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How to Promote Local Pro Bono in China

Client: PYXERA Global, China

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Disclaimer:

The author conducted this study as part of the program of professional education at the Frank Batten School of Leadership and Public Policy, University of Virginia. This paper is submitted in partial fulfillment of the course requirements for the Master of Public Policy degree. The judgments and conclusions are solely those of the author, and are not necessarily endorsed by the Batten School, by the University of Virginia, or by any other entity.

Honor Statement:

On my honor as a student, I have neither given nor received unauthorized aid on this assignment.

Sisi Fan

GLOSSARY

Cross-Sector Partnerships: are collaborations between entities cross sectors (public, private, or nonprofit) where partners agree to work toward a common goal by leveraging comparative and complementary advantages.

Corporate Social Responsibility (CSR): is also called corporate citizenship, responsible business, referring to "firms voluntarily incorporate environmental, social, and governance concerns in their daily operations" (Chen, 2019).

CSR Reporting: the way company used to communicate their socially responsible performance

Global Reporting Initiative (GRI) Standards: is the most widely adopted global standards for companies' CSR reporting.

Skill-based Volunteering: "individuals contribute their professional skills and talents to address community needs" (Common Impact, 2015).

Corporate Pro Bono: free professional services provided by corporate employees to organizations.

Global Pro Bono (GPB): a corporate pro bono program where multinational companies send employees to provide professional services to organizations overseas.

Local Pro Bono (LPB): a corporate pro bono program where companies send employees to provide professional services to organizations in the home country.

State-owned Enterprise (SOE): a state-owned enterprise is a "legal entity that undertakes commercial activities on behalf of an owner government" (Corporate Finance Institute).

A-Shares Companies: "China A-shares are the stock shares of mainland China-based companies that trade on the two Chinese stock exchanges, the Shanghai Stock Exchange (SSE) and the Shenzhen Stock Exchange (SZSE)" (Segal, 2019).

EXECUTIVE SUMMARY

Integration of a Cross-Sector Partnership model - Corporate Social Responsibility (CSR) into core business strategy helps companies to achieve better brand reputation, increased customer loyalty, and decreased employee turnover rate. Moreover, CSR practices also contribute to the well-being and prosperity of whole society, mobilizing corporations' expertise and strengths to alleviate mounting social problems. It is estimated that total approximate donation in the workplace is worth $5 billion every year in the U.S. (America's Charities, 2018).

Following this global trend and recognizing the need of developing CSR, Chinese government has begun encouraging domestic corporations to be more responsible for not only shareholders, but also stakeholders such as customers, workers, environment, and society. However, hurdles including insufficient monitoring of performance, a lack of long-term CSR strategy adopted by Chinese corporations, and shortage of CSR professionals, make China lagging behind other countries – in 2016, only 23% of the A-Shares companies, who possess the most resources among Chinese corporations, disclose CSR reports, whereas 82% of the U.S. companies in S&P 500 Index® - the leading market capitalization owners, published their CSR reports (Funds Global Asia, 2018; Governance & Accountability Institute, 2018). Additionally, China's neighboring country India has already made CSR mandatory for domestic corporations - 2% of the total profits are required to donate to charity (Balch, 2016).

My client PYXERA Global is a nonprofit organization with a strong record of structuring CSR for multinational companies such as IBM, SAP, Ernst & Young, etc. Additionally, it advocates for better CSR strategies by providing platforms such as Global Engagement Forum and Tri-sector Partnership Workshop for representative cross sector to share knowledge and experience in the field of CSR. In 2018, PYXERA Global opened a new office in Shanghai, China, aiming to boost Chinese corporations' CSR performance by promoting Local Pro Bono program. **However, faltering CSR development in China presents huge barriers for my client to promote LPB among Chinese corporations in local communities.** This means that Chinese private sector, NGOs, and government are missing out the opportunity to create a better future – companies can build better relationship with local communities, NGOs get professional pro bono services, and government can spend less money on solving social problem.

In this analysis, I propose three alternatives aiming to address the unique barriers that exist for LPB, with a goal that Corporate Social Responsibility performance in China could be boosted through strengthening partnerships among government, corporations, and civil society. I propose three options:

1. Let the present trends
2. Hosting workshop in the name of PYXERA Global
3. Partnering with industry associations & targeting SOEs

I evaluate each option with respect to: a.) increased awareness on LPB b.) political feasibility c.) sustainability d.) cost. Based on this analysis, I propose Option 3: Partnering with industry associations & targeting SOEs. This draws upon existing literature, interviews with CSR practitioners, and my professional judgment. With high political feasibility, it would generate sustainable growth in terms of people's awareness on LPB. Also, the cost incurred in this option won't be very high, compared to the other two.

EMERGENCE OF CROSS-SECTOR PARTNERSHIP

Under the force of globalization, technology development, and government deregulation, citizens become more proactive to voice their needs and concerns, expecting that both public and private sector can be more responsive to their needs (Scheppach & Shafroth, 2000). Meanwhile, facing with growing demands from civil society, as well as mounting social and environmental issues followed by industrial and economic development, the governments and corporations start looking for new ways to approach complex, entrenched, and large-scale problems, such as pollution (Waddock, 1989). With this in mind, employing partnerships across sectors, for the purpose of decentralizing decision-making and empowering citizens, has been widely adopted and implemented in the past three decades (Clarke & Crane, 2018).

A cross sector partnership model leverages comparative and complementary advantages of different sectors and leads to a range of benefits, including setting shared goal, mobilizing resources more efficiently, and facilitating effective dialogues between key stakeholders so as to generate systematic change. But it also has risk. If one of the partners violates laws or regulations, or fails to deliver services of quality, the reputations of others might be damaged (Warner & Sullivan, 2004).

From the perspective of government, partnering with private sector and civil society can help officials achieve policy goals so as to meet constituents' needs more effectively and efficiently (Scheppach & Shafroth, 2000). For example, Blue Accounting, a partnership between the Great Lakes Commission, Dow Chemical, and the Nature Conservancy, helps communities in the Great Lakes region to monitor water quality by collecting and interpreting data, contributing to more evidence-informed environmental policy (Blue Accounting website). However, whether the government wants to get involved or not depends on the political environment of certain topics. For example, the Irish government is caught in the middle between civic advocates for renewable energies and anti-wind lobbyists hired by dairy farmers who have a huge stake in local economic growth (Gold, 2017).

Engaging in addressing social problems, such as poverty alleviation, with other partners does benefit corporations in a variety of ways including stronger brand reputation, more loyal customers, and better relationship with communities where they provide charitable supports. However, scholars have divergent options on true motivations and increasing implications of corporate philanthropies. Some believe that concerns for the wellbeing and prosperity of the whole society is the primary driver for private sector engagement (Zyck, 2014). That said, others argue that the real motivation of corporations involved in charity is "greenwashing" – investing lots of money to portray themselves as being socially and environmentally responsible, but actually exploit the natural resources excessively in developing countries where they have operations (Kielmas, 2019; Chan, 2014).

A study on NGOs taking the leadership in raising people's awareness on climate change, shows that a lack of connection with partners in other areas will trigger "a deep rooted, siloed linear way of thinking" that makes NGOs fail to achieve their original goal (Gold, 2017). On the other hand, due to power asymmetry - resources hold by NGOs in general are not comparable to those of private sector, some scholars signal the concerns that partners from nonprofit sector might not be treated seriously (Holly, 2018). In conclusion, drawing from existing literature, the cross-sector partnership has developed rapidly and been widely adopted in different forms. However, in order to secure the effectiveness of partnerships on problem-solving, more researches on how to overcome barriers, such as power asymmetry, are required.

THE EVOLUTION OF CSR

From regulatory compliance to charity

Corporate Social Responsibility (CSR) is in the realm of cross-sector partnership. It was first coined in 1953, appearing on Bowen's paper *Social Responsibility of Business Man*, asking beyond legal and regulatory compliance, what are the responsibilities of corporations to the society (Bowen, 1953). The first CSR case was initiated by Shell company in 1998 (Fauset, 2006). In response to a tidal wave of accusation of company's misconduct on environment in Nigeria, Shell spent $20 million to rebuild its reputation, including restructuring its business strategy, and publishing the first CSR report which was endorsed by environmental think tank SustainAbility (The Shell CSR report, 1998). Along with the report is a calling from Shell for building global partnership with NGOs and governments in localities where the company has operations, for the purpose of having more informed decision-making in the future (The Shell CSR report, 1998).

Following the case of Shell, the CSR strategies have expanded from company itself to all endeavors, such as partnering with public or non-profit sectors to solve social issues in places where they have operations (For more examples, please see Appendix A).

Meanwhile, discussions surrounding CSR have become heated and center on the increasing implications of Corporate Social Responsibility on company itself and the whole society over the last two decades. In terms of corporation itself, Nobel Prize winner Friedman argue that CSR should be integrated into business operations, provided that it can contribute to maximize company's profits (Friedman, 1970). Scholars have polarized thoughts and perspectives. Some researchers have documented the positive correlation between CSR and company financial performance, that customers' motivations of buying goods depend on whether corporations are engaging in CSR in some fashion (McGuire et al., 1988; Palmer, 2012). However, these results have limited causal interpretation. On the other hand, companies might lose sales - costs incurred in promoting CSR might increase price of the products, and customers don't believe that increased costs can be justified by benefits from the CSR initiative (Palmer, 2012). Also, measuring the economic value within CSR is extremely hard (Yuan et al., 2018).

Recognizing the significant power and abundant resources held by multinational companies, the society has begun building the link between CSR and sustainable development. In 2002, the World Summit on Sustainable Development in Johannesburg stressed the importance and necessity of Corporate Social Responsibility (UN, 2002). Later, many multinational corporations aligned UN Sustainable Development Goals (SDGs) with their CSR practices (Malik, 2015). For example, as Cisco Academics program provides free online classes to "empower next generation of technology professionals", it is contributing to various SDGs including "quality education, decent work, and economic growth" (Cisco CSR report, 2018).

Become more strategic - core business strategy

Corporations can innovate and reform their current CSR strategy to differentiate themselves from others. Highlighted in Philip Kotler's book - *Corporate Social Responsibility: Doing the Most Good for Your Company and Your Cause*, there are five methods for implementing strategic CSR: "cause promotions, cause-related marketing, social marketing, philanthropy, and volunteering" (Kotler & Lee, 2005). In general, the author suggests the corporations to leverage and sell CSR from a marketing perspective.

First mentioned in the Harvard Business Review, the term of "Creating Shared Value (CSV)" suggests that corporations should incorporate their CSR into core business strategies (Porter & Kramer, 2011). In other words, strategic CSR practices can increase companies' competitiveness through building good relationship with communities so as to gain new market entry and tap into community resources, such as local suppliers, infrastructures, and people with skills, etc. (Porter & Kramer, 2011). On the other hand, many scholars criticize CSV as "undercooked" without strong empirical evidence to back up (The Economist, 2011).

Globally, perception and focus of CSR vary across countries - for Chinese, being socially responsible means company producing products of quality; for Germans, it helps to increase employment rate; in South Africa, it focuses on health and educational initiatives (Knox et al., 2007; Maverlinn & Vermander, 2013). However, there is a trend that companies' CSR practices are shifting from "ad hoc, incremental and transactional approaches, to strategic, social-purpose driven and transformational models" (Strandberg Consulting, 2019).

Since 2003, Boston College Center for Corporate Citizenship (BCCCC) has conducted a series of surveys collecting responses from 670 executives of companies with different types worldwide. In the survey of 2014, they found that executives' attitudes on CSR has radically changed from "discretionary investment" to "non-negotiable" part of business strategy (BCCCC, 2014).

Additionally, the primary motivation of developing CSR has changed too. In the survey of 2009, 70% of the respondents regarded reputation as a key driver of CSR (BCCCC, 2014). Based on the survey of 2012 and 2014, in addition to reputation, "attracting customers" was also highlighted as a paramount motivation behind investing in CSR (BCCCC, 2014). These changes result from increased pressures from social media and customers that are stringing executives' nerves (BCCCC, 2014). Compared to companies who don't have a strong CSR commitment, those who have are "2.2 times more likely to access new market and have 2.3 times higher employee retention rate" (BCCCC, 2014). However, these results are all based on survey responses from the executives, without any empirical data to support.

In conclusion, the evolution of CSR includes three phases: level one includes activities that are primarily motivated to abide by national laws and regulations, such as product safety; level two represents charitable activities responding to calling from government or civil society, such as disaster relief, and they might benefit the company regarding reputation building; in level three, CSR is aligned to core business strategy, contributing to long-term benefits. For example, every pair of TOMS Shoes people bought, another pair would be donated to people in need (Fritz, 2019). This "buy one give one model" helps the company to win both sales and customer loyalty, and extend business to other merchandising including sunglasses, and coffee (Fritz, 2019).

Corporate Pro Bono

The core of Global Pro Bono (CPB)/Local Pro Bono (LPB) program is employee volunteering, which falls under one of the strategic CSR practices, and is drawing increasing attention in workplaces around the world. Now, nearly 90% of the U.S. companies support employee volunteering in some fashion (CECP, 2011). Among them, 54% are providing pro bono services (CECP, 2015). In contrast to general employee volunteering, corporate pro bono is more skill-oriented and team-based, usually involving a third-party organization mainly responsible for early-stage preparation, including selecting employee participants, identifying best positioned NGOs to receive pro bono services from the company, and logistical support (Ali-Khan & Walsh, 2017).

Based on PYXERA Global's 7th Global Pro Bono Benchmarking Study, "81% of the companies have a third-party implementing partner" (Ali-Khan & Walsh, 2017). The findings also show that top 3 reasons underpinning companies investing in corporate pro bono include "developing employee leadership skills", "generating sustainable development in the community", and "increase employee satisfaction & company loyalty" (Ali-Khan & Walsh, 2017). Highlighted in the survey, main challenge of carrying out GPB is funding - an average of $15,000 per employee to attend the program, which varies based on the size, location, duration of the program (Ali-Khan & Walsh, 2017). However, the database of the survey only includes 21 companies (including those outside of my client's pool) across "manufacturing, health, and banking/finance", the results are limited to generalization (Ali-Khan & Walsh, 2017). Drawing from other surveys conducted by Common Impact (their work similar to my client's), 77% of the nonprofits agreed on "learned new skills from skilled volunteers"(Common Impact, 2019). But the survey didn't provide any information of the respondents or methodology used by the organization.

One of the drawbacks from Corporate Pro Bono is "power asymmetry" mentioned before. When services provided by companies cannot match NGO's needs, it's hard for them to say no, given the "unequal" funder-grantee relationship (Holly, 2018).

Case study:

In partnership with PYXERA Global, IBM has been doing Global Pro Bono (GPB) since 2008. Their Corporate Service Corps (CSC) program sends manager-level employees to host organizations overseas and working in the areas highly matched to IBM's core competencies, such as engineering. In 2018, from October to November, the IBM team of 15 employees was sent to Chengdu, China, helping local organizations to address thorny problems facing them (IBM, 2019). This was the 40th IBM team sent to China since 2008, consisting of high-profile employees specialized in marketing, accounting, software engineering, etc. (IBM, 2019). In the past decade, IBM CSC programs has leveraged employees' skills to approach social issues in China, ranging from health care to environmental protection, and have achieved positive outcomes including upgrading and restructuring a free online platform for low income fruit farmers to sell fruit (IBM, 2019).

Programs conducted in China is a small tip of the iceberg. Until now, "2,400 IBM participants have served on 850 projects in over 35 countries " (Perez, 2017). In general, IBM's CSC programs are utilized as a tool to build good relationship with local communities in order to better understand cultures of emerging markets worldwide. 90% of the participants reported that their leadership skills were improved, and 82% wanted to continue to work for IBM (Perez, 2017). It is worth noting that IBM's CSC cannot represent the overall effectiveness of corporate pro bono programs.

AN OVERVIEW OF THE CSR LANDSCAPE IN CHINA

The rise of CSR in China

As being world factory and exports turned China into an economic powerhouse in the last few decades, the national economy has grown at a pace and scale never seen before in history. Average annual GDP has grown at a rate of 8% since 1978, which is more than four times that of the United States (Trading Economics, 2019). However, following the rapid economic growth, a multitude of social problems are emerging, such as severe air pollution (Monti, 2016). Meanwhile, the pivotal role of corporations, who benefit a lot from economic development, in addressing these challenges and giving back to society is increasingly recognized.

The Sichuan earthquake in 2008 is marked as a turning point of CSR in China. Its catastrophic damages took nearly 70,000 lives and made 5 million people homeless (Monti, 2016). At that time, corporations with huge profit margin were expected to take leadership on donating badly-needed relief supplies, but they didn't respond to the calling from civil society in a timely manner, leading to an extensive criticism from top to bottom of the whole society (Monti, 2016). In order to rebuild public trust, companies started competing with each other to be the most "generous" one on donation (Monti, 2016). Millions of dollars from private sector reached a record on disaster relief of $1.5 billion, and later evolved into CSR initiatives in some fashion, such as poverty alleviation (Monti, 2016).

In China, the term CSR covers a wide range of issues, such as product safety, labor conditions, anti-corruption, and philanthropy (Zadek et al., 2012). It describes actions taken by companies to either comply with laws/regulations, or to provide something that government and market fail to do.

However, without a full picture of the landscape of CSR in China, it's hard for PYXERA Global to promote Local Pro Bono programs for Chinese companies. Next part is a Market Demand Analysis, assessing main drivers and hurdles of CSR, and the need for CSR practices in China based on regional, ownership, and industrial differences.

Main drivers of CSR

In general, the future of CSR in China is promising.

First of all, although the CSR development in China is lagging behind developed countries, the speed of CSR development is quite staggering – between 1999 and 2005, there were only 22 CSR reports, and now the number is 2000 (Marquis & Qian, 2014). There is increasing recognition among companies in China that implementing a well-designed CSR strategy can be beneficial for business, such as brand building. For example, a quote from Jack Ma, Alibaba's founder - "a great enterprise must solve social issues" has been recently featured on a variety of mainstream media. Until now, Alibaba has established two charitable trusts and announced a $1.5 billion poverty relief fund that would be used to promote "positive social change and improve the lives of people in China" (Rui, 2018).

Secondly, the emergence of middle-class - socially conscientious citizens who are well-educated and more aware of their personal and societal needs are demanding better living conditions, stronger government policies, and corporate practices (Monti, 2016). A nation-wide study on customers' perception of CSR showed that people expect local companies to be more socially responsible than foreign companies on a broad spectrum of issues including economic, legal, ethical, and philanthropic (Kolk, Dolen & Ma, 2014).

Thirdly, social media has tremendous power in shaping CSR landscape in China. Due to a lack of CSR report disclosure, the main channels for customers to take a glance at companies' CSR practices include Weibo – a microblogging service used by nearly 25% of the Chinese population, and WeChat - a monthly user base of 1 billion people (eMarketer, 2018; Kharpal, 2019). In the past few years, some corporate scandals related to food safety and pollution were uncovered and went viral through social media, forcing companies to make timely response to the public and take effective measures (Mountfold, 2012). On the other hand, the powerful social media opens a door for companies to market their CSR initiatives. For example, the official Weibo account of Alibaba Philanthropy has 480,000 followers (Weibo, 2019).

Another reason driving this change is that more and more Chinese companies are extending their businesses to overseas markets, and being exposed to stricter monitoring environment on CSR performance. According to the survey sent to 2,920 people including CSR professionals, researchers, and NGO workers who have some knowledge or experience related to CSR initiatives, the percentage of companies having received CSR requirements from international versus from Chinese clients is 66%, and 41%, respectively (CSR Asia, 2014).

Finally, as the most significant and influential actor, the Chinese government is looking for ways to address mounting social issues by exploring and adopting cross-sector partnerships such as CSR. As former President Hu Jintao initiated his 11th Five-Year Plan in 2006, the Chinese government shifted the policy focus from boosting economy at all costs to ensuring sustainable development, so as to answer growing social demands from citizens (Qiu, 2017). This later evolved into more intensified external scrutiny on corporation conducts (Qiu, 2017).

Main hurdles of CSR

Although the momentum of developing CSR is quite strong, the whole monitoring system of CSR in China is faltering and staying one step behind other countries. The region that has the highest percentage of companies disclosing CSR reports was Americas (76%), and the percentage of Europe was 73% (Vartiak, 2015). In 2016, among more than 3,300 A-Shares listed companies, only 23% of them issued a CSR report (Funds Global Asia, 2018). Additionally, Chinese companies don't have a uniform standard to evaluate their CSR performances, contributing to difficulties in comparison across companies. In contrast, Global Reporting Initiative (GRI) Standards[1] are widely adopted by U.S. multinational companies to measure their CSR performance. Besides the reporting system, China also lacks an influential, authoritative organization that releases CSR rankings, whereas in the U.S, the Reputation Institute[2] publishes global CSR ranking every year, serving as a key reference for corporation CSR performance. The main reason for a lack of monitoring system is that despite the Chinese government has released some CSR-related guidelines or regulations, most of them have non-binding force and the cost of violating such regulations is quite low, especially for private companies (CSR Asia, 2014).

The related knowledge and skills are not enough either. Based on interview with Ms. Din, who is the vice president of one of the biggest NGOs in China, there is a big shortcoming of CSR professionals (Din, personal communication, April 13, 2019). On the other hand, a holistic and mature CSR ecosystem usually involves close collaboration between a team of CSR professionals, Department of Human Resource, and corporation foundation. CSR team is responsible for strategy making and promoting; main tasks of Human Resource Department include conducting ethical labor practice or selecting employees to participate in skill-based volunteering program; corporation foundation focuses more on philanthropy, such as granting money to NGOs seeking funding or donating materials for disaster relief (Din, personal communication, April 13, 2019). A person appointed to be the head of CSR team needs to have some background in nonprofits, communications or related areas, meanwhile, his or her primary responsibility includes "building internal partnership with other departments and external stakeholders" (Singh, 2010).

Finally, most of Chinese companies don't have a long-term strategic CSR plan. Besides the heralds of CSR, the majority of Chinese companies still view CSR through a lens of "philanthropy, public relation or crisis management" (CSR Asia, 2014). According to the survey, most of the corporations still view CSR as a cost - giving money back to the society, and not as something that can bring tangible or intangible values, such as a marketing strategy (CSR Asia, 2014). In a Chinese TV talk show, Mr. Guo, co-founder of SynTao which is one of the biggest CSR consulting firm in China, said, "There are three levels of CSR development: regulatory compliance, charity, and strategic. Now China is in the place between the first and second level" (Douglas C. et al., 2019).

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[1] For more information https://www.globalreporting.org/Pages/default.aspx
[2] For more information https://www.reputationinstitute.com/global-reptrak-100

Regional Differences

CSR knowledge and performance vary across regions, and there are three main reasons underpinning the disparity. Frist of all, higher market-opening level contributes to more advanced CSR awareness and performance (CSR Asia, 2014). Most of foreign multinational companies have branch offices in first-tier cities, such as Beijing, Shanghai and Guangzhou (three cities will be referred to as "first-tier cites" hereinafter in the paper), where business contacts with Chinese companies are very frequent. Through interviews with executives and senior managers from the Top 11 largest companies in China, a study found that one of the biggest motivations for them to develop CSR is "to be taken seriously by foreign clients and investors" who care about labor practice and product safety (Parsa, Tang & Dia, 2016). However, highlighted in the study, their conclusions are limited to generalization, as sample companies selected are only from North, East, and South East coasts (Parsa, Tang & Dia, 2016).

Secondly, in light of "34,000 CSR projects by 839 companies in 31 provinces from 2006 to 2016", a nation-wide study reveals that companies operating in regions with high economic performance are more likely to adopt and implement CSR initiatives than counterparts in less developed areas (Li, Khalili & Cheng, 2019). The reason is that companies in first-tier cities have more access to financial and human resources entailed to launch CSR initiatives (CSR Asia, 2014). Shown in Appendix B, number of CSR projects in first tier-cities is far more than other regions (Li, Khalili & Cheng, 2019).

Finally, given the sheer size of China, the central government doesn't have a comprehensive plan or specific standards on promoting CSR. However, some local governments in first-tier cities, Eastern, and Southern regions have already developed their own CSR-related plan (CSR Asia, 2014). Although such plans haven't been implemented and their implications on promoting CSR are not clear, those places are positioned on the right trajectory (CSR Asia, 2014). According to online surveys of 425 respondents and interviews with 34 people who have some backgrounds in CSR, regions with the highest score on CSR performance and knowledge coincide with the most developed ones (please see Appendix C). It is worth nothing that the scores shown in Appendix C only convey respondents' preferences, other than rigorous rating scale.

Differences across ownership models

Prior to China opened the market to private or foreign investors, most of the companies were owned by Chinese government (Xu, 2010). After China enacted opening-up policy, private companies started flourishing and thriving in Chinese market, and made a significant contribution to country's economic development (Xu, 2010). However, 30% of the total enterprise assets in China are controlled by State-Owned Enterprises (SOEs), though the number of SOEs only accounts for 3.1% of the total amount of enterprises (Xu, 2010). That is to say, on average, a SOE has significantly abundant resources in comparison to a private company. For example, a SOE - China Resource, has spent nearly $90,000,000 in building "Hope Town" in underdeveloped areas in the past decade. They changed originally poor villages into towns with nice houses and public infrastructures, and deployed their staffs to be mayors of the new town for two years (People's Daily, 2018; Din, personal communication, April 13, 2019)

According to a survey, 42.7% of the respondents think the Chinese government should take the responsibility of addressing social and environmental issues, whereas 15.8 % of them agree that companies should be held accountable (Ogilvy Earth, 2014). Facing increased pressures from citizens, Chinese government started to set regulations on SOEs over whom they have direct control. In 2008, the State-Owned Assets Supervision and Administration Commission of the State Council (SASAC) released the first guidance on "CSR fulfillment" by SOEs, which mandated them to incorporate CSR into daily operations including improving reputation and employee engagement (SASAC, 2008). As a result, 57.71% of the CSR reports disclosed publicly were from SOEs (CEIBS, 2018).

Some literature indicate that ownership structure of the company has a paramount impact on CSR disclosing (Thome et al., 2014; BCCCC, 2014). Scholars examined 5,660 Chinese firms and their annual CSR reports from 2006 to 2009, finding that the larger stake the government has in a company's decision, the more proactive the company is to respond to political plan (Marquis & Qian, 2013). From the perspective of institutional theory, firms will "manage their relationship with government strategically" so as to access more resources and secure their position in market (Hillman et al. 2004, Schuler et al. 2002). However, only a handful of literature documented the relationship between governance structure and companies' CSR performance, and the results lack casual inference.

Differences across industries

Companies depending on fossil fuels, such as "energy", are ranked as top 1 in terms of CSR performance and knowledge (CSR Asia, 2014). This is because Chinese government has been releasing stricter regulations on environment issues, pushing such companies, who are main "contributors" to air pollution, to take some actions. Another reason is concerns from citizens over respiratory diseases caused by severe air pollution. There is a 642,395 increase in the number of petition letters regarding environment from 1995 to 2010, pushing the Chinese government to revise environment-related laws and regulations, and stress the paramount importance of pollution abatement in five-year plan (2016-2020) (Huang, 2015).

Following energy industry is financial sector. Due to close connection with people's daily life and financial well-being, they are subject to more intensified external scrutiny. Companies in technology industry were also considered as more advanced regarding CSR knowledge and performance. This is because some hot topics, such as "Artificial Intelligence", are closely related to those tech companies, translated into higher social media exposure. After that is Manufacturing. Because export-oriented industries have more frequent contacts with international clients who have higher requirements on CSR performance of their suppliers. However, as mentioned before, these results are all based on surveys and interviews conducted by CSR Asia, constrained to respondents' subjectivity.

In terms of number of CSR projects, top 5 industries in the study of Li, Khalili & Cheng include "manufacturing (60%), followed by finance (9%), minerals (8%), energy utilities (8%), and transportation (6%)" (Li, Khalili & Cheng, 2019). Other studies also indicate that CSR of companies in financial and energy industry outperformed those in other industries (China WTO Tribune, 2017; CEIBS, 2018; SynTao, 2018). The study *GoldenBee Index on Corporate Social Responsibility Reporting in China (2009-2018)* compared CSR development across industries based on quality of CSR reports which are measured against six indexes of "Credibility", "Readability", "Innovativeness", "Completeness", "Comparability", and "Materiality" (GoldenBee, 2018). They found that industries with the highest score on quality of the CSR report include technology, energy, storage & transport, and construction (GoldenBee, 2018). Other studies also indicate that CSR of companies in financial energy, manufacturing, technology industry outperformed those in other industries (China WTO Tribune, 2017; CEIBS, 2018; SynTao, 2018).

In conclusion, given different level of monitoring, regulations, pressures from customers and investors on CSR performance, companies across industries develop CSR at different stages. Based on existing literature, there is a convergence in consensus that companies with relatively higher CSR performance and knowledge are "energy", "financial services", "manufacturing", and "IT" industries.

Implications for the CSR study

Major findings of the market demand analysis for CSR have the following implications:

Overall, the future of CSR in China is promising, as being driven by five vehicles:

- An increasing recognition that implementing CSR strategy can be beneficial for business.
- a rising number of socially conscientious citizens who demand better living conditions
- Social media has tremendous power in monitoring companies' CSR practices
- Chinese companies are receiving higher demand on CSR performance from international clients
- The Chinese government is looking for ways to address mounting social issues through CSR

However, there are three main barriers toward developing CSR in China:

- A lack of nation-wide monitoring system of CSR
- A lack of long-term CSR strategy
- A lack of CSR professionals

According to the analysis, companies who have the highest demand of developing CSR share the characteristics as follow:

- Location: in developed regions (first-tier cities, Eastern, and Southern regions)
- Ownership structure: State-Owned Enterprises
- Industry: energy, financial service, manufacturing, and technology

SOLUTIONS

Efforts to address a lack of nation-wide monitoring system of CSR

As mentioned before, China doesn't have a nation-wide CSR monitoring system that encourages companies to disclose their CSR report, let alone measuring and comparing CSR performance across companies from different industries. Based on the market demand analysis of CSR in China, some industries are forerunners in CSR who have already developed industry-specific CSR standards and guidance, helping member companies to better comprehend CSR in the context of the industry. For example, Textile and Apparel Council published China's first CSR guideline which was endorsed by an industry (CSR Asia, 2014). Although those guidelines have no-binding force, they help to create an environment where member companies can influence each other through peer pressure and norm building. From the perspective of organizational behavior, numerous studies point out that institutional norms help guide the members' behavior in a certain way (Aarts & Dijksterhuis, 2003; Gerber& Rogers, 2009). Therefore, within one industry, a monitoring system with specific measuring indicators can be easily set, in comparison to a group of companies from different areas. However, the structure of the organization determines the effectiveness of setting norms. Studies show that a hierarchical structure would distance members from organization leaders, contributing to unnecessary competition for existing resources, poor communication, and distract from achieving common goals (Sweeney & Mcfarlin, 2002; Durden, 2018).

In China, industry associations, usually consisting of large company from the same area, was ranked low by respondents - not as a main driver of CSR in China, but their potentials are recognized by participants in my interviews and also those in the focus groups interviewed by CSR Asia (personal communication; CSR Asia, 2014). Main reasons include that they have strong government and financial support (personal communication; CSR Asia, 2014). They often organize trainings, conferences and forums for member companies, and have a stake in policy-making at country level (personal communication; CSR Asia, 2014).

Efforts to address a lack of CSR professionals

Considering increasing awareness on CSR in China, it was predicted that in the near future, CSR Professional Manager Certificate will be launched by Chinese Corporate Citizenship Committee, a leading organization dedicated to promoting CSR through research, workshop, and exchange visits (SynTao, 2018). Since 2015, SynTao has launched Chief Responsibility Officer (same as Chief Social Responsibility Officer) Forum to provide a platform for CSR professionals sharing experience and insights (SynTao, 2019). In 2018, First Financial Daily, one of the most popular Chinese newspaper, carried out a series of CSR open class to Chinese corporate leaders (First Financial Daily, 2018). In the past decade, PYXERA Global has helped multinational clients to implement Global Pro Bono in China, and created a wide network with local Chief Responsibility Officers of client corporations (PYXERA, Global, 2019). Generally speaking, through tapping into existing resources related to CSR talents, more and more qualified CSR professionals can be cultivated.

Efforts to address a lack of long-term strategic CSR plan

The CSR initiatives adopted by Chinese corporations are polarized. At one end of the spectrum is giant SOE, such as China Resource who poured millions of dollars to build "Hope Town"; at the other end of the spectrum is corporations violating food safety law; in between those two ends of the spectrum lie companies who don't have a strategic or sound plan on CSR, for example, employee volunteering usually represents half-day picking up litters on road or planting trees organized by

Human Resource Department (Chen, personal communication, March 18, 2019; Wu, personal communication, April 12, 2019; Din, personal communication, April 13, 2019). As mentioned in Emergence of Cross Sector Partnership, in order to generate long-term impact, even systematic change, tapping into assets of other sectors is necessary. That is to say, besides actors from corporations, decisions on what type of social issue they try to solve and how to approach should not be made without the involvement of public and nonprofit sector. Also, combining efforts taken to address monitoring issue of CSR, solutions here will be industry-focused.

Initiatives in other places have successfully tackled barriers similar to this my clients are facing. This suggests a potential path forward for my client.

"Industry sector partnership" is a workforce development strategy, meaning along with the partners from public and private sector, industry employers take the leadership of filling the skill gap that employers cannot find right people to fill the vacancy (National Skills Coalition, 2017). Because lots of groups, including community college, job training center, chamber of commerce, and economic development organization, are doing things on their own, employers' needs and trainings received by job applicants are not matched (National Skills Coalition, 2017). Seeking to close the skill gap, Federal Workforce innovation and Opportunity Act (WIOA) of 2014 requires states to incorporate industry sector partnership into local workforce development plan, and provides funding and technical assistance (National Skills Coalition, 2017). In general, industry sector partnership provides an industry-focused, employer-led, cross-sector partnership model aiming at matching employers with qualified job seekers. It is worth noting that an intermediary, usually from public/non-profit sector, serves as a coordinator to "manage, support, and facilitator" sector partnerships by convening different partners.

Until now, thirty-two states have established industry sector partnership, reflecting the popularity and consistency of the model (National Skills Coalition, 2017). Colorado has been launching and expanding industry sector partnership for more than 11 years (Colorado Workforce Development Council). Now there are "25 active sector partnerships, and more than 750 businesses are involved across the state" (Colorado Workforce Development Council). The benefits of industry sector partnership include deep understanding of industry needs, setting common goals, and generating system change by building strong partnership with other key stakeholders (Colorado Workforce Development Council).

Case study:

In 2016, the Cuyahoga County government launched "Together We Thrive" initiative focusing on closing the skill gap by developing sector partnership in three industries: manufacturing, health, and information. An Action Plan included establishing "sector partnership" and "intermediary" in specific growing industries mentioned above (Cuyahoga County Workforce Funders Group, 2018). The Funder Group is a private-public partnership that provides funding and technical support to build dialogues between different sectors with the same goal of developing local workforce. An intermediary, who has strong network with different local organizations, helping to convene and coordinate people, such as selecting participants of the initiative. The outcomes, including how many vacancies are filled, would be measured by metrics and criteria developed by a second task force – Shared Metrics Task Force (Cuyahoga County Workforce Funders Group, 2018). The results are yet to be seen, but the governance structure is noteworthy (Shown in Figure 1):

Figure 1: Governance Structure of Cuyahoga County Workforce Funders Group
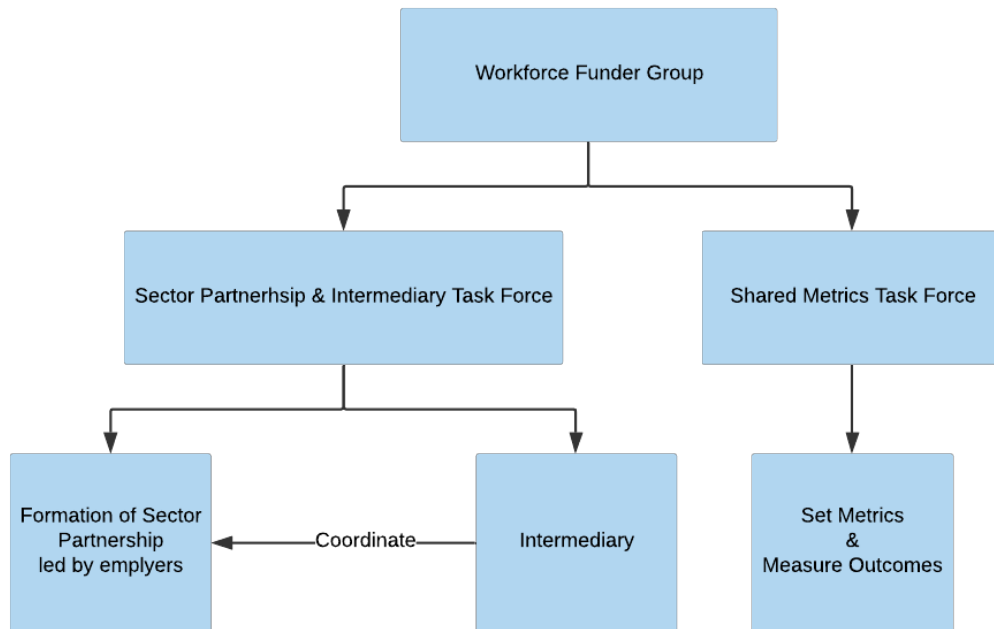
Source: Adapted from Cuyahoga County Workforce Funders Group, 2018

EVALUATIVE CRITERIA

Increasing awareness on Local Pro Bono

Companies has gained tremendously from being the forerunner in CSR, and increased awareness of Chinese companies on long-term strategic CSR practice is of importance to the well-being of the society. As such, based on projected number of companies who agree to adopt Local Pro Bono as a tool to improve CSR performance, each alternative will be evaluated on how it improves, limits, or leaves companies' awareness on LPB over the short and long term. This criterion has a weight of 30%, and will be measured with a qualitative scale of high = 100, medium = 70, low = 40.

Sustainability

Strong partnership between corporations and other sectors is essential for maintaining long-term cooperative relationship. In light of the probability of bridging the divide between the focus area of corporations to develop CSR and NGO's mission, this criterion will measure whether the alternative has a means of aligning employees' skills with NGO's need. I assign a weight to this criterion of 25%, and a rating scale with high = 100, medium = 70, low = 40.

Political feasibility

In order to ensure effectiveness of the program, it must be political feasible. I measure political feasibility by assigning a probability value that key stakeholders such as government, corporations, and nonprofit organizations will act on this option. This has a weight of 25%, and a rating scale with high = 100, medium = 70, low = 40.

Cost

For any alternative offered, an important factor is the cost. In each of our evaluations, I will look for total approximate cost of implementation. I assign a weight to this criterion of 20%, and it will be measured by comparing estimated cost incurred in each option, and a rating scale with high (low cost) = 100, medium = 70, low = 40.

POLICY OPTIONS

Option 1: Let the present trends

This option would allow my client to continue to promote Local Pro Bono programs through their current method. Drawing from several interviews with Ms. Chen, the Director of PYXERA Global in China, I found that current strategy to raise people's awareness on CSR and Local Pro Bono program is by attending workshops focusing on employee volunteering in Chengdu City of Sichuan Province. These workshops are held by local government who tries to promote social responsibility of corporations through encouraging employees to do voluntary work in local community. The makeup of the participants includes union president and representatives of companies across industry, local government officials, NGOs, etc. Ms. Chen is invited as a guest speaker to introduce successful cases of clients, such as IBM's CSC program, and help participants to better understand what Local Pro Bono is through "experiential learning" where representatives from the corporations help NGOs to solve a problem based on a simulated real-world scenario (Note: this report only focuses specifically on approaches for promoting Local Pro Bono at a macro level, and does not address tactics for the contents of "experiential learning").

Increasing awareness on Local Pro Bono

Given the big barriers to aligning CSR with companies' core business strategy, no corporation has agreed to adopt Local Pro Bono as a tool to improve CSR performance yet. As a result, this option has a low score on increasing awareness on LPB.

Sustainability

Increased awareness on LPB is a stepping stone toward building strong partnership between corporations and NGOs, so as to maintain long-term cooperative relationships which is the foundation of a successful Local Pro Bono program. Since this option is not effective enough to increase awareness on LPB, I assign a "low" score on sustainability.

Political feasibility

Based on the Market Demand Analysis of CSR in China, regions with the highest demand and potential to develop and promote CSR are first-tier cities, Eastern, and Southern part of China. Chengdu is in central China, with a relatively low score on CSR performance and knowledge overall (Please see Appendix). Additionally, the number of CSR projects in Chongqing, the capital city of Sichuan Province, is the third lowest among other capital cities (Please see Appendix B). As a result, the momentum and motivation for local government to advance CSR is not as high as those in other places. Moreover, as mentioned in the market analysis, corporations across industry have different agenda and need in terms of developing CSR. Convening all types of companies might not as feasible as targeting one specific industry, when taking differences of opinions on CSR into consideration. Therefore, I assign a "low" score on political feasibility.

Cost

This option requires $16.32 for implementation, which is the total cost for Ms. Chen to attend one workshop in Chongqing City. I draw my cost from the information on transportation cost online (Please See Appendix E).

Option 2: Hosting workshop in the name of PYXERA Global

This option would allow my client to host a Local Pro Bono workshop in the name of PYXERA Global. During the interview with Ms. Zhou, Marketing Associate of PYXERA Global, she mentioned that China team is conceiving the idea of carrying out workshop on their own in Shenzhen City. Following the methodology of Option 1, they will invite representatives from local companies, government officials, and NGOs. Use client cases and "experiential learning" to introduce Local Pro Bono program. Due to busy schedules, China team didn't give me details on the workshop, including the number of participants, way to invite them, location, duration of the activity, etc. It is worth noting that there is no guarantee of implementing this option in the future.

Increasing awareness on Local Pro Bono

Based on the interviews with Ms. Chen and Ms. Li, Project Manager, PYXERA, China, their prospective and target clients are private corporations from technology industry who have shown a strong commitment to CSR, such as Alibaba, and Baidu (Chen, personal communication, March 18, 2019). However, Mr. Wu, a former consultant in HOZON – a CSR consulting firm in China, showed concerns over buy-in from private companies on Local Pro Bono, since the program itself is very costly compared to other initiatives (Wu, personal communication, April 12, 2019). Ms. Din also had a negative view on outreaching to private corporations. Large corporations with strong financial background have already done something on CSR, thus, there is no motivation for them to adopt LPB as a tool to improve CSR (Din, personal communication, April 13, 2019). Also, considering Chinese enterprise culture (heavy workload and fierce competition between private companies), sending employees to do pro bono work is not realistic at all (Wu, personal communication, April 12, 2019; Din, personal communication, April 13, 2019). On the other hand, based on the Market Demand Analysis, technology industry does have better understanding and awareness on CSR, meanwhile, higher social media exposure is essential for implementing Local Pro Bono as a marketing tool. All things considered, this option has a "medium" score on increasing awareness on LPB.

Sustainability

Given the "medium" score on increasing awareness on LPB, I estimate the probability of bridging the divide between CSR focus area of corporations and NGO's mission is also "medium".

Political feasibility

Shenzhen City, in southeastern China, which links Hongkong to China's mainland is a hub for technology development where lots of tech company headquarters are clustered there. In the market demand analysis, Shenzhen City has a relatively high score on CSR performance and knowledge (Please see Appendix C). Although the local government didn't have specific guidelines on CSR, the Shenzhen Stock Exchange published non-binding force regulations encouraging companies to "fulfill social responsibility" and disclose related information on a voluntary basis (Sino-Swedish CSR, 2018). Therefore, I assign a "medium" score on political feasibility.

Cost

This option requires $796.34 for hosting a workshop, which is the cost to China Office employees of inviting presenters, carrying out "experimental learning", etc. I draw my cost from literature on

logistical cost of hosting a workshop, and market price of each item listed online. The total cost incurred in this option is $796.34 (Please See Appendix E).

Option 3: Partnering with industry associations & targeting SOEs

This option would allow my client to host workshop within one specific industry by partnering with industry association and targeting SOEs. Similar to option 2, my client will use same methods to introduce Local Pro Bono program during the workshop. The difference is that my client can tap into industry associations' abundant resources and influences, such as sending invitations to target organizations on behave of the association. Under the pressure from the Central government, SOEs have been the forerunners in the field of CSR. Lots of resources have been poured into addressing social issues in the past decade. However, scarcity of CSR knowledge and trainings pose a huge constraint on SOEs to expand CSR initiatives (CSR Asia, 2014). Through interviews with CSR practitioners in China, they all suggested my client, who have a wealth of knowledge and experience in CSR, to fill this gap. Meanwhile, my client can also partner with other institutions with a focus on CSR training (organizations listed in Solution – Efforts to address a lack of CSR professionals).

By implementing a model similar to "industry sector partnership", corporations, NGOs, and government officials (Chinese government has strong political embeddedness within SOEs), can sit together to make a common goal, such as tackling environmental pollution. This can better align corporation's focus area of CSR with NGO's mission. Meanwhile, my client, who has a huge pool of and close connection with NGOs in China, can serve as an "intermediary" to convene different stakeholders (please see figure 2). Rigorous evaluations for results of LPB are crucial and fundamental for knowing whether services received from companies can help NGOs to better solve problems. A "shared metrics task force" consisting of people from industry association, NGOs, and my client can be in charge of set metrics and measure outcomes (please see figure 2). The main purpose of having "shared metrics task force" is for adjusting programs on a timely manner, in order to keep long-term cooperative relationship between companies and NGOs (Note: this report does not address tactics of setting metrics for performance measurement).

Increasing awareness on Local Pro Bono

Based on interviews, they all have positive attitudes on outreaching to industry organization. The leading companies of industry associations are usually SOEs with redundancy of employees and strong financial backgrounds (Wu, personal communication, April 12, 2019; Din, personal communication, April 13, 2019). In light of market demand analysis of CSR in China, my client could narrow the list of target clients to one or three industries that have the highest demand and potential to boost CSR performance through Local Pro Bono program. Therefore, this option has a "high" score on increasing awareness on LPB.

Sustainability

"Industry sector partnership" helps to strengthen collaborations between stakeholders sharing similar goals and map out strengths and weakness of different entities. So that they can better mobilize resources they have and complement each other, paving a path toward long-term cooperative relationship. Therefore, I assign a "high" score on sustainability.
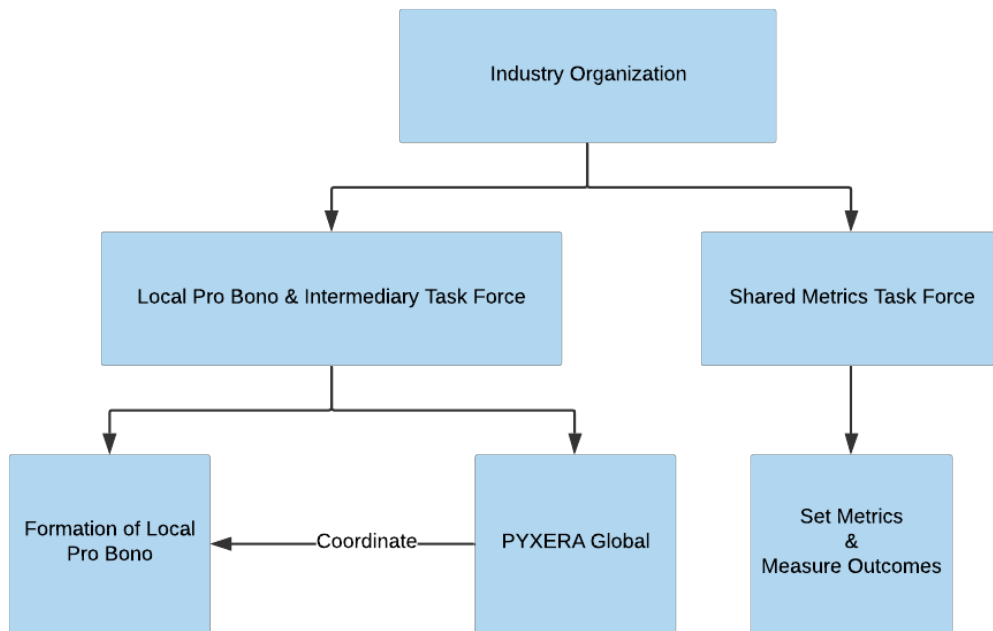
Political feasibility

My client explicitly expressed unwillingness of working with SOEs, because of increased tension between the U.S. and China (Chen, personal communication, March 18, 2019). However, after consulting experts in the CSR field and going through related laws, I conclude that my client is little

bit over-worried (Wu, personal communication, April 12, 2019; Din, personal communication, April 13, 2019). Also, from my perspective, Chinese government's attitude toward American CSR professionals is welcoming. Last month, CGTN, a state-owned news channel, invited Callum Douglas, PwC China's Corporate Responsibility Director, to share thoughts on how to boost CSR in China (Douglas C. et al., 2019). Moreover, with the support of SOEs, my client could access more resources to implement LPB in China. All things considered, I estimate this option has a "medium" score on political feasibility.

Cost

This option requires $1,035.4 for hosting a workshop. I draw my cost from literature on logistical cost of carry out a workshop, and market price of each item listed online. The total cost incurred in this option is $1,035.4 / workshop (Please See Appendix E). Based on my previous working experience with NPI in China, it is worth noting that the costs might be reimbursed by corporation partner. Optimally, the lowest total cost of this option could be $0.

Figure 2: Conceptual Governance Structure

Source: Author

OUTCOME MATRIX

	Increasing awareness on LPB (0.3)	Sustainability (0.25)	Political feasibility (0.25)	Cost (0.2)	Total score
#1: Let Present Trends Continue	40	40	40	100	46
#2: Hosting workshop in the name of PYXERA Global	70	70	70	70	70
#3: Partnering with industry associations & targeting SOEs	100	100	70	40	80.5

RECOMMENDATION

Based on this analysis, I propose partnering with industry organizations & targeting SOEs. This option has a high potential in increasing corporations' awareness on Local Pro Bono, and helps companies to align companies' CSR strategy with NGO's mission. The trade-off with this option is its political feasibility and cost. However, based on professional opinions of experts in CSR field and my professional judgment, political feasibility is not an insurmountable obstacle. In terms of cost, it is a little higher than other two options, but has a high probability of being reimbursed by corporate partners and is not beyond my client's financial strength.

UNCERTAINTIES

There are some uncertainties on the actual effectiveness of proposed recommendation. First of all, whether "industry sector partnership" can be applied to promote Local Pro Bono program in China is unassured, considering big disparities in organizational culture, political environment, and types of problems between "closing skill gap" in the U.S. and "boosting CSR performance" in China. Secondly, due to my limited knowledge, the conceptual governance structure I proposed is too vague to effectively implement option 3. Additionally, the success of selling LPB to corporations highly depends on the structure and contents of the workshop, which is not the focus of this report. Finally, convening a variety of stakeholder might beyond my client's capability.

APPENDIX A

Given a variety of business types and philanthropic focuses, companies' main CSR practices can be categorized into but not limited to (Caramela, 2018):

|	
Ethical labor practices: treating employees ethically and fairly	Walmart joined Leadership Group for Responsible Recruitment a collaboration striving to ensure ethical practices of member companies (Wal-Mart CSR report, 2017).
Environmental efforts: reduction of carbon footprint	All Apple company's facilities worldwide are powered entirely by clean energy (Apple CSR report, 2018).
Philanthropy: direct cash or in-kind donation for social causes	In FY2017, General Mills (GM)'s total giving accounts for $139 million, consisting of corporation contributions, food donations, and foundation grants (General Mills CSR report, 2018).
Volunteering: "employees devoting time and effort – either on their personal time or as part of a company initiative to volunteering to serve their community" (Bureau of Labor Statistics, 2013)	AT&T provides employees different kinds of volunteering opportunities throughout the year. (AT&T CSR report, 2018).

APPENDIX B

Number of CSR Projects for Provinces 2006-2016
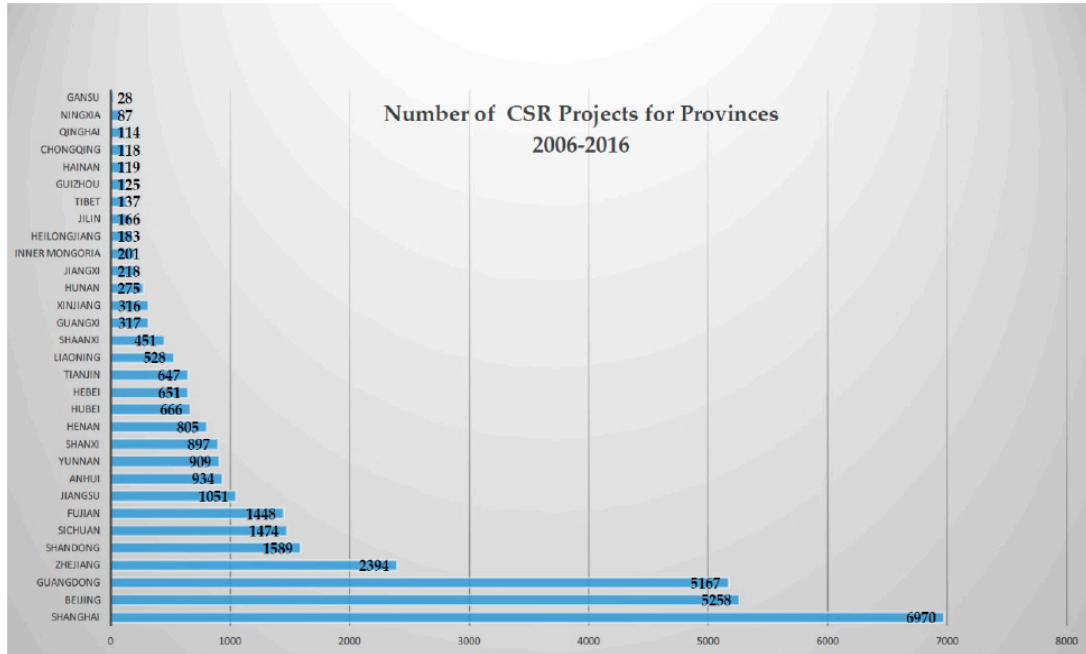
Source: Li, Khalili & Cheng, 2019

APPENDIX C

Source: CSR Asia, 2014
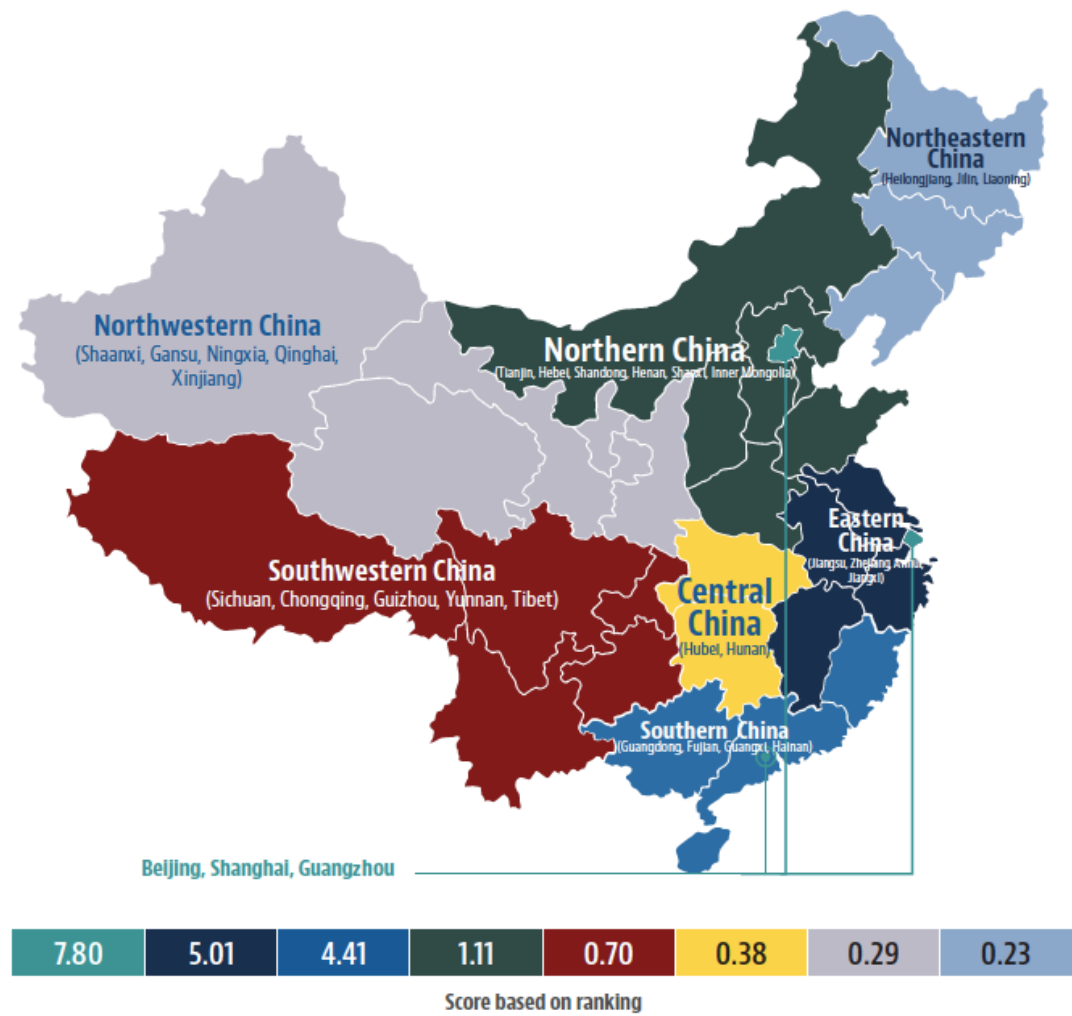
APPENDIX D

I spoke to the following individuals in completing this analysis:

- Zhen Chen, the Director of PYXERA Global, China
- Yuying Li, Project Manager, PYXERA Global, China
- Mo Zhou, Marketing Associate of PYXERA Global, D.C. Headquarter
- Li Din, Vice President of NPI
- Mr. Zhao, previous consultant of HOZON

APPENDIX E

*This part calculates the estimated cost incurred in each workshop attended/hosted by my client, and does not include discount rate. Due to lack of details and information, they are all based on my assumption. According to my professional judgement on Chinese corporate culture, their hourly salary won't be included in the costs, since the amount of monthly salary is fixed for each employee.

#Option 1 costs breakdown

The taxi flag down fare in Chongqing City is around $1.16, and an increase of $0.28 for every two miles. I assume the distance between location of workshop and Ms. Chen (PYXERA Global only has a physical office in Shanghai) won't be larger than 50 miles (the distance between suburb and inner city). She could also take other means of transportation, such as buses or metros, to the workshop, and the cost is around $2.32 for a single trip.

Single trip = $1.16 + $0.28 * 25 (50 miles divided by 2) = $8.16
Travel = $8.16 *2 (round trip) = $16.32

Other expenses:
the attendee fee is $0 (Ms. Chen is invited as a guest speaker)
Food and beverage are $0 (provided by local government)
Space expense is $0 (provided by local government)

Total cost = $16.32 / workshop

#Option 2 costs breakdown

Invitation: $0 (through emails)
Duration of workshop: 10 am - 2 pm (5 hours)
Number of participants: 50 (based on interviews with China team, a medium-sized workshop is optimal)
*50 participants include director of the office, two program coordinators, and 2 volunteers

Number of presenters (local Chief Responsibility Office from client companies): 3
Fees: $21.4 (average salary of corporate manager-level employee) / hour
Total fees = $21.4 * 5 (assume they will spend five hours there) * 3 = $321

Renting: $0 (the Marketing Associate confirmed that an NGO will provide a place for free)
Lunch: $2.17 / person
Total food cost = $2.17 * 50 = $108.5
Bottle Water: $0.3 / person
Total beverage cost = $0.3 * 50 = $15.0

Sound/lighting: $0 (provided by NGO)
Audio/visual needs: $0 (provided by NGO)
Flyers: $0.14 / paper
Total flyers cost = $0.14 * 50 = $7.0
Papers: $0.006 each
Total paper cost = $0.006 * 50 = $0.3
Pens: $0.3 each
Total pen cost = $0.3 * 50 = $15.0

The taxi fare in Shenzhen City: first two mile is $1.45, an increase of $0.38 / mile
Single trip = $1.45 + $0.38 * 48 (assume the distance between company and workshop is 50 miles - the approximate distance between suburb and inner city) = $19.69
Round trip = $19.69 * 2 = $39.38
Total transportation cost = 8 (include presenters, employees of China office, and volunteers) * $39.38 = $315.04

Other expenses (folders, name tags, etc.): $14.5 (based on professional judgement)

Total cost = $796.34 / workshop

#Option 3 costs breakdown

Invitation: $0 (through emails)
Duration of workshop: 10 am - 2 pm (5 hours)
Number of participants: 100 (based on online information on number of participants for a workshop/forum held by industry association)
*100 participants include director of the office, two program coordinators, and 4 volunteers

Number of presenters (local Chief Responsibility Office from client companies): 3
Fees: $21.4 (average salary of corporate manager-level employee) / hour
Total fees = $21.4 * 5 (assume they will spend five hours there) * 3 = $321

Renting: $0 (considering strong financial background of industry association, a place would be provided for free)
Lunch: $2.17 / person
Total food cost = $2.17 * 100 = $217
Bottle Water: $0.3 / person
Total beverage cost = $0.3 * 100 = $30

Sound/lighting: $0 (provided for free)
Audio/visual needs: $0 (provided for free)
Flyers: $0.14 / paper
Total flyers cost = $0.14 * 100 = $14
Papers: $0.006 each
Total paper cost = $0.006 * 100 = $0.6
Pens: $0.3 each
Total pen cost = $0.3 * 100 = $30

Assume my client target industry associations in first-tier city, Eastern, and Southern regions. The calculation of transportation cost would be similar to option 2 (Shanghai City has the most expensive flat taxi fare - $2.32 for the first 3 mile and an increase of $0.36 / mile)
Round trip = $19.69 * 2 = $39.38
Total transportation cost = 10 (include presenters, employees of China office, and volunteers) * $39.38 = $393.8 (might be reimbursed by industry association)

Other expenses (folders, name tags, etc.): $29 (based on professional judgement)

Total cost = $1,035.4 / workshop (if industry association doesn't reimburse my client)

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