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# *Corporate Social Responsibility Management System under Sustainable Development Strategy*

**Yuhang Li**

*Rady School of Management, University of California, San Diego, San Diego, California, USA*
*yul321@ucsd.edu*

***Keywords:*** Management System, Corporate Social Responsibility, Sustainable Development, Corporate Management

***Abstract:*** Since the reform and opening up, China's economy has developed rapidly but has led to social problems. Some enterprises have negative impacts on one-sided profit-seeking, and corporate social responsibility has attracted much attention. In the study of organizational social responsibility, this paper takes initiative as a research sample and establishes a regression model based on the two perspectives of corporate social responsibility and corporate social capital. This article explores the social impact of corporate responsibility and the overall impact of social capital development on sustainable business development. The results show that corporate responsibility has a positive impact on the sustainable development of the enterprise. Among them, the company's responsibilities to shareholders, lenders, employees, customers and distributors have a significant impact on the sustainable development of the company. For shareholders, lenders, employees, consumers and distributors, the company has a significant impact on sustainability. It has a significant impact on the planning and public interest of sustainable development programs, but has no impact on corporate sustainability. The correlation probability for each factor is close to 0.000 and is less than the significance level of 0.005, indicating significant differences between companies with different levels of corporate social responsibility management systems.

## 1. Introduction

In China, the average lifespan of group companies is 7 to 8 years, while small and medium-sized enterprises survive only 2.9 years on average. Despite having strong technical capabilities, many Chinese companies engage in price wars as their primary competitive strategy. Research reveals that short-lived enterprises often lack not only technology, scale, and management expertise, but crucially, the social responsibility essential for societal well-being.

Corporate social responsibility (CSR) concepts predate modern enterprises, but businesses' societal roles gained theoretical attention with two key debates about whether and why companies should bear social responsibility. Historically, CSR research focused on frameworks and implementation steps. In the 21st century, economic globalization has intensified interconnections among society, economy, and environment, transforming business landscapes. Today, environmental degradation and corporate misconduct have heightened tensions between business and society.

Public expectations now extend beyond quality products to include social justice and environmental protection, amplifying calls for CSR and sustainable development. This context necessitates studying how enterprises implement social responsibility management.

This research addresses critical practical challenges by analyzing global CSR systems and developing a management framework suitable for Chinese enterprises. The study holds dual significance: theoretically, it integrates international CSR models with Chinese practice, addressing the challenge of adapting this "exotic product" to local contexts; practically, it provides empirical guidance for Chinese enterprises to fulfill social responsibilities within their operations. By systematically examining global CSR management systems through empirical research, this study offers valuable leadership insights for Chinese businesses pursuing sustainable development.

## 2. Related Work

The reliability of these assumptions has been called into question by Boulstridge E with conflicting reports from previous studies [1]. The Alhouti S analyzed stories on corporate social responsibility (CSR) published in two online newspapers and readers' comments on them. He surveyed how online readers interpret corporate social responsibility activities. He examined the impact of corporate social responsibility type, situation and corporate reputation [2]. Xie X believed that corporate social responsibility (CSR) is a long-standing topic in business operations. But few studies examine corporate social responsibility from the perspective of customer satisfaction and institutional environment [3]. Blasi S analyzed the relationship between the corporate social responsibility activities of enterprises and their economic performance. He considered seven macro-categories of corporate social responsibility (CSR), six market- and accounting-based performance indicators, and decomposed activities through corporate sectors [4].

Relevant experts also have different research results under the premise of considering the sustainable development of enterprises. Blasi S thought both in terms of published MNEs and SDG research. Up to now, research on MNCs and SDGs has been relatively limited [5]. Latysheva O proposed an algorithm for estimating a firm's position in the sustainable development competitive space [6]. Kostyrko R designed to ensure the sustainable development of the business. He confirmed the priorities for the development of management accounting methods based on implementing values and concepts of sustainability. It envisages expanding the discipline area activities and improving method support of management accounting by complementing the accounting objects of the economic, social and environmental external environment [7].

## 3. Impact of Social Responsibility on the Sustainable Development of Enterprises

With the acceleration of globalization, enterprises are facing both fierce competition and the pressure of social workers to survive independently. Now that social work is gradually becoming a global phenomenon, enterprises must follow the law of development if they want to gain a competitive advantage and achieve their development goals. In the context of globalization, the linkages between economic, social and environmental relations are strong. Therefore, the need to develop competition and reputation is not only the performance of social work, but also the need to develop the company itself [8]. This article will discuss the impact of social responsibility on sustainable development and the stakeholder perspective.

### 3.1 Corporate Social Responsibility to Employees

The most basic relationship between a business and its employees is based on contractual economic relationships as well as some legal and ethical relationships. In a word, economic relations are the relationships between jobs and employment, relationship laws are the legal framework of economic relations and relationship behaviors are the default for the affirmations of economic-legal relations[9]. In the relationship of trust, enterprises also have certain responsibilities for the development and growth of employees. The basic economic responsibilities and legal business responsibilities of employees are the ethical standards that enterprises must abide by [10]. Enterprises should not neglect the life and health of employees in order to provide employment opportunities for them. Chemical, mining, deep-sea operations and many other operations are harmful to workers' health, and for the natural damage of the factory itself, enterprises must strictly implement relevant regulations to protect employees [11]. According to relevant regulations, it requires enterprises to take strict protective measures for employees who have working environment risks [12]. Human resources are the main driving force for sustainable business growth, and it is the main guarantee for sustainable business growth. The responsibility of the enterprise to the employees has an impact on the sustainable development of the enterprise mainly through the following two ways, as shown in Figure 1 [13].

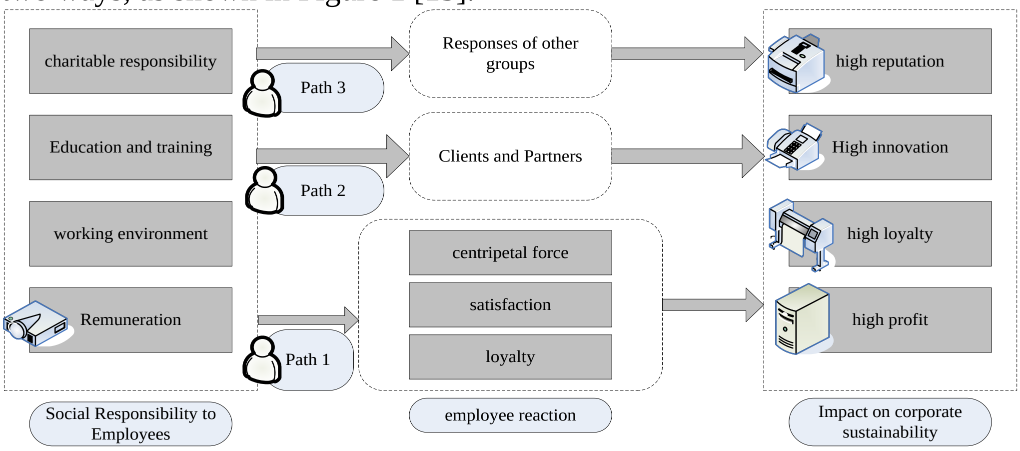


Figure 1 The ways in which companies are responsible for their employees on corporate sustainability

## 3.2 Corporate Social Responsibility to Customers

The masses who buy the company's products become the company's customers, and in a broader sense, all participants in the company's social marketing are customers [14]. Some have become a reality for companies to provide high-quality, low-cost, safe, high-quality, durable products to meet customers' material and spiritual needs. Important business services provided to customers include safeguarding the rights and interests of customers, and providing customers with safety and reliability at reasonable prices is the most important job of the client company [15]. If the products provided by enterprises to customers have potential security risks, all losses caused by customers will be fully borne by the enterprises [16]. Enterprises selling products to customers should not only ensure the safety and reliability of product quality, but also be responsible for setting fair and reasonable product prices, improving and modifying product functions, and ensuring that consumers have the right to choose freely. Consumers have the right to choose operators who provide goods or services, choose the types of goods or services, and decide whether to buy goods. Retailers cannot put pressure on customers to sell, police or persuade customers to buy products they don't like or force customers to choose their own way of spending. Suppliers must provide consumers with complete and accurate information about products, designs, applications, and the pros and cons of results to prevent them from making wrong purchasing decisions. Merchants are responsible for maintaining good after-sales service for customers. It provides active support and guidance for problems that may arise in the use of products or services to reduce customer losses. The ultimate goal of a business is to maximize profits from its products by purchasing customers or to encourage customers to buy. Companies must fulfill their social responsibilities to customers, and the impact of corporate customers' social responsibilities on corporate sustainable development is shown in Figure 2.

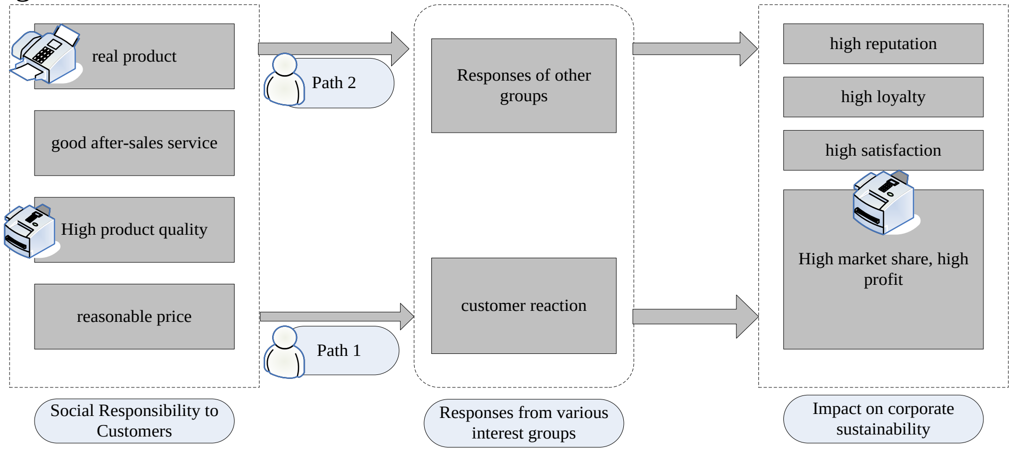


Figure 2 The impact of corporate-to-customer social responsibility on corporate sustainability

## 3.3 Responsibilities of Enterprises to Shareholders and Creditors

Enterprises are mainly responsible for the security and profitability of shareholder funds [17]. Investors transfer funds to the company, expecting a return on their investment in the company, and the company must meet the investor's transaction needs [18]. Investment companies must follow procedures, distribute products fairly in accordance with the rules, and earn returns for investors. The company is responsible for providing relevant business and investment information to lenders and borrowers, as well as providing lenders with information on various aspects of the company in its core industries, business management, financial management and other fields [19]. Companies must ensure that the information they publish is accurate and reliable [20]. Based on the concept of community service, an important part of community service is public service, which is in the hands of members and payers. From previous research we can see that participants play an important role in business development. The impact of stakeholder relationship effectiveness in sustainable business development can be realized in two ways, as shown in Figure 3.

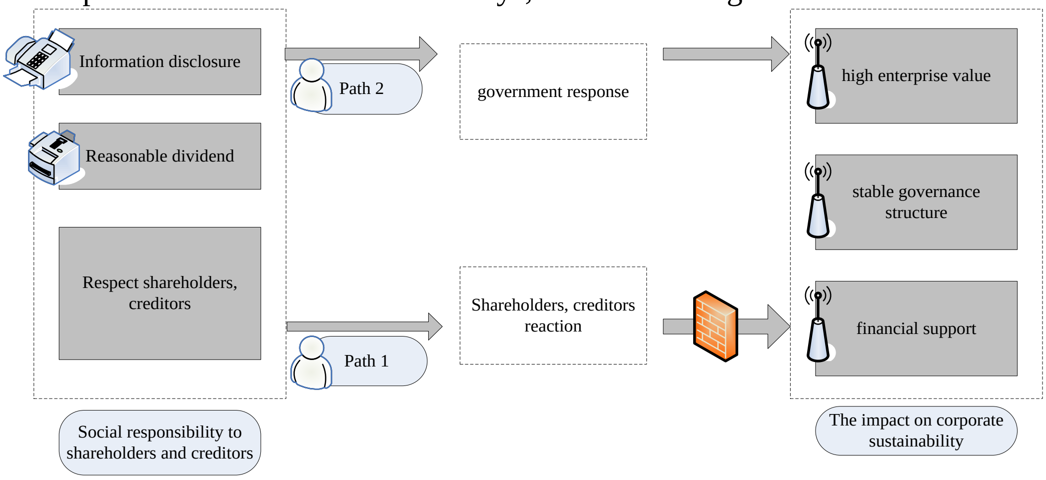


Figure 3 The impact of corporate social responsibility to shareholders on corporate sustainability

In the early stage of market economy development, classical economics believed that the primary responsibility of an enterprise's existence was economic interests and profit maximization. And assuming that people are rational people, everyone and every enterprise pursues the maximization of profits, which will eventually bring the maximization of the profits of the whole country, thus obtaining the greatest welfare for the whole society. However, with the further development of the economy, the competition of economic interests has been carried out among enterprises, the pursuit of "bigger and stronger" and the pursuit of monopoly. The negative effects and even disasters brought about by this are painful for every industrialized country. Enterprises have overdrawn too many resources that belong to the future. Therefore, it has become an inevitable choice to strengthen the environmental responsibility and social progress responsibility of enterprises. In short, from the perspective of the sustainable development of all mankind and the sustainable development of enterprises, it has become a necessary choice to fully advance from the economic bottom line and balance the triple bottom line, as depicted in Figure 4.

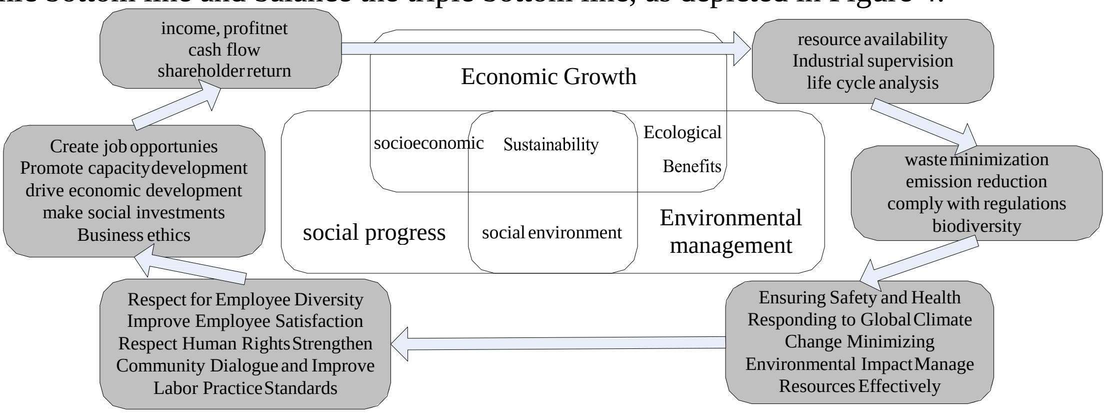


Figure 4 Three-layer bottom line theoretical framework

## 3.4 Indicator System

Because corporate social responsibility is a multi-dimensional concept, corporate social responsibility management involves all levels and aspects of the enterprise. Due to the differences in the social responsibility management of various enterprises, the general framework of corporate social responsibility management is refined. Dimensions and weights of corporate social responsibility management system as shown in Table 1.

Table 1 Dimensions and weights of corporate social responsibility management system

| first-level indicator | primary weight | Secondary indicators | secondary weight |
|---|---|---|---|
| Responsible governance | 0.21 | Setting a Corporate Social Responsibility Strategy | 0.04 |
| | | Legal compliance | 0.03 |
| Responsibility Integration | 0.31 | Establish a social responsibility organization system | 0.06 |
| | | CSR Risk Management | 0.06 |
| Responsibility Performance Management | 0.08 | CSR Index System | 0.02 |
| | | Evaluation and evaluation of social responsibility | 0.05 |

In terms of the nature of enterprises, the sample of Chinese state-owned enterprises is based on the list jointly issued by the China Enterprise Confederation and the China Entrepreneurs Association. Among them, there are 37 central enterprises, 7 state-owned financial enterprises, and

20 other state-owned enterprises, accounting for 42% of the total sample. The sample selection of private enterprises is still based on the list. Based on the principle of private capital holding, this paper selects Chinese private enterprises. Among them, there are 36 valid private enterprise data, accounting for 23.7% of the total sample. Foreign-funded enterprises are based on the annual list of the top 500 foreign-invested enterprises released by the Ministry of Commerce and adjusted accordingly. Among them, 52 Chinese foreign-funded enterprises account for 34.2% of the total sample, as shown in Table 2

Table 2 Ownership properties of the samples

| | frequency | percentage | Effective percentage | Cumulative percentage |
|---|---|---|---|---|
| foreign capital | 52 | 32.3 | 35.6 | 21.5 |
| Private | 36 | 25.7 | 26.4 | 56.3 |
| Central SOEs | 27 | 23.6 | 21.3 | 84.2 |
| State-owned financial enterprises | 5 | 4.6 | 5.2 | 85.6 |
| Other state-owned enterprises | 20 | 13.5 | 15.3 | 100.0 |
| Total | 152 | 100.0 | 100.0 | |

From the perspective of enterprise scale, we use the current year's operating income to define the company's operating capacity and scale. We divided the surveyed enterprises into four grades: small, medium, large and very large. They account for 59.9%, 19.7%, 11.8% and 8.6% of the total sample in turn. Its distribution is shown in Figure 5 below:

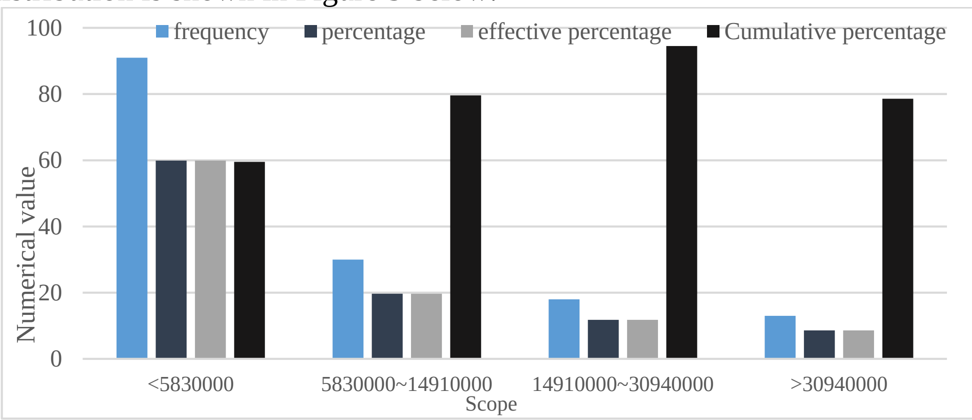


Figure 5 Size of the sample (operating income)

Figure 6 shows that the level of responsibility performance management of enterprises in different stages is different. There is a tortuous relationship between responsibility performance management and corporate social responsibility promotion index. When the excellent enterprises improve their social responsibility management level, they do not focus on the performance management of social responsibility, but improve through other modules.

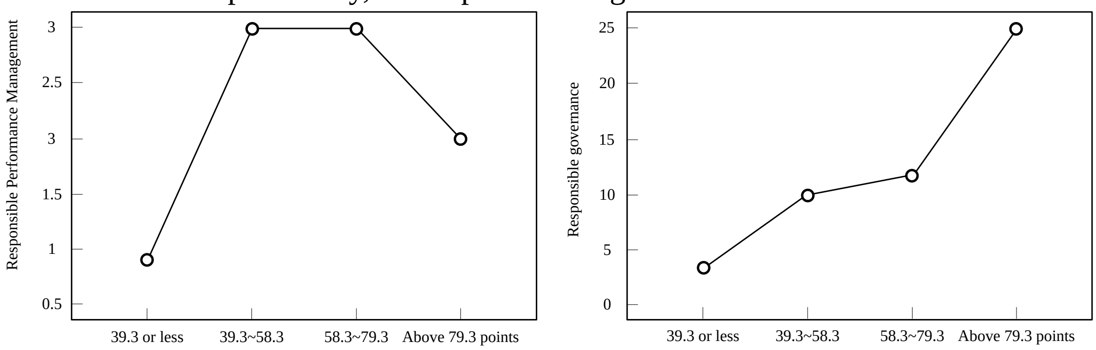


Figure 6 Corporate Social Responsibility Promotion Index

### 3.5 Impact of Social Responsibility and Social Capital on the Sustainable Development of Enterprises

Firstly, this paper constructs four regression models to examine the relationship between corporate social responsibility and its seven dimensions and corporate sustainable development, corporate social capital and its three dimensions and corporate sustainable development. The test formula is as follows. The corporate social responsibility evaluation system is as follows in Table 3:

Table 3 Corporate Social Responsibility Evaluation System

| Stakeholders | Define symbols | Calculation formula | Numerical value |
| --- | --- | --- | --- |
| shareholder | INVCR | Profit after tax/total share capital | 0.132 |
| creditor | CRECR | Finance Expenses/Operating Income | 1.354 |
| Staff | EMPCR | Cash/operating income paid directly or for employees | 2.321 |
| client | CUSCR | Operating cost/operating income | 0.124 |
| supplier | SUPCR | Main business cost/average accounts payable | 0.545 |
| government | GOVCR | Actual net tax/business income | 5.645 |
| public welfare | CHACR | Donation Expenses/Operating Income | 2.314 |

$$CSD = \partial_0 + \partial_1 CSR + \partial_2 SIZE + \partial_3 YEAR + \varepsilon \quad (1)$$

$$CSD = \partial_0 + \partial_1 INVCR + \partial_2 CRECR + \partial_3 EMPCR + \partial_4 CUSCR + \partial_5 SUPCR + \partial_6 COVCR \quad (2)$$

$$CSD = \partial_0 + \partial_1 CSC + \partial_2 SIZE + \partial_3 YEAR + \varepsilon \quad (3)$$

$$CSD = \partial_0 + \partial_1 TRU + \partial_2 LON + \partial_3 LAT + \partial_4 SIZE + \partial_5 YEAR + \varepsilon \quad (4)$$

In order to explore the synergistic impact of corporate social responsibility and corporate social capital on the sustainable development of enterprises, this paper first starts from the perspective of corporate social capital.

## 4. Corporate Social Responsibility and Corporate Sustainable Development

The contribution of these three comprehensive factors to the sample reached 64.682%. It indicates that these three factors can reflect the vast majority of information of the original indicators and can evaluate the social capital of enterprises. The rotated factor matrix is shown in Table 4:

Table 4 Rotation Composition Matrix

| | Element | | |
| --- | --- | --- | --- |
| | 1 | 2 | 3 |
| Natural logarithm of government subsidies | 0.018 | 0.885 | 0.091 |
| State holding | -0.012 | 0.821 | 0.002 |
| management government | 0.044 | -0.700 | 0.055 |
| Short-term borrowings/current assets | 0.175 | 0.118 | 0.822 |
| Long-term equity investment/total assets | -0.008 | 0.051 | 0.801 |
| Management across banks | 0.192 | 0.498 | -0.123 |
| Top five customer sales ratio | 0.731 | 0.048 | 0.154 |
| Proportion of the top five suppliers | 0.787 | -0.030 | 0.456 |
| Natural logarithm of intangible assets | 0.890 | 0.030 | -0.042 |

Combined with the rotated factors and practical significance, the comprehensive indicators are explained. It can be seen from Table 4 that the comprehensive factor 1 has a larger load on the top five suppliers, top five customers and the natural logarithm of intangible assets, which is named the trust dimension (TYU). The comprehensive factor 2 has a larger load on the indicators of subsidies, controlling shareholders, management positions and management cross-bank positions. It mainly reflects the relationship of enterprises, so it is named as the longitudinal dimension (LON). The comprehensive factor 3 has a larger load on short-term borrowing/current assets and long-term equity investment/total assets. It mainly reflects the relationship between enterprises and other enterprises and financial institutions, so it is named as the horizontal dimension (LAT). Then, according to the component score coefficient matrix, this paper calculates the data of three comprehensive indicators of horizontal, vertical and social trust, as shown in Table 5:

Table 5 Ingredient Score Matrix

| | Element | | |
|---|---|---|---|
| | 1 | 2 | 3 |
| Natural logarithm of government subsidies | -0.017 | 0.445 | 0.028 |
| State holding | -0.014 | 0.416 | -0.020 |
| management government | 0.031 | -0.355 | 0.064 |
| Short-term borrowings/current assets | -0.076 | 0.035 | 0.477 |
| Long-term equity investment/total assets | -0.175 | 0.003 | 0.505 |
| Management across banks | 0.004 | 0.276 | -0.078 |
| Top five customer sales ratio | 0.377 | 0.013 | -0.045 |
| Proportion of the top five suppliers | 0.349 | -0.035 | 0.125 |
| Natural logarithm of intangible assets | 0.516 | 0.009 | -0.220 |

Figure 7 lists the number of descriptions of significant changes in research. The data from various media outlets show significant variation in pricing and investment levels across companies. Prices range from a minimum of -8.8819 to a maximum of 0.849, with an average of 0.2677. General income ranges from 0.071 to 29.1451, highlighting disparities in investment inclusion. For sustainability support, prices range from -10.9932 to 30.2393, with a low average of 1.7180, indicating weak sustainability performance in the steel industry. Additionally, HR performance varies, and many companies lack commitment to corporate responsibility.

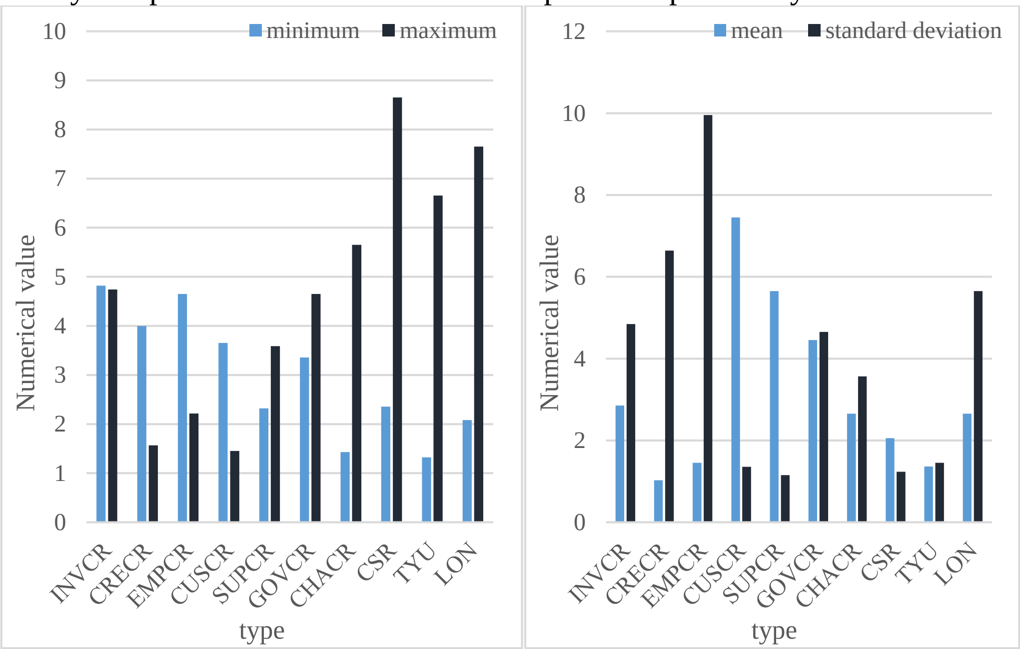


Figure 7 Descriptive Statistics for Primary Variables

This study analyzes the impact of corporate social responsibility (CSR) and social capital on sustainable development through four models. The results show that the regression coefficients of shareholders, customers and suppliers' responsibilities were 0.143, 0.177 and 0.105 (all significant at the 1% level), and the creditors and employees' responsibilities were 0.037 and 0.042 (significant at the 10% level), indicating that these stakeholder responsibilities have a positive impact on the sustainable development of the enterprise; while the impact of government and public welfare responsibilities is not significant, which may be because of its mandatory nature. Model 3 shows that the regression coefficient of the comprehensive index of corporate social capital is 0.046, which significantly promotes sustainable development. Model 4 further shows that the trust dimension (0.080) and the horizontal dimension (0.064) are significant at the 5% level, while the vertical dimension is not significant, indicating that the relationship network between enterprises and financial institutions is more important to promote sustainable development.

## 5. Discussion

This paper proposes corporate social responsibility and social capital as key variables influencing sustainable development. When enterprises assume social responsibility toward stakeholders, they generate positive externalities that enhance their sustainability. Specifically, responsibilities to shareholders, creditors, employees, customers, and suppliers have significant positive impacts on sustainable development, while responsibilities to government and public welfare show no significant impact.

The accumulation of social capital also positively affects enterprise sustainability. The horizontal dimension (relationships with other enterprises and financial institutions) and trust dimension (relationships with key suppliers and customers) significantly promote sustainable development, whereas the vertical dimension (relationships with government) shows no significant impact.

Corporate responsibility strengthens the link between business performance and sustainability by enhancing corporate image, building stakeholder trust, and fostering teamwork. Social capital facilitates information sharing, reduces uncertainty, and improves investment efficiency, thereby supporting sustainable growth. The findings confirm that strategic implementation of CSR, particularly toward key stakeholders, creates tangible business value while contributing to societal well-being.

## 6. Conclusion

This research demonstrates that corporate social responsibility significantly contributes to enterprise sustainability, with varying impacts across different stakeholder groups. While profit maximization was historically prioritized, contemporary business success increasingly depends on balancing economic, social, and environmental responsibilities.

In China, CSR awareness evolved from initial indifference to growing importance, particularly after multinational companies began requiring CSR certification from Chinese suppliers and following high-profile incidents like the melamine scandal. Our empirical analysis confirms that enterprises actively fulfilling social responsibilities toward key stakeholders achieve better sustainable development outcomes.

The study provides both theoretical and practical contributions by integrating international CSR frameworks with Chinese business context and offering actionable guidance for enterprises. Future research should explore industry-specific CSR implementation strategies and longitudinal effects of CSR practices on enterprise sustainability. Despite current limitations, this research establishes a foundation for advancing CSR theory and practice in emerging economies.

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