

Research On the Social Responsibility Strategy of Small and Medium Sized Enterprises-Taking the Shenzhen Gem Listing Corporation as an Example



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ABSTRACT

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China's small and medium-sized enterprises have developed rapidly, but the lack of social responsibility of enterprises has become increasingly prominent, which has aroused widespread concern in the community. Corporate social responsibility not only has an important significance for the survival and development of enterprises, but also has great significance to the progress and development of the whole society. Using theory analysis, combined with case studies of our country small and medium-sized enterprise social responsibility strategy and the present situation of Shenzhen GEM, draws the research point of view: Based on the strategy of small and medium-sized enterprise social responsibility, must from improvement of enhancing product quality, environmental protection, labor relations, social and public interests conscientiously assume social responsibility, to enable enterprises to assume social responsibility at the same time to obtain good economic benefits to achieve the sustainable development of small and medium-sized enterprises and the society.

KEYWORDS: *small and medium-sized enterprises, social responsibility, Enterprise Strategy, Gem company.*

1. Put Forward Research Questions

Corporate social responsibility is the economic and social development to a certain stage of the inevitable requirement, people pay more and more attention. And various enterprises occurred in China in recent years the social responsibility of deletion events is worrying, from the "waste oil" to Shanghai "Sanlu milk powder" incident, "dyeing steamed bread" events, even some well-known domestic brands also occurred in the lack of corporate social responsibility issues, far, near the Shuanghui "lean" events, which not only to the

vast number of consumers caused harm, also on the enterprise brand, reputation produced serious damage, light is the economic loss, causes the enterprise bankruptcy. China's small and medium-sized enterprises in quantity, flexible, adaptable, sensitive to the market characteristics in their own development, made a great contribution to China's economic and social development. However, small and medium-sized enterprises at the same time, the lack of corporate social responsibility is also very prominent. Society is widely concerned about the food safety issues, quality issues, such

as a considerable part of the small and medium enterprises, which is not conducive to the healthy development of smes. In today's "corporate social responsibility" of the global tide, China's small and medium-sized enterprises to obtain sustainable development, can only follow the trend, take the initiative to assume the corresponding social responsibility, to develop the corresponding corporate strategy.

2. Analysis on the Current Situation of Social Responsibility Strategy of Small and Medium Sized Enterprises

Enterprises to take into account whether the strategy of enterprise social responsibility for the content, not only look at the company claimed the strategic content is included in the social responsibility, and should consider enterprise in the process of production and operation is actually performed the its should undertake the social responsibility. If the enterprise actually performs the should bear the social responsibility, it should be that the strategy has actually given to the content of social responsibility; conversely, even if the enterprise declared in the strategy to

seriously consider the social responsibility, but its behavior in the production and operation is against the interests of employees, damage to the surrounding environment, safety accidents, and so on, such enterprises is certainly can not be identified for the implementation of the strategy based on social responsibility.

As a growth company, Shenzhen GEM listed company and traditional SMEs compared with very different, the GEM listed companies to high-tech industry, limited by the conditions listed in Shenzhen GEM listed, must meet certain conditions, such as the financial status, business scale, capital requirements, enterprise performance, operational records and financial profitability requirements, standardize management. GEM listed companies corporate social responsibility strategy both to influenced by national policies and regulations, should be subject to competitive environment and their own conditions, the focus of the social responsibility strategy is the shareholder rights and interests, the interests of consumers, environmental protection. See-Figure1

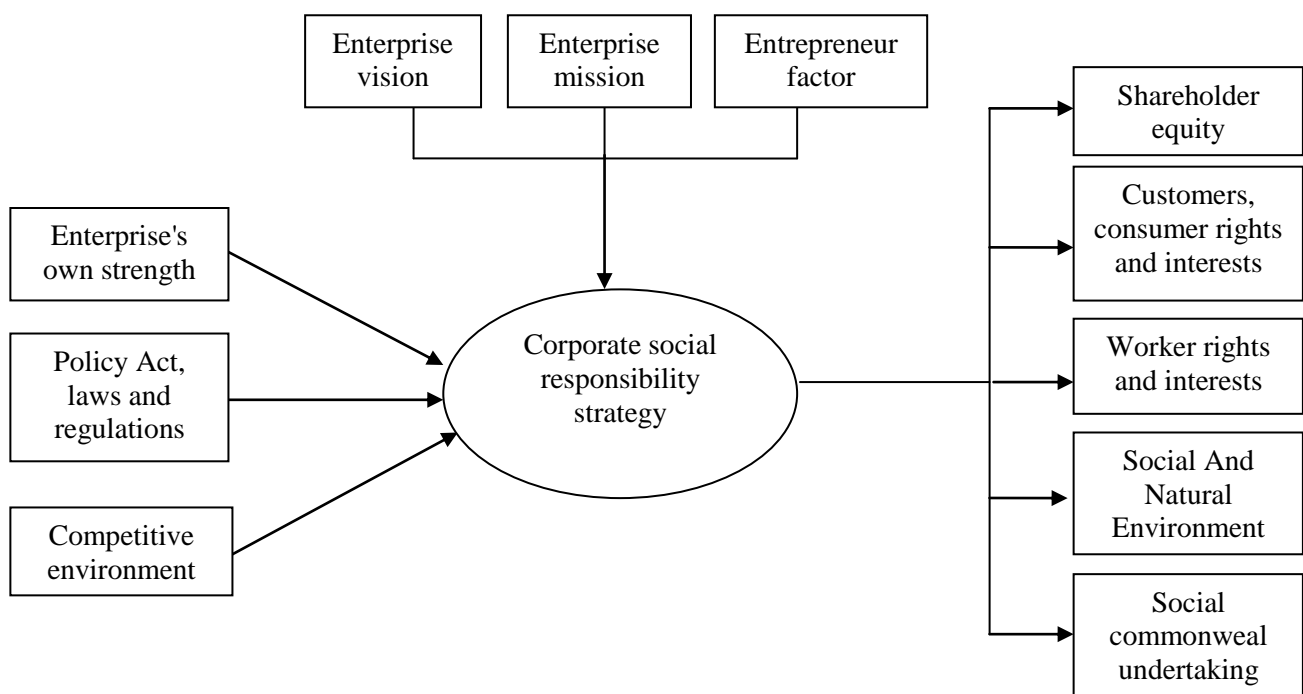


Figure 1: corporate social responsibility strategy

In the aspect of protection of shareholders' rights, GEM companies and other listing Corporation

launched esop. Listing Corporation launched ESOP is to let employees and enterprises to

achieve common development. However, the depth adjustment of A shares in listing Corporation shares fell below the ESOP price. Oriental Fortune choice data show that as of August 31, 2015, a total of 92 listed companies have implemented employee stock ownership plan, original investment of 197 million yuan, at present ESOP quilt 57 companies, the original investment amount 135 billion yuan. The quilt of ESOP in the gem and small plates, the gem 20. Quilt is the deepest is Wanda information (300168) information of the employee stock ownership plan, the purchase price as high as 137.26 yuan, the current share price is only 26.1 yuan, quilt amplitude reached 81%. Faced with the adjustment of A shares, Wanda information controlling shareholder of the company's own funds to invest 600 million yuan to replace the company's first phase of employee stock ownership plan priority funds. One analyst said that this is equivalent to 600 million yuan Wanda information controlling shareholder holdings of its own listing Corporation shares, to avoid the company's employee stock ownership plan was "closed".

Environmental protection, this kind of enterprise is pleased technology enterprises, had less of an impact on the reality, so practical environmental protection problem is not much, but the electronic products, information products there is sometimes a various problems, such as network of intellectual property protection of the environment, network information pollution, some companies to obtain higher network popularity spread false information, pornographic information, aging information etc., which resulted in the network environment is seriously polluted, and is banned repeatedly more than, cause serious harm to the social and public security.

Consumer interests, the existence of the GEM Listing Corporation information disclosure does not regulate the phenomenon. Information disclosure is not comprehensive, not timely, not accurate, stakeholders will use the information asymmetry of insider trading by malicious

manipulation market seeking profits. This will cause the market volatility, investors speculative psychological increase, serious damage to the interests of consumers, 80% of the retail in online purchase, but on the issue of price do not have the right to know and right to participate in, and can only passively accept issuers, sponsors and inquiry agencies determine the price, the Underwriters, issuers and sponsors driven by profit may boost the price issue, gem become shareholders of listed companies. A large number of companies listed on the GEM listed on the phenomenon of loss, serious damage to the interests of consumers, the phenomenon of executives to resign, after the listing of the economic benefits of the resignation of the company's continued development. By the end of October 19, 2010, 130 gem enterprises according to the market price calculation stock market capitalization of more than 400 natural person more than 1 billion yuan, with tens of millions of dollars in stock market value of the natural person shareholders have more than 500 people. There are more than 30 enterprises, nearly 70 executives to resign.

On the innovation of the products, from 2009 to 2014, do pioneering work board the company R & D intensity respectively 4.57%, 4.63% and 5.04% and 5.41%, 5.72% and 5.33%, higher than the average level of Shenzhen. However, there are also a part of the listed company of science and technology content is not high, some of the listed companies did not put these funds for technology development and high-tech talent training, resulting in a waste of social resources, gem company's growth is not enough, with no tech "patent" to wrap themselves, in order that the company "technology content." Enterprise is going to the other extreme - "the proliferation of patent". The most obvious such as rip biological. At present, the company has obtained 22 patents. Only 3 of the invention patents. The other 19 are design patents, design patents actually have 18 is achieved in 2009.

3. Analysis on the Reasons of the Problems in the Strategic Management of the Social Responsibility of Small and Medium Sized Enterprises

(1) Internal factors of enterprises

Characteristics of small and medium-sized enterprises, the enterprise own economic ability weak, cannot invest a lot of money to protect the enterprise production and product safety; enterprise managers to understand that social responsibility will inevitably lead to reduce the enterprise performance, increase the cost of doing business, understanding of social responsibility is also not comprehensive enough, in the social responsibility conscientiously fulfill their lack of understanding. Operators cultural level is not high, backward management, lack of funds, to consider the issue when the lack of strategic vision, short-sighted, considering only the immediate interests, does not consider the long-term interests, that corporate social responsibility is the burden of the enterprise survival and the development, of the social responsibility of the enterprise is not enough attention, in the course of business enterprises do not consider the social responsibility of the enterprise, which leads to the small and medium-sized enterprise social responsibility status is not satisfactory, press employees, to deceive the consumer and the supplier, the pollution of the environment, such as events occur frequently.

The management level of small and medium-sized enterprises is backward, the lack of its own corporate culture and corporate social responsibility strategy, not in the business management to establish a people-oriented business philosophy. In some small and medium-sized enterprises, the product, the profit is very important, but not the production safety of workers when one thing, the product and profit is much higher than the value of workers and personal safety. Small and medium-sized enterprises lack of funds, poor competition ability, blindly rely on low price competition, the small and medium-sized enterprises in business is not to borrow all costs by squeezing staff, to reduce the

investment in environmental protection, counterfeiting and other methods to reduce the cost and profit. At the same time, the small and medium-sized enterprise technical force is weak, backward production technology, lack of effective safety management system is caused by the waste of resources, production safety is one of the reasons for frequent accidents and environmental pollution accidents.

Small and medium-sized enterprises in consideration of the enterprise strategic common understanding deviation, without taking into account the content of strategic management of corporate social responsibility content, just strategic management focuses on the choice of specific enterprise development strategy and business strategy, such as how to choose the enterprises in the industry, how to choose the enterprise product strategy and so on. Small and medium-sized enterprises in the business process ignores an important content of enterprise mission and long-term goal of corporate social responsibility, which is an important reason for the lack of social responsibility of small and medium sized enterprises.

(2) External factors

In addition to the reasons for the existence of small and medium enterprises, the lack of necessary external supervision is also one of the important factors which cause the small and medium enterprises to disregard corporate social responsibility.

Government, as a result of the laws of our country is not perfect, the enterprise can drilling legal loopholes; law enforcement law enforcement is not enough and there are no laws to abide, government departments focus only on corporate profits and taxes, and abide by the law to the enterprise behavior of supervision is not enough, lack of effective means of supervision, to take measures to adapt to the needs of economic development without. Two is because our country economy starts late, the government pays more attention to the development speed, pays attention to the economic benefit. Take the "first pollution

control" policy, many enterprises are in the process of development in the process of infinite analogy to this idea. The status of the public and the enterprise is not completely equal. The public is not aware of the "pollution" of the enterprise to the society, and it is not conscious to stop this behavior.

Society, the lack of awareness of the social responsibility of the enterprise and the whole society to corporate social responsibility awareness is not deep enough, to the enterprise bear the requirements of corporate social responsibility is not clear enough, and in promoting and promote the vast number of small and medium-sized enterprises to fulfill their social responsibilities seriously play to the role of is not enough.

In addition, enterprise employees lack of basic legal knowledge, awareness of rights is too poor. Many employees do not know their own interests and rights, always at the mercy of the boss at the mercy of the status. Employees as the main body of the enterprise to the enterprise to fulfill social responsibility did not play a role in promoting and facilitating, if the employee is able to do something to protect their legitimate rights and interests, and supervise the enterprise operators to fulfill social responsibility, then this will be the supervision of corporate social responsibility promote enterprises to fulfill the social responsibility of the internal dynamics.

4. Suggestions on Improving the Social Responsibility of Small and Medium Sized Enterprises

4.1 Suggestions From the Angle of Small and Medium Enterprises

First of all, small and medium-sized enterprises should establish the concept of social responsibility, enhance their sense of social responsibility, aware of their deficiencies existing in corporate social responsibility, strengthen the consciousness of social responsibility. Change enterprise managers business philosophy, really pay attention to the issue of corporate social

responsibility, corporate social responsibility into the enterprise management system and corporate culture, and carry out the social responsibility management to all aspects of enterprise management. At the same time, to strengthen the corporate social responsibility of staff training, improve staff awareness. Under the influence of excellent enterprise culture and enterprise managers and employees will consider and practice of production, operation and management aspects of the enterprise should bear the social responsibility independently.

Secondly, to protect the interests of all employees and to encourage the development of staff. In order to enhance the sense of belonging and enhance the employee's sense of ownership, so as to enhance the enterprise's human resources. Enterprises have the responsibility to comply with the relevant national laws and regulations and relevant international conventions, and earnestly safeguard the legitimate rights and interests of all employees, and efforts to enhance staff's creativity and enthusiasm, so as to make human resources to truly become one of the core competitiveness of enterprises. Enterprises shall use the human resource as the first resource, standardize the employment, improve staff welfare, improve the staff incentive mechanism, and continuously improve the working environment; standard labor contracts, clear working hours and salary standard. Protect the staff's legitimate rights and interests, maintain a good and stable labor relations, can enhance their loyalty to the enterprise and the sense of belonging, arouses staff's enthusiasm, improve the sustainable development capacity of enterprise human resources.^{[18][19]}

Finally, small and medium-sized enterprises to actively participate in various social activities, with the view of development, the return from the perspective of the corporate social responsibility into "social long-term investment behavior, enhance corporate image and enhance the competitiveness of enterprises, small and medium-sized enterprises to cultivate brand awareness, pay attention to product brand and corporate brand

building, for enterprise development to lay a solid foundation.

4.2. Suggestions From the Perspective of Government and Society

Improve the construction of relevant legal system. According to the trend of globalization of corporate social responsibility, the government should actively promote the legalization of corporate social responsibility and the requirements of corporate social responsibility in the form of law, to enable enterprises to comply with labor law, production safety law and the environmental protection law in the process of production and operation and other enterprises do law-abiding business at the same time also reflected the social responsibility. In the company law, it is necessary to emphasize that enterprises must assume the basic social responsibility, so that corporate social responsibility should be included in the legal system and standardized management system. Strengthening corporate social responsibility is actually strengthen the law-abiding behavior of enterprises, so that enterprises in the process of production and operation strictly comply with labor protection, production safety law and environmental protection law and in compliance with the premise of the various state laws to create profits and make a contribution to society. The mandatory impact on small and medium enterprises through the mandatory provisions of laws and regulations.

Increase the support of social responsibility strategy for small and medium sized enterprises. Small and medium-sized enterprises in the survival and development of some difficulties and disadvantages, which is the cause of the production and operation of the company is not willing to bear the important reasons for corporate social responsibility. A part of the small and medium-sized enterprise managers have recognized the importance of corporate social responsibility, but forced to survive the pressure, but it is more than the implementation of the lack of strength. Government should do a good job in the development of small and medium-sized

enterprises to support the work, so that SMEs have the ability to seriously fulfill their corporate social responsibility. As to ease the capital bottleneck in the development of small and medium-sized enterprises, increase credit support, and vigorously promote the construction of credit guarantee system, broaden the financing channels for small and medium-sized enterprises; promote the construction of credit system of small and medium-sized enterprises, accelerate the establishment of a suitable for the characteristics of small and medium-sized enterprises credit information collection and evaluation system and disciplinary mechanism, improve SME credit information system and credit archives database. Carry out enterprise integrity activities, improve enterprise credit system, the establishment of enterprise credit self-discipline mechanism; increase support for technological innovation of small and medium-sized enterprises, small and medium-sized enterprises focus on encouraging the independent development of new products and new technology, to fill gaps in the market; support small and medium-sized enterprises to actively adopt advanced technology, advanced production technology and equipment, improve product quality, promote the small and medium-sized enterprises established low resource consumption, less environmental pollution, good economic benefits are Behalf of the industrial structure and so on. ^{[20][21]}

Play the role of publicity and supervision of public opinion media. The news public opinion through extensive publicity, for those who did not assume social responsibility of small and medium-sized enterprises warning and curb the role, making them under the pressure of society as a whole had to pay attention to the strategy based on social responsibility. At the same time news public opinion through positive reports on some social responsibility, can also be the small and medium-sized enterprises play to the role of incentives, the medium and small-sized enterprises can realize the implementation based on the importance of social responsibility strategy, the content of social responsibility to implement

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the strategic management of enterprises, improve the competitiveness of the enterprises themselves.

Conclusion

Practice at home and abroad show that the enterprises to fulfill their social responsibilities, good social responsibility management, not only to obtain good social benefit, enhance the brand image of the enterprise and government policy support, and can obtain long-term business benefits. In contrast to the traditional economic theory that the corporate social responsibility will increase the burden of enterprises, the impact of its interests, corporate social responsibility and economic performance of enterprises have a positive correlation. Corporate social responsibility is one of the sources of modern enterprises to win the competitive advantage, and it is the strategic choice for the economic globalization, the traditional development view and the benefit maximization model. Through the research of our country's enterprises, especially small and medium enterprises, the awareness and sense of social responsibility are continue to strengthen, has begun to corporate social responsibility into the corporate strategy, but small and medium-sized enterprise by its own factors, social environment and other factors, corporate social responsibility war slightly rough, not deep enough and perfect. Enterprises in earn profits and should plan and landlords bear to workers, consumers, environment and resources of the public responsibility, the country, the society and the enterprise itself has a lot of benefits.

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