



## An Analysis of the Causes of Non-Engagement in Philanthropy by Most Chinese Private Entrepreneurs

Leilei Zhang

**Abstract**— Corporate philanthropy is important for enterprises to fulfill their social responsibility, and related to their strategic development as well. However, most private entrepreneurs in China are not interested in philanthropy. Their philanthropic behaviors, as short-term giving without a long-term plan, are actually “forced donations” under the government’s “administrative fundraising” and “public welfare assignments”. The purpose of this study is to explore the reasons of non-engagement in philanthropy by such entrepreneurs. Face-to-face in-depth interviews with 10 non-charitable and 14 charitable entrepreneurs in 24 cities of 12 provinces in China were conducted based on continuous analytic induction, three-level coding with NVIVO software and comparative analysis. It concluded on the reasons of non-engagement in philanthropy by most Chinese private entrepreneurs with some recommendations. The results show that non-engagement in philanthropy by the entrepreneurs are not due to the low corporate economic strength and the constraints and influences of China's special national conditions, but it is because such entrepreneurs do not have philanthropic belief. It provides certain theoretical guidance to study the motivations and influencing factors of corporate charitable donations.

**Keywords**— Corporate economic strength, private entrepreneurs, philanthropic belief, special national conditions.

### 1. INTRODUCTION

Previous literature studies show that corporate charitable donations, play an important role for enterprises to fulfill their social responsibilities [1], and convey the sense of corporate responsibility to stakeholders, thus improving corporate reputation [2] and achieving corporate strategic goals [3]. Charitable donation is one of the important ways to improve corporate performance. However, most private entrepreneurs in China are not enthusiastic about charitable donations. Most of their charitable donations are forced by the government's "administrative fundraising" or "public welfare assignments". They also lack overall planning and long-term strategies. What they do is short-term philanthropy [4].

Corporate philanthropy is more prevalent in western countries, and philanthropic feats of the "rich" are common. This is because western corporate philanthropy was closely integrated with the interests of the enterprises from the beginning, so entrepreneurs are very positive and high-profile in the philanthropic behaviors. In addition, the government has formulated corresponding philanthropic institutions and policies to support entrepreneurs, inspiring their philanthropic motivation [5]. While in China, it is relatively backward in terms of institution, policy, and philanthropic cultural atmosphere. For example, Chinese culture emphasizes "doing a good deed without leaving a name" and "giving without asking for returns". Therefore, high-profile philanthropic entrepreneurs are often questioned. Under this circumstance, entrepreneurs would rather uphold the "Doctrine of the Mean", "No standing in the public" and

stay away from charitable donations.

However, Chinese society has high standard requirements for enterprises to fulfill their obligations as "corporate citizens." Especially in the face of some major natural disasters, those entrepreneurs who are "underperforming" or "indifferent" will be condemned. For example, in the outbreak of the Wenchuan earthquake in Sichuan Province of China in 2008, China Vanke Group, as the "big boss" of the real estate industry in China, donated RMB 2 million yuan to the quake-stricken area. Due to being condemned by nearly the entire people of the country, Mr. Wang Shi, Chairman of Vanke, donated additionally RMB 100 million yuan, subject to the pressure of the public opinion [6].

Therefore, Chinese private entrepreneurs are afraid of being questioned by the media or the public when they are ready to engage in philanthropy, but if they make less or none charitable donations they are "morally kidnapped". Due to being in such a dilemma, those private entrepreneurs who pursue only the survival of their enterprises just simply quit and stay away from philanthropy.

Moreover, studies on philanthropy in China started just recently due to the late start of the development of philanthropy in China, and more studies on this topic are expected in the future, especially in the field of empirical research [7]. Therefore, this study uses a multi-case empirical study method through face-to-face in-depth interviews with 10 non-charitable and 14 charitable entrepreneurs in 24 cities of 12 provinces across the country. By applying continuous analytic induction, three-level coding with NVIVO software and comparative analysis, it came up with a conclusion on the root cause of the non-engagement in philanthropy by most Chinese private entrepreneurs. The study found that low corporate economic strength and the constraints and influences of China's special national conditions are not

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LeileiZhang is with the International College, National Institute of Development Administration(NIDA) Bangkok 10240, Thailand.  
E-mail: [1609906662@qq.com](mailto:1609906662@qq.com)

the causes for entrepreneurs to "stay away" from philanthropy. The most fundamental cause is that such entrepreneurs do not have philanthropic belief.

The contributions of this research are: 1. Most of the previous study focused on the exploration of corporate philanthropy from the perspective of "self-interest" motivations [8]. Very few scholars have studied on the causes of non-engagement in philanthropy by most Chinese private entrepreneurs on the basis of empirical evidence. Therefore, this article has innovation in terms of both research perspective and research methods; 2. This article has furthered the research on the motivation and influencing factors of corporate charitable donations; 3. It provides certain reference for private entrepreneurs how to better fulfill their social responsibility and maximize corporate value, and for countries in the world how to optimize and improve their philanthropy-related institutions and policies.

## 2. LITERATURE REVIEW

Private enterprises, PEs for short, refer to other types of enterprises except "wholly state-owned" and "state-owned holding" ones. To a certain extent, it is a unique product coming up during the construction of a socialist market economy with Chinese characteristics. In short, it means the equity of an enterprise (residual claim and residual control) can be private-owned. An analysis of previous literature shows that most private entrepreneurs in China are "generally afraid to donate" [9]. Based on a review of relevant literature on charitable donations by Chinese private enterprises, it is caused by the following reasons:

### 2.1 Failure of Tax Laws to Provide Incentives for Philanthropy

Compared to western countries, China's philanthropy started late and lags behind. The country has gradually recognized the great power of corporate philanthropy, and has continuously explored and improved the laws and regulations on philanthropy, in order to encourage enterprises to play their role as the entities of charitable donations. For example, "the Law of People's Republic of China on Enterprise Income Tax" in 2007 "increased the pre-tax deduction ratio of corporate public welfare donations from 3% to 12%", and in 2017 "deducted the pre-tax amount in the calculation of taxable income within three years after the carry-over is permitted" [10]. However, compared with the developed countries, there is still a large gap in the amount of charitable donations by Chinese enterprises. There are still many deficiencies in the existing enterprise income tax policy, and improvement should be made [7].

In China, if an entrepreneur wants to make a social donation, he must go through a non-profit charitable organization. However, China sets too high qualification threshold regarding tax exemption for charities. Most of them cannot enjoy the tax exemption policy even if they pass the registered verification of civil affairs departments [10]. Tax reduction and exemption are only applicable to indirect donations under the statistics of charities and relevant governmental departments or

donations from special social groups as stipulated by law. Direct donations cannot enjoy tax preference [11], and in-kind donations cannot be evaluated [12]. Corporate donations to different charities and social groups enjoy different incentives, which results in unfair preferential tax in reality. The operating time of tax incentives with full deduction is relatively short and the tax exemption procedures are too complicated. These all indicate that there are too many restrictions in the national tax policy, and thus the incentive effect is not good [13].

### 2.2 Low Public Trust in Philanthropy

The operation of charities, as carriers of corporate charitable donations, directly determines the enthusiasm of corporate donations. However, Chinese charities lack professional talents, the operation of charitable funds is non-transparent and de-normalized, and professional collaboration are not operated well among charities. Their operating efficiency is very low, which seriously hurts the philanthropic enthusiasm of private enterprises [14].

Taking the outbreak of the COVID-19 in Wuhan in December 2019 as an example, the privately donated RMB 2.7 billion for Wuhan medical staff was not transmitted to the epidemic area, but was handed over to the municipal finance by the Wuhan Charity Federation, while no rescue actions were put in place in due time [15]. The money collected by private charities is directly deposited into the government's fiscal account. Is it legal to use such funds in this way? Does the act respect the intention of the donors? Does Wuhan Charity Federation have the ability to manage and make good use of the money? These have been widely questioned in the public.

Coincidentally, hundreds of thousands of masks purchased by many private entrepreneurs to support the COVID-19 patients in Chongqing and other places were forcibly expropriated by the local authority as they passed through Dali City of Yunnan Province [16], and some were even pocketed and then sold privately at a high price by some governmental personnel [17], which further deepened the public dissatisfaction with governmental personnel and charities.

### 2.3 Lack of philanthropic culture

Chinese culture has always emphasized "Wealth should be hidden". Many wealthy people regard charitable donations as exposure of their wealth. This backward and narrow conception is not conducive to enterprises' engagement in philanthropy [18]. Entrepreneur Chen Guangbiao engaged in the business of renewable resources is high-profile in philanthropy throughout his life. During the Wenchuan earthquake, he contributed money and exerted himself for disaster relief at first time of the disaster. He also visited overseas countries. He was enthusiastic about doing good in Japan and Taiwan and has donated RMB 1 billion yuan. But some domestic media and experts sharply criticized his "high-profile good deeds" as "violent good deeds" and "shows", and even ridiculed him as a "malefactor" [19].

The publicity for philanthropy is not appropriate. At

present, in order to pursue selling points, some media are enthusiastic about propagating entrepreneurs as "heartless rich people". This has created the "expiation" motivation on corporate donations, which greatly reduces the value of corporate donations. Some media even set up "moral traps" to turn rescue mobilization into "moral kidnapping" of entrepreneurs. This "public welfare intimidation" with media participation is more harmful than the "public welfare assignments" by governmental departments. In particular, the risk for charitable donations of private enterprises has been rapidly raised. Entrepreneurs have no choice but to keep away from philanthropy so as not to get burned [20].

### 2.4 No religious faith in China

In Chinese culture, there are many inconsistencies between religious faith and traditional thinking: contradiction between becoming a monk and the concept of family, contradiction between the other-worldly idea and this-worldly idea of Confucianism, contradiction between the concepts of "God's Creation" and "Harmony between Man and Nature", contradiction between the tenets of religious organizations and the scholarship patterns of the ancient philosophers, contradiction between "superstition" and universal values. Not only the Chinese intellectual class has a negative attitude toward religion [21], China does not support politically either.

However, many scholars in the western countries believe that religion affects human capital [22] and social capital [23] shape values, and then influence people's decisions. It is unscientific to ignore the influence of religious factors in decision-making of enterprises [24].

Compared with the Christianity-based philanthropy in

the western countries, the philanthropy of China is based on Confucian culture. Christianity advocates equality, fraternity, kindness, and mutual assistance, and Christians believe that the only way to enter heaven is to donate all of their wealth to the poor [25]. But the Chinese Confucian culture regards doing good as a matter of personal moral conduct. There is no need to be blamed for not doing good. Helping the weak is even deemed as alms-giving [26].

To sum up, under China's special national conditions, most private entrepreneurs are more pessimistic or negative about philanthropy. But is this the root cause of the non-engagement in philanthropy by the entrepreneurs? The researcher made further empirical discussion in this question.

## 3. STUDY PROCEDURE

### 3.1 Theoretical framework

Based on qualitative research, this article explores the root cause of non-engagement in philanthropy by most private entrepreneurs under the current special national conditions in China.

The researcher encoded the interview data by applying the path frame diagram for continuous analytic induction. In other words, the researcher consolidated, analyzed, and summarized the interview data of the entrepreneurs in order, and gradually found out the same attributes among them through continuous comparison. When no more new concepts or categories appear, it means that the theory has reached saturation, and the collection of data is stopped [27].

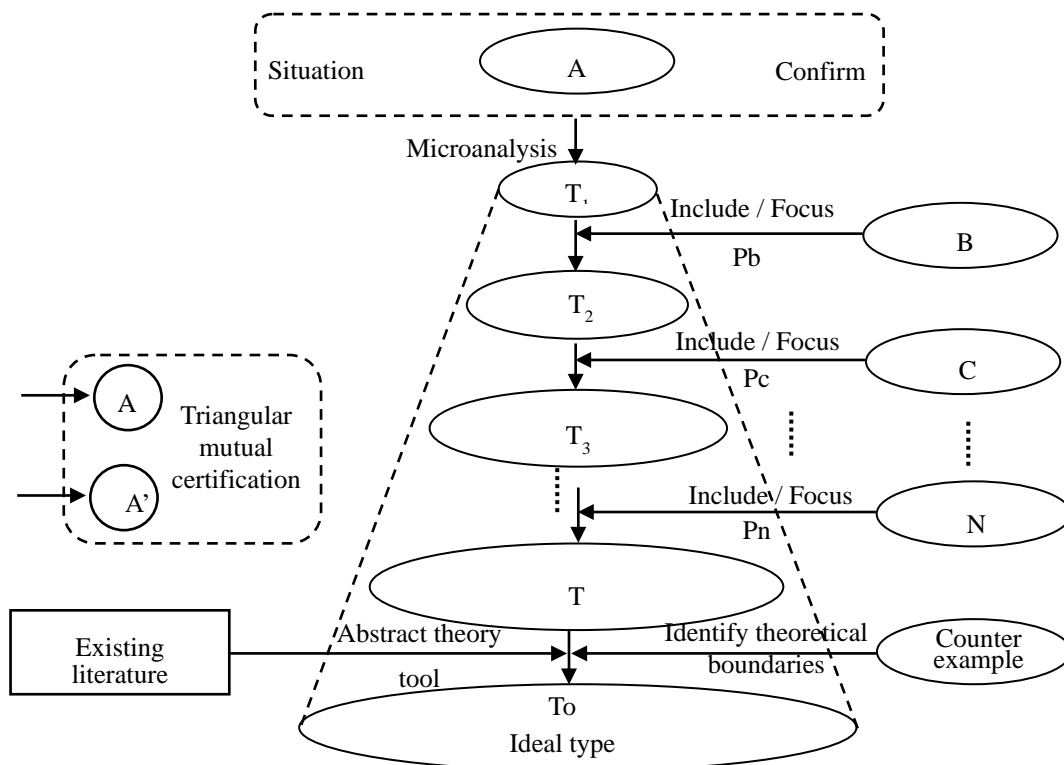


Fig.1. Path frame diagram for continuous analytic induction.

The following steps were taken:

1<sup>st</sup>. Conduct continuous analytic induction and comparison on the interview data of the entrepreneurs who are keen on philanthropy. For example, find out the same attributes between the first and the second interviewee after analyzing and summarizing the interview data, and then compare the data of the third interviewee with them and extract the same attributes again. By analogy, when no more new concepts or categories appear, the collection of interview data is stopped.

2<sup>nd</sup>. In the same way, make continuous analytic induction and comparison of the non-charitable entrepreneurs until the collection of data is stopped.

3<sup>rd</sup>. With the first two steps, identify 14 charitable entrepreneurs and 10 non-charitable entrepreneurs from 24 cities of 12 provinces in China as the interviewees in this study.

4<sup>th</sup>. Apply analytic induction and comparison on the attributes of the two types of entrepreneurs, and summarize both the same and the different attributes among them, and then conclude the root cause of non-engagement in philanthropy by most entrepreneurs in China.

The path frame diagram for continuous analytic induction is as follows:

### 3.2 Sampling method

This study applies the convenience sampling method to take samples. The convenience sampling is also known as grab sampling or accidental sampling. It is a type of non-probability sampling that involves the sample being drawn from a group of people easy to reach in a specific community at specific time to match the research topic.

Scholar [28] believes that executives are the actual decision-makers of corporate philanthropy, and the characteristics of senior executives are bound to affect corporate philanthropy. In other words, the engagement of the companies in philanthropic activities stems from the opinions of corporate executives on philanthropy. Therefore, the interviewees selected in this study are all company executives.

Second, when selecting these executives, the researcher considered the differences among them: region, gender, age, whether they held social posts, whether they won personal honors, whether they were members of the Communist Party of China (CPC), their positions in the company, the size of the company and the industry involved to get more accurate research.

The in-depth interviews began from collection of data in September 2018 and ended in October 2019.

After encoding the interview data through continuous analytic induction, 14 charitable entrepreneurs and 10 non-charitable entrepreneurs from 24 cities of 12 provinces in China were identified as interviewees.

With the consent of the interviewees, part of the name list is presented in Table 1 and Table 2.

### 3.3 Study approach

This study is to explore the root cause of non-engagement in philanthropy by most entrepreneurs,

which is not suitable to apply quantitative research. Therefore, this study applies the qualitative method with multiple case study. The effect of using multiple case study is that the researcher can understand and reflect different aspects of a case more comprehensively, thereby forming a more complete theoretical basis [29], and increasing the personal honors, whether they were members of the Communist Party of China (CPC), their positions in the company, the size of the company and the industry involved to get more accurate research.

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Scholar [31] believes that the continuous analytic induction is a research approach for multiple cases and multiple data sources. It is a representative path of grounded theory. It does not emphasize the establishment of an initial theoretical model as a starting point from existing literature and theories. Instead, researchers, with a rough research topic and field study methods, should go into the field to search for all possible data, and deliberately put aside existing assumptions, judgments, and prejudices to ensure full attention on the research site and objects to the greatest extent.

Therefore, the researcher of this study went to the practice units with a rough research topic, and conducted face-to-face in-depth interviews with the interviewees. Based on participant observation, the researcher acquired feelings in specific situations and understood the interviewees more comprehensively to get corresponding data and experience.

Moreover, the researcher communicated with the interviewees in advance before each interview, agreed on the time and place of the interview, and informed the topic. During face-to-face in-depth interviews, the interviewees spoke freely according to the topic, and the researcher only provided appropriate guidance, and asked for consent to perform live recording and kept a record. Meanwhile, the researcher closely observed the external expressions of the interviewees, gained insights into their internal psychology, judged the truthfulness of their speech, and effectively adjusted the content and focus of the interview in a timely manner during the interaction.

**Table 1. List of entrepreneurs keen on philanthropy**

Name	Industry	Corporate scale	Corporate post	Social post	Personal honor	Region	Age	CPC member	Gender
Fan Jianchuan	Jianchuan Museum	Large	Curator	Member of Standing Committee of Sichuan CPPCC, deputy secretary general of Society of History of China's Resistance War against Japanese Aggression, former deputy mayor of Yibin City	Hundred Outstanding Private Entrepreneurs in 40 Years of Reform and Opening-up, Excellent Builder of Socialism with Chinese Characteristics of the Fifth National Private Sector Entrepreneurs	Sichuan	62	Yes	Male
Li Zhen	Culture and Sports	Large	Chairperson	World champion	"Golden belt"	Shen Zhen	43	No	Male
Zhang Aimin	Spanish Winery	medium	Chairperson	Soldier Family	"Good chinese"	Xu Zhou	57	No	Male

Note: CPC= the Communist Party of China

**Table2. List of non-charitable entrepreneurs**

Name	Industry	Corporate scale	Corporate post	Social post	Personal honor	Region	Age	CPC member	Gender
Mr. He	Health care products	small	Chairperson	No	No	HuNan	42	No	Male
Mr. Yin	Medical	small	Hospital Dean	No	The first "foot treatment" clinic in China	JiangSu	43	Yes	Male
Mr. Jiang	Education and training	small	Chairperson	No	No	ZheJiang	47	No	Male

Scholar [27] believes that the core of continuous analytic induction is the process of data collection and can help the researcher free from the labor of intensive manual data analysis, such as classification, sorting, and induction, and give the researcher more time to explore the development trend and describe the essence and significance of phenomena at a theoretical level, establish theoretical models, and finally obtain the conclusion of the research topic, that is, the root cause of non-engagement in philanthropy by most private entrepreneurs".

Scholar [32] believes that as long as NVIVO is used to encode data and no new categories and structural relationships are found, the theoretical model can be considered saturated. Therefore, the researcher strictly followed this guideline to implement the procedure, basically guaranteeing the reliability of the conclusion.

#### 4. STUDY RESULTS

The researcher divided the interviewees into two categories: Y, entrepreneurs who are keen on philanthropy; N, non-charitable entrepreneurs (The Y1-Y14 and N1-N10 mentioned below are code numbers of the two types of entrepreneurs).

Based on the NVIVO software to encode the interview data at three levels with a comparison of the same attributes, it is found that there are more attributes of the Y-type entrepreneurs. Therefore, the unique attributes of the Y-type entrepreneurs are further refined. On this basis, it came up with the root cause of the non-engagement in philanthropy by the N-type entrepreneurs through comparison and analysis.

**Table 3. Process of three-level coding**

Process of Three-level Coding					
Original statement y/n	Conceptualization Y/N	Category AA	Main category B	Core category C	Logical relation E

Note: y/n, represents the original statements of Y-type and N-type entrepreneurs respectively  
Y/N, represents conceptualized coding of Y-type and N-type entrepreneurs respectively.

In the process of three-level coding, the codes of the two types of entrepreneurs are represented by different letters, such as: analysis. The main analysis framework is to continuously compare between data and data, and between theory and theory. Relevant categories and attributes are extracted based on the correlativity between data and theories. The analysis process of continuous analytic induction on data is called coding, that is, the collected data are decomposed and given concept through the process of open coding, axial coding and selective coding, and then the concepts are appropriately re-abstracted, upgraded and integrated into categories and core categories.

The process of continuous analytic induction and comparison of the interview data is very cumbersome due to the large interview data, so it is necessary to use NVIVO software for three-level coding. NVIVO software is an important qualitative research and analysis software, suitable for the processing of interviews, surveys, audios, and other information. Through the nodes and coding, documents in different formats are extracted. It can process text data of 1000 cases at the same time, and it can make the results of qualitative research more scientific and efficient.

The role of the NVIVO software in this study is that it can help the researcher free from the labor of intensive manual data analysis, such as classification, sorting, and induction, and give the researcher more time to explore the development trend and describe the essence and significance of phenomena at a theoretical level, establish theoretical models, and finally obtain the conclusion of the research topic, that is, the root cause of non-engagement in philanthropy by most private entrepreneurs".

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In the process of three-level coding, the codes of the two types of entrepreneurs are represented by different letters, such as:

It should be emphasized that, due to limited length, this study cannot present the three-level coding results of the two types of entrepreneurs separately, but the results of their comparative study instead. Therefore, the three-level coding tables presented below represent only part of the results of the final comparison.

### 4.1 Open coding

Open coding is the process of decomposing, reviewing, comparing, conceptualizing, and categorizing data, that is, the process of breaking up data, conceptualizing data, and then reassembling them in new ways [27].

There are 164098 words in total in the original data of the face-to-face in-depth interviews. The researcher used word-by-word analysis for initial conceptualization when coding. In order to reduce the bias of data interpretation, the interviewees' original words were used to the greatest extent to mine the initial concepts. A total of 1,832 initial conceptual sentences were obtained. Those sentences occurring less than 2 times were removed, while those occurring more than 3 times were reserved. Y and N types were coded separately. The results show that 211 main concepts were extracted among the Y-type, with 71 categories, while 61 main concepts among N-type, with 29 categories. After excluding the same attributes, 139 main concepts and 44 categories of Y-type were obtained.

Through comparative analysis, it is found that there are many similarities in terms of categories between Y and N entrepreneurs, including: family harmony, kind parents, leaving native place, growing up with hardships, rich experience, boldness, broad vision, aggressiveness, high determination, assertiveness, patience, strong self-esteem, strong self-confidence, close attention to national policies, restlessness for status quo, decisive actions for identified goals, filial piety, integrity, good reputation, strict self-discipline, perseverance, always being prepared for hard work, studiousness, sense of justice, strong professional proficiency, strong market analysis ability, strong market operation ability, strong market research ability, strong management ability, strong sociability, etc.

But Y-type entrepreneurs have attributes not found in N-type entrepreneurs, including: holding political posts, pursuing the purity of the soul, being socially responsible, being simple and sincere, being grateful and empathetic, being kind-hearted, valuing justice above

money, having a sense of justice. Moreover, they have a positive attitude toward philanthropy. In comparison, N-type entrepreneurs do not have these attributes, so they hold a negative attitude toward philanthropy.

Due to length limitation, this article only intercepts a part of the final three-level coding results as shown in Table 4.

**Table 4. Open coding**

Sentences of the original data	Conceptualization	Category
1. He hired me again to serve as their honorary director of public benefit activities. y6	A1 Holding political posts	AA1 Holding political posts
2. I serve as deputy secretary of Jiangzhou Chamber of Commerce and I'm one of the young committee members of Jiangzhou. y1		
3. I'm also a council member of the Hunan Literary and Art Volunteers' Association. y3		

**4.2 Axial coding**

The axial coding is to sort out categories based on open coding, dig out the internal relationships between the categories, use typical models to cluster, and recombine categories to form the main category and the sub-category [33].

By sorting out the open coding, it is learned that the Y type entrepreneurs had 10 attributes that the N-type entrepreneurs did not have. The 10 attributes were re-clustered and combined to form the main category of the Y-type entrepreneurs. It is summarized as four aspects: holding political posts, goodness-oriented personality traits, insights into philanthropy, and enterprise's gains from philanthropic activities. N-type entrepreneurs do not have these attributes.

Finally, 9 main categories and 43 sub-categories of the Y-type entrepreneurs were summarized, It further clarifies the differences between Y and N entrepreneurs.

**4.3 Selective coding**

Selective coding is the process of refining the core category from the main category and other categories, developing the storyline, and repeatedly verifying for perfection with all the data, and finally forming a new theoretical model [34].

Based on the selective coding, it is found that entrepreneurs keen on philanthropy have the following attributes: holding political posts, goodness-oriented personal traits and insights into philanthropy. These 3

attributes facilitate the formation of their philanthropic belief. N-type entrepreneurs do not have these three attributes, so they have not formed philanthropic belief.

**Table 5. Axial coding**

No.	Main category	Sub-category
1	B1 Political posts	AA1 Holding political posts
2	B2 Personality traits	AA2 Pursuing the purity of the soul; AA3 Social responsibility; AA4 Being simple and sincere; AA5 Being very confident; AA6 Being grateful; AA7 Being empathetic; AA8 Being kind-hearted; AA9 Valuing justice above money; AA10 Having a sense of justice;
3	B3 Insights into philanthropy	AA11 How to do charity correctly; AA12 Philanthropy drives development of the nation; AA13 The boss's charity will affect the company, employees and the people around; AA14 Philanthropic organizations have great influence; AA15 Philanthropy promotes love to pass on; AA16 Doing charity will surely promote enterprise development; AA17 Charitable people have good luck

A further comparative analysis of the data shows that the fundamental cause for N-type entrepreneurs not being charitable is not due to "low corporate economic strength" and "being affected by China's special national conditions", but that "such entrepreneurs do not have philanthropic belief."

The detailed analysis is as follows:

**4.3.1 Low corporate economic strength**

Y-type entrepreneurs believe that corporate philanthropy has nothing to do with the size of a company or the corporate economic strength, but an obligation that must be fulfilled as early as possible; while N-type entrepreneurs believe that there's no need to engage in philanthropy when a company is not so competitive in corporate economic strength.

"I took the initiative to contact Yan to engage in philanthropy at the beginning stage of my company. I believe this is something that can't wait. Things must be done for those mentally retarded children. Philanthropy is just like caring your parents. The earlier you start, the better it will be. y2"

"A company should start engaging in philanthropy from the very beginning of its foundation, because philanthropy is a cultural tradition that we have to carry on. y1"

**Table 6. Reasons for formation of philanthropic belief of entrepreneurs**

Core category	Main category	Logical relation	Representative statement of interviewee
C1 Formation of philanthropic belief	B1 Political posts	E1 Holding political posts facilitates entrepreneurs to shoulder a sense of social responsibility; the central trait in personality traits is goodness-orientation, consisting of kindness, empathy, responsibility, valuing justice over money, sense of justice, and pursuing the purity of the soul; taking the charitable views that "doing charity means building up virtue, and always doing good deeds will have good luck", all the above aspects together have contributed to the formation of entrepreneurs' philanthropic belief.	At that time, I felt that what I was doing was villainous, and could not fully reflect the value of my life. Even if I earned millions of gray incomes and had a lot of money to spend at will, what life was I living? In my heart I always felt that something was missing. How should I live my life? y2
	B2 Personality traits		Working with good people is the only way to succeed. y5 It is difficult for women to start a business, and they will encounter many difficulties. I think I'm okay. I'm lucky because of my doing charity, which also brings a lot of good luck. y11
	B3 Insights into philanthropy		When you have power, power is not used for serving for yourself. y14

“Although my financial conditions were not that good at that time, I could still make ends meet. So, when I saw someone who didn't even have enough food, why can't I offer some help? y8”

“Big bosses like Jack Ma, a Chinese business magnate, investor, politician, and the co-founder of Alibaba Group, would consider their public image. But our business is not that profitable so I don't want to bother (engaging in philanthropy). n7”

“The competition among the barbershops is also fierce. Sometimes you can see a dozen of them on a single street. Our company is still at the beginning stage and I don't think we are in the position to engage in philanthropy at this time. n6”

“If our company has a large daily shipment, then I might engage in philanthropy. However, since the company is just starting up, we don't have the capability to do such things. n5”

It can be seen from the above that N-type entrepreneurs' understanding of philanthropy is not accurate enough. Philanthropy is not only about donating money or goods, but also the behaviors that people are volunteered to engage in to help those disadvantaged groups [35]. Even if they can't take out a lot of money to donate, they could still join the charities and do their own shares. They can help the deaf and mute children to do charity sales, or take their employees to the nursing

home to look after the elderly and help them cook meals and wash clothes and so on. All of these are considered as philanthropic behaviors.

#### 4.3.2 Being affected by China's special national conditions

Y-type entrepreneurs believe that for no matter it is the poor tax policy for philanthropy, the adverse philanthropic culture, or the lack of public credibility in the charities, they are not the causes why entrepreneurs should stop engaging in philanthropy. They believe that companies should not only make money but also shoulder their responsibilities in the society, which is the social mission of the companies. N-type entrepreneurs, however, believe that the special conditions in China have demotivated the entrepreneurs to engage in philanthropic activities.

“Now the government is pushing companies to engage in philanthropy. In the short term, many companies might be adversely affected financially, but it'll be a good thing for them in the long run. y1”

“Different cultures have different systems. In countries with better public service mechanism, there would be more welfare and philanthropic foundations. In contrast, there are still some flaws in the public service mechanism of China. For example, medical care in China hasn't covered all its citizens yet. But I believe



that if we continue to develop in the way of philanthropy along this road, for example in the field of online education, we will lead the industry. y11 "

"We need more positive energy in the society. There are also welfare committees in the association of lawyers but they hardly do any work. Some of the things they are doing are still just going through the motions. I think we haven't done enough work and we should do more practical things. Only by doing this can we really help the company grow. y9"

"Actually the government doesn't want the companies to donate everything they have because it would affect the tax revenue of the country. Therefore, under such institution, it is not necessary for every company to engage in philanthropy. And it's even impossible especially if a company expects greater achievement in philanthropy. n1"

"Nowadays most Chinese people are very indifferent to each other. There's a lack of care or connection among people. In this environment, if you engage in philanthropy you would receive a lot of misunderstanding and questioning. n8"

"In Chinese culture we believe that wealth cannot be exposed to the public. Especially in today's society, many people hate the rich. When they see you engage in philanthropy, they wouldn't think any good of you. Instead, they would even think that you are just showing off. I think I just can't stand people thinking of me like that. n9"

#### 4.3.3 Entrepreneurs do not have philanthropic belief.

By three-level coding with NVIVO software and comparative analysis, it can be observed that Y-type entrepreneurs have philanthropic belief, and they are persistent in engaging in philanthropy, while N-type entrepreneurs do not have philanthropic belief, which fundamentally determined their negative attitude toward philanthropy.

"There is a saying in China that doing good deeds is like collecting merits. I have always felt that the good things I did will help me sooner or later. y7"

The spirit of simplicity among the past generations is fading away. For example, when the elderly fell, no one around dares to help him get up, because they are afraid of being blackmailed by the elderly and being claimed to take responsibility. This is what our society is missing nowadays. If all people in the society just take this for granted, then it would be horrible. I believe the basic moral values are still very important in today's society and we should carry them forward. y8"

"Philanthropy is the connection of care and love between people. We see many people in the rural areas who raised excellent children. Why? It is because they teach their children earthiness, integrity, and kindness by personal example in their everyday life, thus influencing their children in an unconscious way. y14"

"Engagement in philanthropy is a matter of personal morality, but if a person doesn't engage in philanthropy, it doesn't necessarily mean that such person is unethical. n4"

"There is also an old saying in China that "Good people don't live long and bad people live on for a

thousand years." Sometimes being a good person means you have to take on more hardships than others. n3"

"I don't have any religious belief. I believe in the survival of the fittest. If a person wants to succeed, the only thing he could do is to face the reality and make the best move. n10"

Through a comparative study, we can see that Y-type entrepreneurs are largely indifferent to the external environment, namely "corporate economic strength" or "the impact of China's national conditions". They have belief in philanthropy and they are persistent in engaging in philanthropy. In contrast, N-type entrepreneurs do not have philanthropic belief, and they put more focus on the external environment rather than "whether an individual entrepreneur wants to engage in philanthropy or not."

Therefore, the root cause of non-engagement in philanthropy by most Chinese private entrepreneurs lies in that such entrepreneurs do not have philanthropic belief, as shown in Table 7:

**Table 7. The root cause of entrepreneurs not doing charity (comparison table)**

The cause		View	
		Y- type	N- type
Common	Low corporate economic strength	unrelated	related
	China's special national conditions	unrelated	related
Difference	Personal philanthropic belief	Yes	No

#### 4.4 Theoretical saturation

Data collection can be stopped when no new concepts or categories can be found in the new data [27]. After applying NVIVO to encode the data, no new category or structural relationship was found, so the theoretical model was considered saturated [32].

The researcher strictly followed this criterion when conducting the in-depth interviews. When no new categories and structural relationships were found, no more data was collected, so the theory of this study reached saturation.

## 6. DISCUSSION AND SUGGESTION

This study uses a multi-case empirical study method through face-to-face in-depth interviews with 10 non-charitable and 14 charitable entrepreneurs in 24 cities of 12 provinces across the country. By applying continuous analytic induction, three-level coding with NVIVO software and comparative analysis, this study summarized the root cause of non-engagement in philanthropy by most Chinese private entrepreneurs, which lied in that such entrepreneurs do not have philanthropic belief, rather than the low corporate economic strength and the constraints and influences of China's special national conditions .

Entrepreneurs with philanthropic belief persist in philanthropy even when their companies are small, their

economic strength is not strong, and they are influenced by China's special national conditions. With such "altruistic behaviors", the entrepreneurs persist in creating values for the donation recipients, and improve the performance of their enterprises at the same time. As such, "the fragrance always remains in the hand that gives the rose" (This has been discussed in another article.)

In contrast, the N-type entrepreneurs without philanthropic belief don't hold an overall view of philanthropy. They fail to realize their weak awareness in philanthropy and the role of charitable donations in promoting the development of enterprises. As a result, they are not motivated in charitable donations.

Philanthropy is the embodiment of human compassion and love. It reflects people's desire to build a better society and a better life, and it also indicates a conscious awareness of the social responsibility to the society and others. The voluntarism and non-utilitarianism of philanthropy reflect the perfection and holiness of human nature as well as the social responsibility of entrepreneurs.

If entrepreneurs lose their philanthropic belief, corporate social responsibility will be lost, and the country's philanthropy will be faced with a plight. Only when entrepreneurs combine the pursuit of economic goals and social responsibility, can they effectively realize the long-term benefits of their enterprises and create a "win-win" development with the society [36].

The non-charitable entrepreneurs should change their concept in philanthropy and fulfill the obligations of being corporate citizens actively. In addition, the institutional issue is the premise to change people's values and ideological habits [37].

Therefore, the researcher suggested the following two aspects:

1<sup>st</sup>. The entrepreneurs should introduce the philanthropic culture into the corporate culture and combine it with the operation of their enterprises. In this way, not only can the enterprises give play to their strengths and save costs, but also take into account their social responsibility and philanthropy.

2<sup>nd</sup>. The government should improve the institutional building as soon as possible, enhance the credibility of the charities, vigorously promote the philanthropic culture, strengthen the publicity and encouragement of charitable figures, dilute government control and transform government functions, improve the existing tax policy for philanthropy, give strong support to private entrepreneurs, draw on the advanced experience in philanthropy from other countries, truly mobilize the initiative of private entrepreneurs in philanthropy, and then promote the development of corporate social responsibility, and achieve a win-win solution between social public welfare and corporate performance.

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