A Study on Present Situation of Corporate Social Responsibility of Listed Companies in Shaanxi Province

Wen Han¹, Jiannan Zhang²

¹Junior College of Arts & Business, Institute for Corporate Social Responsibility, Xi’an Siyuan University
²Institute for Corporate Social Responsibility, Xi’an Siyuan University

Keywords: Corporate social responsibility, Listed companies, Present situation, Shaanxi

Abstract: In order to study present situation of corporate social responsibility (CSR) of listed companies in Shaanxi Province, this paper adopts case study method. To meet this aim, this paper studies the current situation of CSR from reality situations, problems and how to solve the problem. As a result, this paper finds two core problems in CSR of listed companies in Shaanxi Province, including the poor consciousness of fulfilling social responsibility, and the imperfect disclosure of social responsibility information. At last, this paper gives suggestions to solve the problems from three aspects: government, enterprise and the public.

1. Introduction

An enterprise is an organisational form in which multiple stakeholders work together. While earning more profits, it should also fulfil corresponding responsibilities to each stakeholder. The absence of corporate social responsibility will damage the interests of relevant enterprises and cause problems in all aspects of food, clothing, housing, and transportation. Shaanxi, as a traditional economic province, in the new era, enterprises in Shaanxi should not only achieve significant breakthroughs in the speed of economic development and profit margin, but also pay attention to the fulfillment of social responsibility, safeguard the reputation of enterprises, safeguard the interests of stakeholders, and enhance the competitiveness of enterprises in the process of healthy and sustainable development in the transformation of new and old momentum.

2. The Present Situation of Shaanxi Enterprises’ Social Responsibility

2.1 Achievements.

At present, more and more Shaanxi enterprises are beginning to realize the importance of fulfilling their social responsibility, such as Shaanxi Sun Paper Co., Ltd. adheres to the value of “being a socially responsible enterprise”, safety production, product quality, environmental protection, community service, taxation and other aspects will not be neglected; Qingdao Beer Co., Ltd. has awarded a share in the food and beverage industry. Best Social Responsibility Report for Municipal Companies. In a word, Shaanxi enterprises have achieved a lot in fulfilling their social responsibility.
1) Increase in charitable activities. Shaanxi enterprises have made great progress in the charitable donation and community public welfare activities. More and more enterprises are facing natural disaster donation. Some enterprises have set up special public welfare foundations to support poor students and poor areas. According to the survey, private enterprises have begun to lead other types of enterprises in this regard.

2) Labour relations have improved. In recent years, enterprises are facing fewer major labor disputes, and have begun to pay attention to the interests of employees, set up similar organizations such as trade unions, strengthen communication between enterprises and employees, understand employees’ ideas, solve various problems such as marriage, financial constraints for employees, and reduce the phenomenon of wage arrears, and can pay social and medical insurance in full.

3) Environmental protection has achieved results. Since 2017, Shaanxi Province has been faced with strict environmental protection inspection, ranging from small farms to large polluting enterprises, which are facing the risk of closure caused by pollution. At the beginning of 2018, Shandong Province held a mobilisation Conference for the conversion of new and old kinetic energy; so many enterprises began to seize the opportunity to transform and develop study and introduce new technologies, innovative production methods, reduce pollutant emissions, and make contributions to the protection of the natural environment.

4) Improve the quality of products and services. With the opening of government affairs and major hotlines, more and more enterprises begin to attach importance to the quality of products and services, eliminate product fraud, improve product quality, enhance service awareness, and to a certain extent protect the interests of consumers. For example, Shaanxi Shiheng Special Steel Group insists on quality first and has won the title of “Shaanxi Customer Satisfaction Enterprise”.

2.2 Existing problems.

Although Shaanxi enterprises have made some achievements in fulfilling their social responsibilities, most of them only implement the government's policies according to the regulations. According to Running Global Corporate Social Responsibility Scoring Data, Shaanxi Province ranks only 19 in the average comprehensive score of social responsibility, not in the middle ranks. Therefore, generally speaking, enterprises still have problems of low awareness and inadequate disclosure in fulfilling their social responsibility.

1) The consciousness of fulfilling social responsibility is not strong. Among the listed companies that issue social responsibility reports, some are voluntary, and regulations issue some. The survey of social responsibility reports issued by listed companies shows that only 39.9% of listed companies issued social responsibility reports for voluntary purposes in 2014, which shows that the awareness of fulfilling social responsibility is not strong.

2) The disclosure of social responsibility information is imperfect. Enterprises can disclose social responsibility information in the form of social responsibility reports. Enterprises with social responsibility reports can also verify the reports by third parties to enhance their authenticity. However, the practice of most enterprises in Shaanxi Province in this respect is only superficial. On the one hand, some enterprises do not issue social responsibility reports or reports are too general and lack quantitative data indicators; on the other hand, even if social responsibility reports are issued, there are no corresponding evaluation criteria and third-party supervisory bodies, so the real reliability cannot be discussed.

3. Causes for the Lack of Corporate Social Responsibility in Shaanxi Province

3.1 The inadequate attention from the government

Throughout the government's policies, there is no unified definition of how enterprises perform
their social responsibilities, and the responsibilities of various stakeholders remain only at the level of non-violation of the law, lacking specific and deep-seated requirements, and no targeted rewards and punishments, which leads some enterprises to seize this loophole and avoid assuming corresponding social responsibilities.

3.2 Lack of guarantees for enterprise execution.

According to the current situation of corporate social responsibility, only when enterprises operate normally and obtain corresponding profits can they guarantee their attitude towards social responsibility. For those enterprises which have been established for a long time and are subsidised by the government, the normal operation of the enterprises is not a problem. But for the enterprises in the initial stage, in the fierce competition environment, the capital chain and supply chain are facing greater challenges, which leads to the situation that the enterprises are unable to fulfil their social responsibilities.

3.3 Insufficient supervision mechanism.

At present, there is no special comprehensive organisation to supervise the performance of corporate social responsibility to investors, employees, consumers, the environment and other stakeholders. Also, most employees, consumers, and the public are not aware of supervision. Employees’ awareness of safeguarding rights reduces due to managers' pressure. Consumers are most troubled. They respond by “no longer cooperating with enterprises”. The public occasionally finds that the lack of corporate social responsibility generally chooses the attitude of “more than one thing”, which ultimately leads to the supervision mechanism.

4. Countermeasures to optimize the performing of Social Responsibility by Shaanxi Enterprises

According to the analysis of the problems and reasons of Shaanxi enterprises’ fulfilling social responsibility, it is necessary to form an optimised system of “government-led, enterprise execution and public supervision” to fulfil corporate social responsibility.

4.1 Government

The government is the leader and supervisor of enterprises to fulfil their social responsibility. It plays a macro-control role in enterprises to fulfil their social responsibility. It must guide enterprises correctly and formulate corresponding policies and rewards and punishments restraint mechanism.

1) Formulate the template of social responsibility report and design the third-party verification system. The government should formulate the template of social responsibility report, require enterprises to issue a uniform form of social responsibility report regularly, so as to facilitate uniform review, make a fair evaluation of the implementation of corporate social responsibility, and set up a special auditing body for social responsibility report to verify the authenticity of social responsibility report to the public.

2) Take the fulfilment of social responsibility as the evaluation standard of enterprises. The government should employ experts to formulate a unified social responsibility evaluation standard for Shaanxi enterprises in light of the current economic situation in Shaanxi, including environmental protection, public welfare, employees, consumers, investors, and other aspects, periodically evaluate, and establish corresponding files to record, give certain rewards to enterprises with better performance of social responsibility, and publicly commend them for their performance. Enterprises that are slack in their social responsibility should notify and punish.

3) To guide enterprises to fulfil their social responsibility. Because different types of enterprises
and enterprises at different stages have different abilities to fulfil social responsibility, the
government, as a leader and regulator, cannot generalise this. It should provide policy support for
the differences of enterprises, such as considering the nature of the industry, the scale of enterprises,
the growth stage of enterprises and other factors, to formulate corresponding safeguard measures for
fulfilling the social responsibility party. In the face of the existing stage problems, we can consider
giving preferential tax and loan to help enterprises overcome the “difficulties” and realise corporate
social responsibility with greater potential and benefits.

4.2 Enterprises.

Enterprises are the main body of fulfilling social responsibility. They can not regard fulfilling
social responsibility as a burden, nor can they take fulfilling social responsibility as a formality and
superficial. Shaanxi enterprises should respond to the call of the government, consciously enhance
the sense of responsibility, voluntarily fulfil social responsibility, and safeguard the interests of
investors, employees, consumers, the public and other stakeholders.

1) Strengthen the consciousness of fulfilling social responsibility. In the process of development,
enterprises should constantly instill the concept of social responsibility, create a good corporate
culture atmosphere, so that investors and employees can realize the importance of fulfilling social
responsibility, regularly carry out propaganda lectures, strengthen the exchanges between
enterprises with outstanding achievements in fulfilling corporate and social responsibility, and pay
attention to the fulfilment of social responsibility consciously.

2) Enhance the ability to fulfil social responsibility.

The normal operation of enterprises is the guarantee of fulfilling social responsibility. Therefore,
if Shaanxi enterprises want to enhance their ability to fulfil social responsibility, they must seize the
new opportunities of transformation and development of Shaanxi Province to seek new economic
growth points and make their development stronger. Both production methods and management
concepts should be innovated to obtain more profits and ensure the fulfilment of social
responsibility.

4.3 The public.

The performance of corporate social responsibility will affect the interests of the public, so the
public can be said to be the beneficiaries and supervisors of the performance of social responsibility.
At present, the speed of network information dissemination is very fast, which provides a certain
convenience for the supervision of the public. When the public encounters problems such as
environmental pollution by enterprises and the production of counterfeit and inferior commodities,
they should safeguard their rights truly and responsibly, restrain the immoral behaviour of
enterprises, and constantly supervise their performance of social responsibility.

References

pp.21-67.