

## Research Article

### Research on the Corporate Social Responsibility and Organizational Performance: Management Practices in Chinese Food Enterprises

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**Abstract:** With the progress of society competition, corporate social responsibility has attracted more and more attention of the whole society. The corporate social responsibility is no longer being treated as a slogan, but as a strategic behavior and practice. In recent years, China's food processing problems were happened frequently, food safety incidents have seriously damaged the consumer's confidence. In this study, we analyze the influence of the social responsibility on organizational citizenship behavior in food enterprises. By using reliability analysis and multiple regression analysis, we make empirical analysis to test the effect of social responsibility on organizational performance; the result shows that corporate social responsibility will have positive effect on organizational performance. On this basis, we put forward relevant policy suggestions.

**Keywords:** Corporate social responsibility, food enterprises, management practices, organizational performance

#### INTRODUCTION

The enterprise ethics management in international academic circles has been paid more and more attention, enterprises generally recognized business ethics progress is the inevitable direction of the development of the market economy and the international excellent enterprises have the moral and ethical management used in the daily management of enterprises (Lynes and Andrachuk, 2008). According to the "fortune" magazine survey found that, in the world's top 500 enterprises, 90% enterprises specially formulated the moral code of conduct manual. Enterprises begin to pay attention to social responsibility and business ethics, pay attention to the important role of social responsibility and business ethics in the process of enterprise development (Walker and Parent, 2010; Francesco *et al.*, 2008). The development of market economy of our country starts late, the market system is still not perfect and how to promote the construction of the ethics of domestic enterprises and make it effective to guide the day-to-day management of the enterprise has become an important content of the research in academic circles and enterprise managers (Soo and Hyejoon, 2010). Along with the development of economic environment, business increasingly standardized, enterprises must properly handle these problems. On the one hand, from the perspective of international economic trade, trade and economic globalization, multinational companies and domestic enterprise requirements are gradually improve, constantly set up all sorts of trade barriers, such as environmental standards, labor standards barriers (Julien, 2006). The domestic enterprises in the

economic globalization competition advantage for enterprise stakeholders trust it the enterprise can continue to focus on problems. On the other hand, the domestic market is also in constant development and perfection, the standardization of the market, the improvement of the legal system, to construct harmonious society and scientific development concept put forward by the party, enterprises must seek for a scientific and rational development of the road, to remain competitive in the domestic market, the enterprise ethics construction to provide effective soft binding ability for the management and development of enterprises, it is the survival and development of enterprises competitiveness.

A series of academic research and the case shows that the ethical principles as the enterprise behavior guidance (Harmen *et al.*, 2006), at the same time, some scholars pay attention to employee moral quality and pointed out that the stakeholders of the company will get more economic benefits when it has high business responsibility and in this issue its competition ability will bigger than peers (Becker-Olsen *et al.*, 2006). This from a certain extent, reflect the enterprise to win the competitive advantage, must pay attention to business ethics advice. From the beginning of 1950 s, the theory of corporate social responsibility began to develop, especially to the 60's of the twentieth century; many scholars began to research on corporate social responsibility. In the 70 s, the enterprise shall undertake the social responsibility debate more intense (Bert, 2008), which led to the formation of the theoretical system of corporate social responsibility, then followed the empirical research about the theory of corporate social responsibility, especially the development of

stakeholder theory, business ethics and ethical maturity. Shu-Ling *et al.* (2014) find out that shortage of human resources is the major obstacle to CSR implementation and that no mandatory regulation is the first priority in terms of needing improvement for CSR implementation. Belen *et al.* (2014) pointed out the strategic integration of corporate social responsibility in the business core implies the communication between a company and its stakeholders. The increasing importance of corporate social responsibility to entrepreneurial policies has made it a leading topic in the literature. Ibrahim and Almarshed (2014) said that Corporate Social Responsibility (CSR) has become one of the principal components of corporate strategy. Hortensia *et al.* (2014) investigate the level of awareness of corporate social responsibility concept and identify how CSR activities are planned and organized. Christian and Jeremy (2013) explores how UK financial and ethical media construct the financial sector's social ir/responsibility in the context of the financial crisis and resultant recession. Findings reveal tension in the discourses concerning the sector's ability to "heal itself".

There are also many scholars research on the relationship between business ethics and enterprise performance, especially in food enterprises. Tayşir and Pazarçık (2013) aimed to understand the strategic management field's opinions about corporate governance, social responsibility and business ethics concepts. Duane (2013) pionted out that Defining and delimiting Corporate Social Responsibility (CSR) and irresponsibility (CSI) are key interdependent tasks that can contribute to the development of multiple international policy regimes favoring CSR and disfavoring CSI. Hui *et al.* (2014) examined CSR in the context of the Chinese hotel industry and explored CSR and its internal consequences from employees' perspective. Kong (2012) studies how the investors respond to corporate social responsibilities of listed firms in food industry, by using the melamine contamination incident in China as an exogenous shock. Zhang *et al.* (2014) analyze the corporate social responsibility provides principles and guidelines for food risk management and find the driving factors for both CSR and FRM. Lee *et al.* (2014) considers providing healthful food options and nutrition information as strategies for creating healthful eating environments at restaurants and aims to develop a theoretical explanation of consumer reactions to such actions that incorporates perceived corporate social responsibility.

## MATERIALS AND METHODS

**Questionnaire design:** Questionnaire is a technique of researchers to collect data, it can be said is the behavior and attitude of the individual of a measurement technique; its function mainly is to measure, especially on some main variables measure. The main function of the questionnaire is to measure the variables that need

to study, so the questionnaire must be targeted for the variables. Questionnaire design to adhere to the principle of two aspects: Get what you want to get information, too much or too little. Understand and analyze the use of your data, as close as possible to the research question and hypothesis. Before questionnaire design, we should decide some problems of the following five types:

- Determine the primary and secondary data collection methods, such as access, questionnaire, observation and reading literature
- Decided to remove the methods of subjects, including support institutions, research purpose, data confidentiality and not to be named, etc
- Decided to set up within the framework of the questionnaire problem of continuity, order and other skills
- Decided to each variable, namely each sequence of consecutive questions
- Decided to use a preprogrammed answers or free to answer the question.

Questionnaire mainly uses the usual form of, with rigorous theory and related academic research achievements, especially with regard to a constitutive read the concept, theory and empirical research of, with related observed variables or indicators to construct measure, mainly used for executives and human resource managers tube of executives and human resource management department senior management personnel questionnaires for data collection. Study involving all the variables using Likert scale, respectively to corporate social responsibility with four observed variables as economic responsibility, legal responsibility, ethical responsibility and spontaneous responsibility to carry the scoring; organizational performance is respectively the two observed variables as operational performance and financial provided performance. Organizational performance mainly by subjective performance evaluation method, the objective performance appraisal method is not used, mainly because of the need for objective evaluation method of data relates to the subjects of confidential commercial enterprises, many companies reluctant to expose the true, such as the rate of return on assets and many objective financial measure index, so we adopt is subjective evaluation indicators such as market share ratio, profitability and market growth rate and other indicators.

**Sample and statistical analysis:** Our choice is mainly depend on the investigation of the food enterprise scale, mainly from employees to carry out the provisions; we must request the number of employees in more than 100 food enterprises. We surveyed the requirements of

Table 1: The statistical analysis of the sample

Item	Content	Number	Percent (%)
Gender	Male	174	58.0
	Female	126	42.0
Age	Under 30	44	14.66
	31-40	102	34.0
	40-50	93	31.0
	More than 50	61	20.33
Education background	High school and college	79	26.33
	Undergraduate	126	42.0
Position	Graduate	95	31.66
	employees	201	67.0
	First-line managers	76	25.33
	Middle managers	23	7.66
Working year	Less than 1year	25	8.34
	1-5 year	101	33.66
	6-10 year	80	26.67
	More than 10 years	94	31.33

enterprises must have a clear strategy, including human resources management strategy and corporate social responsibility strategy. Our investigation of the food enterprises have not set up the corporate social responsibility of the functional departments, corporate social responsibility departments mainly lies in the hands of the enterprise executive team and high-level decision-making team, but part of it relates to with employees about the corporate social responsibility management functions are almost always in the hands of the human resources management of departments in the, so we survey or questionnaire respondents were mainly is in charge of the enterprise human resources executives.

Before distribute questionnaire, we have chosen the nearly 10 companies to relevant personnel interviews and make questionnaire test, mainly to test our questionnaire design is consistent with the corporate social responsibility and organization performance management is consistent. In the pre investigation, we mainly test questions and relevant theoretical research kernel consistency and enterprise management practice, comparison and modification of the context words and ambiguous expression content of comprehensive improvement and revision the work, then we make coil design more scientific and more reliable data, in order to make the reliability and validity of the obtained

consistency and make more accurate measurement of relevant variables. The survey questionnaires were distributed to 350, which the network issuing the questionnaire 300 copies, by letter post 50 questionnaires, network publishing questionnaires recovered 270 questionnaires, recovery rate of 90%, the letters mailed questionnaire recovery 30 copies, the recovery rate of 60%, recovery of the entire 300 copies of effective questionnaires, questionnaire recovery rate is 86% and are all valid questionnaires. Then we make the statistical analysis of the sample, as shown in Table 1.

**Variable description:** The independent variables is corporate social responsibility, there are four primary indicators of corporate social responsibility as economic responsibility, legal responsibility, ethical responsibility and spontaneous responsibility. All indicators were shown in Table 2. The intermediary variables is organizational identification, the dependent variable is organizational performance.

## RESULTS AND DISCUSSION

**The reliability analysis:** In this section, we make reliability analysis of organizational social responsibility based on organizational social responsibility and organizational performance. For the analysis of the reliability of the scale, this study excludes certain items after the general correlation coefficient (CITC) and the Cronbach's alpha coefficient of the evaluation and test. Cronbach's alpha coefficient ranged from 0 to 1, the academic circles generally believe that 0.7 is the scale of the boundary value, a series of numerical above 0.7 is better, a numerical between 0.7-0.8 is pretty good; a figure of between 0.9 very good. If below the 0.35, then must be rejected. Through analysis of SPSS17.0 software, in the overall sample of the internal consistency analysis results are shown in the following table shows the Cronbach's alpha coefficient of 0.954, indicating that the data obtained by the formal investigation has good reliability. And we make the reliability analysis of each factor, as shown in Table 3.

Table 2: Description of primary indicators

Code	Variables	Variable description
Economic responsibility $\alpha_1$	Fair development A1	Employees will share the achievements of enterprise economic development
	Revenue sharing A2	Implementation of revenue sharing plan internally
	Equal pay A3	The implementation of equal pay system
Legal responsibility $\alpha_2$	Legal contract A4	All employees signed a labor contract
	Security A5	To ensure employee health and safety
	Information disclosure A6	Disclosure information of corporate social responsibility
Ethical responsibility $\alpha_3$	Personal care A7	Ethical concern for employees
	Atmosphere A8	Workplace ethics atmosphere is better
	Dignity A9	Let employees have decent or dignified labor
Spontaneous responsibility $\alpha_4$	Vulnerable group A10	Protect the weak group of employees
	Gender A11	Use a certain percentage of minority employees and female employees
	Aid program A12	Implement the employee assistance program

Table 3: The reliability analysis of each factor

Factor	Evaluation index	Corrected item-total correlation	Cronbach's Alpha if item deleted	Cronbach 's Alpha
Economic responsibility	A1	0.7951	0.8462	0.8213
	A2	0.8240	0.8758	
	A3	0.7249	0.7562	
Legal responsibility	A4	0.8637	0.9014	0.8750
	A5	0.7325	0.7826	
	A6	0.6951	0.7439	
Ethical responsibility	A7	0.7630	0.8261	0.8052
	A8	0.8237	0.8852	
	A9	0.7483	0.8029	
Spontaneous responsibility	A10	0.7816	0.8254	0.7984
	A11	0.7947	0.8496	
	A12	0.7359	0.7741	
Organizational identification	B1	0.7524	0.7961	0.7235
	B2	0.6985	0.7368	
	B3	0.6652	0.7014	
	B4	0.6352	0.6902	
	B5	0.6759	0.7267	
Organizational performance	C1	0.7826	0.8525	0.7916
	C2	0.7951	0.8746	

Table 4: Second-order factor loading of corporate social responsibility

Dimensions	Factor	Stand. factor load	p-value	S.E.
Corporate social responsibility	Economic responsibility	0.825	0.000	0.087
	Legal responsibility	0.716	0.000	0.110
	Ethical responsibility	0.935	0.000	0.081
	Spontaneous responsibility	1.046	0.000	0.107

S.E.: Standard Error

**Validity analysis:** In this study, we use exploratory factor analysis to test the structure validity of the scale. The formal factor analysis is needed to analyze the KMO and Bartley sphere test of the variables before the factor analysis. Generally, it is believed that  $KMO > 0.9$ ; Bartlett's test of sphericity value should be at a significance level of less than 0.05, Bartlett test is less than 0.001 and factor correlation coefficient matrix of non unit matrix, to extract the minimal factor and can explain most of the variance.

**Confirmatory factor analysis:** Our research is mainly confirmatory factor analysis method, mainly because our study is established on basis of the existing theory and test results to construct the model, in the context of China collected data and validate has some theory is and the management practice of Chinese enterprises is inoculated, on the assumption that the obtained test research based on improvement and innovation of existing theories, in had assumed not to support the proposition, re of relevant theoretical reflection and to carry on the discussion, with a view to the future research about this new direction. The verification of factor analysis method the basic idea of our study is consistent with the. Therefore, we make empirical study of confirmatory factor analysis (Table 4).

**Regression analysis:** We test the relationship between organizational social responsibility and organizational performance by regression analysis: first of all, we

analyze organization social responsibility influence on financial performance; then analyze the corporate social responsibility for operational performance. First, we analyze the corporate social responsibility and financial performance, as shown in Table 5. And the equation of Corporate Social Responsibility (CSR), Organizational Identification (OI) and Financial Performance (FP) can be shown as:

$$FP = \alpha_1 CSR + \mu_1 \tag{1}$$

$$FP = \alpha_2 CSR + \beta_2 OI + \mu_2 \tag{2}$$

From the Table 5, the regression results show that formula 1 in the constant coefficient for 1.5635, significant test results is 0.002; organization social responsibility beta = 0.442, significant test results for 0.014. The results showed that the organizational social responsibility had a positive correlation to the financial performance of the enterprise. In formula 2, organization social responsibility significance test results of 0.021, organizational identification of significant test results was 0.005 and organizational identification has a certain intermediary effect.

Then we analyze the organization's social responsibility and performance, as shown in Table 6. The equation of Corporate Social Responsibility (CSR), Organizational Identification (OI) and Operating Performance (OP) can be shown as:

$$OP = \alpha_1 CSR + \mu_1 \tag{3}$$

Table 5: Regression analysis of CSR and financial performance

Model		Non-Standardized Coef.		Std. Coef. β	T test	Sig.
		B	S.E.			
1	Constant term	1.563	0.296		4.825	0.002
	CSR	0.317	0.137	0.442	8.503	0.014
2	Constant term	0.842	0.726		3.067	0.009
	CSR	0.142	0.230	0.014	2.574	0.021
	OI	0.758	0.425	0.616	8.142	0.005

Table 6: Regression analysis of CSR and operating performance

Model		Non-Standardized Coef.		Std. Coef. β	T test	Sig.
		B	S.E.			
1	Constant term	3.054	0.294		4.716	0
	CSR	1.279	0.525	0.463	6.423	0.003
2	Constant term	2.823	0.749		1.382	0.035
	CSR	0.142	0.189	-0.012	2.254	0.481
	OI	0.756	0.342	0.617	6.142	0.016

S.E.: Standard Error

$$OP = \alpha_2 CSR + \beta_2 OI + \mu_2 \quad (4)$$

From the Table 6, we can see, the regression results show that formula 3 in the constant coefficient for 3.054, significant test results is 0.00; organization social responsibility beta = 0.463, significant test results of 0.003. The results showed that the organizational social responsibility had a positive correlation to the enterprise operation performance. In formula 4, it shows that constant coefficient is 2.823, organization social responsibility significant test results is 0.481, organizational identification of significant test results is 0.016, it means that organizational identification has a mediating effect.

### LIMITATIONS

Although our study can achieve the goal of the research and the conclusion has important theoretical and practical significance. But this research still has some limitations in corporate social responsibility, as well as the mechanism of organizational performance and it is still a complex task to test this relationship. The influence factors and the relationship between complex and factors involved in the research model are very limited. We collected data and the selected samples are involved in several industries and we consider enterprise scale, the nature of the company and industry characteristics as control variables and then make the conclusion in the complex context in China. Although the conclusion has certain universality, but less targeted, so the research has certain limitations. Through the summary of these limitations and shortcomings, it is helpful for further research in the future.

There are also problems in corporate social responsibility. Although we use conceptual model proposed by Carol, from the perspective of stakeholders to define, but the boundaries of the four dimensions of

corporate social responsibility are not completely clear. The boundary of each variable is not very clear, relatively clear is discretionary responsibility, constitute the other three dimensions of corporate social responsibility, the concept boundary is not very clear. Some responsibilities are not clearly divided for pure economic responsibility, legal responsibility and ethical responsibility, there must be in some types of responsibility between them and in our study, the four dimensions as no intersection of construal to when measured, so we cannot accurately measure each dimension.

At the same time, there are also problem in controlling variables. We use the control variables of enterprise size, enterprise nature and industry properties as controlling variables. The study involved related concepts and construct problem, in management practice and enterprise property. In the nature of the firm and industry characteristics as control variables, of these concepts and constructs in the definition on the lack of a targeted, especially the variables measured. With subjects where the business and industry nature doesn't match with local enterprises, scale items of situational factors and context lack pertinence, the measuring accuracy needs to be improved.

### CONCLUSION

The research from the perspective of stakeholders, namely universal study of employees from the perspective of corporate social responsibility and organizational performance, the traditional view think corporate social responsibility will inevitably affect the financial performance of the view from the macro can reveal the mechanism of corporate social responsibility and corporate financial performance, our study is from the micro level, the organizational level management perspective to study based on the perspective of stakeholders of corporate social responsibility and organizational performance and through the

intermediary role of organizational identification to reveal corporate social responsibility and group weaving mechanism and mechanism of performance. Through the study, we can draw the following conclusions: Corporate social responsibility is mainly composed of economic responsibility, legal responsibility, ethical responsibility and discretionary responsibility. Empirical results show that corporate social responsibility four parts are on organizational performance has positive and significant influence. All of these indicate that enterprises of staff to fulfill corporate social responsibility are helpful to improve the organizational performance.

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