

Research on the impact of corporate social responsibility policies on corporate activities and reputation

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Abstract: Although creating economic value is the cornerstone of corporate and social prosperity, promoting the sustainable development of enterprises and social environment requires the support of corporate social responsibility. The continuous advancement of globalization has highlighted the importance of corporate social responsibility. This article mainly focuses on the implementation of corporate social responsibility in the manufacturing industry. From the perspectives of sustainable development theory, stakeholder theory, and reputation theory, combined with the survey of manufacturing companies, this article measures the company's social responsibility implementation from the dimensions of corporate social responsibility factors, social responsibility policies, and social responsibility activities, as well as the relationship between the dimensions, and puts forward optimization suggestions for corporate social responsibility policies and activities.

Keywords: Social responsibility policy, social responsibility activities

1. Introduction

The concept of corporate social responsibility (CSR) was first proposed by British scholar Sheldon [1]. Since the 1970s, it has been studied by a large number of foreign scholars. In the research, the first question that scholars focused on was what CSR is. For example, Carroll's four-dimensional classification and pyramid model of CSR have been widely recognized and applied [2]. He proposed that in order to become a good corporate citizen, one should assume four responsibilities: economic, legal, ethical and philanthropic. Among them, economic responsibility is the foundation and occupies the largest proportion, followed by legal responsibility, ethical responsibility and philanthropic responsibility. With the deepening of subsequent research, people have paid more and more attention to the relationship between CSR and multiple stakeholders. From the perspective of stakeholders, CSR is defined as the behavior of enterprises voluntarily allocating their limited resources to improve social welfare, thereby improving and maintaining the relationship between themselves and their stakeholders [3]. Since then, the definition of CSR based on the stakeholder perspective has been widely used by scholars. At the same time, scholars began to pay attention to the role of CSR at the corporate level, analyzing the impact of CSR on corporate financial performance, brand assets, sustainable competitiveness, etc., as well as the importance of strategic CSR [4].

2. Theoretical Analysis and Research Hypothesis

In the 1960s, stakeholder theory gradually developed. During this period, research mainly focused on finding the stakeholders of an enterprise and its theoretical basis. Later, the most far-reaching influence was Freeman's definition of stakeholders in the 1970s. He believed that stakeholders are individuals or groups that can influence or be influenced by the process of achieving organizational goals [5]. Freeman later modified this concept. He believed that stakeholders are a group of people who benefit or suffer losses from the company's activities, and their rights will also be affected in this process.

Therefore, based on the perspective of the main and secondary stakeholders in the enterprise stakeholders, this paper constructs a dimensional framework of corporate social responsibility fulfillment factors to study the reasons why enterprises implement social responsibility. Combining sustainable development theory, institutional theory, reputation theory, and social exchange theory, the

following research hypothesis is constructed.

2.1 Study 1: The relationship between company age and frequency of corporate social responsibility activities

In 2018, scholars such as Purvis proposed the three main pillars of sustainable development, namely social sustainability, economic sustainability and environmental sustainability. Enterprises should take into account natural, human and economic capital in every action or decision to achieve sustainable development. As the main body of the economic society, enterprises, in the face of fierce domestic and international market competition, harsh market environment and other operating pressures, maintain the production concept of "honest operation, respect for human rights, green development, energy conservation and emission reduction", which is a way for corporate social responsibility to seek sustainable development. With the historical accumulation and growth of enterprises, they usually pay more attention to the interaction and mutual integration with the social environment. Long-standing enterprises may realize that social responsibility is not only a moral obligation, but also one of the important factors in establishing sustainable development. They will pay more attention to cooperation with stakeholders and commit to the sustainable development of society and the environment. In long-term operations, enterprises may also face more social pressure and regulatory requirements, especially in terms of social expectations gradually formed in the interaction with stakeholders. This forces enterprises to pay more attention to social responsibility in order to maintain their reputation, improve competitiveness and survive in the long run. Therefore, the longer the existence of an enterprise, the more frequent its attention to and activities on social responsibility may be. However, the relationship between the frequency of social responsibility activities and the years of corporate existence is not an absolute causal relationship, and is also affected by many other factors, such as industry characteristics, corporate culture, management philosophy, etc. Therefore, different companies may have different performances under specific circumstances.

In summary, hypothesis H1a is proposed: There is no significant relationship between the company's years of existence and the frequency of corporate social responsibility activities.

Alternative hypothesis H1b: There is a significant positive relationship between the company's years of existence and the frequency of corporate social responsibility activities.

2.2 Study 2: The impact of corporate social responsibility policies on corporate activities and corporate reputation

The new institutional theory emphasizes that the choice of corporate social responsibility policy is not only determined by the industry situation and the special resource capabilities of the enterprise emphasized by traditional strategic research, but also manifests itself as the formal and informal constraints in the special institutional framework faced by decision makers, that is, institutions are important endogenous variables that affect corporate social responsibility behavior [6][7]. DiMaggio and Powell's explanation of institutional mechanisms and the division of institutional elements not only reflect the characteristics of institutional legitimacy, but also comprehensively reflect the different levels of institutions, and have therefore been widely recognized and applied [8]. Based on the new institutional theory and the research results of the above two scholars, we propose that corporate social responsibility policies are mainly influenced by three institutional aspects: compulsory isomorphism such as government pressure, imitative isomorphism such as industry norms, and normative isomorphism such as institutional arrangements within the enterprise. Among them, the most fundamental institutional arrangement within the enterprise is corporate governance. Corporate governance coordinates the interests between the company and its stakeholders through a set of formal or informal, internal or external institutions or mechanisms to safeguard the interests of all aspects of the company. Therefore, corporate social responsibility policies guide, regulate and standardize corporate social responsibility activities through norms, risk management, transparency, employee training and performance evaluation to ensure that they have a positive and sustainable impact on reputation. The quality and effective implementation of policies are very important for playing this regulatory role.

In summary, hypothesis H2 is proposed: CSR policies moderate the impact of CSR activities on corporate reputation.

3. Research Methods and Data Sources

This study uses questionnaire analysis and case analysis methods, combining quantitative and qualitative analysis to explore the impact of corporate social responsibility (CSR) policies and activities on company reputation and employee organizational citizenship behavior. The questionnaire consists of four parts: the first part mainly analyzes the basic situation of the manufacturing industry; the second part mainly analyzes the factors for fulfilling corporate social responsibility; the third part mainly analyzes the formulation of corporate social responsibility; the fourth part mainly analyzes the implementation of corporate social responsibility activities. The questionnaire assigns values to each questionnaire result, uses Excel and SPSS for descriptive statistics and model empirical analysis to analyze the collected data, and based on the analysis conclusions of corporate social responsibility, proposes suggestions for enterprises to optimize social responsibility policies and activities based on the research results.

The data of this study comes from the management and ordinary employees of manufacturing enterprises with different organizational structures. A total of 300 questionnaires were distributed and collected in this survey, and 300 valid questionnaires were obtained, with a questionnaire efficiency of 100%.

4. Descriptive Statistics and Empirical Analysis

4.1 Descriptive Statistics

4.1.1 Basic information of the company

Table 1: Basic enterprise information statistics

		frequency	percentage	Effective percentage	Cumulative percentage
Organization name	State-owned enterprises	75	25	25	25
	Foreign-funded enterprises	72	24	24	49
	Sino-foreign joint ventures	80	26.7	26.7	75.7
	Private enterprises	73	24.3	24.3	100
Years of the company	10 years and less	115	38.3	38.3	38.3
	11-20 years	123	41	41	79.3
	21-30 years	27	9	9	88.3
	More than 31 years	35	11.7	11.7	100
Number of employees	50-100 people	100	33.3	33.3	33.3
	100-500	106	35.3	35.3	68.7
	500-1000	51	17	17	85.7
	1000 or more	43	14.3	14.3	100
Social Responsibility Department	Yes	280	93.3	93.3	93.3
	not	20	6.7	6.7	100

According to the results of the questionnaire on the basic information of enterprises, the surveyed enterprises are divided into four types. It is found that the four types of enterprises surveyed are evenly distributed, accounting for 24%-27%. Among them, Sino-foreign joint ventures account for the largest number, accounting for 26.7%, and foreign-funded enterprises account for the smallest number, accounting for 24.3%. In terms of company age, the number of companies with 11-20 years is the largest, accounting for 41%, and the number of companies with 21-30 years is the smallest, accounting for 9%. In terms of the number of employees, there are more companies with less than 500 people,

among which companies with 50-100 and 100-500 people account for 33.3 and 35.3% respectively, and companies with more than 1,000 people account for the smallest number, accounting for 14.3%. See Table 1 for details. In terms of the establishment of social responsibility departments, 93.3% have corporate social responsibility departments, indicating that with the development of companies, enterprises are paying more and more attention to the importance of social responsibility to the sustainable development of enterprises.

4.1.2 Social responsibility reasons

According to the analysis of the questionnaire results on the reasons for corporate social responsibility, the overall average of the reasons for corporate social responsibility selection is 3.64 points, indicating that the weight of each factor on the choice of corporate social responsibility is relatively high. Specifically, the average values of 11 corporate social responsibility factors are higher than 3.60 points, and only one factor is selected lower. Among them, the factor of taking corporate social responsibility due to the company's philosophy and vision has the highest score of 3.79 points, followed by the factors of taking corporate social responsibility due to environmental protection organizations and investors, with scores of 3.78 and 3.76 respectively, and the factor of taking corporate social responsibility actions due to community pressure has the lowest score of 2.96 points, indicating that the vision and concept of the company's leaders and operators have an important impact on the fulfillment of corporate social responsibility. In addition, for manufacturing enterprises, environmental pressure and investor pressure determine whether the enterprise can obtain sufficient financial support and continue to operate well. As for community pressure, it may be because manufacturing enterprises are mostly located in remote places with sparse population and large land. On the one hand, the community has less impact on enterprises, and enterprises pay less attention to this.

4.1.3 Social Responsibility Policy

According to the analysis of the questionnaire results on social responsibility policies, the overall average score of corporate social responsibility policies is 3.69 points, indicating that the content of corporate social responsibility policies is relatively rich. Specifically, the average value of each social responsibility policy content is higher than 3.60 points, indicating that the content of each social responsibility policy is relatively balanced and complete. Among them, the average score is the highest in formal business behavior and compliance (anti-policy, anti-corruption, bribery, etc.) policies, as well as product quality and safety policies, which is 3.76 points. This shows that manufacturing companies give priority to the legality and compliance of the company and the quality and safety of the product in the formulation of social responsibility policies. The above two points have an important impact on companies avoiding negative factors at the legal level and are also the primary conditions for companies to maintain normal operations. The lowest scores are 3.60 and 3.62 points respectively in terms of policies on respecting human rights and respecting employees' freedom of association. This shows that there is still a lot of room for improvement in companies' social responsibility policies related to employees. It also reflects from the side that for manufacturing companies, for grassroots employees and other grassroots labor, there may be a lack of human rights protection.

4.1.4 Social Responsibility Activities

According to the analysis of the questionnaire results on social responsibility activities, the overall average score of corporate social responsibility activities is 3.48 points, indicating that the frequency level of corporate social responsibility activities needs to be improved. Specifically, 9 corporate social responsibility activities have an average score higher than 3.6 points, and 4 corporate social responsibility activities are lower than 3.0 points, indicating that the implementation level of corporate social responsibility activities is polarized. Among them, activities to protect the environment, promote health and well-being, promote gender equality and empower women, and donate to charities have the highest average score, which is above 3.75 points, indicating that companies attach importance to social sustainability and ecological environmental sustainability. In terms of activities to support improvements in the education sector, activities that help spread sports and athletics, activities that help protect the local heritage of the community/city/country, and support for small entrepreneurs, the average scores are the lowest, which are 2.99, 2.95, 2.91 and 2.95 points respectively, indicating that for manufacturing companies, the above social responsibility activities are less relevant to the interests of the company.

4.2 Empirical analysis

4.2.1 The impact of corporate existence on the frequency of corporate social responsibility activities

As can be seen from Table 2, the linear regression analysis is performed with the company's years of existence as the independent variable and the frequency of corporate social responsibility activities as the dependent variable. From the table above, it can be seen that the model formula is: Corporate social responsibility activity frequency = 3.414 + 0.034*Company years of existence, and the model R square value is 0.003, which means that the company's years of existence can explain the 0.3% change in the frequency of corporate social responsibility activities. When the model was tested for F, it was found that the model did not pass the F test ($F=0.903$, $p=0.343>0.05$), which means that the company's years of existence will not have an impact on the frequency of social responsibility activities, so it is impossible to specifically analyze the impact of the independent variable on the dependent variable, and hypothesis H1a is verified.

Table 2: Results of linear regression analysis (n=300).

	Non-normalized coefficients		Normalization factor	t	p	Collinear diagnostics	
	B	Standard error	Beta			VIF	Tolerance
constant	3.414	0.076	-	44.652	0.000**	-	-
The number of years the business has been in existence	0.034	0.035	0.055	0.95	0.343	1	1
R ²	0.003						
Adjust R ²	0						
F-value	F (1,298)=0.903,p=0.343						
D-W value	0.619						
Dependent variable: frequency of social responsibility activities							
* p<0.05 ** p <0.01							

4.2.2 The impact of corporate social responsibility policies on corporate activities and company reputation

Table 3: Regulatory effect analysis results - simplified format

	Model 1	Model 2	Model 3
constant	3.673** (94.180)	3.673** (96.322)	3.550** (78.680)
Corporate Social Responsibility Activities	0.637** (9.632)	0.384** (4.160)	0.071 (0.641)
Corporate Social Responsibility Policy		0.377** (3.835)	0.204** (2.003)
CSR Activities * CSR Policy			0.523** (4.688)
Sample size	300	300	300
R ²	0.237	0.273	0.324
Adjust R ²	0.235	0.269	0.317
F-value	F (1,298)=92.779,p=0.000	F (2,297)=55.876,p=0.000	F (3,296)=47.206,p=0.000
ΔR ²	0.237	0.036	0.05
ΔF-value	F (1,298)=92.779,p=0.000	F (1,297)=14.706,p=0.000	F (1,296)=21.973,p=0.000
Dependent variable: Company reputation			
* p<0.05 ** p<0.01 t values in parentheses			

Table 3 reports the impact of corporate social responsibility policies on corporate social responsibility activities and corporate reputation. According to the data type, the independent variable (frequency of corporate social responsibility activities) and the moderating variable (corporate social responsibility policy) are centered, and the dependent variable (corporate reputation) is not processed. In Model 1, the independent variable (social responsibility activities) is significant ($t=9.632$, $p=0.000<0.05$). This means that social responsibility activities have a significant impact on corporate reputation. In Model 2, the corporate social responsibility policy is added as a moderating variable to the equation, and the regression equation is obtained ($t=3.835$, $p=0.000<0.05$), and the regression coefficient is 0.377, indicating that the variable is significant at the 5% statistical level, and the coefficient is positive, indicating that the corporate social responsibility policy has a significant positive impact on corporate social responsibility activities and corporate reputation. In model 3, the interaction term between CSR activities and CSR policies is significant ($t=4.688$, $p=0.000<0.05$), indicating that CSR policies have a moderating effect, with a regression coefficient of 0.523, which means that the

moderating variable (CSR policy) significantly enhances the impact of CSR activities on corporate reputation. Therefore, hypothesis H2 is rejected.

From Table 3, we can see that the mediation effect analysis involves 3 models, as follows:

$$\text{Corporate reputation} = 3.673 + 0.637 * \text{CSR activities}$$

$$\text{Corporate reputation} = 3.673 + 0.384 * \text{CSR activities} + 0.377 * \text{CSR policies}$$

$$\text{Corporate reputation} = 3.5503 + 0.071 * \text{CSR activities} + 0.204 * \text{CSR policies} + 0.523 * \text{CSR activities} * \text{CSR policies}$$

5. Conclusion and Recommendations

Through the empirical analysis of the years of existence of enterprises, corporate social responsibility policies, and corporate social responsibility activities, the following conclusions are drawn: First, the years of existence of enterprises have no effect on the frequency of corporate social responsibility activities. Second, the frequency of corporate social responsibility activities has a significant positive impact on corporate reputation. Therefore, based on the above conclusions, this paper combines the perspective of stakeholders to put forward relevant suggestions from the aspects of corporate social responsibility policy formulation, corporate social responsibility activity implementation, and organizational citizenship behavior, in order to enhance corporate reputation and promote sustainable development of corporate operations.

5.1 Improve corporate social responsibility policy formulation

Firstly, companies ensure that their Corporate Social Responsibility (CSR) policies align with their vision, mission, and core values by clearly defining their goals and values. By clearly defining CSR goals and values, companies can guide their social responsibility actions, strengthen their corporate image, and ensure that all actions align with their long-term strategic goals. Secondly, companies can transform their social responsibility goals into actionable action plans by developing specific action plans and setting quantifiable and measurable indicators. Enterprises can develop detailed steps and timelines to effectively implement various social responsibility projects and initiatives, ensuring clear direction and progress towards achieving goals. Thirdly, enterprises should proactively align their social responsibility with business strategies, ensuring that social responsibility policies are closely related to the company's business strategies. Corporate social responsibility activities should be integrated with the company's core business, aiming to achieve dual benefits of commercial value and social value, and enhance the overall competitiveness of the enterprise. Fourthly, enterprises should establish anti-corruption and ethical standards, formulate strict anti-corruption policies and ethical norms, and ensure that their operations follow the principles of integrity and morality. Enterprises can strengthen their culture of integrity, prevent inappropriate behavior, maintain their reputation, and promote long-term sustainable development by establishing internal control and supervision mechanisms.

5.2 Enhance the implementation of corporate social responsibility activities

Firstly, enterprises actively engage in dialogue and cooperation with stakeholders such as employees, customers, suppliers, communities, and non-governmental organizations to understand their expectations and concerns, and incorporate their feedback into the decision-making process. Enterprises can establish partnerships, enhance transparency, achieve win-win situations, and promote the deepening of social responsibility practices. Secondly, by enhancing communication and transparency, enterprises can establish clear communication channels and showcase their efforts and achievements in social responsibility to internal and external stakeholders. Enterprises use various platforms such as social media, corporate websites, and sustainability reports to regularly share their social responsibility progress and impact, enhancing the transparency and credibility of corporate information. Thirdly, enterprises should regularly evaluate and review the implementation effectiveness of their social responsibility policies, identify opportunities for improvement, continuously track and monitor key performance indicators, and ensure that social responsibility actions are continuously optimized and iterated to adapt to changing environments and stakeholder needs. Fourthly, enterprises must comply with applicable laws, regulations, and industry standards to ensure compliance in their operations. By strengthening information disclosure and providing accurate, comprehensive, and timely

information to stakeholders, enterprises can enhance their transparency and trust.

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