

Reflections on Practice of CSR in China

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Abstract: CSR (Corporate Social Responsibility) has already developed to be a crucial part of common and modern rules in global business. It presents features from soft restraint to hard one, from encouragement to enforcement. People especially hope state-owned enterprises may take social responsibilities. From the point of this connotation, people can analyze the actuality and issues of these companies and finally come up with some solutions to make it better.

1. Introduction

With the integration and competition of the world economy, international social takes CSR as one of the essential standards to evaluate companies. Meanwhile, companies' taking responsibilities has risen to the level of strategic management, while been regarded as soft power and a significant part of core competitiveness of enterprises. In recent years, companies in China gradually realized the importance of CSR and are active to build better images. A number of companies set out to bring the CSR strategy into force, and make much progress to promote the development of China's economics and society.

2. CSR and the practice

Oliver Sheldon firstly presented that "CSR" had something to do with everyone's demands met by the runner of the company in his book "Philosophy of Management" in 1924. Howard R. Bowen in his book "Social Responsibilities of businessman" defined CSR as the obligations businessman gets close to the relevant policies, make appropriate decisions and take ideal action in accordance with the goals and values of the community in 1953. Davis came up with that CSR referred to obligations which decision-makers make measures to protect and promote the interests of society as a whole while promoting their interests in 1975. Carroll in 1979 divided CSR into four parts: economic responsibility which is the fundamental one, ethical responsibility and charitable responsibility^[1].

Modern CSR campaign started between the 1980s and 1990s in American and European countries, mainly including environmental protection, labor and human rights. In the 1980s, faced to pressure from diverse groups, multinational corporations made rules to promise to the society, identified by environment, occupational health and social responsibility. And in the early 1990s, American Organization of Labor and Human Rights launched "anti-sweatshop movement" aimed at garment and footwear industry, so that many famous brand companies created own production rules, and later to be "production code campaign". The internal rule of multinational corporations turned out to be external rule. By 2000, there had been 246 production rules (128 of them were drawn up by trade associations, multilateral organizations, or international agencies, mainly found in the United States, the United Kingdom, Australia, Canada, Germany, etc).

In 1997, SA8000 was invented. Since CSR changed from soft constraints into hard ones, it appeared more and more often in multinational trades. In July, 2000, Ten Key Principles were shown in the forum of "Global Compact", consist of four parts: human rights, labor, environmental

protection and anti-corruption. It promised to improve working environment and protection level while establishing global market, China with over 30 countries and 200 well-known companies included. In 2002, the United Nations released “UN Global Compact” which was made up with nine principles, divided into three parts: human rights, labor standard and environment, and it asked companies to respect staff and supplier^[2]. In 2004, international standard organization made the rule ISO26000.

3. The problem of Chinese CSR practice

Compare to the beginning of the reformation, Chinese CSR makes some progress. However in general, it falls behind the developed countries. And it also has some problems:

3.1 It only remains some public welfare charity

Most of the corporate social responsibility is mainly manifested in some public welfare charity. Even many enterprises think that do some public welfare charity, is to fulfill the CSR. Some enterprises doing charity, just for the promotion of brand image. From the limit of CSR, it includes economic, juristic, moral, social ethics and so on. From its connotation determines the companies bear the social responsibility both legal mandatory under the plan, there is also a voluntary responsibilities, and for its voluntary responsibility is desired by society, the public recognition conforms to the social responsibility of public interest. Enterprises to fulfill social responsibility includes many aspects, and if only stay in the state-owned enterprises do some public welfare charity, so its social responsibility is not enough.

3.2 Corporate social responsibility awareness needs to be strengthened

With the deepening of our country enterprises restructuring and reorganization of enterprises after the reform and restructuring, social responsibility consciousness is not enough. Its main has these phenomena: first, it often ignores the people's livelihood issues. Infringe upon the rights of workers, as some companies of wage arrears for migrant rural workers, prolonged labor and the career development space to the worker and vital interests seriously enough. Second, the management between managers and ordinary employees income gap is too big, and with the development of market economy, the trend of the income gap gradually expanding. Third, the part of companies management is prone to corruption, violation of social public interests. Because companies in the corporate governance structure is not perfect, so companies prone to corruption, ignore the public interests, and ignore the social responsibility. Some companies use monopoly, damage the interests of consumers.

3.3 Corporate social responsibility shows quick buck

Corporate social responsibility is the comprehensive system of work, can't get rich quick. Enterprise is a for-profit economic organization, pursuing maximum economic benefits is the main target, but we can not take this as the only goal. Economic responsibility to corporate social responsibility is a business practice, therefore, state-owned enterprises must consider long-term development, in order to give attention to two or more things each stakeholder. Practice social responsibility is not only a cost, if only as a cost, so corporate social responsibility will not be able to continue. A paper entitled "assessment of the value of social responsibility plans" points out: "all the performance of social responsibility programs are just some of them are intangible, long-term returns, people did not find the transformation path. If state-owned enterprise bear the social responsibility of get rich quick, it is not the social responsibility idea fully integrated into the company's operation and management, corporate strategy. "

4. Suggestions to improve the practice of Chinese corporate social responsibility

To improve corporate social responsibility practices, improve the level of corporate social responsibility requires the joint efforts of the whole society.

4.1 Strengthen the awareness of corporate social responsibility and concept

Idea decides attitude, attitude determines behavior. For corporate social responsibility consciousness this situation, and within the enterprise strengthen social responsibility consciousness, especially strengthen the awareness of the social responsibility of the enterprise senior management personnel, to improve corporate social responsibility practice is very important. Enterprise should take social responsibility as corporate values, strengthen in the enterprise culture construction. Enterprise should not only put social responsibility as an important task, and as the important content of enterprise core competitiveness.

4.2 To establish the corresponding assessment system, including corporate social responsibility

The enterprise the management appraisal system, is usually accomplished the goals in the previous year, values, in combination with some assumptions to formulate a New Year, or combined with one year of profit targets to make a profit this year task value. In our country in the provisional regulations on the state-owned assets supervision and management for enterprises, only the state-owned assets supervision and administration institution of state-owned enterprises, head of the performance appraisal to performance, not to fulfill social responsibility status of state-owned enterprises to evaluate, so that the state-owned enterprises lack of evaluation on the social responsibility of pressure as the original motivation. Therefore, we need to encourage state-owned enterprise bear the social responsibility, you will need to set up, including social responsibility assessment system.

4.3 Perfect the relevant laws and regulations on corporate social responsibility standards

Article 5 of the new corporation law in 2006: "the company engaged in business activities, must abide by the laws and administrative regulations, observe social ethics, business ethics, honesty and trustworthiness, accept the supervision of the government and social public, social responsibility". In spite of the corporation law has clear provisions enterprise have to bear the social responsibility, but this is just an introductory articles. Enterprise specific what kind of social responsibility, how to just calculate to assume social responsibility, corporate social responsibility are not a unified standard. So it is difficult to guide the enterprise bear the social responsibility well, it's hard to make enterprise better play a role in social responsibility. Better, therefore, in order to make the state-owned enterprises to undertake social responsibility, need to improve the relevant laws and regulations on corporate social responsibility standards and the related industry standards in various industry association to a social responsibility of related laws and regulations, make it as close as possible to avoid conflict with political and legal system in our country or in accordance with the situation in China.

5. Conclusion

To improve corporate social responsibility practices, improve the level of corporate social responsibility requires the joint efforts of the whole society. Firstly, Enterprise should not only put social responsibility as an important task, and as the important content of enterprise core competitiveness. Secondly, we need to encourage state-owned enterprise bear the social responsibility, you will need to set up, including social responsibility assessment system. Thirdly, we need to improve the relevant laws and regulations on corporate social responsibility standards, and actively participate in the international standard ISO CSR activities and the related industry standards in various industries. Finally we should Establish and perfect the supervision mechanism of enterprise social responsibility.

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