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Analysis on corporate social responsibility fulfillment under operators perspective

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ABSTRACT

The small and medium-sized enterprises operators play an important role in making strategy of corporate social responsibility fulfillment. Only the small and medium-sized enterprise operators to correct positioned their own enterprise correctly in the first place, understood and fulfilled its social responsibility of the various stakeholders correctly, they can lead small and medium-sized enterprises to seek an appropriate strategy of social responsibility fulfillment according to their own characteristics. From the perspective of the enterprise operator, this paper through the questionnaire research based on Social Responsibility Investigation of SMEs in Anshan City and analysis of small and medium-sized enterprise operator to its various stakeholders to fulfill the social responsibility of the importance, to explore the reasons, and create conditions for guiding operator lead the enterprise to fulfill its social responsibility of the various stakeholders, to help small and medium-sized enterprise sustainable development.

KEYWORDS

Enterprise; Operators; Stakeholders; Social responsibility; Countermeasures.



INTRODUCTION

Corporate social responsibility refers to the enterprise must create profits and be responsible to the shareholders' interests, but also assume responsibility for the interest of government, employees, customers, suppliers, communities, natural environment and other stakeholders at the same time, in order to realize the enterprise and the sustainable development of society, economy and environment.

In 2011, "corporate social responsibility Blue book" published by Chinese Academy of Social Sciences shows that the overall social responsibility development index of our country enterprise is on the low side, seventy percent enterprises is serious lack of social responsibility.

And the number of small and medium-sized enterprises in our country is numerous, accounted for 99% of total number of enterprises. Small and medium-sized enterprises' impact can't be ignored in creating employment opportunities, improving labor conditions, guarantee product quality, and protecting the environment. Especially in recent years, global corporate social responsibility movement like the "green barriers" and "labor barriers" as representative's have great impact to our country enterprise, it will be an important way of sustainable development and keep survival ability for our country enterprise to fulfill social responsibility especially small and medium-sized enterprises.

In recent years, there is a lot of research about social responsibility, mostly for large enterprise or a listed company. By contrast, the study of small and medium-sized enterprises seems inadequate. In practice, small and medium-sized enterprises are lack of motivation in the performance of social responsibility due to the limitation of human, financial, material, and many other resources, some companies even are mercenary and letting their irresponsible behavior cause harm to society.

Most decision of small and medium-sized enterprises is decided by the business operators, therefore how to cause the enterprise operator attention to social responsibility to strengthen the management of small and medium-sized enterprise social responsibility fulfillment become a major practical subject in front of us.

This article takes Anshan as the background and surveys the conditions of small and medium-sized enterprise social responsibility fulfillment with the help of a questionnaire. Through research, analyze the degree of emphasis on their social responsibilities fulfillment to its various stakeholders in the content. Explores its cause and promotes advice for sustainable development of small and medium-sized enterprises to better fulfill the social responsibility for small and medium enterprises^[1].

ANALYSIS METHOD AND SYSTEM

"Corporate social responsibility" is introduced lately into our country, research also is in its infancy. Professor Yuan Jia fang (1990) said: "corporate social responsibility is in the fight for their own development and survival, it is the obligation for corporate to protect the state, society and people's fundamental interests at the same time. Yang qiu Lin (2005) argued that corporate social responsibility is the obligations for enterprise to pursue the community's long-term goal, beyond the obligations required by the law and the economy. In particular, corporate social responsibility means the business must not only create profit for the owners, but also undertake the social responsibility for employees, consumers, community and environment of social responsibility, Including abide by business ethics, to ensure production safety and occupational health, protect the lawful rights and interests of workers, protect the environment, support charity, to participate in social public welfare activities, to protect vulnerable groups, etc. The stakeholder theory is one of the most popular theories that are quoted by the scholars when they study corporate social responsibility. Many scholars set up content in evaluation analysis system according to the various stakeholders.

Analysis object

In this paper, according to the definition of stakeholder by Clarkson and the classification of the enterprise social responsibility by Carroll, corporate social responsibility is defined as:

Enterprises are in the pursuit of profit maximization for sustainable development purpose, at the same time they undertake the economic, legal, ethical and voluntary responsibility for stakeholders, including shareholders, creditors, employees, customers, business partners, government, community and environment, etc.

Analysis indicators

On the basis of the stakeholder theory and the sustainable development theory, according to corporate social responsibility evaluation content and data availability, identified the following evaluation index. See the follow:

The target of the evaluation index is U : Corporate social responsibility to fulfill.

One class index as follows:

- U_1 : Customer
- U_2 : Employees
- U_3 : Social
- U_4 : Government
- U_5 : Creditors
- U_6 : Investors

Secondary index as follows:

- U_{11} : Provide comprehensive, authentic products and service information in time, no misleading.
- U_{12} : And few consumer's legal dispute.
- U_{13} : Continuously improve the service and products in order to achieve customer satisfaction.
- U_{14} : Handling consumer complaint quickly.
- U_{21} : Provides employees with adequate internal training and in-service education.
- U_{22} : Enterprise signed labor contract with all employees and pay social security according to the new labor law.
- U_{23} : Establish and strictly follow the compensation system.
- U_{24} : Provide employees with health, safety, fair work environment.
- U_{31} : Take an active part in public welfare organization or association, and provides the donation.
- U_{32} : Sponsors for culture, education, sports and others.
- U_{33} : Vigorously promote energy conservation and emissions reduction activities.
- U_{34} : Vigorously carry out the garbage classification and sewage treatment, reduce pollution.
- U_{35} : Efforts to promote renewable energy or raw materials or recycled.
- U_{41} : The company actively, full specified amount pay taxes in accordance with the law.
- U_{42} : Observe the laws, regulations and rules and regulations.
- U_{51} : Repay the debt in time.
- U_{52} : There is no defraud loans behavior with false information.
- U_{61} : Have a perfect corporate governance structure and ensure the Stockholders' equity.
- U_{62} : Have a long-term and stable profit distribution plan^[2].

Index weight

The will of enterprises to fulfill the social responsibility and its various stakeholders content affect the degree of enterprise performance should have importance. In this paper, according to the experts to further determine the importance of each index weight. From the point of the present study, the commonly used method to determine the index weight with Delphi method, correlation weight method, principal component analysis method, office value method, analytic hierarchy process (AHP). Compared with other methods, the analytic hierarchy process (AHP) is a combination of qualitative and quantitative, systematic and hierarchical analysis method, so this article uses the AHP method to determine index weight.

(1) Judgment matrix

This article consulted 50 experts (experts from Anshan accept investigation of small and medium-sized enterprise operators), according to their idea about evaluation index system of the

corporate social responsibility, By the numerical calculation of the weighted average after comparing two elements, Take calculated results nearest scale into the judgment matrix.

(2) The weight vector. This paper calculated the judgment matrix of each column elements by using AHP method and make normalized processing to get a new matrix.

Adopt the analytic hierarchy process (AHP) to determine the weight, the half qualitative and semi-quantitative problem can be transformed to quantitative calculation by the effective way, Through the complex hierarchical decision-making system, Comparison of the relative importance of various related factors one by one, then with quantitative said, determine the relative importance order of all factors weights in mathematical method.

All levels of the weight are obtained by AHP software sets:

One class index weight sets:

$$A = \{0.1705, 0.0544, 0.0469, 0.3412, 0.0559, 0.3310\};$$

Secondary index weight sets:

$$A_1 = \{0.1444, 0.3915, 0.1444, 0.3917\};$$

$$A_2 = \{0.25, 0.25, 0.25, 0.25\};$$

$$A_3 = \{0.1818, 0.1818, 0.3636, 0.0909, 0.1818\};$$

$$A_4 = \{0.5, 0.5\}; A_5 = \{0.75, 0.25\}; A_6 = \{0.2, 0.8\}$$

(3)Consistency check

Using 1 ~ 9 scaling method, using AHP software structure judgment matrix, and test the consistency of judgment matrix, the results show that the results of the analytic hierarchy process (AHP) sorting has satisfactory consistency and the distribution of the weight is reasonable.

The results are shown in TABLE 1 below.

TABLE 1 : The factors weight table

code	weight	code	weight	code	weight
				U_{11}	0.0246
		U_1	0.1705	U_{12}	0.0668
				U_{13}	0.0246
				U_{14}	0.0545
				U_{21}	0.0136
		U_2	0.0544	U_{22}	0.0136
				U_{23}	0.0136
				U_{24}	0.0136
				U_{31}	0.0085
U	1			U_{32}	0.0085
		U_3	0.0469	U_{33}	0.0171
				U_{34}	0.0043
				U_{35}	0.0085
		U_4	0.3412	U_{41}	0.1706
				U_{42}	0.1706
U_5	0.0559	U_{51}	0.0419		
		U_{52}	0.0140		
		U_6	0.331	U_{61}	0.0662

$$U_{62} \quad 0.2648$$

RESULTS ANALYSIS

According to the survey from the perspective of the operator, Anshan operators of small and medium-sized enterprises to fulfill social responsibility importance sorting are shown in TABLE 2 and TABLE 2 below:

TABLE 2 : One class index weight sorting

Primary indicators	Weight sorting
government	0.3412
investors	0.331
customer	0.1705
creditors	0.0559
employees	0.0544
social	0.0469

TABLE 3 : The secondary index weight sorting table

The secondary indicators	Weight sorting
Vigorously carry out the garbage classification and sewage treatment, reduce pollution	0.0043
Take an active part in public welfare organization or association, and provides the donation sponsors for culture, education, sports and others	0.0085
Efforts to promote renewable energy or raw materials or recycled	0.0085
Provides employees with adequate internal training and in-service education	0.0136
Enterprise signed labor contract with all employees and pay social security according to the new labor law	0.0136
Establish and strictly follow the compensation system	0.0136
Provide employees with health, safety, fair work environment	0.0136
There is no defraud loans behavior with false information	0.014
Vigorously promote energy conservation and emissions reduction activities	0.0171
provide comprehensive, authentic products and service information in time, no misleading	0.0246
continuously improve the service and products in order to achieve customer satisfaction	0.0246
repay the debt in time	0.0419
handling consumer complaint quickly	0.0545
Have a perfect corporate governance structure and ensure the Stockholders' equity	0.0662
And few consumer's legal dispute	0.0668
The company actively, full specified amount pay taxes in accordance with the law	0.1706
Observe the laws, regulations and rules and regulations	0.1706
Have a long-term and stable profit distribution plan	0.2648

The ranking results from the above shows that the most attention of Anshan operators of small and medium-sized enterprises in fulfilling social responsibility is the social responsibility of the government and investors, while they have less importance to fulfill obligations to society and employees. The reasons are as follows:

First of all, corporate has most attention in fulfilling social responsibility to the government just because that some laws and regulations of the government have bigger influence on the small and medium-sized enterprises, Enterprises will be more severe punishment when touching on these

requirements, it's very difficult for small and medium-sized enterprises. So the small and medium-sized enterprises will positively have good relations with the government departments because they want to establish smooth and safe living environment^[3].

Secondly, emphasis of enterprises to fulfill their social responsibilities for investors was similar to the degree of attention to fulfill the social responsibility for government. The main reason is that most of these small and medium-sized enterprise operators for corporate investors, it is very normal that investors will be the main focus on the self-interest^[5]. While sort the results from the secondary index, A long-term and stable profit allocation scheme is the most seriously for Anshan operators of small and medium-sized enterprises, more than the social responsibility such as full specified amount pay taxes to the government and law-abiding. Because the main purpose of the investors is to obtain long-term stable profits, the starting point of its social responsibility performance can not run counter to the long-term stable profit, even more than the full specified amount pay taxes and abide by the law. This is enough to show that although the proprietor is very pay attention to the social responsibility of government to fulfill, but if the index hindered the long-term profit distribution, it is likely to take risks and break the law.

Thirdly, corporate has been paid more attention to fulfill the social responsibility for customer. Most of the operators think that continuous improvement of products or services and handling consumer complaints promptly can improve customer satisfaction, improve enterprise sales and obtain more economic benefits. Economic interest is the main aspect when operators making business decisions. When the cost of corporate social responsibility fulfilling is less than the economic benefits, the operator will fulfill their social responsibilities actively^[4].

Fourthly, fulfillment situation of corporate social responsibility for creditors is not be paid special attention to. When capital condition is bad, the enterprise might defraud loans by providing false information. Corporates might delay as far as possible for maturing debt, especially for the customer's accounts receivable, they will find all sorts of reasons to delay payment. This is because that the related laws and regulations are not sound at present and credit management system is lack in our country, the cost is not big for corporate debt default especially for the customer.

Fifthly, fulfillment of small and medium-sized enterprise social responsibility for employees in Anshan is less poor. Although most of the companies surveyed have signed labor contracts with all employees, and most of them also provide pension, medical and unemployment and other social insurance. But operators of small and medium-sized enterprise in Anshan attach little importance on those things such as if the payment they had provided is competitive in the local, if they had provided on-the-job training opportunities for staff, and how to improve the system of safe production and service operations process. The reason for the above phenomenon is that our country only had specifications such as minimum wages and other bottom line in this respect, but had not yet been set for all sorts of behavior code of conduct.

Finally, the most neglected is the fulfillment of social responsibility to society. It was also related to the lacks of social responsibility for environmental protection recently. Although small and medium-sized enterprise has the certain environmental protection consciousness, but its energy conservation consciousness and ability is poorer, energy conservation awareness is low^[4]. Paying big price for environmental protection is hard for small and medium-sized enterprise operators in the pursuit of economic benefits at the same time. Especially in the implementation of environmental protection, scientific standards is lack in our country, the majority of small and medium-sized enterprises do not know how to decide whether or not the products and raw materials were environmental, how to reduce pollution and reduce the pollution to what extent is the lack of a correct understanding. So the small and

medium-sized enterprises will not spend time and energy to classify garbage and sewage treatment. In addition, the attention degree is also not high for enterprise to carry out public welfare activities and provide sponsor.

ADVICE FOR SMALL AND MEDIUM-SIZED ENTERPRISES TO FUFILL SOCIAL RESPONSIBILITY IN ANSHAN CITY

In view of the characteristics of the small and medium-sized enterprises to fulfill social responsibility such as ability, anti-underpowered, consciousness, operators of small and medium-sized enterprises plays the big role in making strategy of corporate social responsibility fulfillment. Only the operators of small and medium-sized enterprise correct positioning their own enterprise in the first place, determine enterprise's development stage, they can seek suitable social responsibility management strategy according to the characteristics of small and medium-sized enterprises.

Perform social responsibility according to the life cycle of small and medium-sized enterprises

The social responsibility of the small and medium-sized enterprise had a limit which is their own ability, the primary responsibility of the enterprise is their survival and development, therefore, small and medium-sized enterprises in early-stage should focus on the implementation of social responsibility to abide by the law, ensure product quality, treat employees and consumers, return maturing debt in time, do not pollute the environment and other basic social responsibility^[5]. Thus can avoid more social responsibility cost happen in the future. Then the small and medium-sized enterprises were into the development of mature slowly and had stronger profitability, they can fulfill more social responsibility just like donations, supporting all kinds of public welfare activities and so on, gradually pull the social responsibility into the enterprises development strategy^[6].

Fulfill social responsibility through the communication with stakeholders

Small and medium-sized enterprises can implement the communication with stakeholders through some simple way, such as the use of informal communication between small and medium-sized enterprises and customers, employees, the mass media, local communities, government, thus they can share their values and corporate social responsibility to fulfill its performance as well as some of the results, improve enterprises reputation, won the support from all the world.

Government promote the enterprises to ferform social responsibility on the system

The government must be from policy, legislation and moral construction to strengthen building for the fulfillment of corporate social responsibility problem^[7]. On the one hand, enterprises must adhere to the scientific development concept as the instructions, emphasizes the social responsibility that the enterprises have to bear from legal system, make the corporate social responsibility into management system of legalization and standardization.

On the other hand, the local government must increase the intensity of law enforcement, check the fulfillment of enterprises social responsibility carefully and understand the management of enterprises dynamic in time. Those who are seriously irresponsible enterprises must be punished and those who earnestly implement corporate social responsibility of enterprises must be rewarded at the same time. The local government must guide the enterprise managers to change ideas and realize the sustainable development of enterprises.

Develop and promote corporate code of conduct actively

Explant the international effective approach "corporate codes of conduct" into china and promote it in Anshan enterprises combined with its characteristics. First, write the specific content of corporate social responsibility to fulfill into the "corporate code of conduct" and supervision by the community, take "corporate code of conduct" for the system, establish the evaluation system of the small and medium-sized enterprise social responsibility performance and regularly publish the evaluation results at

the same time. The implementation of the "corporate code of conduct" can play an important role in constraint corporate behavior, form the enterprise self-discipline and social supervision on behavior of enterprise social responsibility fulfillment^[8].

In short, performance of the corporate social responsibility requires the efforts of all the society, especially the business operators should change ideas, actively communicate with stakeholders, fulfill social responsibility strategic plan and seek sustainable development of small and medium-sized enterprise combined with the different features relate to the life cycle of enterprise and the enterprise's own characteristics.

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