format form to disclosure CISR. However, other format types as such, mandatory fillings, press release not used to issue CISR reporting.

Secondly, the results indicate that CISR disclosure categories (environmental, human resource, community, productivity, political and others.) paid much attention and more focused disclose information CISR category CIE in Kazakhstan is the environmental category and the less attention had focused the political category disclosed. It says the lack of political activity and remains unclear when CIE in Kazakhstan operate the business in the international countries political issues and problems including legitimization [17].

In this research paper, provide some broad pictures of CISR disclosure categories among CIE in Kazakhstan and provide some normative and legitimacy and institutional arguments when involve disclosing the CISR annual reporting.

The study contributes to the existing literature in the area by extending deeper consideration to CIE in Kazakhstan, expanding the limited selection media and providing the amount determining CISR reporting as the tool of disclosure is more informative and more categories emphasis in management study.

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ҚАЗАҚСТАНДАҒЫ ҚЫТАЙЛЫҚ ХАЛЫҚАРАЛЫҚ КӘСІПОРЫНДАРДЫҢ КОРПОРАТИВТІК ХАЛЫҚАРАЛЫҚ ӘЛЕУМЕТТІК ЖАУАПКЕРШІЛІГІНДЕГІ АҚПАРАТТЫҚ ЗЕРТТЕУ

Аннотация. Мақалада корпоративтік халықаралық әлеуметтік жауапкершіліктің (ҚХӘЖ) жариялануы Қазақстандағы қытайлық халықаралық кәсіпорындардың шетелдік нарықтар туралы баяндамаларын негізге ала отырып мазмұнын зерттеп анықтауға бағытталған. Мақалада көзделген мақсат – ҚХӘЖ әзірленуінің даму деңгейін және халықаралық қоғамға әлеуметтік үлесінің көрсеткішін зерттеу болып табылады.

Осы зерттеуде ҚХӘЖ талдау және санаттау мүдделі тараптардың қолданбалы теориясы қарастырылған, және халықаралық әдебиеттерден жинақталған ҚХӘЖ категорияларын қоршаған орта, адам ресурстары, қоғамдық байланыс, жасыл өнім өніру, саяси және басқа әлеуметтік іс шара.

Екінші деректер жинау, өңдеу және статистикалық нәтижелерді бағалау үшін мазмұнды талдау әдісін пайдаланатын көлденең қималы зерттеу жүргізілді. ҚХӘЖ қызметін жоғары деңгейінің көрсеткіші халықаралық кәсіпорындардың бизнескалыптастыру желісінде халықаралық араластандыру қабілеттіне ықтимал болып табылады.

Зерттеу нәтижесі ҚХӘЖ саяси іс шаралар категориясы жыл сайынғы есептік баяндамада жарияланбайтыны, және халықаралық қоғамның саясат мәселері назардан тыс екені анықталды. Сонымен қатар, басқа да ҚХӘЖ іс-шаралары жүзеге асырылатын және даму дәрежені қарқынды жақсаруда.

Осы зерттеуде мүдделі тараптар теориясымен және ҚХӘЖ халықаралық бизнес саласындағы зерттеулер, және қытайлық халықаралық кәсіпорындардың Қазақстанның әлеуметтік қоғамына үлес қосуы теориялық, практикалық негізін қарастырады.

Түйін сөздер: Қытайлық халықаралық кәсіпорын, Қазақстан, Корпоративтік халықаралық әлеуметтік жауапкершілік, мазмұндық талдау.

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ИНФОРМАЦИОННОЕ ИССЛЕДОВАНИЕ КОРПОРАТИВНОЙ МЕЖДУНАРОДНОЙ СОЦИАЛЬНОЙ ОТВЕТСТВЕННОСТИ КИТАЙСКИХ МЕЖДУНАРОДНЫХ КОМПАНИЙ В КАЗАХСТАНЕ

Аннотация. В статье проводится исследование содержания докладов о зарубежных рынках китайских международных компаний в Казахстане при объявлении корпоративной международной социальной ответственности (КМСО). Цель – показать уровень развития подготовки КМСО и исследование показателей социальной доли международному сообществу.

Дан анализ КМСО, проведена классификация прикладной теории заинтересованных сторон, сбор международной литературы таких категорий КМСО, как среда обитания, человеческие ресурсы, общественная связь, производство зелёных продуктов, политические и другие социальные мероприятия.

Осуществлялось горизонтальное исследование сборов вторых данных, обработка и оценивание статистических результатов для использования метода содержательного анализа. Показателем высшего уровня деятельности КМСО является способность смешивания в международной сети формирования международных бизнес-компаний.

Рассматриваются теория заинтересованных сторон и исследования в международной сфере бизнеса КМСО, а также практическая и теоретическая помощь китайских международных компаний социальному обществу Казахстана.

Ключевые слова: Китайское международное предприятие в Казахстане; Корпоративная международная социальная ответственность, контент-анализ.

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