

Chapter 16

Social Responsibility Management



Bo Liang, Hesong Ren, Nengmin Wang, and Qi Jiang

Abstract Corporate social responsibility (CSR) management is a way firms achieve green growth. Increased environmental awareness and attention to environment problems in society cause enterprises to focus on social responsibility. CSR helps enterprises establish a positive relationship with stakeholders and provides relevant knowledge, capital, and a legal basis for enterprises' green growth model. This can obviously improve firms' economic performance and competitiveness. Enterprises can enhance the CSR perception of employees and leaders, enhance the driving force of external stakeholders, and increase CSR investment to promote its continuous implementation. Innovation is an important driving force for enterprises in achieving green growth. As the primary component of implementing a CSR strategy, employee innovation behavior affects the quality and efficiency of enterprises' green growth. Research shows that employees' perception of CSR can positively influence the atmosphere of CSR and employees' innovation behavior. In addition, the CSR atmosphere can also positively influence the innovation behavior. With improved CSR atmosphere, the direct positive impact of employees' perception of CSR on employees' innovation behavior is weakened. Enterprises can enhance employees' perception of CSR through strengthening CSR publicity and related practices, to enhance CSR atmosphere, which can enhance employees' innovative behavior and ultimately drive enterprises to establish a green growth model.

B. Liang · H. Ren · N. Wang (✉) · Q. Jiang
School of Management, Xi'an Jiaotong University, Xi'an 710049, Shaanxi, China
e-mail: wangnm@mail.xjtu.edu.cn

B. Liang
e-mail: liangbo161600@xjtu.edu.cn

H. Ren
e-mail: renhesong@stu.xjtu.edu.cn

16.1 Social Responsibility and Enterprises' Green Growth Model

16.1.1 Social Responsibility

In 1953, Bowen established the concept of corporate social responsibility (CSR), believing that enterprises should formulate policies and take actions based on social goals and values. Based on predecessors, Carroll further refined the connotation of CSR, emphasizing that enterprises should consider various public expectations in a specific period [1]. At present, CSR does not have a perfect and specific definition. From the perspective of economics, CSR can improve resource allocation efficiency, enhance performance, and maximize shareholders' interests. From management's perspective, CSR based on the principle of equal power and responsibility is not only a short-term behavior that enterprises must adopt under pressure from external systems, but also a favorable path to improve corporate performance [2].

Based on service groups, Davis divided CSR into ten stakeholder responsibilities, namely: shareholders, employees, government, suppliers, creditors, consumers, communities, industry associations, competitors and special interest groups [3]. Freeman proposed that stakeholders can be understood as groups with interests in an enterprise or demands on it. According to this theory, a socially responsible firm is concerned with the legitimate interests of all appropriate stakeholders, not just the benefit of the firm's shareholders [4]. Therefore, according to different stakeholders, CSR can also be divided into internal and external forms (Table 16.1).

From the above classification, it is easy to find that CSR takes environmental protection and economic growth as its core objectives, reduces pollution from enterprises' activities as its starting point, to meet the demands of different stakeholders. On this basis, it maximizes the economic benefits by green patterns and ultimately achieves green growth. According to the level of enterprise initiative to implement social responsibility, it can be refined into proactive CSR and reactive CSR. Proactive CSR refers to a company's CSR level being higher than national laws and regulations. Enterprises implementing proactive CSR will regard environmental protection and other behaviors as an important part of responsibility or charitable behavior. At this time, the company will carry out a variety of internal and external environmental protection measures, such as understanding external needs for environmental protection while disclosing complete and accurate information about environmental protection to society.

Reactive CSR pays more attention to obtaining legitimacy. The quality of products or services provided by enterprises only meets the minimum legal and regulatory requirements. The corporate environmental protection measures always lag the average industry level or relevant laws and regulations requirement.

Both will drive enterprises to attach great importance to the environmental protection requirements of stakeholders, accept supervision from society, and comply with

Table 16.1 Macro classification of corporate social responsibility

Perspective	Classification	Specific content	Represents	Model
The hierarchy of social responsibility of industrial and commercial enterprises	Inner circle	Economic responsibility	Provide products and promote employment	Concentric circles
	Middle circle	Social value responsibility	Protect the environment and safeguard our rights and interests	
	Outer circle	Improving social environment and unknown responsibilities	Eliminate social poverty	
Sequential categories in system theory	Internalization requirements	Charity responsibility	Voluntary behavior	The pyramid
		Moral responsibility	Unconstrained and expected	
	Externalization requirements	The legal responsibility	Mandatory public constraint	
		Economic responsibility	Basic responsibility	
Categories of stakeholder groups	Internal	Shareholders	Revenue maximization	
		Employees	Labor rights and interests	
	External	The government	The public interest	
		Supplier	To provide goods or services	
		Creditors	Performance of obligations and claims	
		Consumers	To provide goods or services	
		Community	Ecological protection and social harmony	
		Industry association	Comply with industry norms	
		Competitors	Fair and reasonable	
Special interest group	Special interests			

environmental laws and regulations. They will not only get the support of stakeholders, but also establish obstacles for competitors and improve their own competitive capacity. Obviously, CSR management, as a component of a green growth model, has become an important element in enterprises' green growth.

16.1.2 Relationship Between CSR Management and Enterprises' Green Growth Model

CSR management is an important component in establishing enterprises' green growth model and achieving green transformation. Enterprise need adjusting the traditional extensive economic development model to achieve green growth goal. On the one hand, it is necessary to continuously improve the environmental awareness of practitioners. On the other hand, improving the ability of enterprises to protect the environment is an important foundation. With the increase of consumers' awareness of environmental protection and the increase of government's pressure on environmental regulation, the implementation of corresponding CSR is not only a manifestation of responsibility to stakeholders, but also an important way for enterprises to achieve green development. CSR management can simultaneously drive enterprises to implement their responsibilities for environmental protection and economic growth and help achieve green growth.

Haier has built up a set of green management, design, manufacturing, and recycling systems. Based on realizing green development goals, Haier has achieved data-driven mass customization and greatly improved its competitiveness.¹ Through energy saving transformation, GREE constantly reduces energy consumption in the process of enterprise operation. While realizing green goals, GREE saved a large amount of energy and reduced enterprise operational costs.² In response to the ban on plastic bags, Alibaba has continuously improved the recycling efficiency of plastic packaging and bottles. In addition, it enables traditional industries to continue to optimize through the Internet, and advocates green office, travel, consumption, recycling, and other models widely recognized by consumers.³ CSR provides an important driving force for green growth. Specifically, CSR management drives the acquisition of knowledge, provides financial support, and a legal basis for green growth.

(1) CSR Management Drives Enterprises to Acquire the Knowledge Required for Green Growth

CSR management can drive enterprises to integrate internal and external knowledge for green innovation and help achieve green growth. Knowledge-based theory believes that knowledge is the source for enterprises to continuously obtain competitive advantages and improve performance [5]. Enterprises can not only acquire relevant knowledge directly from the outside, but also independently develop and create

¹ <https://smart-home.haier.com/en/shzr/>

² <https://data.eastmoney.com/notices/detail/000651/AN202104281488465550.html>.

³ <http://www.alijijinhui.org/category/104>.

new knowledge. By establishing external cooperation and strengthening market links, firms can search for knowledge from other enterprises or consumers through the supply chain and translate it into applied technologies for green growth. CSR management can attract different enterprises committed to green growth to jointly achieve environmental protection goals. Successful cooperation encourages more enterprises to participate, continuously expand and strengthen the network and provides an important basis for acquiring external knowledge.

In addition, responding to consumers' demand for environmental protection is an important part of CSR management. Therefore, enterprises should strengthen consumer relationships and let them participate in CSR management processes [6] so that consumers can provide green knowledge and optimization strategies, thus providing an important knowledge base for the enterprises' green growth model. For example, Beijing GeoEnviron Engineering & Technology, Inc., is a company specializing in preventing solid waste pollution. To improve its environmental governance through CSR management, it established cooperation with the fourth Research and Design Engineering Corporation of CNNC (China National Nuclear Corporation) in technology research, construction, investment, solid waste treatment and disposal, contaminated site remediation, groundwater pollution prevention, and control and remediation projects in the fields of radioactive and non-radioactive waste, to mutually achieve green growth.⁴

CSR management requires enterprises to implement the responsibility of environmental protection and economic development, so that they'll take the initiative to create environment-related knowledge to adapt to changing external environmental requirements and use green technology to establish market strength. According to the theory of planned behavior, an individual's intentions will be influenced by his environmental motivation, the perceived external environment pressure. With the improvement of CSR management, on the one hand, enterprise can respond more effectively to the environmental demands of governments, NGOs, consumers, etc. On the other hand, using environmental protection measures generate additional income, companies will be more proactive in knowledge creation and ultimately achieve green growth.

Huawei has increased investment in energy conservation and emission reduction, formulating and implementing carbon emission reduction targets and corresponding action plans. On the one hand, Huawei created and utilized knowledge directly related to environmental protection, such as more reasonable packaging technology, which enabled it to reduce consumption by 100 tons of e-commerce logistics plastic packaging in 2020–2021. In addition, about 114,000 tons in carbon emissions were reduced in logistics transportation, and the carbon emissions of product transportation was reduced by 15% on average. On the other hand, knowledge from other fields is innovatively applied to environmental protection. For example, the HarmonyOS system allows phones that have been on the market for five years to operate smoothly,

⁴ <https://www.hbzhan.com/news/detail/119906.html>.

and product utilization has improved.⁵ In response to green and low-carbon requirements, Huawei constantly innovates relevant knowledge and improves economic earnings while protecting the environment and attaining green growth.

(2) CSR Management Provides Financial Support for Green Growth

CSR enhances the debt financing efficiency of enterprises by enhancing external trust, thus providing additional funds and power for enterprises to achieve green growth. To do this, enterprises must overcome the early stage of economic performance loss caused by investment in environmental protection [7]. To improve later environmental and economic performance, enterprises must continue to invest in green innovation. Stronger debt financing efficiency provides related financial support by integrating more funds at lower costs. When carrying out CSR management, enterprises enhance communication with stakeholders, which reduces information asymmetry for stakeholders, thus increasing social trust and improving debt financing efficiency [8].

First, enterprise CSR performance accelerates external recognition of the enterprise. Investors will consider the implementation of CSR, which can enhance enterprises' reputation and integrity [9]. In this way, enterprises' market value was improved by easily attracting additional active investors and reducing financing risks, costs, and uncertainties in the transaction process. Second, CSR management means that enterprises are willing to accept supervision and review. This causes investors to believe in the firm's environmental protection and management regulations, which increases credibility and makes the firm worthy of trust and investment. Again, implementing CSR can save time costs for investor negotiations and trust building. For example, enterprises' environmental actions are often indirectly influenced by government. Enterprises can gain support from the government and state-owned banks by disclosing CSR information on green growth, utilizing relational trust to obtain lower-cost funding [10]. Finally, enterprises in the process of implementing CSR for stakeholder relationship management will improve their level of environmental protection to avoid punishment. In other words, the government will establish relevant punitive environmental regulations to increase enterprises' pollution cost. Consumers with a green preference will avoid polluting enterprises. Therefore, implementing CSR can not only reduce government penalties, such as fines and business suspension, but also gain more support from consumers, which enables firms to allocate additional funds to green innovation and other environmental protection technologies, thus gaining competitiveness based on green practices [11].

Vanke continues to implement CSR in the real estate industry. While implementing low-carbon and environmental protection, it also continuously improves product value and achieves green growth. Based on the "green building industrialization" model developed to reduce carbon dioxide emissions, it developed a set of labeling models for decorating residential buildings. Housing industrialization has formed a systematic industrial chain: the standardization of design, the factorization of production processes, on-site assembly and integration of various industrial chains, which

⁵ <https://www.huawei.com/en/sustainability/sustainability-report>.

won the trust of consumers, society, and investors and increased Vanke's profit and market value while improving housing quality.⁶ In 2021, Vanke appeared on the list of top real estate enterprises in China with a market value of 419.11 billion CNY.

(3) CSR Management Provides a Legal Basis for Green Growth

CSR management establishes a positive relationship with stakeholders and corporate reputation [9], and such behaviors can gain legitimacy and gain additional external support to enhance green competitive advantages. This is an important basis for achieving green growth. According to new institutional theory, legitimacy is a necessary condition for enterprises to survive and develop in the environment. Achieving green growth needs to invest corresponding resources for green innovation and other activities in early stages, so obtaining multi-dimensional legitimacy through CSR management can lay a basis for reducing the uncertainty in green growth and improving its efficiency.

Through CSR management, firms achieve green growth for political legitimacy and market validity. Political legitimacy is mainly embodied in the consistency of enterprise's environmental performance and policies, regulations, and standards designated by the government. Market legitimacy is mainly embodied in the consistency of enterprise's environmental protection behavior and interests of market participants who implement environmental standards and appeal to environmental interests. Enterprises with high political and market legitimacy will have advantages in the acquisition, allocation, and utilization of environmental resources. For instance, Changan Auto follows development trends, interprets the spirit of government environmental protection policies, and plans the direction of the company's green transformation. It enhances green manufacturing effectiveness through 13 key paths, including low-carbon public welfare design, equipment energy efficiency improvement, energy intelligent deployment, energy-efficient organization, carbon sink technology, solid and liquid waste recycling, etc. To achieve efficiency, energy savings, and environmental protection in the manufacturing process, they established a globally integrated green manufacturing management system at an advanced level and built a benchmark factory for green automobile manufacturing.⁷ Changan Auto appeared on the 2017 National Green Factory Demonstration List⁸ and the 2020 Nanjing Environmental Protection Demonstration Enterprises and Institutions list.⁹ Being selected as a demonstration enterprise means that it can gain political and market legitimacy. On the one hand, the enterprise can participate in the formulation of government environmental standards and policies. Compared with competitors, the enterprise has more first-mover advantages. On the other hand, being recognized as a demonstration project by the government sends a positive signal to firm stakeholders, thus enhancing the reputation of the enterprise and making it more

⁶ <https://news.ifeng.com/c/7fcVij15wi5>.

⁷ <https://www.changan.com.cn/sociology?index=1>.

⁸ <https://auto.ifeng.com/c/7s579yMnOh5>.

⁹ http://hbj.nanjing.gov.cn/njshbjhj/202010/t20201022_2456822.html.

recognizable to consumers. The cumulative sales volume of Changan Auto in 2021 was 2.3 million units, up 14.8% year on year.¹⁰

16.2 The Implementation Path of CSR

16.2.1 To Enhance Perception of CSR with Internal Members

(1) Employees' Perception of CSR

CSR, as an important strategic support for modern enterprise development, is necessary to internalize corporate core values into action ideas through employees' perception. In the early stage, existing practice and research mainly focused on the macro aspects of an organization, including increasing competitive advantages and improving organizational outcomes. It focused on financial performance, product quality, corporate reputation and consumer loyalty, etc. Although there are numerous existing studies, their results are often inconsistent. Therefore, recently attention increasingly focuses on stakeholders as the starting point of individual micro-level research, mainly in two directions: first, focusing more on organizational commitment and emotional commitment, organizational identification, emotional identity, job satisfaction and performance; second, focusing more on individual perception's influence on behavior, particularly the influence of employee perceptions on individual and organizational behavior [12].

Presently, research based on group classification mainly focuses on three categories: customers, managers and employees. On the one hand, it focuses on evaluating customer satisfaction; on the other hand, it focuses on the cognition and strategic choice of enterprise managers. In addition, studies are beginning to focus on the impact of CSR on the attractiveness of a job for potential employees, the well-being and personal development of existing employees.

Research based on exploring the internal organizational mechanisms focuses on clarifying the influence of organizational attitudes on individual behavior. It concentrates on two aspects: first, deep-level behaviors such as citizen organizational behavior and work engagement under positive emotions such as organizational trust, social exchange, and social identity; second, superficial behaviors such as anti-productive behavior and intention to leave involving negative emotions such as lack of organizational identity, commitment, and ethics.

The internal mechanism based on individuals is increasingly concerned with how employees' perception of CSR affects individual behaviors. No matter where an enterprise is and what its stage of development, the establishment of its concept, implementation of its strategy, and construction of its culture, creating an atmosphere for innovation, are inseparable from employee engagement, including managers. Only when all employees have a deep perception of CSR and take the initiative to

¹⁰ <https://new.qq.com/omn/20220110/20220110A08QQI00.html>.

implement it with minimum deviation, can they achieve the same frequency resonance with corporate development. This is also true for the development of enterprise innovation. The importance of individual perception as an antecedent condition of individual behavior becomes prominent. High-quality perception without deviation can effectively reduce internal communication costs and improve performance; therefore, it is very necessary to study individual perception mechanisms, types, directions, and related theory, and effect assessment.

At present, the influence mechanism for how CSR perception affects individual behavior is divided into three types. The first is “stimulus-organism-response”; that is, with a certain degree of conditional external stimulation, individuals receive such stimuli, and then respond to the external stimulation. For example, employees perceive that the enterprise actively implements its social responsibilities and are satisfied with firm behavior, thus improving their loyalty. The second type is “benefit/need-action”, which refers to taking certain actions based on survival needs, relationships, or existing contributions. For example, the enterprise provides security to satisfy the sense of belonging or meaningful existence of employees based on firm characteristics, to stimulate a series of positive behaviors from employees [13]. The third type, “cognition-emotion-attitude-behavior,” is more proactive than the first type. Employees’ perception of CSR can stimulate organizational pride, thus generating a more stable attitude and binding force, which helps to reduce resignation behavior [14]. The direction of CSR perception’s influence on individual behavior can be divided into four types. The first type is “outward-inward-upward.” For example, enterprises carry out social responsibility activities to enhance trust in others and improve personal organizational leadership [15]. The second type is “forward-reverse,” which means to reduce individual hypocritical charitable behavior through subjective norms, such as individual and demonstrative norms, and positive perceptions, such as internal and external collaborative perceptual behavior control. In addition, there is the third type of “independent incentive-controlled incentive” and the fourth type of “participation-escape”, which explain the consistency of CSR requirements and the differentiation of individual behavior [16].

CSR, as a recent hot field in management research, has been of great interest to scholars, entrepreneurs, the public, and government. Theoretical research has developed rapidly with the widespread participation of the public. The main theories surrounding the attitude-behavior model are the social identity, stakeholder, social learning, social exchange, organizational support, and affective events theories. The cognitive processes based on differentiation and polycentricity mainly include theories such as heuristic theory and deontic justice theory, signal theory, emotional evaluation theory, self-determination theory, agency theory, existence, relatedness and growth theory, etc. Along with the deepening of theoretical research, CSR practice has deepened. In the early stage, implementing CSR is a way to improve organizational performance. Enterprise can attain external benefits to improve enterprise social reputation, and CSR has already been a pioneering competitive tool to secure resources for optimizing management. So far, there is no doubt that it has become the core strategy for enterprises to achieve green growth and sustainable development, which is a core environmental goal [17].

(2) Leader's Perception of CSR

CSR is one of the important standards to measure corporate performance. The perception of CSR has undergone a transformation process. CSR is regarded as a burden for it increases cost at the initial stage, a basic responsibility as time goes by, and currently an important competitiveness for enterprises. This transformation indicates that enterprises retain a certain misunderstanding of social responsibility at the beginning. Enterprise believed that enterprises must invest human, material, and financial resources to implement social responsibility. If the enterprise's development strategy is reasonably combined with CSR, it will also become a powerful tool of competitiveness. As important makers and executors of corporate strategy, leaders play an important role in CSR implementation, which depends on leaders' perception of CSR. This depends on the effectiveness of CSR for the enterprise and the advantages that it brings [18].

Perception is individual's internal response to the external environment. Individuals' evaluation or judgment of change in the external environment affects their intentions or attitudes. The effectiveness of CSR on enterprises will affect leader's perception of CSR. First, CSR has become an important way to realize enterprise legitimacy. CSR has been recognized by various stakeholders and there are many CSR standards for multinational enterprises in international trade. Therefore, CSR is not only one of the important competitive aspects of firms, but also a barrier to international trade. When leaders become aware of CSR's importance, their perception increases. CSR for self-development will also influence leaders' perception of CSR. Self-determination theory explains that motivation is an important driving force for people to complete tasks, and executives will not only pursue external targets, such as profit and reputation, but also internal targets, such as personal growth and a sense of belonging. Thus, an important way of strengthening leader's perception is to increase CSR's benefit for leaders [19]. Some companies have established a Chief Sustainability Officer (CSO) to better implement CSR. Such implementation gives leaders positive or negative signals that influence the opportunity or threat motivation level. The resulting perception, such as excellent enterprise CSR performance and a gain in social recognition, will not only enhance leadership's sense of honor, but enhance career and compensation prospects, motivating them towards better CSR performance.

16.2.2 Increasing Enterprise Investment in CSR Through External Driving Forces

(1) External Driving Force

CSR's implementation path includes not only the drive of internal members, but also motivation from the external environment [20]. Existing studies have classified the external driving forces of CSR into various categories, but the core ones all include the coercive force of public policy, social pressure, market competition, and the pulling force of demand. Coercive force of public policy derives from the

government's laws and regulations and the standards of industry associations; it is the basic power of enterprises to implement social responsibility. For example, the government will require listed companies to publish annual CSR reports and impose appropriate penalties for compliance failure, so companies will implement CSR and publish the results for legitimacy, whether they benefit from them or not. Social pressure comes from multivariate supervision; media supervision is one important channel that helps firms establish a positive image, or results in a damaged image. Driven by this mechanism, monitoring by the media and public opinion gradually strengthens the awareness of CSR to enhance the social image of enterprises and reduce the reputational damage caused by improper governance. Companies are often active in implementing CSR. The driving force of market competition is defined as gaining stronger competitiveness by catching up with their CSR competitors to gain a better image and a greater market share. The pulling force of demand means that consumer demand for products is important motivator for enterprises to carry out CSR. In addition, relevant requirements for products and consumers cause enterprises to prove CSR implementation or environmental protection. Therefore, strengthening the supervision and control of multiple stakeholders over enterprises is of great significance to improving the external driving forces and the level of corporate CSR.

The joint communique of the Roundtable Summit of the Second Belt and Road Forum for International Cooperation of April 27, 2019, stated that to achieve sustainability, countries must strengthen cooperation in project preparation and performance, making sure that projects were investable, bankable, economically viable, and environmental-friendly. The summit called on all market participants in the Belt and Road Cooperation to implement their CSR and abide by the UN Global Compact.¹¹ On December 31, 2008, the Shanghai Stock Exchange, in the Notice on The Annual Report of Listed Companies for 2008, required three types of companies (the sample companies of the "Shanghai Corporate Governance Board," the companies issuing overseas-listed foreign capital stock, and financial companies) to publish social responsibility reports.¹² The number of CSR reports collected through online inquiry, voluntary delivery by enterprises, and download from company websites has increased from 582 in 2009 to 1926 in 2021, indicating that enterprises' CSR level has improved under the motivation of public policies.¹³

(2) CSR Input

CSR investment involves different business scopes, which can be divided into internal and external CSR investment according to business content. Internal CSR investment mainly includes investment to optimize existing operating processes, reduce carbon emissions in operations, and improve the working environment, etc. External CSR inputs include investment to those related to responding to the call of environmental protection policies and improving social welfare. CSR input is closely related to CSR content. According to differences in stakeholder importance, enterprises will

¹¹ <https://baijiahao.baidu.com/s?id=1631981775639675300&wfr=spider&for=pc>.

¹² http://www.sse.com.cn/aboutus/mediacenter/hotandd/c/c_20150912_3988269.shtml.

¹³ <https://new.qq.com/omn/20211118/20211118A060JA00.html>.

invest in different CSR businesses. Enterprises will focus on requirements from both the government and consumers, because this directly relates to external business conditions and product sales. Therefore, they will invest more resources to respond to government and consumer needs [14]. The top enterprises in an industry will focus more on their social image and actively participate in CSR activities because they want to receive greater attention. For example, in response to the government's call during the COVID-19 outbreak, both Internet and manufacturing companies have been involved in fighting the epidemic. Internet companies have used big data, artificial intelligence, and other technologies to help control and monitor the epidemic.¹⁴ Some manufacturing companies have temporarily transformed. They started production of masks, protective suits, goggles, and other equipment used for epidemic prevention, which required enterprises large investments. In addition, enterprises also consider consumers' demand for products, especially related to environmental protection. Enterprises continue to invest resources in green product and green process innovation to reduce the pollution in the production process, and design structures and channels for easily recycling to maximize the interests of consumers.¹⁵

Alibaba continuously implements CSR to achieve green growth through its investment in Internet technology. On September 27, 2019, Alipay Ant Forest earned the "Champions of the Earth Award," the highest environmental honor of the United Nations. On the same day, the Secretariat of the United Nations Framework Convention on Climate Change (UNFCCC) also announced that Alipay Ant Forest won the Lighthouse Award, the highest award for addressing climate change, for its innovative path and positive demonstrative role in addressing global climate change. In three years, the 500 million Ant Forest users have reduced carbon emissions by 7.92 million tons, and 122 million trees have been planted in desertification areas. Alipay launched a new era of public initiatives in environmental protection with its corporate power. In addition, Alipay given the Internet+ industry a new mission that technology should be used for social welfare. Alipay has even contributed ideas for companies to play to their strengths and use innovative paths to engage society in small actions that address big sustainability issues.¹⁶ To protect the ecology of the Yellow River, Sinopec invested more than 600 million CNY in its refineries during the "13th Five-Year Plan". With continuous investment, all the water discharged from the sewage plant meets the standard requirements in recent years. In addition, the enterprise strengthened noise detection, reducing noise pollution, and comprehensively improving the surrounding environment.¹⁷

The implementation of a CSR path requires both internal and external causes of common drive as well as specific performance by companies investing in related resources to meet the needs of different stakeholders while also promoting enterprise image, enhancing their competitiveness. On this basis, a virtuous circle is formed, and by reinforcing its strengths, it will further enhance CSR practice.

¹⁴ <https://www.alihealth.com/>

¹⁵ <https://new.qq.com/omn/20200425/20200425A0AB8Z00.html>.

¹⁶ <https://tech.huanqiu.com/article/9CaKrnKmV0s>.

¹⁷ <http://www.cb.com.cn/index/show/gs/cv/cv135345012031/p/s.html>.

16.3 The Significance of CSR for Enterprises' Green Growth from the Employee Perspective

In the process of CSR implementation, Haier actively responds to the government's call and goal of green development, integrates green development into operations, leads the transformation of old and new driving forces with green actions, and cultivates a green atmosphere. To implement its CSR strategy, Haier has created platforms such as HCH¹⁸ and RenDanHeYi.¹⁹ It encourages its employees to participate in the innovation process, so that every employee becomes a creator and applies different technological innovation to the field of green development. Innovation is an important driver for enterprises to achieve the goal of green growth. As part of enterprises' green growth model, social responsibility management enables employees to fully participate in the implementation of CSR strategy, enhance employees' perception of CSR (PCSR), and create a good CSR atmosphere (CSRA). It is one of the important ways to effectively stimulate employees to participate in the innovation process, improve enterprise value creation, and apply innovative technology to achieve green growth goals. Therefore, this study primarily addresses the following issues: how to create a good CSRA by enhancing employees' PCSR; how to transform the CSRA into green-oriented innovative employee behavior; how the CSRA level moderates the direct impact of employees' PCSR on innovation behavior (IB).

16.3.1 Theoretical Basis and Hypothesis

As one of the inevitable trends in the development of global enterprises, CSR practices by employees are mostly focused on the macro field and external stakeholders such as consumers, and there is a lack of research on the specific practitioners of CSR management, i.e., employees. The existing research on employees mainly focuses on civic organization and return to production behaviors. In addition, existing studies on CSR lacks internal mechanism research in the micro field [21]. At the same time, there are still insufficient studies on the antecedents and mediators of the employees' PCSR [14, 16]. Therefore, by studying the micro-mechanism of internal employees' PCSR and its effects on employees' IB, this study explores how the external CSRA affects them under both mediating and moderating conditions. We attempt to adopt an analysis relying on individual-environment-behavior. This study clarifies the impact of interaction between employees' PCSR and the external CSR environment on personal behavior. Enterprise can obtain more drivers implementing CSR by strengthening employees' PCSR and IB. The quality and efficiency of enterprise green growth have a profound impact.

¹⁸ <http://www.ihaier.com/?lang=en>.

¹⁹ http://www.haier.com/global/press-events/news/20180929_142473.shtml?from=search.

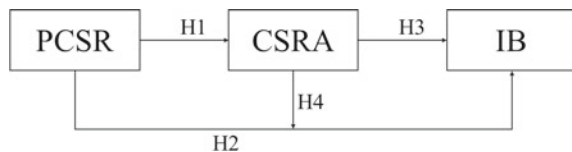
Academic circles are also accumulating relevant research results to guide green innovation development in different cultures and situations. At present, relevant theoretical achievements mainly focus on stakeholder, system, social cognition, social information processing, social exchange, and self enhancement theories. Stakeholders, as an important driver of enterprise value chain reconstruction [22], have been studied to form a stakeholder theory that has become an outstanding representative of the many concepts. This theory was put forward by SRI (Stanford Research Institute) in 1963 and has gone through three research stages since then, namely, the firm dependency view of stakeholders, the strategic management view, and the dynamic evolution view. The theory posits that enterprise development must consider that the interests of all stakeholders, such as employees, customers, and communities, must consider environmental protection, and promote social development. It is clearly pointed out that enterprise development must focus on the simultaneous improvement of environmental benefits while paying attention to growth in economic benefits. In terms of research methods, according to Donaldson and Preston, methods are conducted mainly from descriptive, instrumental, and normative perspectives [23]. In addition to positively summarizing guidance for CSR to green growth, the results must also coordinate different subjects to bear the consequences of negative implementation. If information fraud and environmental damage were condemned through public reaction, government penalties, and legal sanctions, companies will lose competitiveness. To achieve green growth and meet the demands for services of various stakeholders requires implementing green innovation. Enterprise staffs are direct and important stakeholders. Individual innovation from employees is the starting point and foundation of enterprise green innovation.

Employees' PCSR, employees' innovative thinking, and enterprises' atmosphere are important factors that provide employees with innovation resource inputs. In this way, employees are more willing to implement CSR, the CSRA has also been improved, and employees can better transform their IB into product and technology innovation. IB brings enterprise with long-term development driven by green growth. Therefore, it is particularly important to study how employees' PCSR affects their IB, exploring the nature of enterprises' green growth model.

Based on the above analysis, the following hypotheses are proposed:

- H1: Employees' PCSR has a positive effect on the CSRA.
- H2: Employees' PCSR has a positive effect on employees' IB.
- H3: CSRA has a positive effect on employees' IB.
- H4: CSRA weakens the positive relationship between employees' PCSR and IB (Fig. 16.1).

Fig. 16.1 Theoretical model



16.3.2 Data Collection and Results Analysis

A total of 300 questionnaires were distributed online and offline for different employee groups in different industries in different regions. Invalid samples were removed from the study, and all the questionnaires with the same answers, incomplete questionnaires, and those failing to pass the screening item tests were removed. 265 questionnaires were recovered with a rate over 88.3%. This allows the influence of employees' PCSR on employees' IB to be investigated; personal information of all interviewees is effectively protected during the investigation. In addition to demographic variables, a 7-point Likert scale is used to measure the other variables in the study, from "1" to "7" respectively representing "strongly disagree" to "strongly agree". Through one-way ANOVA, Composite Reliability (CR) of latent variables is determined and Cronbach's α values are both greater than 0.7, indicating good reliability. Average variance extract (AVE) is greater than the critical value 0.5, and higher than the load value under other variables. The square root of AVE is greater than the correlation coefficient between the variable and other variables, so each variable has good aggregation and discriminative validity. The results show that effective research can be carried out on employees' PCSR (Table 16.2).

The independent sample T test meets the significance level of $\alpha = 0.05$, and the Pearson correlation coefficient is greater than 0.6. The significance of the common and factor loading test is 0.000, and KMO is greater than 0.7, meeting the research conditions. The standard moderating effect verification process is achieved by constructing interaction terms, which can be obtained by multiplying the antecedent variable by the moderating variable and examining its effect on the outcome variable. The structural equation model is established; the smartPLS3.2.8 software is used for research and analysis. The results show that all the regression is significant, which support the above research hypothesis. It shows that employees' PCSR can be effectively transmitted through the CSRA, causing employees to have a more stable attitude and internal driving force to continuously enhance innovation to meet the needs of corporate economic growth and green support of sustainable environmental circulation (Fig. 16.2; Table 16.3).

There is a significant correlation between the interaction terms of CSRA and employees' PCSR and employees' IB indicating that CSRA plays a moderating role in the relationship between employees' PCSR and IB. On the one hand, Employees need to continuously learn and improve their abilities to stimulate IB. On the other hand, CSRA can solve the problem of declining IB caused by insufficient external driving force of external enterprises.

Table 16.2 Cronbach's alpha, Rho_A, composite reliability, and AVE

	Cronbach's alpha	Rho_A	Composite reliability	AVE
CSRA	0.834	0.856	0.878	0.551
IB	0.942	0.944	0.95	0.614
PCSR	0.948	0.949	0.953	0.547

Fig. 16.2 Theoretical model result

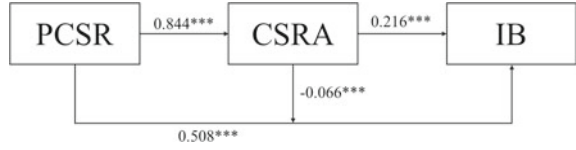


Table 16.3 Factor loading

	CSRA	IB	PCSR
CSRA1	0.849		
CSRA2	0.822		
CSRA3	0.806		
CSRA5	0.842		
IB1		0.742	
IB2		0.746	
IB3		0.791	
IB4		0.794	
IB5		0.823	
IB6		0.796	
IB7		0.837	
IB8		0.798	
IB9		0.817	
IB10		0.818	
IB11		0.755	
PCSR1			0.741
PCSR2			0.791
PCSR3			0.777
PCSR4			0.831
PCSR5			0.735
PCSR6			0.77
PCSR7			0.782
PCSR8			0.719
PCSR9			0.793
PCSR10			0.74
PCSR11			0.733
PCSR12			0.763
PCSR13			0.721

16.3.3 Conclusions and Implications

Innovation and development are the eternal pursuit of enterprise survival, and a green environment is the foundation of enterprise and social survival. Enterprise stakeholders are increasingly aware that they must be unified to achieve all-win economic, social and environmental benefits. Employees, as internal stakeholders, are the “zero-kilometer” starting point of enterprise innovation and the “last mile” end point of strategy implementation. Therefore, enhancing employee innovation is one of the important supports for the enterprises’ green growth model. How employees’ CSR awareness as a core subject affects the developing a CSRA determines whether the direction of enterprise innovation can meet the expectations and requirements of stakeholders. The research results show that CSRA has a mediating effect on employees’ PCSR and employee IB. It also shows that rational macro CSRA and effective use can effectively shape the employee’s understanding of CSR and the employee’s IB. Employees’ PCSR is affected by personal psychology and personality traits, so the impact of CSRA on employees’ IB is not positive, which provides a research direction for exploring how companies in different cycles and industries play the role of CSRA.

CSRA represents the comprehensive view of employees on how the enterprise manages stakeholder interests. This view exerts a subtle influence on employees’ cognitive and emotional states directly through psychological adjustment, and then exerts a profound influence on employees’ work attitude and behavior. A favorable CSRA can not only provide good learning resources and a harmonious working environment for employees, but also stimulate their creative ideas. It can allow employees to feel support and care from enterprises, for them to gain trust and support, organize team innovation enhancing psychological security, and inspire employees to innovate, actively exploring and facing uncertain and risky challenges. Favorable CSRA improves sense of worth, encouraging employees to harmonize their personal values with their work innovation achievements and social responsibilities, to take multiple measures to stimulate employees’ IB and provide value transformation and support both internally and externally for the green growth of enterprises.

16.4 Summary

The existing research on social responsibility management focuses on CSR. Although the CSR concept has not been unified, the core focuses on how to better meet the demands of both stakeholders and enterprises; it has carried out a variety of classifications on this basis. As an important part of the green growth model, CSR has become an important part of enterprise competitiveness. Social responsibility management can further provide enterprise with the knowledge and capital to foster green growth. The promotion of CSR not only needs support from government, industry, media, and other external factors, but also needs the cooperation and support from enterprise

employees. By enhancing employees' PCSR, IB can effectively drive green growth. CSRA is an external driving force that lays an important foundation for enterprises implement of social responsibility. Actively cooperating with employees is the critical path. This requires not only reasonable supervision from all walks of life, but also requires employees to combine their personal development goals with CSR goals to enhance the CSRA. Ultimately, enterprises will be guaranteed achieving green growth through social responsibility management.

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