



On the Promotion Effect of Entrepreneur's "Original Aspiration" of Charity on Enterprise Development

Leilei Zhang*

International College, National Institute of Development Administration (NIDA), Thailand

Sid Suntrayuth

International College, National Institute of Development Administration (NIDA), Thailand

Received 7 March 2020, Received in revised form 15 June 2020,

Accepted 19 June 2020 Available online 8 November 2020

Abstract

This study explores why the charitable entrepreneurs have original aspiration of charity, and how their "original aspiration" promotes the development of their enterprises based on qualitative research in the special social context of the lagging charity causes and the imperfect enterprise charity tax laws without good implementation in China. Through face-to-face in-depth interviews with 24 philanthropic and non-philanthropic entrepreneurs in 12 provinces and 24 cities across the country, using continuous analysis and induction method, combined with NVIVO software for coding analysis, it is found that the source of entrepreneur's "original aspiration" of charity is charity faith, while adhering to the original aspiration of charity, and gaining "popular support" from the original aspiration of charity and stimulating "psychological resilience" can facilitate "getting rewards from doing good deeds". Entrepreneurs with "original aspiration" of charity can have a good promotion effect on the development of enterprises. Finally, this study conducted a questionnaire survey with 24 entrepreneur assistants and a semi-structured interview with eight entrepreneurs. The combination of triangular cross-certification and contra-certification was used to further test the validity of the theory. At present, as indicated in China National Knowledge Internet (CNKI), this study is the first case from this perspective, and it shows certain theoretical innovation.

Keywords: Entrepreneur , Original Aspiration of Charity , Enterprise Development

JEL Classifications: G41, G30

* **Correspondance Author:** Address: 118 Moo 3, Seri Thai Rd., Khlong Chan, Bang Kapi, Bangkok 10240. Email: 1609906662@qq.com.

1. Introduction

A Chinese classic *The Commentary of Zuo* (a commentary on the Spring and Autumn Annals) interprets “charity” as follows: “the benevolent love comes out of the heart, with kindness given to things”, that is, charity is a completely altruistic commitment from the heart, without strings. In the semantics of traditional philosophy, “original aspiration” means “true suchness, innate consciousness, and utter innocence”; the “original aspiration” of charity means that people live in “true suchness nature”, follow their hearts and do good deeds conscientiously, and ask for nothing in return to achieve the realm of life fulfillment; the “original aspiration” of charity is manifested in the charitable behavior of “doing good deeds conscientiously, contributing to the society, benefiting the native place and asking for nothing in return”.

However, entrepreneur’s “original aspiration” of charity contradicts with the traditional Chinese thought. As an old Chinese saying goes: “Those who are softhearted should not lead the army and those who are righteous should not manage the finances”, meaning that charitable donations made by entrepreneurs will hinder enterprise from developing, and the survival of enterprises lies in making profit.

There is a large income gap between urban and rural people, among those in different regions and different groups in China, so some groups of people live a difficult life; and natural disasters happen from time to time, which results in a huge demand for charity. Therefore, the development of charity causes is thereby aroused.

Entrepreneurs began to be engaged in charity in the 19th century in Britain, which was developed in western countries. For example, according to the data of the year 2007, the total amount of enterprise charity in the United States was 300 billion US dollars (Vlachos et al, 2009). China’s charity causes relatively lagged behind. Chinese modern enterprises were established since the 1980s, but some entrepreneurs donated 16.009 billion yuan in just one week when Wenchuan Earthquake happened in 2008, accounting for nearly half of the total donations in China (Wang, 2009). Due to such disaster, entrepreneurs fostered their sense of social responsibility, promoting the development of China’s charity causes.

However, natural disasters are always sporadic, and enterprise charity behaviors in the context of disasters are very different from those in the normal context. Compared with western traditional enterprise charity behaviors, Chinese enterprise charity behaviors are hamstrung. In the western capitalist system, charitable donation can be used as a legal means to evade taxation.

For example, the Internal Revenue Code promulgated by the United States stipulates that enterprises can enjoy tax preferences when engaging in charity activities: 1. Enterprises, which are established and operated for religion or charity as the only purpose or for prevention of child abuse or animal abuse as the only purpose, are all tax-free; 2. As long as the corporate foundations established by the enterprises are fully engaged in charity, the income obtained through various channels can be exempted from income tax; 3. For either direct or indirect charitable donations, the deduction limit is 10% of the taxable income; 4. When an enterprise donates to charitable organizations for public welfare, the deduction should not exceed 10% of the taxable amount. Carry-over for the amount over the deduction limit will be deferred in the next

5 years from the current year of the donation. If the enterprise continues to make donations within these 5 years, the donated amount carried forward previously shall be deducted prior to the later donated amount in that year (Chen et al., 2015).

In addition, compared with the 12% pre-tax deduction rate for enterprise donations in China, the rates in the Western countries are significantly higher than that of China. And their procedures are more operable and simpler with highly transparent market, for example, 35% in Spain, 65% in Russia and 75% in Canada. The governments in the Western countries formulate corresponding charity institutional systems and policies as a good support to enterprises (Chen, 2012). Entrepreneurs are thus more motivated in charity. In this case, enterprise charity is more prevalent in the Western world, and charity feats of the “rich” are common. Such well-known entrepreneurs and charitarians as Andrew Carnegie, John D. Rockefeller., Henry Ford and Bill Gates initiated the model of charity foundation to share their wealth with more people (Wang, 2010).

However, China is in a transition stage, present market and institutional systems are still imperfect, and enterprise charity taxation policies cannot be effectively implemented. There are significant policy differences in different regions, enterprise tax exemption qualification cannot be recognized in other some regions, and relevant policies are implemented inadequately, therefore many entrepreneurs are unwilling to engage in charity (Li, 2014) .

Nevertheless, researches made by some media or scholars show that those enterprises that have made charitable donation are very successful, and the enterprise scale has a positive correlation with the level of charitable donation (Brammer & Millington, 2006). Why can such charitable entrepreneurs achieve both “righteousness” and “benefits” so that their enterprises develop well? This is the point that researchers are curious about and interested in.

2. Literature Review

In traditional Western economic theory, the view that enterprise charity harms enterprise interests has long been abandoned by the times. Western rich people hold a philosophy of wealth that “The rich are just the custodians of social wealth”, and “People are more disgraced if they die with more wealth”. It has become the norm of modern Western charity. At the same time, in China, entrepreneurs are forced to engage in charity subject to either the demand from the government or the serious polarization between the rich and the poor in the society. Some entrepreneurs have gradually realized the importance of enterprise charity. Therefore, few scholars have discussed the negative effects of enterprise charity. This study did not choose a similar reference as the previous researches.

As early as 30 years ago, enterprises in western countries realized that charitable behavior was one of the obligations that enterprise citizens must fulfill and also an important expression of enterprise social responsibility (Carroll, 1979).

Domestic and foreign scholars have done a lot of researches on the current situation of enterprise charity, as shown in Table 1 and Table 2. However, even scholars

generally agree that entrepreneurial philanthropy can have a positive impact on business development. By contrast, the system, charity policies, laws and regulations of western countries all play a positive role in promoting entrepreneurs to engage in charity activities, while Chinese entrepreneurs who want to engage in charity work are confronted with great resistance.

Table 1: Research on Corporate Charity in Western Countries

Research on Corporate Charity in Western Countries	
Scholars	Positive effects
Fombrun & Shanley, 1990	Enterprise charity accumulating reputational capital.
Smith, 1994	Strengthening consumers' brand awareness.
Campbell, Gulas, & Gruca, 1999; Fombrun, Gardberg, & Barnett, 2000	Improving consumers' attitudes to enterprise, elevating enterprise value and market position and competitive advantage of enterprises.
Luo & Bhattacharya, 2006; Pirsch, Gupta, & Grau, 2007	Increasing customers' satisfaction and customers' loyalty.
Fombrun, Gardberg, & Barnett, 2000	Protecting the relationship between enterprises and their stakeholders, reducing the risk of enterprises to lose key resources.
Jones, 1995	Reducing the awareness of enterprises on transaction costs and risk mitigation.
Sen, Bhattacharya, & Korschun, 2006; Saiia, Carroll & Buchholtz, 2003	Affecting the attitudes and decision-making of various stakeholders and possessing potential investment value and strategic value.

Source: Authors' Compilation.

Table 2: Chinese Corporate Charity Research

Chinese Corporate Charity Research		
Corporate charity		Scholars
Positive effects	Charitable donation helps to obtain external human resources.	Li & Liu, 2009
	Enhance employee cohesion and loyalty	Xu, 2007
	The enterprise charitable donation effort is positively correlated with enterprise profit level	Zhang & Han, 2015
	There is a positive correlation between different life cycles of enterprises and their charitable donations.	Zeng et al. 2016
	There are significant differences in the role of charitable donation in promoting organizational performance and its mechanism at different growth stages of the enterprise.	Sui et al. 2016
	Entrepreneur's political identity and political participation have a significant impact on charitable donations.	Du & Yu, 2009
	In-kind donations cannot be evaluated.	Wu, 2010
	The national tax policy has too many restrictions and weakens the	

Resistance	incentive effect and a single limit deduction incentive policy reduces the charitable donation tendency of non-foreign capital and income tax policies have different incentive effects on charitable donations of different types of enterprises.	Guo , 2014; Qu & Wu, 2017
	China still lacks relevant legal systems and a complete charity tax system, and the current charity tax system has not fully played its due role.	Li ,2016
	Current tax related laws and regulations are not yet complete, tax exemption procedures and the lack of complete transparency and openness of donation data have led to insufficient tax incentives for charitable giving.	Huang & Wu, 2015
	China's tax exemption qualification threshold for charitable organizations is too high, which makes many non-governmental public welfare organizations less numerous and less motivated. Most of them are still unable to enjoy the tax exemption policy even if they are registered and recognized by civil affairs departments.	Song, 2018
	Only indirect donations counted by charitable organizations and relevant government departments or donations to special social groups as stipulated by law can be exempted from tax, while direct donations cannot enjoy tax preference.	Zhang & Hu ,2012

Source: Authors' Compilation.

In general, although there are many previous literatures, they mainly focus on enterprise motivation and economic consequences (Ning & Chen, 2017), and which both of them are all utilitarian. However, this conclusion is not fair to entrepreneurs who are actively engaged in charity under the special conditions of China.

Enterprise charity is closely related to entrepreneurs. Entrepreneurs are at the top of the enterprise hierarchy, and the sense of social assistance of the enterprise senior management has an influence on the enterprise's social assistance behavior (Xie & Ding, 2015), the more sympathetic enterprise executives are, the more enterprises are inclined to make charitable donation (Sun, 2016). The previous literatures do not deeply delve from the perspective of entrepreneur's "original aspiration" of charity. Therefore, this study explores the impact of "original aspiration" on the development of enterprises from the perspective of the "original aspiration" of entrepreneurial charity, which is more theoretically instructive and practical.

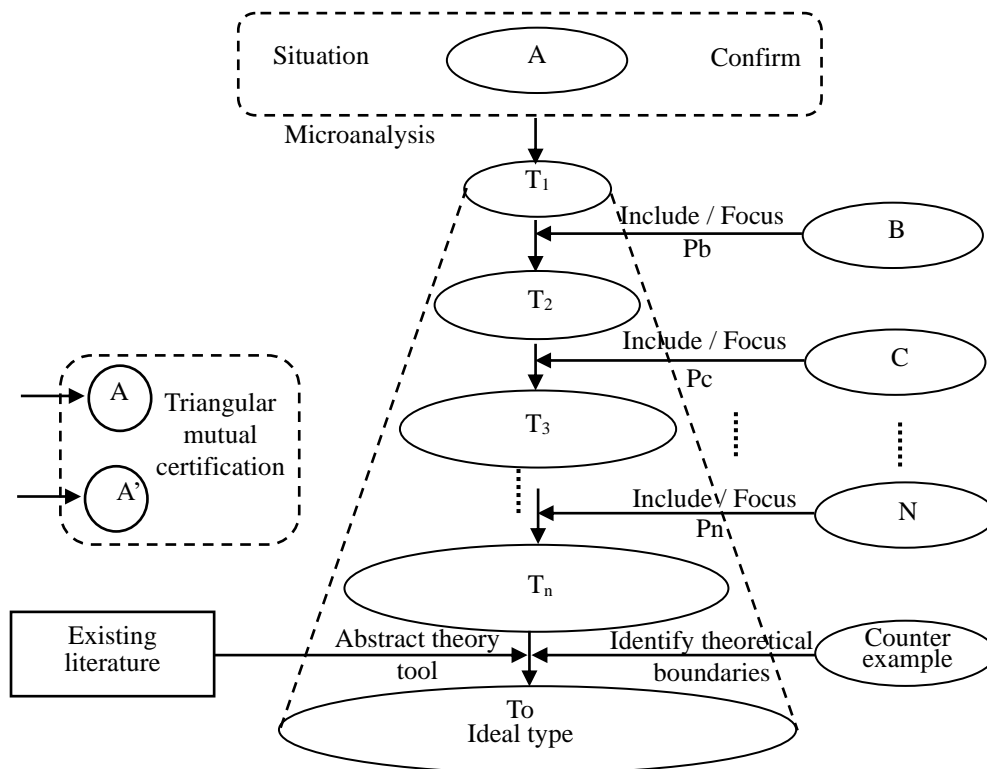
3. Research Framework

Based on qualitative research, in the special social context that China's charity causes lags behind, enterprise charity tax laws are implemented incompletely and inadequately, why do this kind of charitable entrepreneurs have original aspiration of charity, and how does their "original aspiration" promote the development of their enterprises?

The data coding was conducted in combination with the research path

framework diagram of continuous analysis induction method as follows:

Figure 1: Path frame diagram for continuous analytic induction



Source: Authors' Compilation.

3.1 Methodology of Research

The on-site interview was conducted with 14 charitable entrepreneurs and 10 non-charitable entrepreneurs from 24 cities of 12 provinces across China by the convenient sampling method. The diversity of sample types and enterprise scale, the distinction of state-owned enterprises and private enterprises as well as the difference in sample attributes including age, gender, educational level and region drew attention from researchers. Such an in-depth interview was carried out to collect data from September 2018 to October 2019.

Quantitative research is not suitable for investigating the cause of the entrepreneur's "original aspiration". Therefore, the qualitative research method of continuous analysis induction method was adopted herein in combination with in-depth interview and participant observation method for data collection.

The continuous analysis induction method is a research approach for multiple cases and multiple data sources, and 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, but researchers 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 with a rough research theme and field study method (Lin, 2015).

Multi-case research can better reflect different aspects to develop a more complete theoretical basis thereby (Eisenhardt, 1989) and increase the reliability and

validity of research (Yin, 2003). Participant observation method was first proposed by Linderman (1924). It is an important part of qualitative research and multi-case research, and enables researchers to feel specific situations and better understand the interviewees.

Convenient sampling is a non-probabilistic sampling method by which interviewees are randomly selected at a specific time and a certain location in a specific community in order to match the research theme.

The interviewers communicated with the interviewees in advance before each interview, agreed on the time and place of interview, and informed interviewees of three main topics including entrepreneurs themselves, enterprise development and charity behavior. In the face-to-face in-depth interview, the interviewees can speak out freely according to the topic, while the researchers only need to give appropriate guidance. In addition, audio and written records are taken after the researchers get the consent from the interviewees.

In addition, the researchers also conducted a questionnaire survey on the assistants of 24 entrepreneurs; conducted semi-structured interviews with entrepreneurs used for disproving evidence, and listed the interview outline in advance. Through the combination of triangular cross-certification and contra-certification, the reliability and validity are further tested.

In face-to-face in-depth interviews, the researcher can observe the external expressions of interviewees closely, gain insight into their internal psychology, judge the truthfulness of their speech and effectively adjust the content and focus of the interview in a timely manner; while semi-structured interviews do not require the two parties to meet. It is convenient, free from the constraints of time and space, can enable respondents to answer questions more naturally and truthfully, and it is more thoughtful and logical. At the same time, respondents were also unaffected by the verbal and behavioral language of their visitors when answering questions (Wang & He, 2011).

Therefore, combining the two methods can complement each other and achieve more effective interviews.

4. Findings and Results

The interviewees are divided into two categories: charitable entrepreneurs - Y; and non-charitable entrepreneurs - N. (The following Y1 - Y14 and N1 - N10 are referred to the code number of such two types of entrepreneurs.) A theoretical framework is constructed after coding of the interview data at three levels with NVIVO software, comparison of the same attributes and extraction of the Y-type attributes. With the consent from the concerned, some interviewees are listed in Table 3.

Table 3: List of Charitable Entrepreneurs

Name	Industry	Company Scale	Company Position	Social duties	Personal honor	Area	Age	Whether CPC member	Gender
Zhe Qu	Red Cross Society of China	Large	Vice president	Leader of the Leading Group of China's Poverty Elimination and Disease Promotion Program, Chinese People's Association for Friendship with Foreign Countries	The first government official dispatched from mainland China to Taiwan, the top ten national news figures, etc.	Beijing	81	Yes	male
Jian chuan Fan	Jian chuan Museum Cluster	Large	Curator	Standing Committee Member of Sichuan Provincial Political Consultative Conference, Deputy Secretary-General of Academy of History of Chinese Resistance Against Japanese Aggression (CAJWH), Former Deputy Mayor of Yibin City	Top 100 outstanding private entrepreneurs in the 40 years of reform and opening up, and The Fifth Session of the National Non-public Sector Outstanding Builders of Socialism with Chinese Characteristics	Sichuan	62	Yes	male
Ming zhu Dong	Gree Electric Appliances Inc.	Large	Chairman	National People's Congress	Top 50 most influential women in the world, the fourth most powerful woman in Asia by <i>Forbes</i> , etc.	Nanjing	65	The China National Democratic Construction Association (CNDCA)	Female

Source: Authors' s Compilation.

4.1 Open coding

Open coding is the process to decompose, review, compare, conceptualize and categorize data, and an operational process that breaks down data, assigns concepts and then reassembles them in new ways (Strauss & Corbin, 1997).

The original data of the face-to-face in-depth interview totaled 164,098 words. The word-by-word analysis was used for initial conceptualization during coding. In order to reduce the bias of data interpretation, the interviewee's original words were used to dig out the initial concept as far as possible, and 1,832 initial conceptual sentences were obtained. Those sentences repeated less than 2 times were removed; and those repeated more than 3 times were reserved, and encoded with Y and N separately. Finally, the results showed that 211 main concepts and 71 categories were obtained from category Y; 61 Main concepts and 29 categories were obtained from category N. After those with the same attributes were removed, 139 main concepts and 44 categories of Y were obtained. The original sentences and the three-level code herein were represented by different letters as shown in Table 4. Due to limitation to total words, only a part of the final coding results were in Table 5.

Table 4: Data Coding of Y-type Entrepreneurs

Data Coding of Entrepreneurs Keen on Philanthropy					
Original statement Y	Conceptualization A	Category AA	Main category B	Core category C	Logical relation E

Source: Authors' Compilation.

Table 5: Open Coding

Original data sentences	Conceptualization	Category
1. He also hired me as their honorary director of public welfare activities. Y6	A1Holding Social Post	AA1 Social Post
2. I am the Deputy Secretary of Jiangzhou Chamber of Commerce. I am one of the young committee members of Jiangzhou. Y1		
3. I am also a director of Hunan Provincial Art Volunteer Association. Y3		

Source: Authors' Compilation.

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 (Ji & Mou, 2016). Finally, 9 main categories and 43 sub-categories were summarized, and the internal connection between interview materials was further clarified herein.

Table 6: Axial Coding

No.	Main category	Sub-category
1	B1 Social post	AA1 Social post
2	B2 Personality Traits	AA2 Pursuing the pure soul; AA3 Socially responsible; AA4 Being simple and sincere; AA5 Confident; AA6 Grateful; AA7 Empathetic; AA8 Kind-hearted; AA9 Upholding righteous but belittling money; AA10 Right-minded

Source: Authors' Compilation.

4.3 Selective coding

Selective coding is the process to extract the core category from the main category and other categories, develop the story line, and repeatedly verify and perfect all the data, and finally form a new theoretical model. (Wang & Liu, 2016). Five core categories were extracted to explore the story relationship among them.

Table 7: Selective Coding

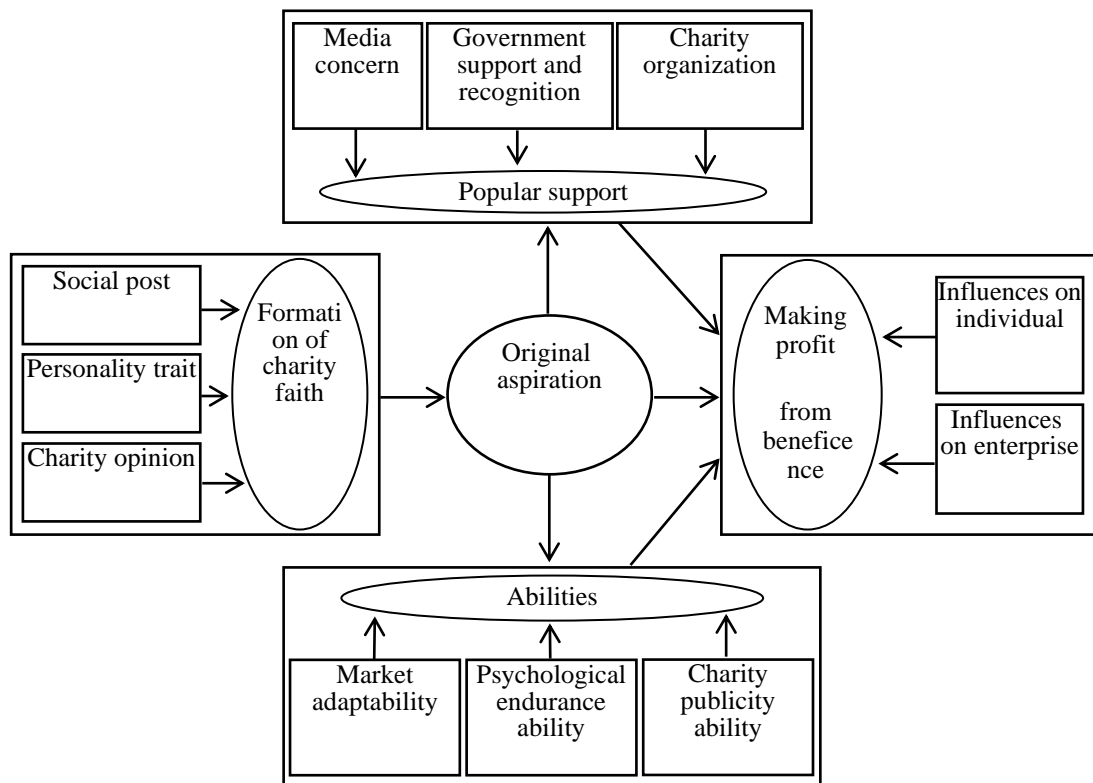
Core category	Main category	Logic relationship	Interviewee's representative sentences
C1 Formation of charity faith	B1 Social post B2 Personality trait B3 Charity opinion	E1: Holding social post makes entrepreneurs socially responsible; the central trait of personality traits is "being kind-hearted"; holding the charity opinion that "good deeds are always rewarded" promotes the formation of entrepreneurs' charity faith.	<p>When a person has power, he/she should know that power is not for himself/herself. Y14</p> <p>At that time, I felt that I could not fully reflect the value of my life. My gray income was as high as one million yuan. I had a lot of money. I could play in any way I wanted, but I still felt that it was meaningless? I always felt a little lost in my heart. How should I live my life? Y2</p> <p>The only way to success is to walk with good people. Y5</p>

Source: Authors' Compilation.

4.4. Theoretical framework

After induction, the theoretical framework structure chart was formed as follows:

Figure 2: Entrepreneur's “original aspiration” to promote the development of enterprises



Source: Authors' Compilation.

4.5 Theoretical explanations

Through data analysis, the questions about two research frameworks were answered herein:

1. Why do charitable entrepreneurs have their “original aspiration”?

1.1 “Original aspiration” of charity is sourced from charity faith

Compared with non-charitable entrepreneurs, charitable entrepreneurs have charity faith, and they believe that “good deeds can be rewarded”, “one should engage in charity earlier”, and “one should engage in charity persistently”. It is this faith that makes them always remember their original aspiration no matter where they are. For example:

“I told Parents’ Committee that as long as you know how to give, you will benefit from the God definitely in another way. Y11”

“The leader of Ciyin once participated in a charity group, but the organization later committed misappropriation of the raised funds. He hated this illegal behavior very much and organized a group by himself. He took the initiative to call for more people to devote themselves to the disabled. Y4”

“At the beginning of my company, I thought that assistance must be offered to these children with mental retardation when they were found out. Charity is the same as filial piety. The earlier the better. Y2”

1.2 Formation of entrepreneur's charity faith

Why do charitable entrepreneurs have charity faith? According to the data analysis, their charity faith comes from three aspects: social post, personality trait and charity opinion.

First, C compared with non-charitable entrepreneurs, charitable entrepreneurs hold social posts, which inspires their sense of social responsibility. This view has also been validated by predecessors. For example, Luo and Tang (2009) conducted a "political status analysis" of 100 Chinese rich people in 2005, including 9 deputies to the National People's Congress and 16 members of the CPPCC, accounting for 25% of the total. Such data showed that political background has certain influence on entrepreneurial operation. For example, Jianchuan Fan served as the Deputy Secretary-General of Academy of History of Chinese Resistance Against Japanese Aggression (CAJWH) which inspired his patriotic feelings, so he devoted all his wealth to invest in 100 history museums, and determined to "be a collector of national memory. Y12"

Second, The core personality traits of entrepreneurs include upholding righteous but belittling money, pursuing the pure soul, and being grateful, right-minded and empathetic which are the expressions of "goodness", so they are more likely to form charity faith. For example:

"From beginning to end, I just asked him to compensate me once, because I didn't want to make another family fall into plight due to this. Y9"

"I feel like I'm not a 'jerk' anymore, and my heart becomes very pure. I feel as if I have returned to the innocent and simple world, there is no such kind of gray thing at all, I feel so light-hearted, happy and touched! What I want is this kind of spiritual return, and this is enough for me! Y2"

"When I was young, I felt like I was full of positive energy and sense of justice, and I used to draw a sword and render help at the sight of injustice. Y10"

Third, If someone has deep insight on charity, it is easier for him or her to understand the relationship between charity and success. For example:

"It seems that charity has nothing to do with enterprise development. In fact, it is a delicate process that promotes each other. Y1"

"The only way to success is to walk with good people. Y5"

"Any person must have the sense of responsibility, an enterprise must have social responsibility, and an entrepreneur must have a contribution spirit, otherwise he or she is just an upstart. Y7"

2. How does the "original aspiration" of charity promote enterprise development?

2.1 Unswervingly holding fast to "original aspiration" of charity facilitates "making profit from beneficence"

The data analysis shows that entrepreneur's "original aspiration" of charity is reflected in three points:

First: Adhere to the synchronization of charity and enterprise development. For example, "On the way to development, we have been engaging in charity. Y1"

Second: Through “the establishment of a charity organization within the company Y9, the establishment of a local authority office of CPC Y1, CPC branch Y6, a foundation Y5”, etc., thereby the charitable behavior can be regulated and continuously implemented.

These two points reflect the continuity and standardization of enterprise donation. This is consistent with the research conclusion of scholar Xiaocui Jin that “if entrepreneur managers or owners make charitable donation based on non-utilitarian motivations, the charitable donation should be of continuity and compliance” (Jin, 2019).

Third: The charity follows no set form, such as donating money or materials, initiating national fundraising, adopting orphans, recruiting the disabled etc., and the form is different at different stages. This is the same as previous studies on the dialectical relationship between enterprise scale and charitable donation behavior (Brammer & Millington, 2006).

Entrepreneurs also benefit a lot based on the “original aspiration” of charity. For example:

“I feel relaxed in leading team, which is correlated with our charitable behaviors. Charitable behaviors make people touched and admire me. Y4”

“For decades, I have been engaging in charity, and the Board of Directors of the Pacific Century Group has appointed me to be responsible for the public welfare cause in China. This is a matter of pride for me. Y9”

“Due to my donation of 1,000 yuan that year, I received 10 million as a return at the end of 2012. Y8”

2.2 “Original aspiration” of charity gains “popular support” and facilitates “making profit from beneficence”

Mencius • Gongsun Chou said that “A just cause enjoys abundant support, while an unjust one finds little support”, that is, those who stand on the side of righteousness will get the support of the majority. Therefore, entrepreneur’s “original aspiration” promotes “popular support”. The so-called “popular support” refers to social forces. Data analysis results indicate that it includes charity organization, government and media. For example:

“After joining a charity organization, other entrepreneurs will think of us first when they have good projects on hand. Y10”

“The Red Cross Society of China was taken advantage of by Meimei Guo, so it was questioned by all walks of life and severely battered. It was later restored with the personal attention and support of Chinese President Jinping Xi. Y6”

“In 2018, I was awarded the honorary title ‘Good People in China’. I was interviewed by more than 20 media including CCTV. A lot of people came to me for business cooperation due to my reputation, and thereby my business got better and better. Y8”

2.3 “Original aspiration” of charity stimulates “psychological toughness” and facilitates “making profit from beneficence”.

Data analysis results show that the abilities of charitable entrepreneurs include the ability to adapt to the market, their psychological endurance in the face of setbacks, and better publicity force for charity. These abilities are more manifested as

“psychological toughness”. They firmly believe that even if they fall to the bottom, they can rebound in the predicament. For example:

“Before entering a state-owned enterprise, I was the boss of a private company. I was no longer a manager. I felt very difficult to adapt to this condition at first, but I quickly adjusted my mind and adapted to my role. Later, I became the boss of the state-owned enterprise. Y1”

“I was once invited to give a speech on charity at Peking University. My speech was very bold, but then my speech was reported by media in full text. Y6”

2.4 “Original aspiration”, “popular support” and “ability” work together in combination and facilitate “making profit from beneficence”

Data analysis results show that these three aspects have influences on entrepreneurs themselves and enterprises; and the influences on enterprises are subdivided into internal aspects and external aspects.

The influence on entrepreneurs themselves includes fostering love and heart of gratitude, redeeming the soul, expanding human relationship, inspiring perseverance, being respected by others, receiving government support and recognition, obtaining many honors and getting good rewards. For example:

“They expressed gratitude to us from the bottom of their hearts, and I found that they love life so much and their hearts are so beautiful. This is really a kind of spiritual shock and baptism for me. Y4”

“That job is charitable in itself, including retrieving the dying or rescuing the wounded, and at the same time I have learned several languages. Y6”

“Due to my persistence, I was awarded as the star team leader by the Charity Association. Y10”

Internal influences on enterprise include increasing internal cohesion of enterprise, promoting employee growth, and improving management efficiency. The first two points are the same as some scholars’ research findings such as “enhancing employee cohesion and loyalty” (Xu, 2007) and “improving employee skills training and overall survival ability” (Kanter, 1999). For example:

“It is also to make the enterprise better and more cohesive through this kind of activities cultivating employees to love the team and have a dedication. Y1”

“Our brand is well-known and recognized by the society. For the sales staff, they can carry out work smoothly and feel very proud. Y4”

“I don’t set up Parents’ Committee, but everything is arranged by children’s parents. So I am very happy that children’s parents can manage their own affairs well for me. Y11”

External influences on enterprise include being conducive to expanding business, establishing a good enterprise image, strengthening social recognition, and reducing advertising investment. The first three points have been proven in researches from scholars such as “accumulating reputation capital” (Fombrun & Shanley, 1990), “enhancing consumers’ brand awareness” (Smith, 1994), “improving consumers’ attitudes towards enterprises” (Campbell, 1999), “facilitating strategic investments of enterprises and society and enterprise cost reduction” (Godfrey, 2005). For example:

“From 2010 to 2018, our enterprise was awarded as one of the ‘Top Ten Charitable Enterprises Awards in China Charity Rankings’ in succession, and our

enterprise is the only one that has won this honorary title for continuous nine times. Y5”

“It’s actually far better than spending money on television advertising for enterprises. Y4”

“Charity is very helpful for enterprise in talents recruitment and external expansion. Y2”

Theoretical saturation:

1. When new concepts or categories cannot be found in new data, that is, theoretical saturation, data collection should be stopped (Strauss & Corbin, 1997). After coding of data with NVIVO, no new category and structure relationship were found, so the theoretical model was considered saturated (Pandit, 1996);

2. Triangle method:

This authoritative scholar of case study methodology Yin believed that in order to improve the reliability and validity of the dissertation, triangular method and multi-case research could be employed (Yin, 2003). A questionnaire survey was conducted on the assistants of 24 entrepreneurs, and 50 questionnaires were recovered, 0 questionnaire was invalid, with 100% reliability. The results show that charitable entrepreneurs persist in charity all year round and drive enterprise employees to engage in charity activities with diversified charity methods, while sticking to engage themselves in charity, the enterprise develops better and better, which validates the theory herein.

3. The reduction to absurdity:

The reduction to absurdity is also called “proof by contradiction” and used for indirect argumentation. Especially, it will play a better role in positive direct argumentation. Reduction to absurdity was used herein to further confirm the theoretical boundaries as shown in Table 8.

Table 8: List of The reduction to absurdity Interviewers

Name code	Industry	Company size	Age	Gender	Attitude to charity
Y1	State-owned enterprise	Large	42	Male	Positive, optimistic, affirmative
Y4	Insurer	Large	57	Female	Active, passionate, persistent
N7	Health products	Small	42	Male	Pessimistic and one-sided
N8	Foreign trade	Small	48	Male	Negative and pessimistic
N2	Education	Small	43	Male	Negative, one-sided
N0	Culture media	Medium	53	Male	One-sided, negative
N9	Education and training	Small	43	Male	One-sided, negative
N6	Hairdressing and beauty	Small	35	Male	Negative, one-sided

Source: Authors’ Compilation.

In which:

N7 and Y1 are friends of the same age, and started their own enterprise at the same time, so they have similar personal background and experiences, but they have different views on charity, and their respective enterprises are also in very different scale;

N7 and Y4 are engaged in the industries of the same nature. Chinese society is lack of sufficient trust in healthcare products and insurance, so they both have difficulties in developing their respective enterprises. However, Y4 is enthusiastic about charity. Y4 developed a insurance company from not being recognized to the top sales volume among insurance enterprises in Jiangsu Province. Her success benefits herself and her enterprise. N7 and Y4 are also of different genders. Y4 is a woman, so it is even more difficult for her to make great achievement. Therefore, she is proud of her success due to her charitable behaviors.

N2 and N10 are entrepreneurs engaged in media industry. They are well versed in publicity. Their social resources are more advantageous than Y1 and Y4. However, they only focus on their enterprise development and have never been engaged in charitable behaviors. Their companies still remain relatively small scale nowadays.

N9's family has many media professionals, but his company has been stagnating. During the interview, he said that "I will consider to do more things helpful for the society".

Both N6 and N8 hold negative, one-sided and pessimistic attitudes towards charity. N6 has lower education background, and has been aggressive and entrepreneurial since graduating from high school, therefore his views on charity are not deep enough. Despite Similarly, N8 has relatively higher education background. , he He has formed a more pessimistic value due to his faliure in marriage and the betrayal of friends, and he does not believe that charity can benefit himself and his company. Both of them started their enterprises earlier than Y1, but their companies scale are smaller than that of Y1.

Based on the reduction to absurdity, entrepreneur's "original aspiration" of charity has an influence on the enterprise development, and it is not affected by such factors as the gender and age of the entrepreneur, which further consolidates the theory of this study.

5. Discussions and Recommendations

This study explores the reasons for charitable entrepreneurs forming their original aspirations of charity in the context of Chinese society, and the influence of their original aspiration on enterprise development.

It is concluded through analysis that charitable entrepreneurs have different attributes from other entrepreneurs, that is, they concurrently hold social posts, possess personality characteristics centered on "goodness", and have deeper insight on charity. It is these three reasons that prompt the formation of their charity faith.

It is further found that entrepreneur's "original aspiration" of charity comes from their charity faith. However, adhering to the original aspiration of charity, and

gaining “popular support” therefrom and stimulating “psychological toughness” could facilitate “making profit from beneficence”. In other words, if entrepreneur had “original aspiration” of charity, their enterprises could develop better.”

At present, there is a relatively weak awareness of charity, charity causes develops inadequately in general and charity system and policies still remain incomplete, and in particular the enterprise charity tax law is still not enforced fully in China. All above factors have weakened the charity enthusiasm of some entrepreneurs. However, if entrepreneurs have the “original aspiration” of charity, their enterprises will develop better. Meanwhile, the growing strength of enterprise charity can also promote social harmony and stability, reduce the burden of the government, and even further promote the charity cause development in China.

The researchers hold that China must first cultivate a charity cultural atmosphere through multiple channels, help people establish correct charity concepts, raise all citizens' awareness of charity, advocate love and contribution, make charity become a social trend and arouse the sense of social responsibility of enterprises.

It is undoubted that what can change people’s values and habits is a institution (Chen, 2012). Therefore, the urgent task of Chinese government is to timely summarize and improve the shortcomings of the current charity system, create a good institutional space, and build a full range of charity policies. For example, Chinese government should formulate a special charity law to ensure that charitable donation could have laws to follow, draw on and learn from international experience and develop a charity model in line with national cultural cognition.

The contributions of this study are as follows:

1. The previous literatures did not deeply delve from the perspective of entrepreneur’s “original aspiration” of charity but focused on discussions in the influence of enterprise charity on enterprise development from a utilitarian perspective instead. Therefore, with a theoretical innovation from a new research perspective, this study plays the role of theoretical instruction to certain extent to upgrade enterprise charity behaviors and further the development of enterprise charity.

2. Studies on China’s charity just recently started due to the late start of the development of charity in China, and more studies on this topic are expected in the future, especially in the field of empirical research (Lu, Wu & Zheng, 2016). Through face-to-face in-depth interviews with 14 charitable entrepreneurs and 10 non-charitable entrepreneurs from 24 cities of 12 provinces across China, this study applies multi-case empirical study approach, which made up the gap for development in this field. It thus made contributions to the empirical study on enterprise charity.

3. This study explores how the charitable entrepreneurs with original aspiration of charity balance “righteousness” and “benefits ”and concluded a theory that entrepreneurs’ original aspiration of charity helps good promotion in enterprise development. With the “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”. Their behaviors can thereby directly affect the enthusiasm and persistence of the enterprise charitable behaviors. Therefore, in a certain sense, the conclusion of this study can be used as a reminder for some Chinese entrepreneurs to engage in charity. In

particular, it is of certain significance in theoretical instruction and practice in enterprise charity under the special national conditions in China; .

4. It facilitates the understanding of the academic circles in the enterprise charity in China.

Limitations of this study:

1. Due to limited time and financial support of the researcher, it is quite difficult to investigate a large number of research samples. Thus, the samples of this study are inadequate.

2. Although questionnaires were conducted on 24 assistants of the entrepreneurs, the number of questionnaires is relatively small.

It is anticipated to have more case tracking and large-scale questionnaire surveys in the future, based on the sample of big data, contributing to the improvement of this study.

At the same time, in order to help entrepreneurs without original aspiration of charity to change their understanding of charity, the researcher will further combine the interdisciplinary backgrounds of sociology, psychology and other disciplines for integrated discussion.

References

- Brammer, S., & Millington, A. (2006). Firm size, organizational visibility and corporate philanthropy: An empirical analysis. *Business Ethics: A European Review*, 15(1), 6-18.
- Campbell, L., Gulas, C. S., & Gruca, T. S. (1999). Corporate giving behavior and decision-maker social consciousness. *Journal of Business Ethics*, 19(4), 375-383.
- Carroll, A. B. (1979). A three-dimensional conceptual model of corporate performance. *Academy of management review*, 4(4), 497-505.
- Chen, D. (2012). Corporate charity responsibility from the perspective of institutional economics. *Social Scientist*, (10), 70-73 (in Chinese).
- Chen, Y., Wu, Z., & Li, M. (2015). Tax incentives for charitable donations in American companies. *China Market*, (46), 34-58 (in Chinese).
- Du, X., & Yu, L. (2009). The interest relations of enterprise stakeholders: Conflict or integration. *Journal of Shanxi University of Finance and Economics*, 31(6):59-65.
- Ding, Y. (2012). Problems & countermeasures of China's corporate charitable donations. *Science and Technology Information*, (32), 493 (in Chinese).
- Eisenhardt, K. M. (1989). Building theories from case study research. *Academy of management review*, 14(4), 532-550.
- Fombrun, C. J., Gardberg, N. A., & Barnett, M. L. (2000). Opportunity platforms and safety nets: Corporate citizenship and reputational risk. *Business and society review*, 105(1), 85-106.
- Fombrun, C., & Shanley, M. (1990). What's in a name? Reputation building and corporate strategy. *Academy of management Journal*, 33(2), 233-258.
- Godfrey, P. C. (2005). The relationship between corporate philanthropy and shareholder wealth: A risk management perspective. *Academy of management review*, 30(4), 777-798.
- Guo, P. (2014). Promotion of tax incentives and policy improvement for charitable donations. *Taxation Economics Research*, 19(2), 24-28.
- Huang, X., & Wu, X. (2015). A policy tool for charitable donation: Tax incentives. *Wuhan University Journal (Philosophy and Social Sciences Edition)*, 68(4), 28-33.
- Ji, F., & Mu, Y. (2016). Research on influencing factors of traditional enterprises' internetization transformation based on grounded theory. *Hunan Social Science*, (6), 141-146 (in Chinese).
- Jin, X. (2019). Characteristics of the chairman of private enterprises, corporate culture and corporate charitable donations. *Scientific decision*, (8), 6 (in Chinese).
- Jones, T. M. (1995). Instrumental stakeholder theory: A synthesis of ethics and economics. *Academy of management review*, 20(2), 404-437.
- Kanter, R. M. (1999). From spare change to real change: The social sector as beta site for business innovation. *Harvard business review*, 77(3), 122-123.
- Li, Q., & Liu, Y. (2009). Empirical research on the influence of corporate charity on human resource acquisition. *Economic Research Herald*, 25 (117), 1.

- Li, Y. (2016). Evaluation and prospect of charity tax relief system in China. *Journal of Beijing University of Aeronautics and Astronautics (Social Science Edition)*, 29 (1) (in Chinese).
- Li, Y. (2014). *A Study on the Legal System of Taxation on Public Welfare Donations in China*. Master's thesis, Harbin Engineering University, China. Retrieved from <https://kns.cnki.net/KCMS/detail/detail.aspx?dbcode=CMFD&dbname=CMFD201801&filename=1017243214.nh&v=MjKxMzdXTTFGckNVUjdxZmIrUnRGeURrVXJ6QlZGMjZHYkc4SGRQTnE1RWJQSVI4ZVgxTHV4WVM3RGgxVDNxVHI=>.
- Lin, X.g. (2015). Analytical induction and continuous comparison: An approach to qualitative research. *Peking University Education Review*, 13 (1), 16-39.
- Luo, D., & Tang, Q. (2009). Research on institutional environment and performance of Chinese private listed companies. *Economic Research*, 2 (108), 106-118.
- Luo, X., & Bhattacharya, C. B. (2006). Corporate social responsibility, customer satisfaction, and market value. *Journal of marketing*, 70(4), 1-18.
- Lu, C., Wu, J., & Zheng, B. (2016). An empirical analysis of the impact of corporate income tax policies on corporate charitable donations: A case study of 662 listed companies in China's A-share transactions in 2014. *Economic and Management Review*, 32 (3), 110-117.
- Ning, S., & Chen, Q. (2017). Research on the relationship between charitable donations, corporate social responsibility and real earnings management. *China Forestry Economy*, (5), 15-19 (in Chinese).
- Pandit, N. R. (1996). The creation of theory: A recent application of the grounded theory method. *The qualitative report*, 2(4), 1-15.
- Pirsch, J., Gupta, S., & Grau, S. L. (2007). A framework for understanding corporate social responsibility programs as a continuum: An exploratory study. *Journal of business ethics*, 70(2), 125-140.
- Qu, S., & Wu, J. (2017). Evaluation of the incentive effect of corporate income tax policies for charitable donations in China: A quantitative analysis based on the breakpoint regression design of China listed companies. *Economic and Management Review*, 33(1), 95-103.
- Song, B. (2018). Reform of corporate income tax system and development of charity. *Finance and Accounting Newsletter*, (8), 28 (in Chinese).
- Sui, W., Zhang, H., & Che, L. (2016). Serving benefits? An empirical analysis of the instrumentality of corporate charitable donations. *China Soft Science*, (3), 107-129 (in Chinese).
- Saia, D. H., Carroll, A. B., & Buchholtz, A. K. (2003). Philanthropy as strategy: When corporate charity "begins at home". *Business & Society*, 42(2), 169-201.
- Smith, C. (1994). The new corporate philanthropy. *Harvard Business Review*, 72(3), 105-114.
- Strauss, A., & Corbin, J. (Eds.) (1997). *Grounded theory in practice*. Thousand Oaks, CA: Sage.
- Sun, Y. (2016). Functional obstacles and improvement paths of the social assistance operation mechanism. *China Administration*, 10, 40-44 (in Chinese).

- Sen, S., Bhattacharya, C. B., & Korschun, D. (2006). The role of corporate social responsibility in strengthening multiple stakeholder relationships: A field experiment. *Journal of the Academy of Marketing science*, 34(2), 158-166.
- Vlachos, P. A., Tsamakos, A., Vrechopoulos, A. P., & Avramidis, P. K. (2009). Corporate social responsibility: attributions, loyalty, and the mediating role of trust. *Journal of the Academy of Marketing Science*, 37(2), 170-180.
- Wang, L. (2009). From the perspective of Weber's theory of social action, China's corporate charitable donation behavior-reflections caused by the Wenchuan earthquake. *Social Science Forum*, (2), 94-96 (in Chinese).
- Wu, J. (2010). Exploring preferential tax policies for charitable donations of Chinese companies. *Accounting Research*, (2), 26-28 (in Chinese).
- Wang, S., & Liu, S. (2016). Case study of Haier Group's business model evolution: "Enterprises that change over time." *Science of Science and Technology Management*, 37 (4), 70-78. (in Chinese).
- Wang, J., & He, A. (2011). Psychological attribution and policy intervention paths of consumers' low carbon consumption behavior: An exploratory study based on grounded theory. *Nankai Management Review*, 14 (4), 80-89 (in Chinese).
- Wang, G. (2010). Who directed the American charity show. *Social and Public Welfare*, (3), 82-84 (in Chinese).
- Xie, Y., & Ding, J. (2015). From survival relief to development relief: The development dilemma and perfecting path of China's social assistance system. *China Soft Science*, (11), 39-49 (in Chinese).
- Xu, X. (2007). *Research on corporate charity*. PhD dissertation , Tongji University, China . Retrieved from <https://kns.cnki.net/KCMS/detail/detail.aspx?dbcode=CDFD&dbname=CDFD9908&filename=2007219764.nh&v=MTE1NTkxRnJDVVI3cWZiK1J0RnIlaFU3ck9WMTI3R2JHNUY5YktxNUViUElSOGVYMUxleFITN0RoMVQzcVRyV00=>.
- Yin, R. K. (2003). Designing case studies. *Qualitative Research Methods*, 359-386 (in Chinese).
- Zhang, F., & Hu, G. (2012). Thinking on optimizing tax deductions for charitable donations in Chinese enterprises. *Economic Research Reference*, 42.
- Zhang, Q., & Han, Y. (2015). The current situation and development path of Chinese charitable donations-based on the analysis of Chinese charitable donations report. *China Administration*, (5), 18 (in Chinese).
- Zeng, J., Zhang, Y., & Yang, X. (2016). Religious belief and the keynote of personal social responsibility of senior management. *Management World*, (4), 97-110 (in Chinese).