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Strategic CSR and Corporate Development: A Case Study of Huamao Group

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Doctor of Management

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University of Electronic Science and Technology of China

July, 2023



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Declaration

I declare that this thesis does not incorporate without acknowledgment any material previously submitted for a degree or diploma in any university and that to the best of my knowledge it does not contain any material previously published or written by another person except where due reference is made in the text.


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Abstract

Since the implementation of the reform and opening up policy, China's economy has experienced remarkable and sustained growth for nearly four decades, accompanied by a substantial enhancement in its comprehensive national strength. Private enterprises have played a pivotal role in this progress. However, some private enterprises have been solely fixated on achieving short-term profit objectives, neglecting their CSR towards advancing overall economic development for the society. In contrast, there are exemplar companies like Wahaha Group and Fuyao Group, who exhibit fervent commitment to fulfilling their CSR. This thesis focuses on Huamao Group as a case study, and examines the influence of CSR on its business development from a strategic standpoint. This thesis adopts the grounded theory method to conduct a case study, employs in-depth interviews for data collection, and uses Nvivo 11 software for data analysis and model construction. The findings in this thesis suggest that SCSR enhances the operational performance of Huamao Group. Results show that Huamao Group considers SCSR as a pivotal factor contributing to the company's achievements. Moreover, the company has consistently enhanced its business performance through a dedicated approach to SCSR. This commitment to SCSR has yielded positive impacts on Huamao Group's reputation, financial performance, and market share, which benefits its stakeholders, including employees, consumers, communities, and shareholders. This thesis significantly enriches the research perspective on CSR among private enterprises and lends substantial support to the government in devising policies that encourage private enterprises to actively fulfill their social responsibilities, thus promoting overall economic development.

Keywords: SCSR; Financial performance; Corporate reputation

JEL: M13, M14

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Resumo

Nos últimos 40 anos, com a política de abertura, a economia chinesa tem crescido a um ritmo elevado tendo as empresas privadas contribuído para este crescimento. Algumas empresas privadas focam-se apenas nos lucros de curto prazo, ignorando a sua responsabilidade social e económica. Contudo, existem algumas empresas, tais como, o Grupo Wahaha e o Grupo Fuyao, empenham-se em cumprir a sua Responsabilidade Social e Económica (RSE), o que facilita a discussão, entre os académicos, da responsabilidade social das empresas privadas. Esta tese escolhe o Grupo Huamao como caso de estudo e discute o impacto da responsabilidade social corporativa no seu desempenho empresarial numa perspectiva estratégica. O estudo concluiu que o Grupo Huamao considera a responsabilidade social corporativa estratégica (RSCE) um dos fatores principais para o sucesso do grupo e a RSCE tem contribuído para uma melhoria constante do seu desempenho empresarial. A RSCE tem um impacto positivo na reputação da empresa, no desempenho financeiro e na dimensão do mercado, contribuindo deste modo para a realização dos interesses dos stakeholders empregados, consumidores, comunidade e acionistas. Esta tese contribui para a pesquisa da responsabilidade social das empresas privadas e ajuda o governo a formular políticas que incentivem as empresas privadas a cumprir a sua responsabilidade social e promover o desenvolvimento económica.

Palavras-chave: Responsabilidade social corporativa estratégica; Desempenho financeiro; Reputação corporativa

JEL: M13, M14

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摘要

改革开放政以来，中国经济经历了接近四十年的持续增长，综合国力实现了大幅度的提升。其中，民营企业在这一进程中发挥了关键作用。然而有一些民营企业过于专注于实现短期利润目标，忽视了对推动社会整体经济发展的社会责任，进而在激烈的竞争中逐渐处于劣势。反观像娃哈哈集团和福耀玻璃集团这样的企业却展现出对履行企业社会责任（CSR）的强烈承诺，由此伴随它们的是企业实现持久发展。上述鲜明的对比为文章探讨民营企业 CSR 与企业发展提供思考。本研究以华茂集团为案例，采用扎根理论方法进行案例研究，运用深度访谈进行数据收集，并使用 Nvivo 11 软件进行数据分析和模型构建，从战略角度考察战略性企业社会责任（SCSR）对其业务发展的影响。研究表明，SCSR 能够发挥提升华茂集团经营绩效的作用，究其原因在于华茂集团将 SCSR 视为促进公司成就的关键因素，通过员工、消费者、社区和股东等利益相关方实现华茂集团在企业声誉、财务绩效和市场份额方面的积极作用。研究结论丰富了关于民营企业 CSR 的研究视角，并为政府制定鼓励民营企业积极履行社会责任、促进整体经济发展政策提供实质性支持。

关键词：SCSR；财务绩效；企业声誉

JEL: M13, M14

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Chatpet 1: Introduction

1.1 Research background and contribution

1.1.1 Research background

Since the implementation of the reform and opening up policy, China's economy has experienced rapid growth for almost 40 years, and its comprehensive national strength has significantly improved. Private enterprises, as the lifeblood of the national economy, have played an important role in enhancing the management level, management mechanism, technological innovation, and business performance, and have increasingly impacted the national economy and society. However, some private enterprises, such as Sanzhu Group and Qinchi Group, have had a short-lived glorious period, while others have survived for a long time. Why do private enterprises, driving together in China's rapid economic development lane, have such different operating conditions and business performance? Upon closer examination of these failed private enterprises, we discovered that they share common characteristics, namely an eagerness to pursue short-term economic interests, a tendency to adopt aggressive business decisions, and a disregard for social responsibility. The problems of product quality, such as melamine, plasticizers, poison capsules, gutter oil, lean meat extract, and environmental pollution, such as waste water, waste gas, and waste, as well as the issue of employee welfare protection through arbitrary extension of working hours and deduction of staff salaries, are the concrete manifestations of the profit-oriented attempts of private enterprises, which are contradictory to social welfare and social morality, and ultimately accelerate the demise of private enterprises. Although mercenary behavior can bring profits to enterprises in the short term, but in the long run, such behavior will destroy the close relationship among shareholders, consumers, and a harmonious society, and ultimately hinder the sustainable development of enterprises.

Since the 20th century, there has been an increasing societal focus on corporate social responsibility (CSR) in private enterprises. In March 2006, the State Grid Corporation of China released its 2005 CSR Report to the public, marking the first instance of a central government-controlled enterprise disclosing a social responsibility report. This pivotal moment not only set the stage for subsequent demonstrations of social responsibility, but also

ushered in an era of heightened attention to CSR. Over the following years, the number of Chinese enterprises disclosing social responsibility reports steadily increased. For instance, in 2009, the number of such reports reached 582, a significant increase from the 169 released in 2008 (H. Chen, 2010). By 2019, the number of social responsibility reports disclosed by Chinese enterprises had grown to 2030, representing an almost 60-fold increase over the course of a decade. The Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (CASS-CSR2.0), published by the State-owned Assets Supervision and Administration Commission of the State Council and edited by the Chinese Academy of Social Sciences, explicitly mandates the disclosure of social responsibility behaviors by all state-owned enterprises. The Third Plenary Session of the 18th Central Committee in 2013 further emphasized the importance of CSR, asserting that social responsibility is an obligation for every enterprise. The launch of the "Golden Bee Global CSR 2030 Initiative" in 2017 solidified the status of CSR as a global concern, marking a new stage of implementation from a higher, more systematic perspective (Z. H. Yu, 2016).

Numerous documents have been issued at all levels of the Chinese government to encourage enterprises to fulfill their social responsibilities. Despite these efforts, the current situation of CSR remains suboptimal, particularly in the case of private enterprises. State-owned enterprises are typically more proactive in fulfilling their social responsibilities, whereas private enterprises often prioritize profit-seeking above all else. This orientation frequently results in the production of substandard products, environmental pollution, and the evasion of taxes and labor regulations. Nevertheless, some private enterprises demonstrate a keen interest in fulfilling their social responsibilities and have substantially increased their charitable donations year over year. The China Charity Development Report (2016), published by the Chinese Academy of Social Sciences, notes that Chinese private enterprises accounted for half of all charitable donations and large donations exceeding 100 million yuan. In particular, private enterprises such as Wohaha Group, Wanglaoji Group, and Fuyao Group have demonstrated outstanding performances in responding to major natural disasters. Some private enterprises have also pursued technological innovation to improve production processes and environmental governance, thereby achieving dual objectives of corporate development and environmental protection. Others have sought to establish positive reputations by optimizing employee welfare and pursuing other avenues of social responsibility. These examples prompt us to reflect on why some private enterprises prioritize profit-seeking over their corporate image and environmental concerns while others are more generous and enthusiastic in their social responsibility efforts. Does this difference stem from

variations in social responsibility consciousness, or is there something behind the behavior of private enterprises that remains incompletely understood?

The academic community has conducted a series of investigations into the CSR of private enterprises and has reached a preliminary consensus that Chinese private enterprises undertake CSR based on strategic, political, and self-interest motivations of managers. This thesis argues that the "self-interest" motivation is the foundation for these private enterprises to undertake CSR. Private enterprises view CSR as an effective way to achieve strategic goals, build political connections, and seek personal interests. Therefore, when CSR is not profitable, these enterprises tend to avoid it. However, some studies have presented different explanations (Godfrey, 2005; Maloni & Brown, 2006). Researchers posit that CSR is the externalized expression of entrepreneurs' self-values after private enterprises have reached a certain stage of development. These enterprises undertake CSR to reflect the original intention of entrepreneurs and truly realize their dreams of industrial rejuvenation and industrial power. Even when CSR is not profitable, these private enterprises still adhere to their obligations as "social people". The above research is based on the motivation of CSR. In fact, many private enterprises view CSR as the strategic guidance of corporate development and embed CSR into the strategic planning of the enterprise to realize the complementarity of social responsibility and corporate development. This thesis departs from the traditional approach of exploring the topic of CSR of private enterprises from the perspective of motivation and attempts to discuss enterprise development from the perspective of Strategic Corporate Social Responsibility (SCSR). SCSR is produced by the integration of CSR research and strategic management research and represents an active strategic behavior that incorporates social issues into the internal core value of the enterprise. This thesis conducts a case study with Huamao Group to obtain specific research conclusions. It opens a new perspective on CSR research and provides an opportunity for the academic community to deeply explore the issue of corporate social responsibility.

1.1.2 Research contribution

The conclusion of our thesis has theoretical and practical value as follows:

The first theoretical contribution of our thesis is to broaden the research on the factors influencing corporate development. While scholars have reached some conclusions on the factors affecting the development of private enterprises, few studies have explored the issue from the perspective of SCSR, particularly in terms of integrating social responsibility into

corporate strategic decision-making. This thesis fills this gap by exploring the SCSR of Huamao Group through theoretical deduction and case analysis, and establishes that SCSR impacts the development of enterprises, thus expanding the scope of academic research and providing support for further exploration of the positive role of SCSR. The second theoretical contribution of our thesis is to provide additional evidence that SCSR influences corporate development. Existing literature treats CSR as a decision-making behavior that enables enterprises to shape their image, build political connections, and acquire external resources. However, this thesis embeds CSR within the strategic decision-making framework of private enterprises and reasserts the positive role of private enterprises' social responsibility in their own development from the perspective of SCSR. Consequently, our thesis is more significant than prior studies that focus solely on motivational factors while overlooking outcomes. Our research findings provide a perspective for further, in-depth discussions. Thirdly, this thesis provides positive evidence for the use of SCSR by private enterprises to drive development. Private enterprises' social responsibility is often labelled with the "self-interest" tag, but this thesis elucidates the positive role of private enterprises in fulfilling social responsibility from the perspective of guiding corporate strategy. This helps the academic community to gain a deeper understanding of the topic of social responsibility and lays the foundation for further in-depth exploration.

The thesis provides two practical values. Firstly, it establishes a foundation for accurate assessment of CSR in private enterprises. Although private enterprises can stabilize employment and advance social development, they often face criticism from different sectors for not fulfilling their CSR obligations. Certain scholars contend that private enterprises prioritize their own interests over social welfare and are hence disinclined to undertake CSR. But our thesis presents a systematic exposition that private enterprises use CSR as a guiding principle for strategic decision-making and to chart future development trajectories. So our thesis provides evidence that CSR can enhance the development of private enterprises and offers reference points for private enterprises seeking to undertake CSR. Secondly, our thesis aims to encourage private enterprises to embrace CSR. If private enterprises solely bear the cost of CSR at the expense of their own interests, it is unlikely to be sustainable. However, if private enterprises adopt CSR to promote enterprise development, it will undoubtedly enhance their enthusiasm for fulfilling social responsibilities. Our thesis integrates CSR into strategic decision-making, examines the constructive impact of CSR on enterprise strategic choices and operations from the perspective of SCSR, and concludes the affirmative significance of private enterprises using SCSR to guide strategic decision-making. Our thesis

effectively dismisses the concerns of some private enterprises that CSR is not conducive to healthy enterprise development and promotes a consensus to support positive and sustainable growth of the private sector and national economy. Thirdly, this thesis provides support for the government in formulating policies that encourage private enterprises to fulfill their social responsibility. The use of SCSR by private enterprises helps to improve business performance and achieve spillover effects of social responsibility, thereby enhancing social welfare. Based on this conclusion, governments at all levels can develop corresponding policies to encourage private enterprises to actively participate in social welfare activities, effectively utilize social resources to optimize social welfare, and lay a solid foundation for building a harmonious society.

1.2 Research Problem and research content

1.2.1 Research problem

Based on a review of previous research, our thesis constructs a logical framework for the impact of SCSR on corporate development by integrating SCSR and stakeholder theory. The framework is validated using Huamao Group as a case study for obtaining robust conclusions. The schematic diagram of the core content of this thesis is shown below:

Figure 1.1 illustrates the organization of the chapter's content, which comprises three parts. The first part aims to elucidate the concept of SCSR, providing a comprehensive introduction to its essence. This foundation serves as a basis for explicating its operating mechanism and effects in the subsequent sections. The second part of the figure focuses on the operating mechanism of SCSR, explaining how it impacts corporate development. The third part of the figure delves into the effects of SCSR, providing a detailed account of the pathways through which it affects corporate development. This thesis will address the following three questions in its research.

Question 1: What is SCSR, and how does it relate to the Huamao Group?

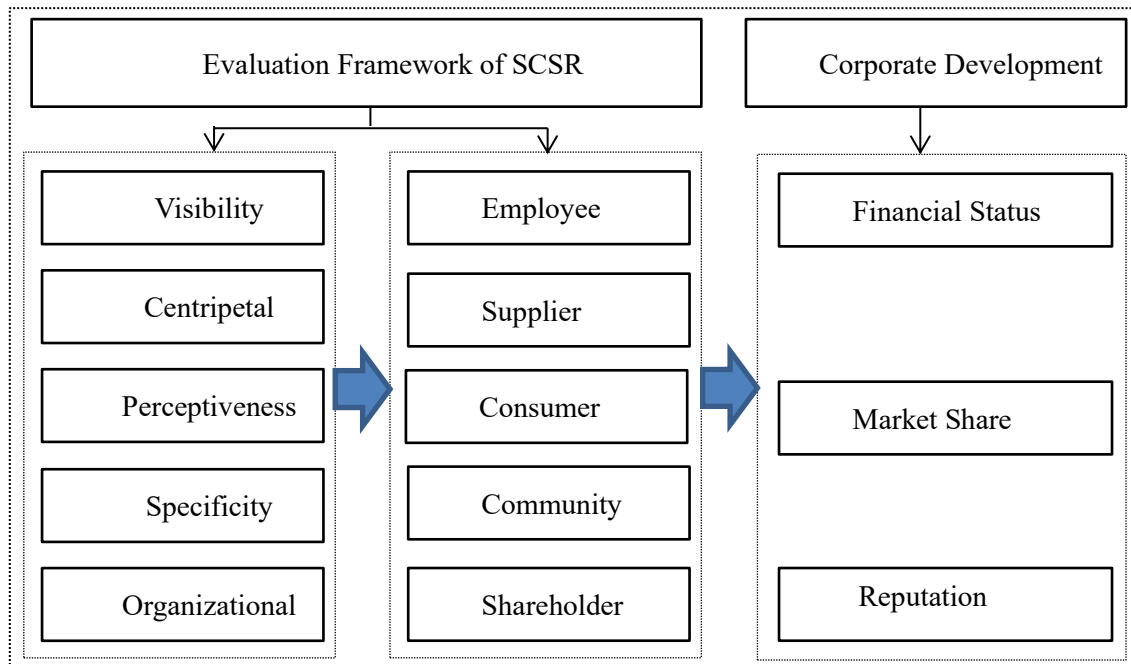


Figure 1.1 The impact of SCSR on corporate development

This thesis will begin by introducing the concept of SCSR and evaluating its application to the Huamao Group, which will establish the groundwork for a subsequent in-depth case study. SCSR refers to a company's proactive and deliberate efforts to integrate social and environmental concerns into its business operations and strategies, beyond the minimum legal requirements. SCSR is based on the idea that businesses have a responsibility to contribute to sustainable development and address societal challenges, while also creating value for their stakeholders. In the context of the Huamao Group, how SCSR relates to the company would depend on the specific focus and implementation of their SCSR efforts. It is possible that this thesis being referred to discuss the Huamao Group's SCSR initiatives and evaluates their impact on the company's development, as well as their alignment with the principles of SCSR. Alternatively, this thesis may introduce SCSR as a concept and then examine how the Huamao Group has implemented it in practice, assessing the effectiveness and implications of their approach.

Question 2: What impact does SCSR have on corporate development?

Next, this thesis will examine the relationship between SCSR and the corporate development of the Huamao Group by assessing its effects on financial performance, corporate reputation, and market share. Firstly, SCSR of enterprises will enhance corporate reputation and brand image that can help companies build a positive reputation and brand image among consumers, employees, suppliers, government staff, and other stakeholders. Secondly, SCSR of the Huamao Group will stimulate innovation and growth that can help

companies build trust and positive relationships with their stakeholders, including employees, customers, suppliers, and local government. This can enhance stakeholder engagement and support, as well as mitigate potential conflicts and social unrest. Thirdly, SCSR of enterprises will strengthen stakeholder relationships that can help companies build trust and positive relationships with their stakeholders, including employees, customers, suppliers, and local government. This can enhance stakeholder engagement and support, as well as mitigate potential conflicts and social unrest.

Question 3: How does SCSR impact corporate development?

Finally, this thesis will investigate the impact of SCSR on the corporate development of the Huamao Group from the perspectives of employees, customers, suppliers, government staff and shareholders. The impact of SCSR logic on corporate development can be significant, as it influences how a company approaches its social and environmental responsibilities, and how it integrates these responsibilities into its overall corporate strategy. Specifically, SCSR logic can improve stakeholder engagement and relationships by prioritizing the needs and expectations of its stakeholders, and engaging them in the development and implementation of CSR strategies that can build stronger relationships and trust with its stakeholders. SCSR logic can enhance corporate reputation and brand image by demonstrating a commitment to social and environmental responsibility that can improve its reputation and brand image, leading to increased customer loyalty, investor confidence, and other benefits. SCSR logic can mitigate risks and costs by proactively addressing social and environmental risks and challenges that can reduce its exposure to regulatory and reputational risks, as well as reduce costs and improve efficiency in its operations.

1.2.2 Research content

There are five chapters in thesis listing as follows:

Chapter 1: Introduction. This chapter serves to introduce the research background and contribution, research questions, thesis structure, technical routes, research methods, and main innovation points. It will provide an overview of the thesis's blueprint.

Chapter 2: Literature Review. This chapter will review the relevant research on SCSR and introduce the definition and connotation of SCSR. It will also cover the institutional background of the formation of SCSR and its role. Following this, the chapter will delve into the dependency theory of SCSR, including legitimacy theory, stakeholder theory, and comparative advantage theory. Additionally, it will review the relevant research on corporate

development, including the concept, measurement methods, and influence factors. The chapter will conclude by summarizing the theoretical logic that underpins how SCSR affects the development of enterprises.

Chapter 3: Research Method. This chapter discusses three main components: sample selection, data collection, and data processing. This thesis explains the reasons for selecting the case study and designs interview questions for the research topic and case study. It then examines the reliability and validity of the interview questions. Finally, the thesis uses the grounded theory method to verify the data and construct a corresponding model.

Chapter 4: Field Research. This chapter will provide an overview of Huamao Group's development history and then evaluates the current state of Huamao Group's SCSR from five dimensions. This chapter analyzes the impact of SCSR on business development from both theoretical and practical perspectives. This chapter is the core of the thesis, illustrating the role of SCSR in business development through case analysis.

Chapter 5: Conclusion, recommendations and further research. This chapter will summarize the main findings of the thesis and give specific recommendations. Additionally, our thesis will give some suggestions for further research.

1.3 Technique approach and research method

1.3.1 Technique approach

The technique approach of thesis follows Figure 1.2.

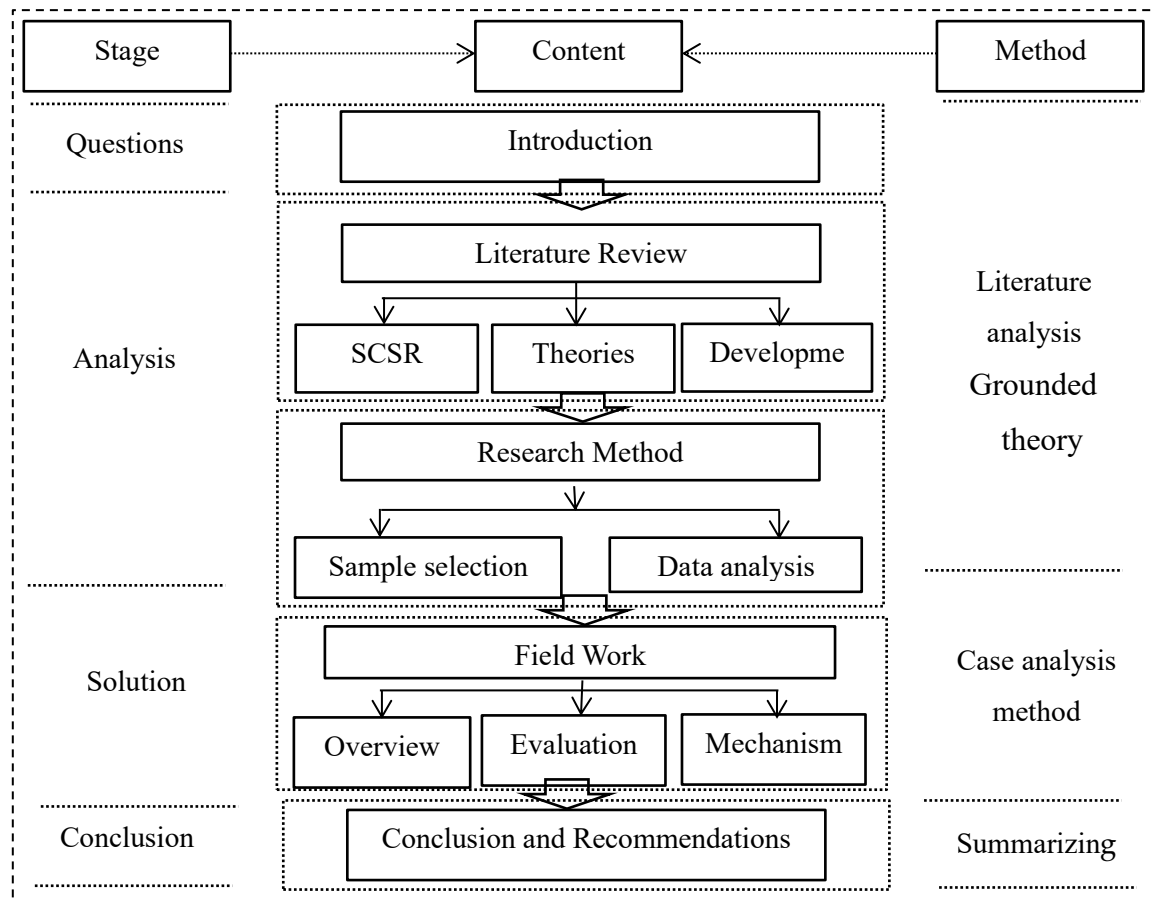


Figure 1.2 Technique approach

1.3.2 Research method

The main research methods adopted in thesis include: literature review, case study, grounded theory and inductive reasoning.

(1) Research Method: Literature Review

The literature review is a widely recognized and commonly utilized method in academic research, renowned for its ability to comprehensively gather and analyze relevant literature pertaining to a specific research problem. This critical process involves extracting valuable research findings and insights to establish a theoretical foundation for understanding and mastering the existing research literature associated with the core research question. In the context of this thesis, the primary research topic focuses on the engagement of Chinese private enterprises in educational public welfare projects. This topic is of paramount significance given the evolving landscape of corporate social responsibility and the increasing importance of private sector involvement in addressing societal challenges. To effectively address this thesis topic, a comprehensive literature review was conducted, underpinned by a methodical and rigorous approach. The initial step involved obtaining relevant research

literature from CNKI (China National Knowledge Infrastructure), a prominent academic database widely recognized for its comprehensive coverage of Chinese scholarly work in various disciplines, and this ensured that the review encompassed the most current and pertinent literature on the subject matter. Subsequently, an in-depth examination of the acquired literature ensued, encompassing systematic summarization and extraction of key findings. This meticulous process involved scrutinizing research articles, academic papers, policy documents, and reports from reputable sources. Furthermore, it necessitated the identification of key themes, trends, and gaps in the existing literature. To ensure the rigor and reliability of the research, this thesis predominantly relies on the literature review method. The comprehensive nature of the review process allows for a holistic understanding of the multifaceted issues surrounding the engagement of Chinese private enterprises in educational public welfare initiatives. By meticulously reviewing and synthesizing existing literature, this thesis aims to contribute to the scholarly discourse on this critical topic. The literature review serves as the foundation upon which the subsequent phases of this thesis are built. It not only provides a comprehensive understanding of the current state of knowledge in the field but also informs the research method, data collection, and analysis. Additionally, the synthesis of existing literature aids in the formulation of research hypotheses and the development of a conceptual framework that guides the empirical investigation.

(2) Research Method: Case Study

The case study is a rigorous scientific method employed for in-depth analysis, providing researchers with a comprehensive understanding of a particular phenomenon through the examination of representative instances. This method enables scholars to explore a specific issue in detail, shedding light on its intricacies and nuances. In the context of this thesis, the Huamao Group is selected as a prime exemplar for analysis. The choice of the Huamao Group as the focal point for this case study is underpinned by its prominence in the realm of Chinese private enterprises and its significant engagement with SCSR initiatives. The group's journey and practices serve as a rich source of insights into the complex dynamics of private enterprises' assumption of SCSR and its implications for operational performance and high-quality development. By delving into the comprehensive overview and developmental trajectory of the Huamao Group, this thesis aims to evaluate the interplay between the assumption of SCSR by Chinese private enterprises, their enhanced operational performance, and the promotion of high-quality development. Employing a case study approach, this thesis conducts a thorough analysis of the Huamao Group, investigating its practices, strategies, and outcomes. The selected case study allows for an in-depth examination of the intricate

dynamics involved in private enterprises' adoption of SCSR initiatives. Through interviews, surveys, and a meticulous review of corporate documents and reports, this thesis aims to uncover not only the strategies and mechanisms employed by the Huamao Group but also the tangible and intangible benefits that have accrued as a result of their commitment to social responsibility. These benefits may encompass improved brand reputation, stakeholder trust, employee morale, and, potentially, financial performance. By closely scrutinizing the Huamao Group's experiences and outcomes, this thesis seeks to provide valuable insights into the broader context of private enterprises and their role in promoting social responsibility and sustainable development. The analysis will not only address the "what" and "how" of SCSR adoption but also the "why" and "with what consequences." Through the meticulous case study analysis, this thesis aims to achieve its objectives of exploring the linkage effects between the assumption of SCSR by Chinese private enterprises, their operational performance improvement, and the facilitation of high-quality development. By leveraging the rich insights gained from the case study, this thesis contributes to the existing body of knowledge in the field, offering a nuanced perspective on the relationship between private enterprises, social responsibility, and sustainable development in the Chinese context. Ultimately, this case study serves as a microcosm of the broader landscape of SCSR practices in China, allowing for a deeper understanding of the challenges and opportunities faced by private enterprises in fulfilling their social responsibilities while striving for sustainable growth. Through this comprehensive examination, this thesis endeavors to provide a valuable resource for scholars, policymakers, and business leaders seeking to navigate the complex terrain of corporate social responsibility and sustainable development in contemporary China.

(3) Research Method: Grounded Theory

Grounded Theory is a robust social science research method employed to generate novel theories concerning specific phenomena through a systematic analysis and comparison of data. This methodological approach seeks to develop theories by carefully examining and analyzing a substantial amount of data. The fundamental concept of Grounded Theory revolves around progressively comparing and analyzing data to generate fresh insights and theories pertaining to the research object under investigation. Typically, the Grounded Theory process encompasses three primary stages: open coding, selective coding, and theory construction. In the open coding stage, data is thoroughly examined, categorized, and labeled to identify key concepts and themes. The selective coding stage involves refining and categorizing the identified concepts and themes, linking them together to form a coherent theoretical framework. Finally, in the theory construction stage, the researcher consolidates

the refined concepts and themes into a comprehensive and explanatory theory that sheds light on the research object. In this thesis, Grounded Theory analysis is utilized to examine the impact of Huamao Group's SCSR initiatives on corporate development, drawing insights from survey data analysis. By employing the principles and techniques of Grounded theory, the researcher systematically analyzes the survey data to identify patterns, themes, and relationships within the data. The analysis aims to develop new theories and provide a comprehensive understanding of the influence of Huamao Group's SCSR practices on corporate development. Through the application of Grounded Theory analysis, this thesis endeavors to contribute to the existing knowledge in the field, shedding light on the intricate relationship between SCSR and corporate development within the context of the Huamao Group. The insights derived from the analysis will enhance our understanding of the mechanisms through which SCSR initiatives influence corporate outcomes, offering valuable implications for both theory and practice in the realm of corporate social responsibility.

(4) Research Method: Inductive Reasoning

Inductive reasoning is a powerful method employed to derive generalizations and theories by drawing conclusions from specific observations and examples. In the context of this thesis, inductive reasoning is utilized to formulate targeted optimization strategies and provide recommendations to address the challenges encountered in the process of private enterprises assuming CSR. Through a combination of theoretical analysis and case study, this thesis employs inductive reasoning to draw insightful conclusions and generate practical recommendations. Theoretical analysis involves critically examining the existing theories, frameworks, and literature related to private enterprises and CSR, enabling the identification of patterns, trends, and commonalities across various cases. By synthesizing these findings, the thesis aims to extract general principles and insights that can guide the optimization of CSR practices in private enterprises. Furthermore, the case study approach is employed to delve into real-world examples and experiences of private enterprises assuming CSR, allowing for a comprehensive analysis of the challenges and opportunities they face. By systematically analyzing the specific instances and observations presented in the case study, the thesis extracts valuable insights and lessons learned, which contribute to the development of generalization and theories. Based on the inductive reasoning process, this thesis formulates targeted optimization strategies tailored to the unique context and challenges faced by private enterprises in assuming CSR. Moreover, it provides practical recommendations for addressing the identified problems and improving CSR practices within private enterprises. These recommendations are grounded in the derived generalizations and theories, ensuring

their relevance and applicability. By utilizing inductive reasoning, this thesis strengthens the research conclusions and enhances the practical value of the findings. It offers a robust framework for understanding the complexities of private enterprises' CSR endeavors, facilitating the development of effective strategies and recommendations that can foster sustainable and socially responsible business practices.

1.4 Main innovation

The main innovative of this thesis are presented from both theoretical and practical perspectives.

From a theoretical perspective, our thesis demonstrates innovative research content. The academic field has extensively examined the topic of CSR in the context of private enterprises, yielding significant achievements. However, most studies have primarily focused on the motivations and outcomes of private enterprises fulfilling social responsibility, with limited exploration from the standpoint of strategic considerations. This thesis breaks new ground by integrating CSR into the strategic decision-making framework and conducts an in-depth exploration using Huamao Group as a case study. By analyzing the developmental history and social responsibility practices of Huamao Group, this thesis examines the role of SCSR in corporate development and arrives at robust conclusions. Consequently, this thesis vividly illustrates the positive impact of SCSR on corporate development, fosters a unified understanding of the importance of fulfilling CSR among private enterprises, and encourages the active adoption of SCSR to achieve sustainable development goals. Also, this thesis achieves innovation by adopting distinct research angles. The investigation of CSR issues in private enterprises within the academic sphere often approaches the subject matter from either a "self-interest" perspective, emphasizing business performance, or an "altruistic" perspective, highlighting social benefits. This approach inherently severs the intrinsic connection between the business performance of private enterprises and high-quality socio-economic development. However, this thesis seamlessly integrates strategy decision-making and CSR, exploring the positive impact of SCSR on corporate development. Employing Huamao Group as a case study allows for a deeper examination of the process by which SCSR promotes corporate development. This approach vividly demonstrates the relationship between SCSR and corporate development. Thirdly, our thesis achieves innovation by selecting Huamao Group as the subject of analysis, marking the first instance in the domestic context and initiating research on the topic of CSR in private education enterprises. Due to historical and economic

structural factors, few private enterprises engage in the field of education in China, and their involvement in education-related CSR is limited. Huamao Group, guided by SCSR, has established a new model of mutually beneficial development between the enterprise and society. The thesis's innovation lies in uncovering this phenomenon and providing valuable insights for the sustained development of more private enterprises.

From a practical perspective, the innovation is threefold. Firstly, this thesis substantiates Huamao Group's ongoing implementation of SCSR. Huamao Group places CSR as a fundamental value in its business development and continually explores innovative practices to achieve sustainable development. The group is dedicated to providing educational public welfare products, enhancing resource utilization efficiency, and fostering the concurrent advancement of education and the enterprise. Additionally, Huamao Group prioritizes employee development by offering training programs, career advancement opportunities, fostering a favorable work environment, and providing competitive welfare benefits. Moreover, the group actively engages in social public welfare activities through fund donations, support for educational and medical institutions, and contributions to community development and residents' quality of life enhancement. Secondly, this thesis presents substantial evidence for the government to accurately evaluate Huamao Group's proactive efforts in implementing SCSR. As a strategically significant enterprise, Huamao Group actively aligns with government policies and initiatives by incorporating CSR into its business development strategy. Through close collaboration with governmental entities, the group actively participates in providing public welfare products within the education industry, thereby contributing to the sustainable development of education. Additionally, Huamao Group fulfills its tax obligations, operates in full legal compliance, and provides steadfast support for the robust growth of the national economy. Thirdly, this thesis serves as a valuable reference for establishing interactive mechanisms for public welfare activities within society. As a socially responsible enterprise, Huamao Group has cultivated strong collaborative relationships with various sectors of society. The group actively engages in community development projects, collaborates with local residents to advance sustainable education, and addresses societal issues through the initiation of social initiatives and projects. This approach endeavors to leverage education as a catalyst for promoting social justice and inclusivity, while also demonstrating care for vulnerable groups.

Chapter 2: Literature Review

2.1 Literature review of SCSR

2.1.1 Definitions and dimensions of SCSR

Corporate social responsibility is considered as the fundamental concept underlying SCSR. CSR entails a business's commitment to fulfilling its economic, legal, ethical, and philanthropic duties to stakeholders beyond shareholders, including customers, employees, communities, and the natural environment. Putting differently, CSR necessitates that corporations transcend the conventional notion of maximizing shareholder value and acknowledge the favorable influence of their operations on society and the environment. SCSR goes beyond CSR by embedding social responsibility into a corporation's overarching strategy, with the objective of attaining sustainable development and enhancing stakeholder value in the long run.

According to conventional scholars, companies should prioritize maximizing shareholder interests while avoiding activities that undermine corporate value. However, some scholars argue that companies should contribute to society and not solely focus on economic profits. Carroll's pyramid model (as illustrated in Figure 2.1) offers a more comprehensive explanation of the multi-level goals of companies, encompassing economic, legal, ethical, and philanthropic responsibilities (Carroll, 1979). These goals are arranged in a pyramid based on their relationship with companies, reflecting the internal logic of fulfilling social responsibility. Economic and legal responsibilities are mandatory obligations, ethical responsibilities reflect social opinion and ethical norms that society expects companies to follow, while philanthropic responsibilities reflect the values of companies that benefit society. Carroll (1991) expanded the scope of CSR influence, attributing it to specific stakeholder groups based on the content of companies. Subsequently, Mitchell et al. (1997) revisited the analytical framework of CSR theory, asserting that the target of CSR encompasses various stakeholders, including shareholders, creditors, employees, customers, suppliers, communities, government, and the environment. In other words, companies are economic entities that meet the demands of multiple stakeholders, and their activities should reflect a balance among these stakeholders. Furthermore, "Creating Shared Value (CSV)," a new concept proposed by

Porter and Kramer (2011), goes beyond the traditional paradigm of corporate social responsibility. It advocates that social problems can be transformed into business opportunities for companies, and no longer require trade-offs. The aim is to enhance social value creation while improving corporate competitiveness, thereby resolving the inherent conflict between economic and social interests in the relationship between companies and society. CSV encourages companies to pay more attention to their stakeholders, fulfill their social responsibilities actively within a framework that is more aligned with economic and social interests, and implement strategic social responsibility. Porter and Kramer (2014) pointed out that CSV does not simply share the value that companies have already created but rather expands the total value of the economy and society. CSV is a corporate strategy that achieves multi-party benefits, promotes the shift of corporate strategy from a single financial indicator to a comprehensive evaluation standard, and shifts corporate accountability from investors to external stakeholders. According to Moon et al. (2011) and Pfitzer et al. (2013), CSV can achieve a "win-win" situation between companies and society and can better govern corporate social responsibility deficiencies and alienating behavior. This is the widely accepted definition and dimensions of CSR in the academic community today.

During the early stages of research on CSR, the primary focus was on its impact on business outcomes. As research progressed, scholars realized that the relationship between CSR and business outcomes is complex and multidirectional. In other words, not only can business decisions influence CSR, but CSR can also impact business decisions. This realization led to the emergence of the concept of SCSR. The notion was first introduced by Burke and Logsdon (1996), who defined SCSR as a form of CSR that emphasizes business interests that have a significant impact on the enterprise, particularly those that influence key business activities and ultimately lead to business benefits.

The development of SCSR has been explored by scholars from various perspectives. Baron and David (2001) proposed that SCSR should be integrated into corporate strategy, while Lantos and Geoffrey (2001) distinguished SCSR from ethical and philanthropic social responsibility, arguing that SCSR combines strategic decision-making with social responsibility concerns and views CSR as a critical factor influencing strategic decisions. Porter (2006) differentiated reactive social responsibility from SCSR, suggesting that SCSR combined with strategic development planning can achieve mutually beneficial economic and social goals for corporations. Jamali (2007) categorized SCSR into narrow and broad types based on the payback period, with narrow SCSR providing short-term financial benefits derived from corporate philanthropy, and broad SCSR resulting from long-term corporate

social investment. Bhattacharyya and Som (2010) viewed SCSR as planned and long-term activities that consume resources, benefit internal and external competitive activities of enterprises, and contribute to achieving corporate goals. Porter and Kramer (2011) proposed a new concept of Creating Shared Value (CSV), which advocates that social problems can be transformed into business opportunities for companies, and no longer require trade-offs between economic and social benefits. Instead, it seeks to enhance both the competitiveness of the enterprise and the creation of social value, thereby addressing the problem of the conflicting interests of economic and social benefits in the relationship between companies and society. CSV also promotes companies to pay more attention to their stakeholders, to actively fulfill their social responsibilities in a manner that is more in line with economic and social benefits, and to implement strategic social responsibility. Porter and Kramer (2014) point out that CSV is not simply about sharing the value already created by the company, but rather about expanding the total value of the economy and society, and is a corporate strategy that achieves multiple benefits. It encourages companies to shift their strategic focus from single financial indicators to comprehensive evaluation standards, and from being accountable only to investors to being accountable to external stakeholders. Both Moon et al. (2011) and Pfitzer et al. (2013) believe that CSV can achieve mutual benefits for both companies and society, and can effectively address the lack and alienation of corporate social responsibility.

In conclusion, this thesis posits that the core of SCSR lies in its integration into strategic planning, thereby realizing the impact of CSR on business processes and performance. C. Xu and Chen (2005) define SCSR as policies, programs, or processes that can benefit enterprises by supporting their core business in achieving its mission. Similarly, L. B. Chen (2006) argues that SCSR involves the integration of social responsibility concepts throughout the value chain, from procurement to R&D, to build a positive corporate brand image, create a more favorable internal and external environment for corporate development, and achieve corporate sustainability goals. Jin (2007) propose that enterprises should integrate social responsibility into their overall strategy by incorporating social responsibility issues into internal processes and stakeholder interactions, thereby achieving synergies between decisions on social responsibility and process management decisions in the implementation of corporate strategy. This requires the development of scientific decision-making mechanisms and management processes for social responsibility, including the selection of projects for social responsibility fulfillment and the optimization of social responsibility resource allocation. It is essential to actively manage social responsibility behavior to enhance its positive effects and achieve the optimal balance between corporate social responsibility investment and social and economic

benefits.

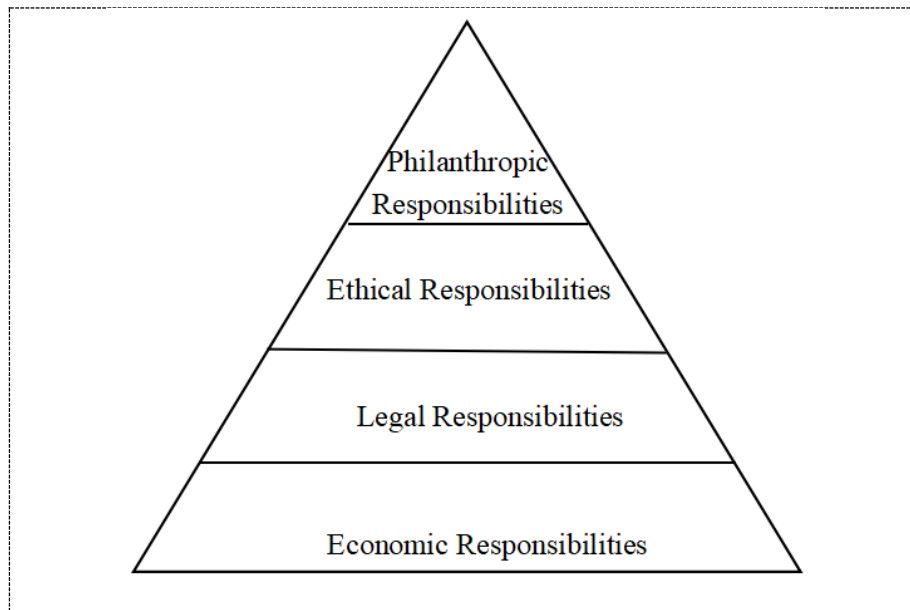


Figure 2.1 Pyramid theoretical model

Source: obtained from Carroll in his research in 1979 and organized by the author.

2.1.2 The institutional background of SCSR

SCSR is a concept that emerged from the fusion of traditional CSR theory and strategic management theory. It advocates that enterprises should abandon the conventional CSR viewpoint of absolute trade-offs between economic and social interests and instead conduct a thorough review of the relationship between corporations and society. Strategic management theory views CSR activities from a "strategic perspective", breaking through the theoretical bottleneck of inconsistency between economic and social interests, and seeking the interconnection between social interests and corporate values in practice. However, traditional CSR is often fulfilled without considering business characteristics and social sensitivity issues, making it an external cost of corporate activities, and inhibiting social responsibility behavior. SCSR addresses these shortcomings by integrating CSR with the long-term development of enterprises and realizing the synergy between social responsibility implementation and the development strategy of enterprises. Porter and Kramer (2002) argue that SCSR is valuable as long as it brings economic and social benefits to corporations, advancing the conceptualization of traditional social responsibility. Therefore, the essence of SCSR lies in the alignment of economic and social goals, reflecting a conceptual advancement over traditional social responsibility.

As a result, an increasing number of enterprises are implementing SCSR practices. For instance, Huawei, a leading global information and communication technology enterprise,

leverages its advanced innovation technology and professional experience to adhere to green development strategies, consistently ranking at the top of the social responsibility index of the top 100 private corporations. Huawei conducts product eco-design based on life-cycle analysis and integrates SCSR into low-carbon and circular economy development throughout the material purchase, product manufacturing, logistics and distribution, and product end-of-life recycling processes. With respect to product packaging, Huawei has developed a green packaging strategy with moderate packaging, which reduces the consumption of packaging materials and the comprehensive cost of packaging and transportation through light weight and miniaturization. In the logistics and transportation process, Huawei optimizes delivery paths and network layout, reducing logistics energy consumption and cutting down greenhouse gas emissions by decreasing air transportation proportions and improving container utilization annually. Through active fulfillment of SCSR, Huawei builds a harmonious business ecosystem, enhances corporate brand awareness and customer preference, and promotes itself as a healthy corporation, achieving sustainable development. For example, Sichuan Hongda Group, a large private corporation with over 40 years of history, integrates and internalizes CSR into its core values, corporate strategy, and decision-making standards, thus proactively assuming CSR. The Group upholds its duty to employees by providing them with learning and training opportunities and building high-standard staff dormitories. It carries out its duty to society by taking green and sustainable strategies as the Group's environmental protection philosophy and following the rationale that corporate development and environmental protection should go hand in hand. It fulfills its duty to consumers by speaking with integrity and striving to make more contributions to the country and society. The Group's conscious practice of SCSR has enabled it to build a positive social image, gain government, customer, employee, and community support, enhance its market competitiveness, and develop unique competitive advantages, enabling it to grasp the initiative in the fierce market competition and achieve long-term development. Li Ning Group aims to become a competitive international sports goods manufacturer while focusing on fulfilling its corporate social responsibility and contributing to building a harmonious society by leveraging its corporate resources. Li Ning Group places importance on communication with investors and maintains information communication with investors by holding press conferences and other forms, insists on honest management, pays taxes according to the law to give back to society, creates economic opportunities and growth together, and adheres to the win-win enterprise concept of synergistic development. Qingdao Haier's SCSR practices differ significantly in different stages. During the brand strategy period, Qingdao Haier

emphasized product quality, committed to providing customers with quality products and excellent product services. In the globalization strategy stage, Qingdao Haier expanded its business scope to capture more market share in the Chinese home appliance market. It carried out a diversified product strategy that considered environmental protection. In the network strategy stage, Qingdao Haier integrated CSR as a strategy into its daily management decisions. Through actively undertaking SCSR, Qingdao Haier enhances its corporate reputation to form external competitiveness and ultimately realizes the competitive advantage of its SCSR.

2.1.3 The role of SCSR

The contribution of socially responsible corporate behavior to social development is a widely debated topic in modern society. In practice, an increasing number of economic entities are recognizing SCSR as an opportunity that can create a double-win situation for both the organization and society. The role of SCSR for enterprises mainly focuses on corporate decision-making, performance, and competitive advantage. Corporate decisions are influenced by numerous factors and are made by organizations concerned with production and business activities, with the aim of enhancing the strength and profitability of enterprises. In the area of SCSR, many scholars have shifted their focus from studying CSR as a whole to examining the impact of different natures of CSR on corporate decisions. Husted and Allen (2007) used cost-benefit analysis in microeconomics to compare the impact of CSR in altruistic and forced egoism versus strategic approaches, finding that a strategic approach to socially responsible investment creates better social and economic benefits for both enterprises and society. Their study highlights the positive effects of SCSR. Siegel and Vitaliano (2007) explored the impact of different natures of CSR on CSR investments and found that SCSR is more likely to motivate corporations to make CSR investments than other natures of CSR. Graafland and Van (2011) distinguished between strategic and ethical CSR from a motivational perspective and found that SCSR leads to a reduction in the amount of socially responsible inputs compared to ethical CSR. Deng (2011) found that enterprises with good social responsibility performance are less likely to engage in surplus management and are considered to be "good citizens" who are sincere about their social responsibility. Ji et al. (2014) concluded that corporate social responsibility and disclosure of social responsibility information are ethical behaviors recognized by investors. C. Xie and Yang (2013) found that enterprises with better social responsibility performance have significantly smaller external

financing gaps. Sayekti (2015) argued that the implementation of SCSR strengthens enterprises to allocate internal resources rationally, optimize capital structure, increase talent training, stimulate the sense of competition and innovation among employees, and realize the development of corporate technological innovation. Y. Liu and Zhou (2015) examined the impact of CSR on organizational citizenship behavior and found that employees' perceived CSR enhances employees' emotional commitment, which in turn positively influences employees' organizational citizenship behavior. M. T. Xie (2015) examined the impact of social responsibility on corporate dividend policy and found that non-state listed enterprises with a sense of social responsibility are more inclined to pay high levels of cash dividends. Arya and Mittendorf (2015) studied the impact of government subsidies on social responsibility in supply chain enterprises and found that enterprises' commitment to social responsibility leads them to be more sensitive to changes in product prices. Lyer and Soberman (2016) studied the impact of CSR on product innovation in the context of corporate innovation investment. The results showed that when the economic value of products is low, the incentive for product innovation decreases as CSR increases. B. Yang (2016) analyzed from the perspective of agency costs and found that the better the CSR performance, the more investment in R&D. Y. Chen (2016) analyzed from the perspective of corporate financing constraints and found that CSR performance and disclosure can reduce corporate financing constraints, promoting the increase of corporate R&D expenditure. Yin and Jamali (2016) conducted interviews and archival research on multinational enterprises active in China's emerging markets and found that CSR-oriented strategic decisions rely on building relationships with non-traditional stakeholders to generate profits for shareholders while meeting the legitimate demands of multiple stakeholders in the countries in which they operate. Zhong and Xu (2017) used a sample of Chinese listed enterprises with poor quality financial information to demonstrate that corporate disclosure of social responsibility information improves investment efficiency. Y. E. Lin et al. (2018) explored the moderating effect of CSR on corporate decision making using Chinese listed enterprises from 2010-2017. They found that the implementation of CSR improved most of the decision making behavior of senior directors, "returnee" directors, and female directors with a good "reputation moderating effect". However, the negative "resource limiting effect" is mostly observed for politically connected directors and highly educated directors. By tracing the developmental lineage of SMEs, Vallaster (2017) found that historically, corporations incorporate CSR into their activities during periods of good economic prospects, while SCSR helps them recover from crises during times of economic hardship. J. C. Li et al. (2021) studied Chinese listed

corporations during 2017-2019 and found that SCSR can drive corporate growth when enterprises need to integrate, build, and reconfigure internal and external capabilities to respond to environmental changes.

A growing body of research has demonstrated that the extent to which CSR contributes to its own development largely depends on the manner in which it is executed. When corporations strategically plan their social responsibility activities in alignment with their own development, the fulfillment of CSR not only enhances shareholder value but also contributes to the sustainable development of the corporation. McWilliams and Siegel (2011) found that CSR can improve the quality of products, thus enhancing an enterprise's ability to compete in the market. Similarly, Miles and Covin (2000), Porter and Kramer (2007) discovered that implementing SCSR can help provide differentiated products and services, reduce costs, and boost corporate competitiveness. Williams et al. (2004) noted that voluntary disclosure of CSR information can reduce "information asymmetry" between internal and external stakeholders, convey favorable image information to the market, and lead the government, investors, creditors, and others to re-evaluate the enterprise's value, thereby facilitating its long-term development.

While fewer studies have explored the relationship between SCSR and corporate performance compared to mature theoretical studies, Laan et al. (2008), Filho (2010), C. Li (2010), Belu and Manescu (2013), Q. Wang (2016), Chang et al. (2018), Z. B. Li et al. (2020), Siminica et al. (2020), Rameshwar et al. (2020), Vishwanathan et al. (2020), Yunsoo (2021), and Z. Yang et al. (2021) have all contributed empirical evidence on the subject. Laan et al. (2008) found a positive correlation between CSR and financial performance by incorporating psychological theories and social resource dependency theory into stakeholder theory. Filho et al. (2010) demonstrated that developing SCSR that affects opportunities, resources, skills, corporate value, industry structure, and stakeholders can bring new competitive advantages to enterprises through theoretical analysis and model derivation. Li (2010) proposed that the fulfillment of social responsibility by enterprises can promote the equilibrium state of each stakeholder, satisfy the minimum return of each stakeholder, and achieve the maximization of corporate value in the true sense under the constraints of law and ethics. Belu and Manescu (2013) calculated a composite index of SCSR using information from the KLD database and concluded that there is a neutral relationship between SCSR and corporate performance. However, the disclosure of environmental information does not significantly increase the profitability of the company. H. M. Wang et al. (2016) conducted a systematic review of the link between SCSR and financial performance and found that SCSR promotes the financial

performance of firms. Chang et al. (2018) suggested that by undertaking external actions such as charitable giving and satisfying political legitimacy, enterprises can reduce information asymmetry between themselves and stakeholders reduce the pressure on enterprises to be regulated by legitimacy, and ensure that they obtain long-term growth. Z. B. Li et al. (2020) conducted a study on Chinese listed enterprises from 2009-2016, which revealed that enterprises with a high level of socially responsible corporate practices (SCSR) in the current period experience an increase in corporate value between two fiscal years. However, the corporate value of invested capital in the current period decreases due to the non-receipt of returns. Similarly, Siminica (2019) found that enterprises that neglect the implementation of SCSR exhibit significantly lower growth compared to their counterparts in the same industry who prioritize SCSR. Rameshwar et al. (2020) established that SCSR can enhance employees' corporate perceptions, improve corporate performance, and contribute to sustainable corporate development. Furthermore, Vishwanathan et al. (2020) utilized a meta-analytic structural equation modeling approach to investigate the relationship between SCSR and corporate financial performance. The authors found that SCSR enhances corporate financial performance by improving corporate reputation, increasing stakeholder returns, reducing corporate risk, and strengthening innovation capabilities. In 2021, Yunsoo conducted a study on high-tech corporations using PLS-SEM method and established that CSR is essential for the strategy setting of startups, and also provides a competitive advantage for the strategy setting direction of technology-based startups. Finally, Z. Yang et al. (2021) employed an empirical regression model to explore the relationship between SCSR and corporate innovation. They discovered that enterprises with SCSR can produce more innovation output, have a catalytic effect on corporate performance, and have higher business value, which ultimately contributes to long-term corporate and social development.

Several scholars have examined the impact of SCSR on corporate competitive advantage. Barney et al. (2001) posited that companies are primarily economic entities that aim to maximize profits. In contrast, Miles and Covin (2000) and Porter and Kramer (2007) found that the adoption of SCSR practices can lead to differentiated products and services, reduced costs, and improved competitiveness. McWilliams and Siegel (2011) discovered that SCSR can enhance the quality of products and, thus, the firm's ability to compete. Schreck (2011) identified a positive relationship between CSR and profitability. H. Ma and Li (2014) employed a game-theoretic approach to explore the impact of SCSR on competitive advantage, using 12 Chinese pharmaceutical companies as their sample. They concluded that SCSR implementation contributes positively to corporate profits. Cantrell et al. (2015) used

the VRIO framework to demonstrate that fulfilling social responsibility can create a dynamic capability that provides a competitive advantage, increases organizational productivity, and enhances strategy execution. Gen (2016) found that corporate social responsibility initiatives enhance companies' ability to attract highly ethical and skilled employees, thereby boosting their human resource advantage and market competitiveness. Abadia et al. (2019) studied over 700 small businesses in Spain and found that SCSR is a determinant of competitiveness, particularly during economic crises. Shim et al. (2021) conducted a study using PLS-SEM to explore the relationship between CSR and the strategy formulation of high-tech startups. The results showed that CSR plays a vital role in the strategy-setting process and can provide a competitive advantage to technology-based startups. In summary, SCSR can create unique competitive advantages for firms of varying sizes and industries, resulting in both economic and social benefits.

2.1.4 The essence of SCSR

In order to explicate the fundamental nature of SCSR, this chapter introduces an evaluation framework and corresponding metrics to assess its implementation. This section encompasses two significant components: evaluation techniques and intended recipients.

(1) Evaluation methods of SCSR

The academic community has developed a framework consisting of five indicators, namely centrality, Perceptiveness, specificity, organization, and visibility (Burke & Logsdon, 1996). These indicators provide a multidimensional evaluation of SCSR implementation to assess the implementation of SCSR in enterprises. Our thesis will use above five indicators to evaluate SCSR implementation of Huamao Group.

This section presents a comprehensive evaluation framework for assessing the implementation of SCSR, which includes five key indicators. Firstly, visibility refers to the degree to which SCSR efforts are perceived by stakeholders, requiring tangible actions rather than verbal declarations. Secondly, centrality emphasizes that SCSR should align with the values and vision of corporations, reflecting their internal concepts and values. Thirdly, Perceptiveness pertains to a corporation's ability to adapt to environmental changes and effectively seize opportunities while resolving crises, serving as the guiding direction of SCSR that influences corporate decision-making and actions. Fourthly, specificity emphasizes the strategic value of CSR, where corporations integrate external social resources as part of their business value for internal growth. Finally, organization emphasizes the systematic and

orderly integration of resources to fulfill CSR in a planned, step-by-step, and goal-oriented manner, reflecting the alignment of CSR with corporate strategy. While the academic community has traditionally evaluated SCSR implementation based on these five indicators, some scholars have challenged the necessity of Organizational and visibility and proposed the evaluation model of Perceptiveness, centricity, specificity, and organizational nature. The benchmark model of SCSR implemented by Huamao Group is analyzed using this framework, which is illustrated in Table 2.1 of this chapter.

Table 2.1 The evaluation framework diagram of SCSR

Dimension	Question items
Visibility	The degree of interaction between corporate social responsibility and external media can enhance corporate reputation.
Centricity	The degree of alignment between corporate social responsibility and a company's core business can enhance its operational efficiency.
Perceptiveness	The interdependence between corporate social responsibility and macro- and micro-environmental changes can optimize a company's decision-making process.
Specificity	The relationship between corporate social responsibility and a company's ability to utilize resources can strengthen its resource acquisition.
Organizational	The complementarity between corporate social responsibility and different types of resources in a company can improve its resource utilization efficiency.

(2) Target audiences

A company is a complex entity that comprises various resources, each with its unique ownership, which leads to competition and cooperation among stakeholders during the resource allocation process. In order to achieve corporate development, a company must undertake necessary CSR initiatives and strive to balance the needs of all stakeholders. M. L. Wheeler (1998) identified consumers, investors, employees, communities, suppliers, and partners as the primary social stakeholders of a company, all of whom have a significant degree of closeness and social connection to the company. Therefore, when evaluating the impact of SCSR behavior on corporate development, it is vital to consider the direct and indirect participation of stakeholders. Building on the case study of Huamao Group, this chapter distinguishes stakeholders as employees, consumers, communities, and shareholders, and the strategic analysis of the company's CSR revolves around these four roles. Employees are the stakeholders who directly participate in business activities and CSR, and they are the most direct source for a company to achieve its business value. According to the pyramid model of social responsibility, the first layer of CSR that a company needs to fulfill is economic responsibility, and the primary beneficiaries of achieving economic responsibility are employees. Therefore, a company's fulfillment of CSR requires stable financial income, reasonable profit distribution, and support for employee growth. Consumers establish a

relationship with the company through the purchase of its products and services, and are stakeholders who directly provide revenue to the company. Therefore, providing high-quality products and cost-effective services to consumers is a basic responsibility of enterprises. Communities refer to the social environment where the company is located, including the government, property, social groups, and other business organizations. The community becomes a stakeholder by providing a production and operating environment to the company. Thus, the company's fulfillment of CSR is reflected in its return to the community. Shareholders are the rightful owners of a business, entitled to partake in the surplus value generated by the company's productive activities. Thus, it is the company's duty to fulfill its social responsibility towards shareholders when it obtains stable profits. By providing high-quality products to consumers, a company can generate profits, while fulfilling CSR to the community can create a stable operating environment and enhance its reputation. By paying generous salaries to employees, a company can incentivize diligent work, and by fulfilling dividend payments to shareholders, it can access a continuous flow of external resources. This chapter utilizes the five-dimensional evaluation model and stakeholder theory to comprehensively analyze the fulfillment of SCSR. The five dimensions include economic responsibility, consumer responsibility, community responsibility, employee responsibility, and shareholder responsibility. The manifestation of CSR includes paying employee wages, distributing dividends to shareholders, providing quality products to consumers, and fulfilling legal tax obligations to the community.

2.2 SCSR-related theories

2.2.1 Legitimacy theory

Legitimacy is the foundation of institutional theory, and the result of institutional isomorphism is organizational legitimacy (Guillén et al., 1991). Legitimacy is distinct from legality, as legality emphasizes adherence to legal norms, while legitimacy emphasizes not only compliance with legal norms, but also with moral norms and the inherent principles of things. Weber (1981) first proposed the theory of legitimacy, defining it as an obligation or norm. Meyer and Rowan (1977) included cognitive and cultural factors in the realm of organizational research, proposing that organizations can gain legitimacy by possessing shared beliefs, knowledge systems, and culturally accepted structures, thereby reducing the impact of external environments on organizations. Suchman (1995) defined legitimacy as a

general perception or assumption of acceptance of a thing within a social system constructed by norms, values, beliefs, and definitions. Deephouse (1995) viewed legitimacy as stakeholder support and recognition of organizations. As research has deepened, organizational legitimacy research has gradually focused on two perspectives: strategic and institutional. The strategic perspective considers organizational legitimacy as a resource that managers can use and control (Oliver, 1991), emphasizing the shaping of institutional environments by organizations, asserting that organizations have the ability to influence the environment, and can achieve their desired legitimacy goals through effective management and control. Organizations can obtain legitimacy resources by using different strategic approaches such as adaptive, selective, or control strategies, thereby facilitating the acquisition of necessary technological resources, market resources, and financial needs (Díez et al., 2018). The institutional perspective identifies organizational legitimacy as collective knowledge or consciousness of the organization, and organizations can use social regulation, normative regulation, and cognitive regulation to obtain legitimacy to cope with the changing pressures of the external institutional environment (Meyer & Rowan, 1977; Tornikoski & Newbert, 2007). The emphasis on organizations seeking legitimacy is aimed at adapting to and reflecting the institutional environment. This thesis focuses on how companies can achieve convergence through legitimacy imitation within the industry when facing environmental changes. Within the institutionalist school, legitimacy is further divided into political legitimacy and market legitimacy according to the different audiences and interest demands at different stages of the enterprise. Political legitimacy is mainly reflected in the consistency between the company's operations and relevant policies, regulations, and standards set by the government (S. P. Li & Lu, 2020). Market legitimacy is mainly reflected in the consistency between the company's behavior and the norms and interest demands advocated by market participants. Companies with high political and market legitimacy will have unique advantages in obtaining, allocating, and utilizing resources. On the one hand, from a strategic management perspective, the construction of legitimacy can be regarded as a "specialized asset" of the company, serving as institutional capital for companies to obtain heterogeneous resources from stakeholders. On the other hand, honest operation and compliance with market norms enable companies to gain recognition and understanding from other market participants, which help to expand their existing social network and accumulate social capital, thereby improving the scale and efficiency of the company's existing resources. The purpose of emphasizing organizational pursuit of legitimacy is to adapt to and reflect on the institutional environment, with a focus on how organizations can achieve convergence by

imitating legitimacy within the industry in the face of environmental changes. CSR requires compliance with legitimacy requirements. On the one hand, CSR needs to meet the basic requirements of laws and regulations, and must not be based on violating legal bottom lines or breaking social norms. On the other hand, CSR also needs to comply with institutional elements such as the organization's values, achieving the organic integration of corporate social responsibility and institutional development, thereby making CSR an organic part of the organization and playing its positive role. From the perspective of institutional operation, Scott (1995) points out that the state is the main institution for achieving regulatory legitimacy, as well as social institutions, industry unions and other social rule makers. Regarding how enterprises can obtain legitimacy, Deephouse (1995) proposes that enterprises need to have the ability to identify relevant laws and regulations in the institutional environment and comply with them through self-discipline, in order to avoid sanctions due to violations. In addition, Zimmerman and Zeitz (2002) also emphasized that legal compliance for enterprises not only involves complying with provisions set by immediate institutions or directly related members, but also meeting institutional rules in the macro environment. B. E. Liu (2014) proposed in the book "Research on the Social Responsibility of Mining Enterprises in China: Based on the Perspective of Organizational Legitimacy" that organizational legitimacy pressure from legal, social and government departments can positively constrain and guide enterprises in assuming strategic social responsibility. This type of organizational legitimacy pressure mainly includes regulatory legitimacy with the government as the subject, normative legitimacy with community media and financial institutions as the subject, and cognitive legitimacy with the enterprise itself as the subject. Different types of organizational legitimacy pressure also have slightly different effects on enterprises.

The legitimacy motive holds that the behavior of organizations is primarily constrained by external environmental pressures, particularly institutional pressures. Compliance with social norms and expectations regarding the fulfillment of social responsibility allows organizations to obtain the necessary resources for legitimacy and survival. Scott (1995) points out that the state is the main institution for achieving regulatory legitimacy, as well as social institutions, industry unions, and other rule-makers. Deephouse (1995) suggests that organizations need the ability to identify relevant laws and regulations in the institutional environment, and to comply with them voluntarily in order to avoid sanctions resulting from non-compliant behavior. In addition, Zimmerman and Zeitz (2002) emphasize that compliance for organizations is not just about adhering to clauses formulated by immediate institutions or relevant members, but also about meeting the institutional rules of the macro environment.

In the book "Research on the Social Responsibility of Mining Enterprises in China: Based on the Perspective of Organizational Legitimacy," it is proposed that pressures from legal, social, and government departments regarding organizational legitimacy can positively constrain and guide a company's assumption of strategic social responsibility. These pressures mainly include regulatory legitimacy with the government as the subject, normative legitimacy with community media and financial institutions as the subject, and cognitive legitimacy within the company as the subject. Different types of pressures on organizational legitimacy have slightly different effects on companies. According to H. X. Hu (2022), legitimacy and strategic social responsibility are interdependent, and a company's decisions and development are closely related to stakeholder recognition, which can lead to obtaining legitimacy at different levels. Undertaking social responsibility is a direct channel and effective way for a company to obtain legitimacy by meeting the expectations of various stakeholders. Possessing appropriate legitimacy can contribute to achieving the expected results of social responsibility activities. Compliance with legitimacy principles at all levels, not just legal regulations, but also with a pace that is consistent and coordinated with all stakeholders, is necessary for a company to operate in a benign and orderly manner while steadily increasing its performance.

2.2.2 Stakeholder theory

In the 1960s, the Stanford Research Institute introduced the concept of stakeholders and defined them as "group with whose support a business organization should be survive". Typical stakeholders include consumers, creditors, government, competitors, communities, employees and shareholders (Carroll, 1991). The primary stakeholders refer to groups or individuals that have a direct relationship with the company's operations and development, while the secondary stakeholders mainly refer to groups or individuals that have a certain relationship with the company's operations and development through practical activities, such as government agencies. The stakeholders of companies vary greatly depending on the type of industry and the different stages of development within the same industry. D. Wheeler and Sillanpaa (1998) further points out that primary stakeholders mainly refer to groups or individuals who are directly involved in the company's operations and development, while secondary stakeholders mainly refer to groups or individuals who have a certain relationship with the company's operations and development through practical activities, such as government agencies. Stakeholders are closely related to the corporate developments and are the decisive factor for

the growth of corporations (Freeman & Reed, 1983). Freeman (1984) proposed that stakeholders are extremely important for corporations because they are able to influence the target groups. Therefore, stakeholders require that corporations should balance the interests of all parties in their business decisions, rather than focusing only on the interests of shareholders. They also emphasize the need for management decisions to take into account the interests and concerns of different groups and individuals, and to satisfy at least those stakeholders who matter (Buchholz & Lopatta, 2017).

In the 1990s, stakeholder theory was gradually linked to the topic of CSR. Some scholars tried to explain the issue of "for whom the corporation is responsible" from the stakeholder perspective. For different stakeholders, the CSR undertaken by enterprises should have its unique focus. Specifically, for shareholders, the SCSR behavior of enterprises should aim at safeguarding the basic interests of shareholders and achieving the value-added of shareholders' investment capital as far as possible. For employees, the behavior of SCSR should effectively protect the basic interests of employees, that is, by strictly following the relevant provisions of the Labor Law, clarifying the rights to which employees are entitled, ensuring that employees enjoy the fruits of their work in accordance with the law, and providing measures to ensure the safety of employees at work as far as possible. For consumers, the behavior of SCSR should ensure the quality of products and services provided, safeguard the legitimate rights and interests of consumers, and allow consumers to enjoy the corresponding treatment in the process of purchasing products and services. For government departments, the behavior of SCSR should strictly comply with relevant laws and regulations, actively respond to the government's tax policies, and pay taxes reasonably. For the environment, the behavior of SCSR should strengthen the protection of the environment while pursuing development, so as to better achieve the goal of harmony between human beings and nature (Phillips & Reichart, 2000).

Different stakeholders play different roles in CSR. For shareholders, they can be divided into major shareholders and small and medium-sized shareholders, with significant differences in their impact on the company. Major shareholders have the motivation and ability to control and manage the company, while small and medium-sized shareholders engage in "free-riding" behavior and has little motivation in participating in business operations and management. Xin (2008) study showed that companies with different natures have different motives for fulfilling social responsibility. Three-capital enterprises are more focused on the humanistic and cultural orientation of people-oriented spirit, and achieve faster corporate growth by establishing a clear corporate value and fulfilling social responsibility to

employees. State-owned enterprises' social responsibility behaviors are mostly relationship-oriented and power-oriented, emphasizing pragmatic effects, while private enterprises' fulfillment of social responsibility is more entrepreneurial. For creditors, Mitchell and Agle (1997) research showed that creditors indirectly participate in business operations and management, and the higher the company's asset-liability ratio, the more centralized the company's equity capital, which directly hinders the fulfillment of CSR. For employees, they have an impact on the company by providing human capital. Fuerst (2006) found that employee representatives joining the board of directors can ensure the fulfillment of CSR. However, due to the imperfect corporate governance structure and special national conditions in China, the research results vary widely. For consumers, they are the source and carrier of corporate value realization. Golob and Bartlett (2007) found that consumers can bring market pressure to the fulfillment of CSR, and social responsibility behaviors can establish a good corporate image and reputation through the consumer market (Shi et al., 2009). For government agencies, the government is the maker of national policies, and as an organization, the company often operates in a specific institutional environment, and its behavior will inevitably be influenced by the government. Campbell (2006) further found that in order to protect the interests of stakeholders, the government will effectively supervise CSR behaviors. In China's institutional environment, the main feature is government intervention, and excessive government intervention will weaken the role of the market mechanism and affect the fulfillment of CSR.

2.2.3 Competitive advantage theory

Porter and Kramer (2006) conducted a systematic and in-depth study on the competitive advantage of enterprises, and thus proposed the theory of competitive advantage to guide the strategic management decisions of enterprises. The theory of competitive advantage is mainly concerned with three aspects, including the source of competitive advantage, the continuity of competitive advantage and how competitive advantage affects corporate development. The competitive advantage theory contains several theoretical branches, such as resource base theory, resource dependence theory and dynamic capability theory. Competitive advantage theory in its early stage focused on the formation of competitive advantage, and explored the origin of competitive advantage internally and externally. As the research progresses, the competitive advantage theory is gradually applied to explain the CSR of enterprises. Together with CSR, it builds SCSR, which transforms CSR from a consequence of business operation

to a factor that influences business decisions. Further, it transforms CSR from a burden to a source of competitiveness and promotes the sustainable development of corporations. In fulfilling SCSR, enterprises will transform their value chains. This process will involve product innovation, process innovation and business model innovation to make tangible and intangible resources with value, scarcity and non-substitutability to enhance the competitive advantage and promote the corporate development.

SCSR can enhance corporate competitive advantage and strengthen their ability of sustainable development by strengthening corporate strategies, innovating value chains, innovating market opportunities and reducing corporate risks. Miles and Covin (2000), Bhattacharyya (2010) suggested that SCSR will proactively integrate CSR into business decisions and enterprises in order to achieve cost leadership goals or competitive advantage goals of the corporation. In the process of fulfilling SCSR, enterprises will combine their own resources, product production capacity and value chain characteristics to develop new technologies and new products, optimize the value creation process, reduce energy consumption, and then effectively reduce cost of production and sales activities to achieve cost leadership of the corporation. Crawford and Scaletta (2005) found that SCSR achieves new product development and service innovation through value chain innovation, or differentiation of products and services by establishing a responsible and environmentally friendly corporate image to create a differential advantage. According to Shao (2009), actively fulfilling CSR can influence stakeholders' attitudes, beliefs, and evaluations towards the company's good social performance in areas such as environment, society, and corporate ethical morals. This can help establish a positive corporate image, enhance credibility, reliability, and certainty, create a favorable external environment, and bring a good reputation, thereby contributing to the realization of corporate strategic objectives, gaining public recognition and support, and increasing market value and competitive advantage. Peng and Liu (2015) suggest that strategic social responsibility can improve a company's adaptive capacity, enhance innovation capabilities in product, process, and business model innovation, continually integrate social development trends into business, values, and strategies, and integrate diverse knowledge to cultivate the company's absorptive capacity. H. Tian et al. (2015) argue that CSR match the business content, the higher the degree of matching, the higher the employees' motivation and recognition of the company, and the improvement of consumer perception, which can lead to purchasing behavior, thus enhancing competitive advantage and achieving differentiation strategy. Zou and Zhang (2016) propose that fulfilling social responsibility is beneficial for reducing transaction costs and mitigating the risk of

information asymmetry from internal and external perspectives. It has a positive impact on intangible assets such as enhancing corporate reputation and brand image, which ultimately helps build an imperfect competitive market. For the company, it can effectively connect internal resources, improve overall production efficiency, and obtain as much economic rent as possible. Meng et al. (2019) point out that when managers implement external donations and other charitable activities, they should focus more on the company's internal environment by improving employees' working conditions and treatment and providing advantageous products and services to consumers to demonstrate their attitude towards CSR. This can increase the level of social responsibility and the utilization efficiency of internal honor resources, which is more conducive to technological innovation, thereby gaining a competitive advantage and promoting rapid growth. J. Guo et al. (2019) found that SCSR is closely related to open innovation. The process of fulfilling strategic social responsibility is the process by which companies innovate their business by creatively solving social problems. The two have consistency in management philosophy and complementary resource capabilities. S. Chen and Cheng (2022) propose that CSR should be integrated with other corporate strategies, embedded in competitive strategies, focus on industry market development and competitors' market strategies, and integrate environmental responsibility, supplier responsibility, employee responsibility, to increase the entire value chain of the company. Shu et al. (2022) believe that when the government provides necessary policy support, private enterprises can invest sufficient resources in social responsibility construction, thereby reducing the level of operational risk and enhancing market competitiveness. Therefore, the significance of SCSR for corporate development is extremely significant.

2.2.4 Harmonious theory

The theory of harmonious CSR posits that the success of a corporation is contingent not only upon its economic performance, but also upon its sense of responsibility and contribution to society and the environment. The fundamental premise of this theory is that corporations ought to integrate social and environmental responsibilities into their business strategies and decision-making processes, with the aim of achieving sustainable long-term development through the creation of social and environmental value. This value encompasses not only economic profits, but also the fulfillment of social responsibilities and environmental protection. Corporate social and environmental responsibility is not a singular concept, but rather a comprehensive one that encompasses various aspects of society and the environment,

including social justice, environmental protection, human rights, and labor relations. In summary, the theory of harmonious CSR underscores the importance of corporations prioritizing social and environmental responsibilities and actively fulfilling these obligations in order to attain long-term development. This theory also advocates for sustainable development in economic, social, and environmental dimensions for corporations.

The concept of harmonious theory was initially introduced by Carroll (1979) as a three-dimensional conceptual model of corporate social performance, encompassing economic, legal, and ethical dimensions. The author posits that achieving sustainable development requires corporations to balance these three dimensions. Subsequently, Wood (1991) delved into the concept and measurement methods of corporate social performance, highlighting the influence of CSR behaviors on corporate performance. This thesis suggests that such behaviors can enhance corporate image and employee satisfaction, thereby positively impacting corporate performance. Elkington (1998) proposed the theory of "triple bottom line," advocating for corporations to achieve sustainable development in three dimensions: economic, environmental, and social. The author emphasizes the need for corporations to balance these dimensions, rather than solely focusing on economic benefits, which sparked discussions on the relationship between CSR and the external environment. Margolis and Walsh (2003) criticized the "hypocrisy" and "contradiction" of CSR behaviors, noting that sometimes such behaviors are intended to cover up the negative impacts of corporations, rather than genuinely fulfilling social responsibilities. They argue that corporations fulfill social responsibilities to reduce risks, seek business opportunities, and gain competitive advantages. Godfrey (2005) explored the relationship between corporate philanthropy and shareholder wealth, suggesting that corporate philanthropy can serve as a form of risk management, thereby positively impacting shareholder wealth. Porter and Kramer (2007) proposed the theory of "creating shared value," advocating for achieving sustainable development of corporations through mutual promotion of social value and business value. Deng (2011), from the perspective of a harmonious society, explores the connotation and role of CSR, arguing that CSR is an obligation and responsibility that corporations should bear. Corporations should view their social responsibilities from the perspective of building a harmonious society and promoting the construction of a harmonious society.

The practice of CSR is of significant importance to the construction of a harmonious society. S. K. Guo (2010) thoroughly explores the theoretical construction and practical paths of the theory of social responsibility and harmony from the perspectives of the origins,

significance, and connotations of social responsibility and harmony theory. It is pointed out that the theory of social responsibility and harmony is based on a profound understanding of harmonious development and a deep recognition of CSR. Corporations should assume social responsibility and promote the harmonious development of society. Taking ST enterprise as an example, Y. Pan (2013) studies the relationship between CSR and the construction of a harmonious society, believing that corporations should establish the values of harmonious coexistence, assume social responsibility, and promote the harmonious development of society. H.M.Zhang and K. Zhang (2009) proposed the theory of harmony in social responsibility and explored its relationship with CSR practices, arguing that the theory of harmony in social responsibility is the ideological foundation of CSR practices in the new era. F. Z. Wang (2012) and Zuo (2019), both from the perspective of social responsibility, discuss the role and contribution of social responsibility in the construction of a harmonious society, and point out that corporations should actively assume social responsibility and promote the harmonious development of society.

With increasing emphasis on the practice of CSR, the research perspective has shifted towards the practical approach to promoting CSR. Shi et al. (2013) explored the application of social responsibility and harmony theory in sustainable development in China, including the harmonious relationship among enterprises, government, and society, as well as the cultural inheritance of social responsibility. X. Guo (2014) emphasized the importance of harmonious relationships in the research status of CSR in China, and proposed suggestions such as strengthening cooperation between enterprises and government, and cultivating CSR awareness. Kokubu (2015) critically evaluated CSR and proposed methods for establishing harmonious relationships between enterprises and society, such as stakeholder engagement, fairness, and transparency. X. Li (2016) proposed principles and paths of harmony that enterprises should follow from the perspective of harmony. Gu (2017) explored the application of the theory of social responsibility and harmony in enterprises, and proposed the harmonious path and principles to be followed in practice, pointing out that achieving harmony requires joint efforts among enterprises, society, internal stakeholders, and the environment. Luo et al. (2018) conducted in-depth research on the application of the theory of social responsibility and harmony in CSR practice, and proposed that enterprises should follow the basic principles and paths of harmony in practice. Y. L. Zhu (2017) constructed an evaluation system for CSR based on the theory of social responsibility and harmony, and explored the application of this evaluation system in practice, providing valuable guidance and reference for CSR practice.

In order to promote social harmony and ensure sustainable development in the economic, environmental, and social domains, it is recommended that companies proactively develop strategies that integrate environmental and social issues into their economic activities (L. Wang & Lin, 2007). Choi et al. (2015) investigated the relationship between CSR and environmental management, and proposed recommendations such as strengthening CSR education and adopting low-carbon technologies. Cristea and Juganaru (2016) introduced the initiatives of the European Union in sustainable development and CSR, including measures such as green public procurement, energy efficiency, and reduction of greenhouse gas emissions. Q. X. Zhang et al. (2018) conducted a study on the relationship between CSR and sustainable development, using China's banking industry as an example, and proposed schemes such as enhancing environmental management and promoting low-carbon finance. Liang (2017) further proposed a "three-dimensional relationship" model for the theory and practice of CSR and harmony, which includes internal harmony within companies, harmony between companies and society, and harmony between companies and the environment, and discussed how to implement this model in practice. The model suggests that the economic success of a company, social responsibility, and environmental protection are interconnected, and decisions and management should be based on balancing these three elements. Zheng (2019) proposed that companies should follow the sequence of "responsibility, economy, society, environment" when implementing the theory of social responsibility and harmony, meaning that companies should first fulfill their social responsibilities, then achieve economic benefits, while also considering the impacts on society and the environment. Bhattacharya and Antony (2019) used the cement industry in India as an example to explore the role of CSR in sustainable development. The authors pointed out that CSR can help companies achieve sustainability in social, environmental, and economic aspects.

As the integration of the theory of social responsibility and harmony with corporate practices continues, empirical research has revealed that active engagement in social and environmental responsibilities can positively impact the long-term profitability of companies (Z. Y. Zhang, 2016). Orlitzky et al. (2016) also corroborate this finding, suggesting that CSR has a positive influence on financial performance, although the extent of this impact may vary depending on factors such as industry, region, and cultural background of the company. Lech (2013) asserts that CSR represents an obligation that companies should fulfill, encompassing various aspects such as environmental protection, community care, and employee welfare. Notably, research findings consistently indicate a positive association between CSR and financial performance, particularly in areas such as long-term investments and brand image.

Building on this body of literature, Pandey and Khanna (2018) propose a theoretical framework that posits CSR as a moral obligation of companies in social, environmental, and economic domains, which can enhance overall business performance. Subsequent research results further support the positive impact of CSR on business performance. Luo et al. (2018) highlight that companies can achieve economic benefits while actively fulfilling social responsibilities. Furthermore, by proactively addressing and meeting the needs of stakeholders, companies can also cultivate a positive reputation and enhance their brand value, thereby strengthening their market competitiveness. In the context of companies' sustainable development, Abedi and Shekari (2019) argue that CSR serves as a strategic approach for companies to fulfill their social and environmental responsibilities and promote sustainability. Overall, the theory of harmony seeks to elucidate the relationship between CSR and sustainable development by underscoring the interconnectedness between social responsibility, economic success, and environmental protection, as evidenced by the findings of empirical research in this field.

2.3 Corporate development

2.3.1 Concept of corporate development

Coase (1937) first defined the concept of "firm" in his book *The Nature of the Firm*, and subsequently defined the expansion of "the development of firm". In fact, the development of the firm refers to the enhancement of profitability or resource allocation capacity (including the quality and scale of allocation), or competitiveness, specifically in terms of the quality, vitality or efficiency of the firms. A firm is considered to have achieved development if its asset size grows while its asset structure and asset quality improve, and its profitability is enhanced accordingly. On the contrary, if the growth of asset size is accompanied by the deterioration of asset structure and asset quality, and the profitability of the corporation is also weakened, then the firm cannot be considered to have achieved development.

From a business perspective, the initial intention of entrepreneurs is to realize the good intentions of business sustainability. However, there are many factors that influence whether a business can really achieve sustainability. The corporate development is the process of adapting to the environment in the face of future uncertainty, maintaining sustainable business activities, and ultimately achieving business goals. Therefore, in essence, the firms' development is the question of how to grow its business. Smith and Skinner (1970) and

Marshall (1920) defined the concept of development of firms as the increasing percentage of marking by the perspective of economic scale. Under the field of new institutional economics, Coase (1937) and Sorensen and Williamson (1985) viewed the corporate development as a process of expanding variation by reducing transaction costs. When the ability of enterprise is increased, the enterprises naturally achieve its development goals. Ernst et al. (2014) considered that the corporate development is the state in which the basic needs are met and effective measures are taken to protect, maintain and improve the utilization of resources to meet future needs. Porter (2009) proposed the well-known "Five Forces Model" based on industrial organization theory, which defines the corporate development as the position in the competitive environment and the ultimate benefits that can be achieved. The above theories have defined corporate development from different perspectives, but in general, the corporate development is the increase of the efficiency in resources utilization, the enhancement of competitiveness and the improvement of business performance.

2.3.2 Measurement of corporate development

There are many given standard to measure the method of corporate development in the field of academics, financial indicates, operational indicates and non-financial indicates. In the field of financial indicates analysis, the scholars choose yield indicators and Tobin's Q indicators to measure the corporate development.

Return on net assets (ROE), also known as return on shareholders' equity, is the percentage of net profit to average shareholders' equity, and is the ratio of after-tax profit to total equity of a corporation. This indicator reflects the level of return on shareholders' equity and is used to measure the efficiency of enterprises' use of its own capital. The higher value of ROE, the higher level of return to investors. Bragdon and Marlin (1972) pioneered the use of return on net assets to evaluate business development issues. The return on equity (ROE) is the most comprehensive and representative indicator reflecting a company's profitability, which embodies the comprehensive performance of a company's sales scale, cost control, capital operation, and financing structure (J. L. Zhang et al., 2003). It can reflect the final result of a company's business activities and the profit-making ability of shareholders' investment, which reflects the pursuit of maximizing the value of the enterprise. Y. Chen (2019) pointed out that the ROE demonstrates a company's performance in terms of sales profits, asset turnover, and asset-liability management, and it shows the quality of a company's operation from financial perspectives such as profitability, operation, and

debt-paying ability to investors. In subsequent studies, Ho et al. (2016), Lee et al. (2016), C.C.Liu and Kong (2006), Carosi (2016), Bennouri et al. (2018), K. Wang et al. (2019), C. W. Lin et al. (2021), Q. L. Xu et al. (2021), and Zhou and Jiang (2023) have also adopted this type of indicator to measure a company's development issues. However, some scholars use the return on total assets (ROA) to measure a company's development status, such as Mookyeong and Kieun (2013), Jeon et al. (2013), J. H. Han (2013), He and Gu (2018), Siminica (2019), W. L. Wu (2022), and M. H. Yang et al. (2022). These studies believe that compared to ROE, ROA can better measure the efficiency of a company's resource utilization and return on investment, and thus can more objectively measure a company's development issues. Q. X. Zhu (2018) and Ding et al. (2020) pointed out that the level of ROA directly reflects a company's competitive strength and development ability and can be used to measure a company's overall asset profitability. L. J. Wang (2021) selected ROA to measure a company's development ability after considering the financial characteristics and correlation of various profitability indicators. They believe that a company's operational goal is usually to pursue the maximization of efficiency, and the ability to generate profits is an important parameter for measuring a company's development. Another part of scholars use Tobin's Q to measure the development problems of the corporation. Tobin's Q is the ratio of the market value of a corporation to the replacement cost of an asset, which reflects the ratio between two different estimates of the value of the corporation. The market value of a corporation is measured by the fair value of the corporation in the financial markets, while the book value is the value of the corporation in accounting. The Tobin's Q index has been favored by academia as it can overcome the shortcomings of return on investment indicators (Allayannis & Ofek, 2001; X. Y. Chen & Hui, 2015; Rubera & Droge, 2013; Y. Yang et al., 2018). S. N. Zhang (2006) proposed that Tobin's Q value has good explanatory and comprehensive ability for various information of the company, is objective, and can reflect market characteristics. Q. Li et al. (2016) and Gao and Li (2020) believe that Tobin's Q value links company assets with the capital market conditions, reflects the company's market value, and can better measure its growth opportunities. X. Yu et al. (2012) pointed out that Tobin's Q value can avoid the influence of subjective judgment and more objectively reflect the company's development. It has been widely used for evaluating company development, but its practicality is subject to certain prerequisites and limitations.

The operational indicators related to the development of enterprise is the growth rate of main business and market share in the industry. The growth rate of sales refers to the ratio of added income of current year to the income of the previous period. The indicator of growth rate of

main business is positive related with development of enterprises, that is, the large value of growth rate of main business means better development of enterprises in their main business. Some "resource-based theory" scholars, such as Binger (1984), believe that the development of enterprise rely on their own nature and composition of resources, and the larger values of growth rate of main business reflect the ability of resource utilization efficiency of enterprise. Tim and Sheridan (1993) believed that the growth rate of main business can better measure the development of enterprises in their main business. However, another scholar considers market share can measure the development of enterprise. Yue and He (2019) have pointed out that the growth rate of main business revenue represents the growth ability of an enterprise and can measure its development level well. F. Z. Wang and Song (2012) argued that enterprises develop by trading current expenses and costs for future growth potential. From the perspective of evaluating the development of an enterprise by its managers, they selected the growth rate of main business revenue as a financial indicator that reflects the enterprise's development. K. Y. Kim and Lee (2013) believed that main business activities are the primary factor in creating competitive advantages. For enterprises, while X. M. Wang et al. (2022) pointed out that main business revenue can effectively reflect an enterprise's current management performance and more accurately evaluate its future development trend.

Market share is relevant with sales growth rate of enterprises, which refers to the percentage of the sales volume in the total sales volume of the same commodity in the market within a certain market scope and time. These indicate can effectively measure the competitiveness of enterprises. Some literatures show that market share can provide greater predictive power for measuring enterprise growth (Bhattacharya & Antony, 2019). Ungrak and Yongkyu (2010) found that market share and net assets of enterprises are both important factors in determining the level of stock prices. The higher the market share of an enterprise in the industry, the better the growth of the enterprise is (P. L. Song, 2011; Harrison et al., 2013). J. Zhang et al. (2014) pointed out that market concentration reflects the overall level of competition in the industry, but cannot reflect the market share of a single enterprise or measure its operational performance. However, enterprise market share has a high correlation with market competition. Y. T. Chen and Zhang (2015) proposed that the corporate strategy goal of a company often manifests in a higher market share. Therefore, to comprehensively measure the development indicators of an enterprise from the perspective of its strategic goals, market share is used to represent market performance. K. Wang et al. (2019) found that enterprises with high market share have relatively stronger competitiveness and advantages in transactions. Y. J. Zhu and Zhong (2020) measured the market competition performance of

enterprises using market share and distinguished between domestic and foreign market shares. Hou et al. (2022) proposed that market share refers to the share of a company's sales volume of a certain product in the same category of products during a certain period of time, which is an important indicator to measure the growth status and market position of an enterprise. Harrison et al. (2013) regarded customer resources and market share as basic performance indicators of an enterprise, which are used to study how enterprises compete and develop, and how to gain a greater market share. Ungrak and Yongkyu (2010), L. L. Tian (2018), and J. Y. Zhang and Gen (2021) also use such indicators to measure the development of enterprises.

The non-financial indicators related the development of enterprise is reputation of enterprise in market. Corporate reputation is a composite performance of all past behaviors and outcomes of an enterprise, which describe the ability of an enterprise to provide valuable output to various stakeholders. Corporate reputation is the intangible capital of enterprises and the key for enterprises when they set foot in the market, seek development, and gain access to competitive advantage. Good corporate reputation can not only improve the popularity, reputation and attractiveness of enterprises, but also help enterprises gain advantages in competition and enhance the ability to resist risks. The company's reputation can still increase market value and promote firm development (David et al., 2016). Wei and Zhu (2019) suggest that improving firm performance and shaping a good reputation is a key issue for firms and the industry's healthy development. Reputation is the most valuable intangible asset that can create sustainable competitive advantages for firms and is a significant source of a firm's uniqueness. Improving reputation is the core of a firm's growth (G. M. Bao & Xu, 2007; Y. Liu & Gan, 2011). X. W. Hu and Ma (2020) point out that a firm's reputation and trust come from social networks, which are easily perceived and directly reflected, and are crucial in measuring a firm's development capability. Orné et al. (2020) argue that a good reputation can provide firms with competitive advantages, and identify seven dimensions (product/service, innovation, workplace, governance, citizenship, leadership, and performance) that affect a firm's reputation. Woo (2021) found that companies with good reputations have better business performance and development prospects. Ye et al. (2010), J. G. Kim (2017), X. Q. Wang and Hu (2020), and Tran and Nguyen (2021) all use reputation indicators to measure firms' development issues and find that reputation can effectively reflect a firm's development status.

2.2.3 Influence factors of corporate development

As a market player, corporate development is inevitably influenced by the internal and external environment. In particular, it will be influenced by internal factors such as technology, manpower, financing, and organization (Eisenhardt & Schoonhoven, 1990) and external factors such as economic changes (Adizes, 1979). Storey (1995) argued that the factors influencing corporate development can be explored at three levels. Corporation-level factors include market orientation of enterprises and entrepreneurial talent, trade-level factors include trade background and management experience, and industry-level factors include industry attributes and geographic location. The three levels of influencing factors influence corporate development under certain conditions. However, in terms of importance, internal factors are the main cause, while external factors work in conjunction with internal factors (Ambrosini & Bowman, 2009).

Internal factors that influence corporate development are corporate characteristics, such as the scale of R&D investment, operational management capabilities and corporate management characteristics (Collis, 1991; Amit & Schoemaker, 1993; Nooteboom, 1994). In the study of corporate characteristics, important factors for corporate development are abundant capital, strong risk resistance, high motivation to invest in research and development, advanced equipment and talent contact. In addition, Luo et al. (2004) examined the positive effects of synergistic relationships among customer relationships, business partners and governance bodies on corporate development. They found that all three relationship resources contribute to business growth, with customer relationships being the primary driver of growth, and both business partnerships and management organizations exerting a synergistic influence. Haber and Reichel (2005) used tourism as a research lens to analyze and identify development performance measures for small-scale firms. They found that mapping firm achievements allocated resources and developing management skills are important components in improving corporate development performance and long-term viability. Hart (2011) concluded that enterprises composed of people from different countries are more dynamic and creative than those composed of people from a single country. Lu et al. (2015) found that internationalization of family corporations significantly affects corporate development. In relatively large enterprises, more institution, state-owned shareholders and modern managers can help improve corporate governance performance, thus helping to drive corporate development. In a study of non-financial firms, Woo (2021) found that enterprises with good reputation and higher ownership concentration will easily overcome risk-taking from the

operation activities, and lead to better corporate development finally. In the study of corporate innovative level, R&D innovation capability is considered to be the key for corporations to establish core competencies. Keizer et al. (2002) argued that innovation is the most important path for SMEs to achieve dynamic development in a fiercely competitive environment. Moreover, innovation can play an important driving role in enhancing the competitive advantage of SMEs and improving their competitiveness. Hall et al. (2009) selected a sample of Italian high-tech SMEs from 1995-2003 to conduct a study on the relationship between R&D investment and the development enterprises, and they found that R&D investment can promote product and production process innovation and sustainable development of technology-based corporations. Y. C. Liu and Shanyue (2021) found that innovation has a positive impact on industrial development. Soo and Inho (2020) found that corporate entrepreneurship contributes to sustainable competitiveness by improving the performance of corporate innovation concept activities and corporate development, enhancing entrepreneurship culture, and accelerating various innovation activities in a rapidly changing business environment. W. C. Han et al. (2022) showed that precise strategic positioning can enhance a corporate competitive advantage through the rational allocation of resources. The precise strategic positioning of enterprises can promote the sprouting of new products, services and technologies. Above all, the innovation of business model can influence the corporate develop. In addition, The effective combination of existing resources and reduce corporate transaction costs can reasonably predict market demand, seize innovation opportunities, improve quality and customer service, and thus promoting corporate development. In business operations management research, it has been shown that managers must have sufficient experience and expertise to deal with industry-specific challenges in order to avoid the deterioration of the positive long-term moderating effect of CSR on corporate financial performance (Zaiane & Ellouze, 2022). Reutzel et al. (2005) argued that the financial management capability of enterprises is complementary to their ability of growth. The good financial management capability improves the efficiency of corporate resource utilization, which in turn contributes to the corporate growth. Atz et al. (2021) and Ivascu et al. (2022) found that ESG (Environmental, Social and Governance) activities contribute to the sustainable development of corporations. In their studies, corporate management characteristics, the ability to innovation, identify and exploit opportunities, learn, manage knowledge, and avoid adverse losses have been shown to be strongly associated with corporate development (Ndofor et al., 2015). J. B. Song and Wen (2016) found that corporations founded by returnees had better business performance compared to firms

founded by local talent. However, H. Li et al. (2012) found that corporations led by returnees performed worse than enterprises led by local talents based on a sample of firms. The above studies demonstrate that managers' overseas experience has an impact on corporate development. Renée and Daniel (2008) analyzed the impact of board gender heterogeneity on corporate development based on data from a sample of U.S. corporations. They found that female directors have a significant impact on board input and corporate outcomes. Board gender heterogeneity promotes female directors to join the corporate oversight committee and enhances the oversight function. While there is a negative impact of gender diversity of management team on corporate development. Educational background is also an important characteristic of corporate managers. Kokeno and Muturi (2016) focused on the level of education with corporate managers and analyzed the impact of corporate executive characteristics on corporate development. The research showed that both the age and education level of corporate executives have a significant positive impact on corporate development and that age diversity of executives and executives with broad functional and educational backgrounds are more likely to improve corporate performance.

The factors affecting the external corporate development are mainly the external macro environment (Lumpkin & Gregory, 2001). Porter (1980) argued that the external constraints faced by a corporation and its position in the external constraints are important factors affecting the corporate growth. Gnyawali and Fogel (1994) stated that good entrepreneurial environment is the foundation for business development, because good environment mainly includes factors such as financing environment, policy environment and public service environment. Pissarides et al. (2003) analyzed data based on a survey of 437 SMEs executives in Russia and Bulgaria, and they found that the business environment, such as the financing environment in which the corporation is located, is an important factor influencing corporate development. Their literature also discussed the importance of entrepreneurial and firm characteristics on corporate development. Grewal et al. (2011) found that market orientation has a positive effect on corporate output. While firms' age, size, and innovation capacity limit this effect with significant industry differences. C. J. Ma (2017) pointed out that the financial ecological environment is the external environment for corporate development, and optimizing the financial environment can fundamentally address problems that arise in the development process of enterprises, promote the integration of various advantageous resources, and enable the fulfillment of social responsibilities, thus achieving sustainable economic and financial development. J. J. Chen and Wen (2017) conducted a survey on the external environmental construction for the development of small and medium-sized

enterprises and found that capital, labor, and technology were the main issues faced by the external environment of enterprise development. Based on the perspective of external regulation, Xiang et al. (2019) found that a friendly regulatory, normative, and cognitive environment can lead to enterprise innovation and promote enterprise development. T. Li and Li (2019) pointed out that appropriate reduction of government intervention in enterprises, strengthening the construction of the legal system, and focusing on creating a service-oriented government can help enterprise innovation and development, promote the fulfillment of social responsibilities by enterprises (L. X. Zhang et al., 2022). J. F. Tian et al. (2020) pointed out that the development process of Chinese enterprises requires more regulatory control, standardization of resource development and energy use, and alleviation of environmental problems faced by society. Yuan (2022) pointed out that individual private enterprises, mainly in the form of small and medium-sized enterprises, lack a fair and standardized legal and market environment and often occupy a disadvantaged position in market competition, making it difficult to undertake social responsibilities and develop. The continuous optimization of the business environment is an important support for stimulating the endogenous motivation and creativity of enterprises, constructing an efficient government service environment, creating a more convenient business environment, stimulating enterprise social responsibility behavior, and promoting enterprise transformation and upgrading (L. X. Zhang et al., 2022). W. W. Wu et al. (2022) analyzed the impact of knowledge on enterprise development from the perspective of institutional analysis using ordinary least squares, and the results showed that in a more developed external institutional environment, corporate governance has a stronger positive regulatory effect on enterprise development. X. Y. Bao and Yu (2022) used dynamic game analysis to construct a theoretical framework to study the impact of environmental regulations on enterprise development. The results showed that environmental regulatory policies are an important factor affecting enterprise development, and the main way to improve environmental regulatory efficiency is to encourage enterprises to control pollution through technological innovation, while the impact of environmental regulations on enterprise development is also constrained by corporate ownership and industry classification.

2.4 SCSR and corporate development

This chapter delves into the impact of SCSR on corporate development, focusing on three main aspects: financial performance, market share, and corporate reputation. CSR represents a

unique form of business activity, and SCSR entails elevating social responsibility to a higher level of corporate strategy, which can significantly influence decision-making and operational processes. According to the Legitimacy Theory, SCSR should be based on compliance with legal regulations, and companies must not harm the interests of specific stakeholders when fulfilling CSR. For example, it would contradict the principle of legitimacy for a company to donate to impoverished groups while simultaneously producing inferior products. On the other hand, the Stakeholder Theory proposes that fulfilling CSR provides benefits to stakeholders, and the goal of CSR is to achieve Pareto improvement in the interests of both internal and external stakeholders. For instance, targeted donations to impoverished groups can enhance a company's reputation and boost sales. Finally, the Competitive Advantage Theory emphasizes the importance of considering efficiency and effectiveness when fulfilling CSR and encourages companies to do so. For instance, polluting production companies can consider taking responsibility for environmental protection, while educational companies can focus on promoting educational equity. Based on these three theories, this chapter analyzes the relationship between SCSR and sustained competitive advantage of Huamao Group, with a focus on employees, consumers, communities, and shareholders. The analysis encompasses financial performance, market share, and corporate reputation.

2.4.1 SCSR and corporate financial performance

Financial performance is the foundation of a company's development. To explore how SCSR affects corporate development, it is essential to understand the inherent relationship between SCSR and financial performance. SCSR is characterized by visibility, centrality, Perceptiveness, specificity, and organizational capacity, which can guide a company to provide more competitive products, expand market share, enhance market competitiveness, and ultimately optimize the relationship between CSR and corporate financial performance. Visibility can improve a company's social image and enhance the social perception of its CSR behavior, that centrality can integrate social responsibility into core business operations, which is conducive to expanding the core business market, optimizing core business products, and ultimately providing higher quality products to the market, leading to improved financial performance. Perceptiveness can ensure that CSR is aware of macro and micro-environmental factors, enabling a company to follow market trends and enter more promising areas, which is clearly conducive to the long-term development of the company. Specificity can strengthen a company's resource integration capability in CSR and improve its operational efficiency,

which can also have a positive impact on operational performance. Organizational capacity can optimize coordination between departments in a company, leading to the formation of a unified design, production, sales, and after-sales system, which can help improve the company's operational efficiency. Based on the above analysis, this chapter suggests that SCSR can optimize a company's financial performance, thereby promoting its development.

2.4.2 SCSR and corporate market share

Market share is a crucial indicator of a company's competitive ability, as it reflects the extent to which its products are recognized in the market. A sustained increase in market share indicates that a company's products have a competitive advantage and are gaining market recognition, which is a clear manifestation of its development. As discussed in the previous section, SCSR has five characteristics that can enhance a company's ability to utilize internal and external resources, improve coordination among internal departments, optimize resource allocation efficiency, and expand the company's market vision. These capabilities can help the company offer better quality products and services at lower costs, which in turn can gain market favor and contribute to the company's growth. In addition, by considering the interests of employees and consumers, SCSR can establish a close relationship with them, leading to more loyal employees and customers, which can serve as the foundation for steady market expansion, ultimately helping the company to achieve its goal of increasing market share. Based on the above analysis, this chapter suggests that SCSR can contribute to a company's market share expansion, thereby promoting its overall development.

2.4.3 SCSR and corporate reputation

A positive reputation is a critical guarantee for the sustainable development of enterprises. Corporate reputation serves as an evaluative indicator that reflects the recognition of social benefits derived from corporate business activities by stakeholders. Due to the social complexity of its source, corporate reputation is difficult to imitate or replace and cannot be procured through market transactions (Barney et al., 2001). The visibility aspect of socially responsible corporate behavior allows stakeholders, including consumers and suppliers, to witness the social responsibility initiatives undertaken by the company. This fosters long-term trust with stakeholders and continuously enhances the company's reputation. When CSR exhibits centrality and perceptiveness characteristics, the company can effectively utilize resources to innovate products and services, make informed decisions regarding external

environmental changes, and establish a strong rapport with consumers during the implementation of CSR. Consequently, this helps the company build a positive image. The specificity feature of socially responsible corporate behavior ensures that the company possesses unique technological expertise and external resources, conveys the distinctive value of its specialized products to consumers, and establishes a recognizable commercial reputation. The centrality feature of CSR permeates the company's production processes through strategic management concepts, guiding employees to align closely with the company's mission, fostering employees' pride in the company's reputation, and ultimately shaping a positive corporate image. Drawing on the aforementioned analysis, this chapter asserts that socially responsible corporate behavior has the potential to enhance a company's reputation and facilitate its overall development. By cultivating visibility, centrality force, perceptiveness, specificity, and organizational alignment, companies can strengthen their reputation and capitalize on the positive outcomes of practicing CSR. This understanding serves as a foundation for further exploration of the impact of socially responsible behavior on corporate development in subsequent chapters.

2.5 Summary of the chapter

This chapter serves as a comprehensive summary of the theoretical foundation and existing literature that underpins the research conducted in this thesis. It begins by providing an extensive explanation of SCSR and the relevant theories that support its implementation. Additionally, the chapter delves into the definition of corporate development, exploring its influencing factors. SCSR represents a distinct form of social responsibility that differs from traditional approaches. It involves integrating social responsibility into strategic decision-making processes, guiding corporations to incorporate social responsibility into their business decisions and activities. By doing so, corporations can effectively address stakeholder demands and achieve the harmonious integration of CSR and long-term development. Existing literature primarily focuses on stakeholder perspectives, emphasizing that corporations have an obligation to undertake various responsibilities toward stakeholders, including employees, customers, suppliers, the environment, and the government. This perspective argues that fulfilling SCSR not only enhances shareholder value and improves business performance but also serves as a goodwill gesture toward society and business as a whole. This chapter also explores the developmental background of SCSR and examines its relationship with legitimacy theory, stakeholder theory, and comparative advantage theory.

Furthermore, it defines the concept of corporate development, discussing the measurement indicators associated with it, as well as the internal and external factors that influence corporate development. Finally, this chapter constructs an understanding of the execution of SCSR from various perspectives, including visibility, centrality force, perceptiveness, specificity, and organizational nature. These aspects collectively contribute to the comprehensive analysis of how SCSR is implemented in practice. By synthesizing these theoretical frameworks and literature, this chapter establishes a solid foundation for the subsequent research conducted in this thesis. It sets the stage for empirical analysis and investigation into the execution and impact of SCSR on corporate development.

Despite the fruitful research conducted on the topic of CSR and corporate development, there is still significant room for further exploration. Several areas warrant attention in future research. Firstly, existing literature often overlooks the exploration of Socially Responsible Corporate Strategies (SCSR) in specific industries, such as the public welfare activities in education. In our thesis, we will focus on Huamao Group as a case study, enabling a more comprehensive investigation of the relationship between SCSR and corporate development in the specific context of educational public welfare. Secondly, existing research predominantly relies on quantitative empirical analysis with large samples, which may limit the specificity and granularity required to understand certain industries or individual enterprises. By utilizing Huamao Group as a case study, our thesis aims to provide detailed and specific evidence to enhance the understanding of the significance of SCSR while contributing to the literature on SCSR and corporate development. Furthermore, most existing literature focuses on examining the impact of social responsibility on business performance and evaluates CSR motivation from the perspectives of "self-interest" and "altruism." Our thesis takes a different approach by evaluating corporate development issues through the lens of SCSR, moving beyond the traditional criteria for assessing the value of social responsibility. Lastly, our thesis constructs a framework for evaluating the impact of SCSR on corporate development, considering financial indicators, market size, and corporate reputation. This comprehensive approach aims to shed light on the effects of SCSR on corporate development from multiple perspectives. By addressing these gaps in the existing literature and employing a holistic framework, our thesis seeks to contribute to the understanding of SCSR's influence on corporate development and provide valuable insights for both academia and industry.

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Chapter 3: Research Method

3.1 Case selection process

In response to the research question, this thesis chooses a vertical single case research method. First of all, the research question of the thesis involves the detailed process of "how SCSR affects corporate development", and the Case study is just suitable for answering questions such as "how" and "why", which determines the necessity of a single Case study. Moreover, compared with multiple cases, a single Case study can fully show the case data and its internal significance, and focus on analysis and discussion. Secondly, the vertical Case study can show the process of phenomenon changing over time, and SCSR is a dynamic and continuous process. The Longitudinal study on this topic will help to further understand the process of case enterprises integrating CSR into strategic decision-making and the differences between different stages.

This section conducts a study on the impact of SCSR on corporate development, using Huamao Group as a case study. There are three main reasons why this section chose Huamao Group as the sample. First, the author has long held a senior management position at Huamao Group and is familiar with the company's growth process, decision-making process of the senior management team, development process, and social responsibility performance, as well as the inherent correlation between the two. The author has also directly participated in the group's important decision-making, making her quite familiar with the group's decision-making basis, process, and implementation. Second, the case has typicality and representativeness. In terms of typicality, Huamao Group's is providing education-related products as main business, and education is naturally closely related to CSR, making it easier to link Huamao Group with topic of CSR. In terms of representativeness, Huamao Group has gone through a typical growth process of Chinese private enterprises, and has made similar choices to most private enterprises in profit decision-making and social responsibility decision-making processes. Third, the case has very distinctive CSR characteristics. In the past twenty years, Huamao Group's CSR has been repeatedly awarded the government's "Annual Most Socially Responsible Enterprise" and "Annual Charity Enterprise" honors, and it has a good CSR image. In addition, Huamao Group attaches great importance to its

relationship with stakeholders in the process of fulfilling its social responsibility, and the enterprise always follows a sustainable development strategy, maintaining a common development pace with employees, suppliers, the government, and society. Furthermore, Huamao Group has always adhered to the philosophy of "great education, great art, great aesthetic education", constantly giving back to society, customers, employees, and shareholders, leaving a positive imprint on fulfilling social responsibility. Therefore, considering the above three aspects, it is appropriate for this thesis to select Huamao Group as a sample for case study.

3.2 Data collection method

This thesis primarily addresses the question of whether SCSR affects corporate development. To achieve the research objectives, this thesis employs multiple methods and channels to obtain research data. Throughout the data collection process, the researcher maintains a neutral attitude, adheres to objective definitions and information sources, and ensures diversity of data sources and publishing entities, aiming to construct a complete data chain and achieve mutual corroboration of evidence to ensure the credibility and validity of the research.

The sources of data for this section are derived primarily from the following: (1) Academic literature, which was obtained from the CNKI and Wanfang databases and sorted based on the related research theme of SCSR or corporate development. (2) Corporate disclosure information, which includes the annual financial reports and CSR information disclosed by Huamao Group on its official website, and relevant information is extracted based on research requirements. (3) Management meeting records, which provide information about the decision-making process of CSR, the evolution of main business determination and changes, and the types and scale of social responsibility. (4) Questionnaire surveys, which collect data on the impact of social responsibility on corporate strategy and behavior from other members of the management team. (5) Media data, which are collected from public channels such as media and government sources, including interviews with Huamao Group's customers by the media. These data are verified to ensure the accuracy of the information and to determine the attitudes of external stakeholders such as communities and governments. This section employs survey data as the core method of analysis to construct a grounded theory model, while supplementing the research findings with other data sources.

The thesis collected a total of 196 articles, of which 88 were related to the topic of SCSR,

73 described corporate development, and 45 discussed research methods. This literature laid the theoretical foundation and research methods for the thesis. By organizing the disclosed information on Huamao Group's official website, the thesis collected 157 pieces of relevant information on CSR between 2000 and 2021, including 25 pieces of information on management's views on CSR, 81 pieces of information on various social responsibilities fulfilled by the company, 18 pieces of information on the company's awards for social responsibility, and 33 pieces of information on other related topics. These pieces of information were compiled into a file and imported into Nvivo11 software as the basis for grounded analysis. In addition, the thesis collected 27 pieces of information related to Huamao Group's social responsibility by searching the Ningbo Daily, Zhejiang Daily, Ningbo Civil Affairs Bureau website, and Ningbo Yinzhou District Civil Affairs Bureau website. These pieces of information were also compiled and imported into Nvivo11 software for grounded analysis. Furthermore, the thesis collected 40 pieces of information on management meeting records, mainly annual and semi-annual meetings of the management team, as well as the balance sheet, income statement, and cash flow statement of Huamao Group and its subsidiary companies from 2000 to 2021, and the annual audit reports of Huamao Fund. These pieces of information were imported into Nvivo11 software based on their respective years. Finally, the thesis obtained the raw data for the study through an interview survey. The interview mainly targeted the group's shareholders and internal employees, and 15 interview information were collected, including 5 from the board of directors (chairman, general manager, and deputy general manager), 5 from the management team (finance manager, production manager, marketing manager), and 5 from grassroots employees. The study also surveyed 15 parents (consumers) of students and obtained 14 valid interview records, with a qualification rate of nearly 93.33%. In addition, the thesis interviewed 4 government officials and 6 suppliers, respectively. Prior to the formal interview, the author communicated the purpose and requirements of the interview with the interviewees and completed a set of preparation work in advance, such as printing the interview script, contacting the interviewees, soliciting interview permission, and signing interview confidentiality and integrity agreements. During the interview, we used both recording and note-taking methods to record information for later verification to ensure the authenticity of the information. The telephone interview was mainly conducted in the first-floor conference room of Huamao Group's headquarters from July to September 2021, totaling 2 months. It should be noted that the content of the interview was designed based on the differences among the interviewees to maximize the pertinence and effectiveness of the data collected through the interview. Table 3.1 shows the

overall sample situation of this interview survey.

Table 3.1 The distribution of sample selection

Item	Category	Observations	Percentages
Gender	Male	29	72.5%
	Female	11	27.5%
Age	18-36	13	32.5%
	36-54	18	45.0%
	54 or above	9	22.5%
	Shareholder	5	12.5
Identity	Employee	10	25%
	Consumer	15	37.5%
	Supplier	6	15%
	Government staff	4	10.0%

3.3 Data processing

3.3.1 Grounded theory method

The Grounded Theory (GT) research method is a qualitative approach that aims to develop theories based on empirical data. What sets it apart from empirical research is that Grounded Theory does not require a priori hypotheses, providing greater flexibility and adaptability in the research process. In the context of Grounded Theory, additional primary data can be incorporated even at later stages to enhance research findings. Unlike empirical research, which relies primarily on quantitative data, Grounded Theory allows for a broader range of data sources. This method can utilize various types of primary data, including quantitative data as well as qualitative textual descriptions, to generate insights and theories. The research process of Grounded Theory is depicted in Figure 3.1 and that can be broadly divided into three stages: the initial stage, coding stage, and result stage. During the initial stage, two specific steps are undertaken: theoretical analysis and data collection. Theoretical analysis is driven by the research question and aims to establish theoretical constructs that clarify the definition, influencing factors, and mechanisms related to the research question. Data collection encompasses surveys, interviews, and quantitative data collection, all aligned with the research question. The initial stage serves as a preparatory phase for the entire Grounded Theory analysis, which is manifested through the formulation of research theories, the design of interview questions, and the conduct of interviews. Additionally, the collection of financial data from Huamao Group is carried out within this stage of the study. The second stage is the coding stage, comprising three parts: open coding, axial coding, and selective coding. This stage represents the core of Grounded Theory analysis. The third stage is selective coding,

which involves axial coding and saturation testing. It is during this stage that conclusions are drawn and theoretical models are constructed. The study employs Nvivo11 software for Grounded Theory analysis, a tool developed by the Australian company QSR that facilitates both qualitative and quantitative analysis. The Grounded Theory primarily entails the extraction of keywords from interviews through the coding process, followed by the induction and organization of these keywords to establish logical connections. This process sheds light on the implementation status of SCSR and the operational performance of Huamao Group. Additionally, quantitative analysis is utilized to construct a relationship model between Huamao Group's SCSR and its corporate development, enabling an examination of the intrinsic relationship between the two factors.

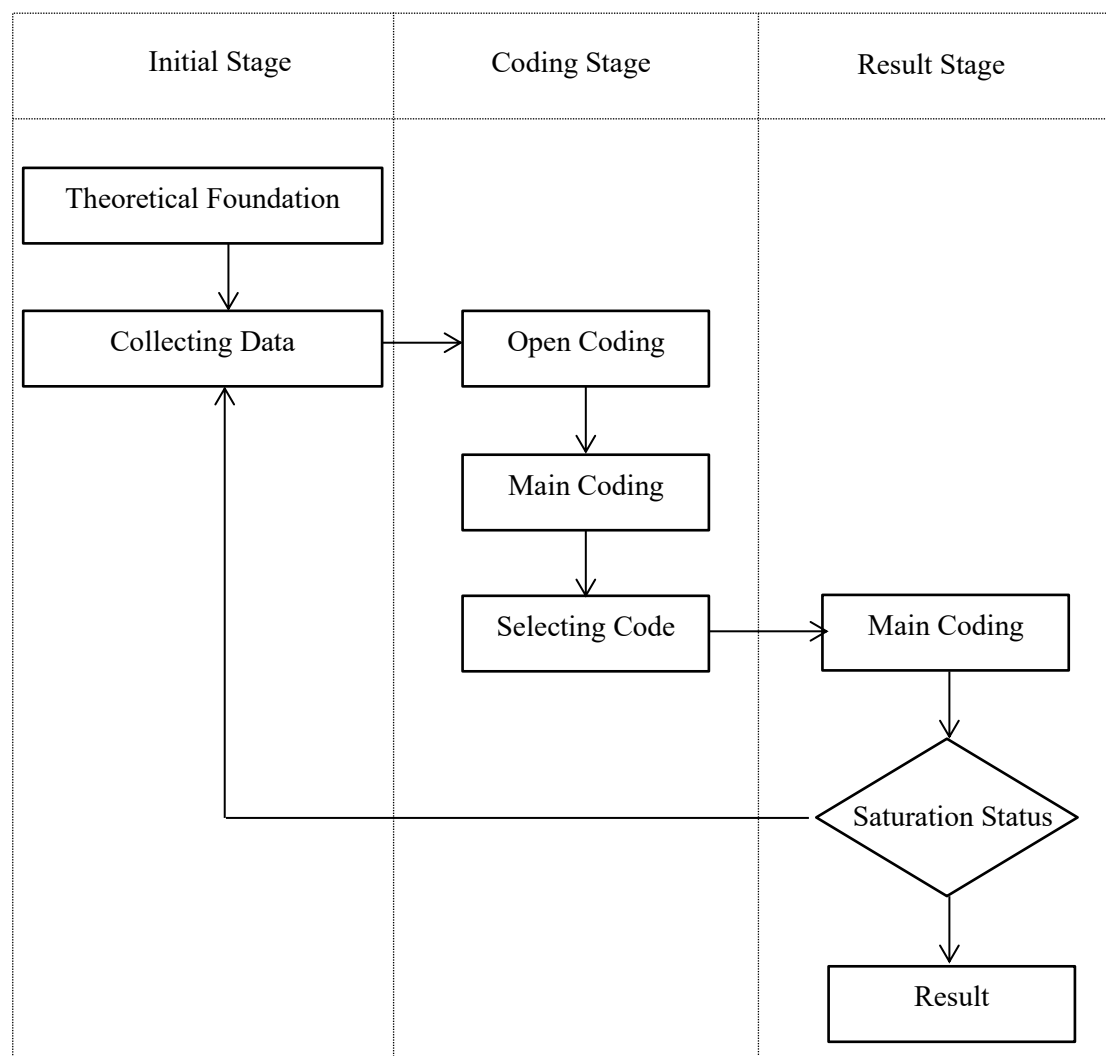


Figure 3.1 Grounded theory research process diagram

The prior study identified four main categories of SCSR: centrality, perceptive, visibility, and specificity, and their research constructed a mechanism model around these four Key categories. Xiong (2022) took Jiminxin Group as the study case, and used the Ground theory

to carry out the research on the impact of SCSR and business performance from the four dimensions of centrality, perceptive, specificity and visibility. Through the coding analysis of interview records, the Relational model between the key category, sub category and various obstacles was obtained in turn. Although these studies did not realize the use of the Grounded theory in the preset scenarios, they all used Grounded theory as a qualitative research method to focus on the topic of SCSR. The thesis references these studies and conducts interviews around SCSR and corporate development design issues, in order to collect relevant data and achieve grounded research of Huamao Group.

3.3.2 Data management

To efficiently organize the raw data, the thesis employs Word and Excel software for data processing. The Word software is utilized to manage relevant information regarding social responsibility sourced from Huamao Group's official website, interview records, and other documents. This encompasses 40 interview datasets, 1 dataset from Huamao Group's website search, and 1 dataset from media disclosures. These 42 research data points consist of 15 interviews conducted with internal employees of Huamao Group, 15 interviews conducted with parents of students, 6 interviews from suppliers, 4 interviews from government department staff, along with 2 datasets respectively from Huamao Group's website and media sources. Additionally, there are 43 data points associated with Huamao Group's management annual and semi-annual meetings. Excel software is utilized to process the balance sheets and income statements of Huamao Group, encompassing 22 balance sheets (from 2000 to 2021) and 22 income statements (from 2000 to 2021). After organizing these datasets, they will be imported into Nvivo11 software as the foundation for subsequent coding. Figure 3.2 represents the process of data importing.

annual management confe	0	0	The following questions are directed towards consumers.
annual management confe	0	0	
annual management confe	0	0	
annual management confe	0	0	
annual management confe	0	0	
annual management confe	0	0	
Chat with Chairman-XU	0	0	1.-1 What CSR does Huamao Group have around its business objectives?"
Chat with con-Gzh	0	0	Answer: At Huamao Group, we take Corporate Social Responsibility
Chat with con-JX	0	0	seriously and strive to align our CSR efforts with our business objectives.
Chat with con-LDF	0	0	that sustainable business practices and responsible corporate citizenship a
Chat with con-LFG	0	0	to the long-term success of our company. Our CSR initiatives cover a wi
Chat with con-LHY	0	0	areas, including environmental protection, employee welfare,
Chat with con-NX	0	0	development, and philanthropy. For instance, we have implemented envi
Chat with con-Yry	0	0	friendly practices and technologies in our operations to reduce our carbo
Chat with con-ZXQ	0	0	and conserve resources. We also invest in the training and developm
Chat with DGM-LIU	0	0	employees to ensure a safe and healthy work environment, and actively
Chat with DGM-SUN	0	0	community development projects to support local economic growth
Chat with FVP-GU	0	0	welfare. In addition, we contribute to philanthropic activities, such as
Chat with GM-XU	0	0	charitable causes and supporting disadvantaged groups. We are proud o
Public news from internet	0	0	efforts and believe that they are critical to achieving our business obier

Figure 3.2 Nvivo11 file import diagram

3.3.3 Data processing process

After importing the research data into Nvivo11 software, the thesis proceeds to code the imported data. The data processing process involves the coding process of Grounded Theory, which is divided into three parts: open coding, axial coding, and selective coding. The specific process is as follows:

Step 1: Open Coding: In open coding, the researcher continuously compares the raw data and assigns different labels to selected data based on their distinct content. Similar labels are then grouped together into concepts based on the frequency of related terms. These concepts are further divided to form initial categories, following the process of "labeling → conceptualization → categorization." After completing the data import process, the thesis proceeds to perform open coding on the data. By meticulously reading the imported raw data, the thesis disrupts the entire data randomly at the sentence level and utilizes the "coding" feature of Nvivo11 software to merge sentences with similar meanings into cohesive nodes. In the initial stage, the thesis obtained a total of 1107 nodes. During this process, if a paragraph contains multiple meanings, the thesis categorizes it accordingly. If the content of a paragraph cannot be assigned to a specific stage, the thesis creates a memo to record it for further exploration. Any content that cannot be identified is directly excluded. Figure 3.3 illustrates the process of first-level open coding using NVivo11 software, with each question corresponding to its source material. After individually reading through these nodes, the thesis focuses on the theme of Huamao Group's SCSR and its corporate development.

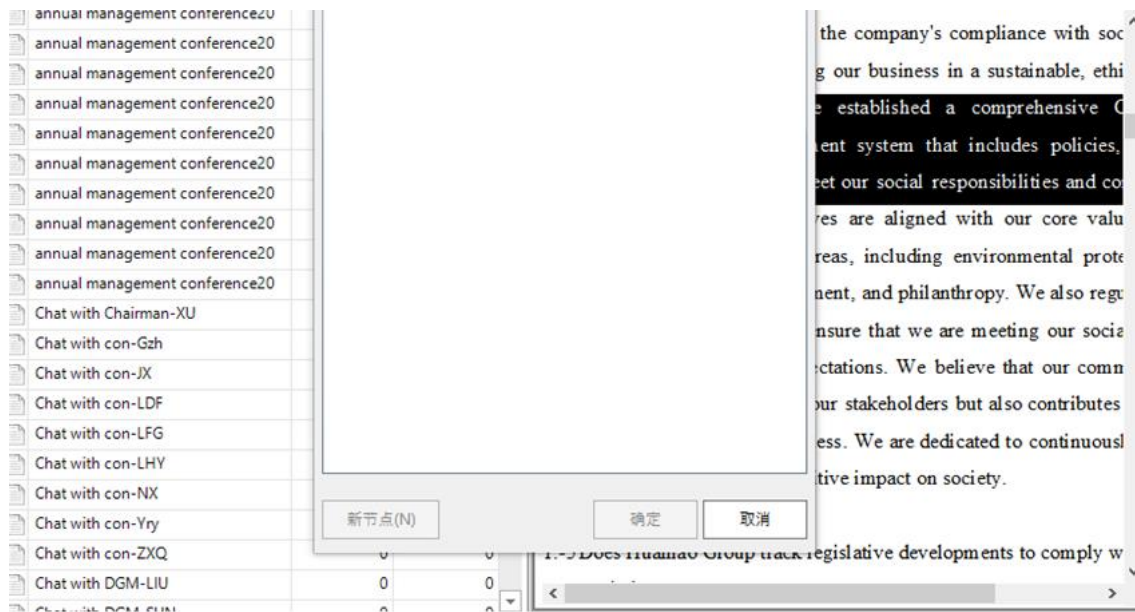


Figure 3.3 Illustration of first-level open coding process

Step 2: Main Coding: Main coding is a critical step in the systematic application of Grounded Theory analysis. Its objective is to extract subcategories and core categories from the initial categories. Subcategories are refined from the initial categories based on various relationships such as process, causality, parallelism, temporality, subordination, and correlation. They are derived by condensing the primary meanings of the initial categories. On the other hand, core categories further refine the subcategories, contributing to the concretization of the data. In this thesis, second-level main coding is performed on the data imported into Nvivo11 software. Given that the initial categories obtained from open coding are relatively straightforward, the thesis clusters conceptually related nodes to enhance coherence. Figure 3.4 illustrates the second-level main coding data processing.

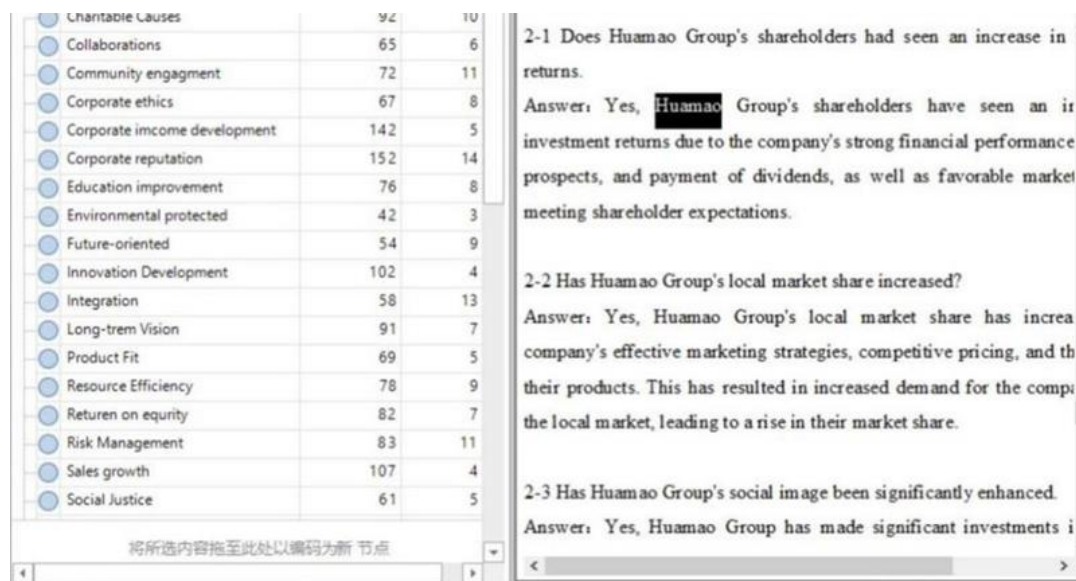


Figure 3.4 Illustration of second-level main coding process

Step 3: Selective Coding: Following the acquisition of core categories through second-level axial coding, the thesis progresses to establish connections in axial coding, guided by the narrative of "SCSR and the development of Huamao Group." Figure 3.5 visually represents the data processing involved in the third-level selective coding.

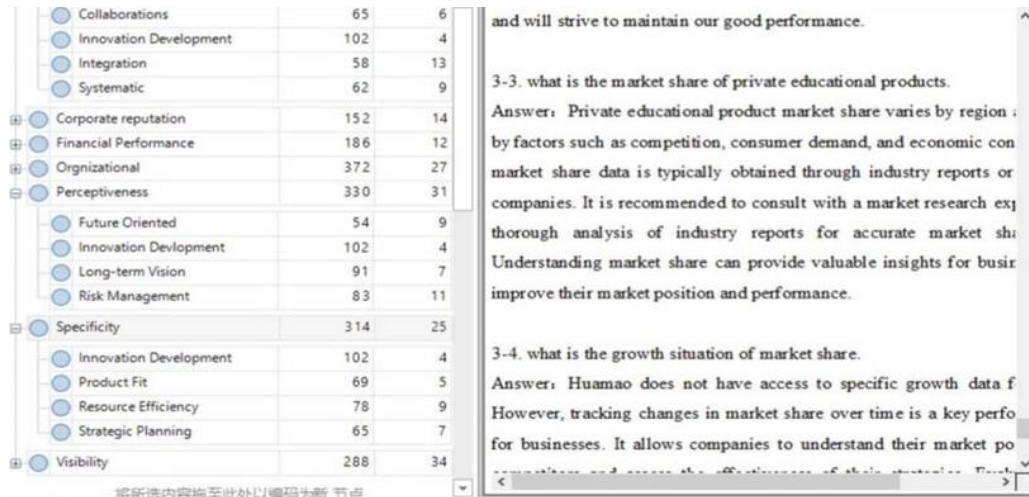


Figure 3.5 Illustration of third-level selective coding process

3.3.4 Data analysis process

In the open coding analysis process, the thesis first carries out the encoding, labeling, and logging of the collected raw sentence data, word by word and sentence by sentence. When reaching the stage of label selection, an open-minded approach should be maintained, avoiding the inclusion of the author's personal biases or emotions. Therefore, the thesis imports the interviewees' exact words into Nvivo11 software and directly names or extracts corresponding concepts. The thesis eliminates sentences from the interview text that are expressed simply, unclear, and irrelevant to theme. As a result, 1268 original sentences are retained and conceptualized and categorized, yielding a total of 165 initial concepts represented by "I**"; forming 63 Initial categories which is shown in Table 3.2.

Table 3.2 The table of concept

Initial concept	Initial Category
IA1: Effective internal communication ; IA2: Smooth information sharing ; IA3: Efficient organizational communication.	A1: Effectively communicate information within an organization.
IA4: Knowledge sharing and information flow ; IA5: Facilitating internal communication ; IA6: Encouraging information exchange.	A2: Sharing knowledge and facilitating information flow within an organization.
IA7::Information sharing ; IA8:Knowledge Sharing ; IA9:Employee knowledge sharing and information exchange.	A3: Sharing information, knowledge, and experience among employees.
IB1: Optimizing communication channels; IB2: Enhancing	B1: Communication processes and

information transmission	channels on information transmission.
IB3: Effective skills for better communication ; IB4: Improved communication through style and skills.	B2: Communication style, skills, and effective communication.
IB5: Fostering open culture and encouraging information exchange; IB6: Promoting knowledge flow and nurturing transparent environment.	B3 : Establishing open culture, encouraging information sharing, and promoting knowledge flow.
IC1: Diverse evaluation methods and performance metrics; IC2: Various appraisal approaches and periodic performance reviews; IC3: Multiple assessment techniques and regular evaluation cycles.	C1: Different evaluation methods, indicators and evaluation cycles.
IC4: Monitoring resource use and goal attainment; IC5: Tracking resource allocation and goal achievement; IC6: Evaluating resource efficiency and goal accomplishment.	C2 : Project progress, resource utilization, and achievement of goals.
ID1: Assessing project progress and goal attainment; ID2: Evaluating project advancement and resource allocation; ID3: Monitoring project status and resource utilization.	D1 : Internal values and culture within an organization on the internalization of CSR.
ID4: Internal rules and organizational regulations; ID5: Organizational policies, rules, and internal guidelines.	D2: Internal rules, regulations and policies within an organization.
ID6: Incentive systems and disciplinary measures foster accountability; ID7: Internal rewards and penalties ensure compliance and performance.	D3: Internal incentive mechanisms and disciplinary measures.
IE1: Restructuring for efficiency and optimizing operations ; IE2: Organizational optimization through restructuring and redesign.	E1 : Organization restructuring, redesign and optimization.
IE4: Integrating diverse systems, data, platforms; IE5: Unified systems, data, technology integration; IE6: Seamless integration of systems, data, platforms."	E2 : Integration of different information systems and technology platforms.
IE6: Fostering integration and harmonizing diverse cultural perspectives ; IE7: Promoting cultural integration and harmonizing differences for unity.	E3: Integration and harmonization of cultural differences.
IF1: Stakeholder identification, communication and engagement; IF2: Cooperation with stakeholders.	F1: Identification, engagement and cooperation with stakeholders.
IF3: Organizations collaborate and develop with local communities	F2: Collaboration, communication and development between organizations and local communities.
IF4: Employee participation; IF5: Participation's forms, levels, effects analyzed.	F3 : Forms, levels and effects of employee participation.
IG1: Utilizing varied data analysis and predictive models; IG2: Application of diverse data analysis and tech.	G1 : Application of different data analysis methods and technologies.
IG3: Identifying and tracking trends; IG4: Monitoring trends in diverse fields and identifying patterns.	G2: Identification and monitoring of trends in different fields different factors and scenarios on trend forecasting.
IH1: Crafting vision, mission, values considering internal and external factors; IH2: Creating vision, mission, values aligned with internal, external landscapes.	H1 : Formulating vision, mission and core values based on internal and external environments.
IH3: Tracking performance measurement; IH4: Monitoring key indicators and evaluating performance ; IH5: Analysing performance and evaluating performance.	H2 : Key performance indicators, conducting and evaluation performance measurement.
IH6: Adaptable planning, flexible strategies for goal	H3: Flexible planning and strategies

adjustments; IH7: Flexible plans, adaptable strategies to adjust goals.	for adjusting goals.
IJ1: Innovation management and behavior incentive; IJ2: Mechanisms for innovation and fostering innovation culture; IJ3: Establishing innovation management and incentivizing behaviors.	J1 : Establishing innovation management mechanisms, incentivizing behaviors and cultivating a culture of innovation.
IJ4: Innovate, support and inspire; IJ5: Foster creative minds ; IJ6: Promoting innovation and encouraging inventive behaviors.	J2 : Inspiring and supporting innovation, as well as fostering employees' innovative thinking and behaviors.
IJ7: Team building and collaboration ; IJ8: Manage innovative teams effectively; IJ9: Foster creative team dynamics.	J3: Team formation, operation and management to foster innovative thinking and collaboration.
IK1: Competitive advantage through differentiation; IK2: Differentiation strategy for competitive edge ; IK3: Achieving competitive advantage with differentiation.	K1 : Competitive advantage and differentiation strategy.
IK4: Leveraging emerging tech; IK5: Using digital tools effectively; IK6: Adopting new technologies strategically.	K2: Utilizing emerging technologies and digital tools.
IK7: Harnessing emerging tech; IK8: Utilizing digital innovations; IK9: Adopting new digital tools.	K3 : Cooperative partnerships and ecosystem development.
IL1: Fostering local economic growth and attracting investments; IL2: Promoting economic development and enhancing employment opportunities ; IL3: Stimulating growth and boosting employment.	L1 : Promoting local economic growth, attracting investments, and enhancing employment.
IL4: Regional cooperation; IL5: Collaboration within diverse regions.	L2 : Cooperation and integration within and between different regions.
IL6: Crafting distinctive regional brand; IL7: Promoting unique regional traits; IL8: Showcasing regional resources.	L3: Shaping a unique regional brand image, promoting regional characteristics and resources.
IM1: Distinct products and services; IM2: Unique offerings and business models; IM3: Differentiated product and services.	M1 : Differentiated products, services or business models.
IM4: Innovation drives market leadership ; IM5: Continuous improvement, innovation and market leadership; IM6: Leading through constant innovation.	M2: Innovation leading the market, constantly improving products, processes, or business models.
IM7: Expanding globally and entering new markets; IM8: Global operations and new market.	M3 : Expanding business in international markets, entering new markets, and establishing global operations.
IN1: Shared beliefs, values and norms; IN2: Common beliefs, values and behaviors; IN3: Agreed beliefs, values and conduct.	N1 : Shared beliefs, values and behavioral norms.
IN4: Employee attitudes, behaviors and motivation; IN5: Work motivation, attitudes and employee behavior.	N2: Employee attitudes, behaviors and work motivation.
IN6: Values aligned with organizational goals ; IN7: Organizational goals match core values.	N3 : Alignment of organizational values with organizational goals.
IO1: Strategic organizational structure and organizational strategy; IO2: Aligning structure with strategic goals; IO3: Organizational strategy and optimized structure.	O1 : Strategic Organizational Structure and Organizational Strategy.
IO4: Strategic structure and organizational strategy; IO5:	O2 : Design and optimise

Optimized structure and aligned strategy; IO6: Effective structure and focused strategy.	organizational structure.
IO7: Designing organizational structure; IO8: Arranging organizational structure.	O3 : Design and arrange organizational structure.
IP1: Various organizational structures; IP2: Diverse forms, organizational structure and strategy ; IP3: Multiple structure types and strategic approaches.	P1 : Different forms of organizational structure and strategy.
IP4: Optimizing structure for strategic support ; IP5: Designing structure to aid decisions ; IP6: Supporting strategy with optimized structure.	P2 : Design and optimize organizational structure to support decision-making and implementation.
IP7: Optimize resource allocation; IP8: Maximize resource usage; IP9: Efficient structure and resource allocation.	P3: Layout organizational structure to maximize the allocation of resources.
IQ1: Balance financing costs and optimize structure; IQ2: Optimize capital structure and mitigate risks.	Q1 : Optimize capital structure to balance financing costs and financial risks.
IQ3: Effective risk assessment system; IQ4: Establish financial risk system ; IQ5: Robust risk assessment mechanism; IQ6: Create efficient risk system.	Q2: Establish an effective financial risk assessment system.
IQ7: Risk influences financing choices; IQ8: Financial risk impacts decisions.	Q3 : Financial risk affects the financing decisions of the company.
IR1: Investment planning and capital budgeting; IR2: Capital allocation and investment planning; IR3: Budgeting for investments and capital planning.	R1 : Capital budgeting and investment planning.
IR4: Diverse financing methods; IR5: Varying funding sources; IR6: equity-debt proportion.	R2: Different financing methods and the proportion of equity and debt.
IS1: Activities boost brand value; IS2: Enhance brand awareness ; IS3: Building brand value and raising awareness; IS4: Activities for brand enhancement.	S1 : Brand building activities to enhance brand value and awareness.
IS5: Strategic positioning shapes brand image ; IS6: Positioning strategy defines market position; IS7: Brand positioning shapes market image.	S2 : Positioning strategy to shape brand image and market position.
IS8: Brand channels and delivery methods; IS9: Brand storytelling and information delivery; IS10: Information delivery.	S3: Brand communication channels, brand storytelling and brand information delivery methods.
IT1: Stakeholder identification methods and categorization criteria ; IT2: Methods to identify stakeholders and categorization criteria; IT3: Stakeholder identification and categorization methods.	T1 : Criteria for identifying and categorizing stakeholders.
IT4: Effective communication channels and stakeholder engagement ; IT5: Engagement mechanisms for stakeholders.	T2 : Establishing effective communication channels and engagement mechanisms for stakeholders.
IT6: Stakeholder assessment and conflict management; IT7: Assessing stakeholders, resolving conflicts ; IT8: Managing conflicting interests and stakeholder assessment	T3: Assessment of stakeholders and management of conflicting interests.
IU1: Unique positioning and competitive strategies; IU2: Distinctive positioning and competitive formulation.	U1: Differentiated positioning and formulation of competitive strategies.
IU3: Innovation for unique value; IU4: Product, service	U2: Product and service innovation

innovation and unique value; IU5: Creating unique value.	to provide unique value.
IU6: Brand impact on market performance; IU7: Marketing affects market share; IU8: Brand building influences market share; IU9: Marketing impacts market performance.	U3: Brand building and marketing impact on market share and market performance of businesses.
IV1: Market strategy selection; IV2: Different market development strategies; IV3: Implementing market development plans.	V1: Selection and implementation of different market development strategies.
IV4: Strategic partnerships for joint market development; IV5: Establishing partnerships to develop the market.	V2: Establishing strategic partnerships to jointly develop the market.
IV6: Differentiated market positioning for promotion; IV7: Promoting the market; IV8: Market promotion through.	V3: Determining a differentiated market positioning to promote the market.
IW1: Service quality and customer satisfaction; IW2: Customer experience, satisfaction impact.	W1: Exploring the impact of service quality and customer experience on customer satisfaction.
IW3: Personalized customer service; IW4: Meeting individual needs; IW5: Customized customer solutions; IW6: Personalized offerings and customer satisfaction.	W2: Meeting customers' personal needs.
IW7: Complaint handling and issue resolution; IW8: Customer complaint management and issue resolution.	W3: Handling customer complaints and resolving issues.

The purpose of axial coding is to analyze the various concepts and preliminary categories obtained from open coding, identify their internal relationships, and create more comprehensive and stronger main categories through merging and classification. During axial coding, each time only one category is selected for in-depth analysis, and the exploration focuses on the inherent relationships among the initial concepts related to that category. The thesis analyzes the data imported into Nvivo11 software, uncovering 22 subcategories, and then examines the interconnections between these subcategories to derive 8 key categories. Table 3.3 presents the detail message.

Table 3.3 The table of categories

Initial Category	Sub-category	Key Category
A1: Effectively communicate information within an organization.	I. Internal visibility	①Visibility
A2: Sharing knowledge and facilitating information flow within an organization.		
A3: Sharing information, knowledge, and experience among employees.		
B1: Communication processes and channels on information transmission.	II. Communication and transparency	
B2: Communication style, skills, and effective communication.		
B3: Establishing open culture, encouraging information sharing, and promoting knowledge flow.		
C1: Different evaluation methods, indicators and evaluation cycles.	III. Assessing effectiveness	
C2: Project progress, resource utilization, and		

achievement of goals.		
D1: Internal values and culture within an organization on the internalization of CSR.		
D2: Internal rules, regulations and policies within an organization.	IV.Internalizing social responsibility	
D3: Internal incentive mechanisms and disciplinary measures.		
E1: Organization restructuring, redesign and optimization.		②Centrality
E2: Integration of different information systems and technology platforms.	V.Business integration	
E3: Integration and harmonization of cultural differences.		
F1: Identification, engagement and cooperation with stakeholders.		
F2: Collaboration, communication and development between organizations and local communities.	VI.Relative participants	
F3: Forms, levels and effects of employee participation.		
G1: Application of different data analysis methods and technologies.		
G2: Identification and monitoring of trends in different fields different factors and scenarios on trend forecasting.	VII.Effectiveness of trend prediction	
H1: Formulating vision, mission and core values based on internal and external environments.		
H2: Key performance indicators, conducting and evaluation performance measurement.		
H3: Flexible planning and strategies for adjusting goals.	VIII.Long-term goals and planning	③Perceptive
J1: Establishing innovation management mechanisms, incentivizing behaviors and cultivating a culture of innovation.		
J2: Inspiring and supporting innovation, as well as fostering employees' innovative thinking and behaviors.		
J3: Team formation, operation and management to foster innovative thinking and collaboration.	IX.Innovation and Leadship	
K1: Competitive advantage and differentiation strategy.		
K2: Utilizing emerging technologies and digital tools.		
K3: Cooperative partnerships and ecosystem development.	X.Industry-specific strategy.	
L1: Promoting local economic growth, attracting investments, and enhancing employment.		
L2: Cooperation and integration within and between different regions.		
L3: Shaping a unique regional brand image, promoting regional characteristics and resources.	XI.Regional-specific strategy	④Specificity
M1: Differentiated products, services or business models.		
M2: Innovation leading the market, constantly improving products, processes, or business models.		
M3: Expanding business in international markets, entering new markets, and establishing global operations.	XII.Firm-specific strategy	
N1: Shared beliefs, values and behavioral norms.		

N2: Employee attitudes, behaviors and work motivation.		
N3 : Alignment of organizational values with organizational goals.	XIII.Organizational culture and value	⑤ Organization al
O1 : Strategic Organizational Structure and Organizational Strategy.		
O2: Design and optimise organizational structure.	XIV.Strategic organizational structure	
O3: Design and arrange organizational structure.		
P1 : Different forms of organizational structure and strategy.		
P2: Design and optimize organizational structure to support decision-making and implementation.	XV.Financial performance evaluation	
P3: Layout organizational structure to maximize the allocation of resources.		
Q1: Optimize capital structure to balance financing costs and financial risks.		
Q2: Establish an effective financial risk assessment system.		⑥Financial performance
Q3: Financial risk affects the financing decisions of the company.	XVI.Capital structure and financial risk	
R1: Capital budgeting and investment planning.		
R2: Different financing methods and the proportion of equity and debt.	XVII.Financial decision-making and investment strategy	
S1: Brand building activities to enhance brand value and awareness.		
S2: Positioning strategy to shape brand image and market position.		
S3: Brand communication channels, brand storytelling and brand information delivery methods.	XVIII.Brand building and brand awareness	
T1 : Criteria for identifying and categorizing stakeholders.		⑦Corporate reputation
T2: Establishing effective communication channels and engagement mechanisms for stakeholders.		
T3: Assessment of stakeholders and management of conflicting interests.	XIX.Stakeholder evaluation	
U1 : Differentiated positioning and formulation of competitive strategies.		
U2: Product and service innovation to provide unique value.		
U3: Brand building and marketing impact on market share and market performance of businesses.	XX.Market competition advantage	
V1: Selection and implementation of different market development strategies.		
V2: Establishing strategic partnerships to jointly develop the market.		⑧Market share
V3: Determining a differentiated market positioning to promote the market.	XXI.Market development strategic	
W1 : Exploring the impact of service quality and customer experience on customer satisfaction.		
W2: Meeting customers' personal needs.	XXII.Customer satisfaction	
W3: Handling customer complaints and resolving issues.		

Through the previous processes of open coding and key coding, the thesis solute the date

by Selective coding process. The thesis distilled that SCSR of Huamao Group is characterized by centrality, perceptiveness, specificity, organizational, visibility, as well as financial performance, corporate reputation, and market share, forming 8 core categories. The typical relationship structure between these categories is illustrated in Table 3.4.

Table 3.4 Typical relationship structure in selective coding

Typical Relationship Structure	Connotation of Relationship Structure
Visibility	The visibility features of SCSR enable stakeholders to identify Huamao Group's CSR activities, which can earn recognition from consumer groups, government departments, and other stakeholders, contributing to the sustainable development.
Centrality	The centrality features of SCSR enable Huamao Group to integrate its CSR activities with its business, consolidate resources, and make the organizational structure cohesive. This helps the company to conduct its operations more effectively and achieve sustainable development.
Perceptiveness	The Perceptiveness features of SCSR are advantageous for the management of Huamao Group to predict economic and industry development trends and drive Huamao Group's growth by setting reasonable long-term goals and plans.
Specificity	The specialized features of SCSR aim to leverage the industry, regional, and organizational specificities, thereby ensuring that Huamao Group's strategies align more closely with its current assets and achieve optimized business strategies.
Organizational	The organizational features of SCSR are beneficial to the corporate development of Huamao Group. By establishing CSR goals and refining organizational structure, Huamao Group can effectively concentrate resources to implement strategic objectives.
Financial Performance	The evaluation of corporate development based on financial indicators can be conducted from perspectives such as return on assets, net profit, and risk exposure. It can also be assessed from specific decision-making angles such as financial investments.
Corporate Reputation	The evaluation of Huamao Group based on the perspective of corporate reputation that can be conducted from two angles: brand building and stakeholder evaluation. A strong brand serves as the foundation for the company's sustainable development, while stakeholder evaluations reflect the market's perception of the company's products.
Market Share	The evaluation of corporate development based on the market share perspective that can be conducted from aspects such as market experience advantage, market development strategy, and customer satisfaction. Companies with stronger market competitive advantages have more room for development.

Based on the structure obtained from the above coding, the thesis further refines the core question of How SCSR impacts the development of Huamao Group. It constructs a theoretical analysis diagram around the logic, focusing on perspectives from employees, shareholders, suppliers, consumers and the government which shows in Figure 3.6

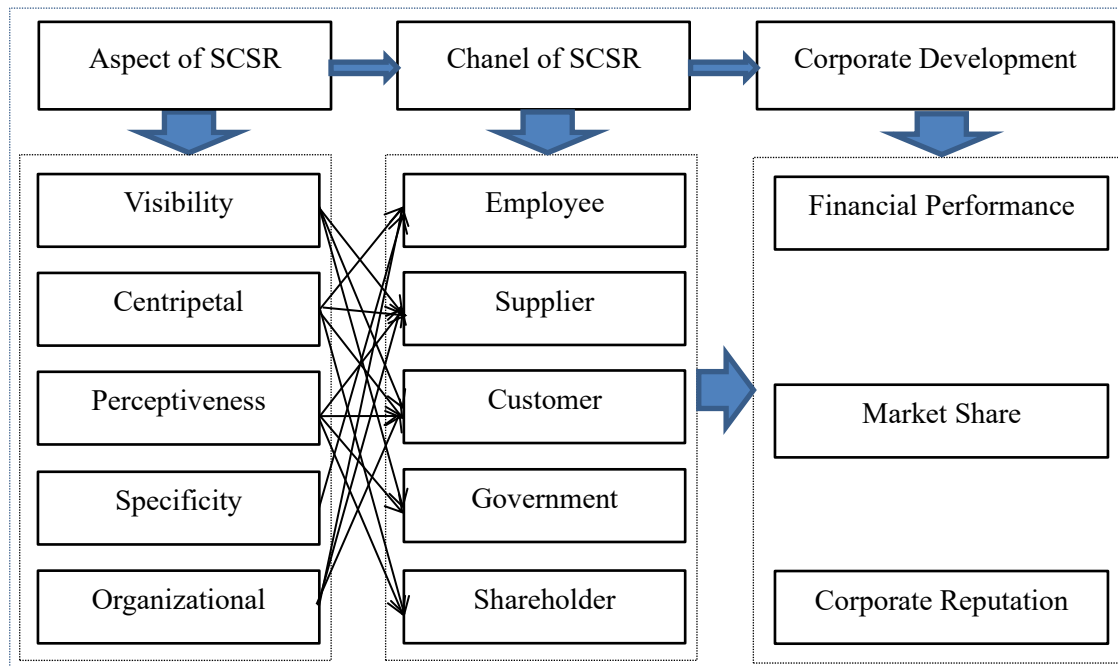


Figure 3.6 The impact model of SCSR on the development of Huamao Group

3.3.5 Theoretical saturation test

To ensure theoretical saturation in the study, the thesis conducted a theoretical saturation test using 10 pieces of interview data, 1 piece of data set from Huamao Group's website search, 1 piece of data set from media disclosures, and 5 pieces of data sets from annual and semi-annual meetings of Huamao Group's management. The testing process followed the same coding procedures mentioned earlier, including first-level open coding, second-level main coding, and third-level selective coding. After coding, the initial categories, sub-categories, and key categories were listed, and the findings were found to be consistent with the previous results. Based on this, it can be determined that the thesis has achieved a good level of theoretical saturation.

3.4 Summary of the chapter

The primary objective of this chapter is to provide a comprehensive exposition of the research design employed in this thesis. Huamao Group has been meticulously selected as the designated sample for conducting a case study, and this chapter proceeds to delineate the methodologies utilized for data acquisition, data processing, and logical analysis, offering a detailed elucidation of the data acquisition process itself. Of particular significance, this chapter adopts the Grounded Theory method as its methodological approach to investigate the

research problem. This approach entails the comprehensive administration of a holistic questionnaire for data collection. Subsequently, Nvivo11 software is strategically employed to encode, deconstruct, and reconstruct the survey data, with the primary objective of extracting pertinent information centered around the core research problem, thereby establishing a robust foundation for addressing the research problem at hand. In summary, the content of this chapter serves as the fundamental underpinning for the attainment of research conclusions and the facilitation of subsequent case studies' typical data analysis. In terms of research design, the pivotal essence lies in ensuring that the chosen research methodologies are not only capable of effectively addressing the research questions but also of providing reliable data and analytical tools to serve the study's purposes. In pursuit of this goal, the thesis has opted for Huamao Group as the focal subject of the case study. The selection of this sample was made after meticulous consideration of its representativeness and relevance, with the explicit intention of generalizing the study's findings to a broader context. Given that Huamao Group represents a substantial and influential enterprise, it offers a wealth of case materials and data resources that substantially enrich the understanding of the research problem. Concerning data collection, the thesis has elected to employ a comprehensive questionnaire as the primary data collection tool. The holistic questionnaire is a widely adopted method in the realm of social science research, adept at assisting researchers in gathering both qualitative and quantitative data essential for addressing the research questions. Through the meticulous administration of this questionnaire, diverse forms of information pertaining to Huamao Group, including its organizational structure, operational models, and management practices, have been methodically gathered. These data components collectively constitute a robust foundation for subsequent analytical endeavors and further research undertakings. Within the domain of data processing, the thesis has judiciously chosen to employ Nvivo11 software for encoding and reconstructing the collected data. Nvivo11 is a specialized qualitative research tool meticulously designed to proficiently manage and analyze substantial volumes of textual data. Through its application, data is systematically categorized into distinct thematic and categorical groupings, facilitating in-depth analysis and aiding in the identification of latent patterns and associations within the dataset. This strategic approach, in turn, augments the capacity to effectively address the research questions. With regard to logical analysis, this thesis will diligently dissect the logical framework of SCSR (Stakeholder-Corporate Social Responsibility) in the context of corporate development. This analytical endeavor is instrumental in elucidating the logical interconnections and structural components of the research problem, thereby facilitating comprehensive analysis and reasoning. Logical analysis

serves as the means by which key factors and influential elements related to the research problem are identified, offering valuable guidance for its resolution. Throughout the data analysis process, this thesis will rigorously adhere to the Grounded Theory method, a qualitative research approach characterized by its inductive nature. This approach entails the systematic collection of substantial data, followed by iterative data analysis and coding processes, culminating in the organic development of theories and concepts that directly emanate from the data itself. This methodological choice enriches the depth of insight and understanding of the research problem. In conclusion, the content encapsulated within this chapter serves as the critical cornerstone of the research design, providing the indispensable groundwork for the subsequent research endeavors. Through the meticulous selection of an appropriate sample, the acquisition of robust data, the judicious application of suitable data processing and logical analysis methodologies, and the strategic implementation of the Grounded Theory method, this thesis aspires to comprehensively address the research problem and proffer substantial support. As the subsequent case studies unfold, the research will further dissect typical data, ultimately culminating in the formulation of research conclusions and the provision of valuable recommendations for practical applications.

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Chapter 4: Field Research

4.1 Overview of huamao group

Huamao Group Co., Ltd., referred to as "Huamao" or "Huamao Group," is a comprehensive industrial group that primarily provides education-related products. The Group's operations cover the education sector, featuring the integration of production, education, and research, as well as the industrial investment and financial investment sectors, which focus on long, medium, and short-term investments. Since its inception, Huamao Group has consistently adhered to its business philosophy of "integrity is the foundation of survival, brand is the foundation of development, and education is the foundation of establishment." The Group also upholds the educational tenet of "education is the cornerstone, and support for education is the glory," and has gradually established a style of "innovation, refinement, pragmatism, and pioneering." The Group is not only dedicated to developing education-related products but also actively invests in school projects, participates in cultural and educational undertakings, and engages in social welfare activities.

After more than 50 years of development, Huamao Group has evolved into an industrial conglomerate, with numerous subsidiaries such as Ningbo Huamao Culture and Education Co., Ltd., Ningbo Huamao Youjia Technology Co., Ltd., Beijing Seven Color Flower Education Technology Development Co., Ltd., Huamao Foreign Language School, Huamao International School, Ningbo Shuxiang New Materials Co., Ltd., Ningbo Huamao International Trade Co., Ltd., Ningbo Huamao Education and Culture Investment Co., Ltd., Zhejiang Huamao Real Estate Development Co., Ltd., and over 40 wholly-owned, controlled or invested enterprises. In addition to business ventures, Huamao Group also possesses public welfare industries such as Zhejiang Dongqianhu Education Research Institute, Huamao Art Education Museum, Huamao Art Museum, Huamao Hilton Hotel, Huamao Hospital and more. Currently, Huamao Group's education industry is the largest and most comprehensive in China and has been ranked as the best among its peers for several years. It has also been named among the "Top 500 Chinese Service Industry Enterprises" and "Top 500 Chinese Industrial Enterprises". It has earned recognition as one of the top ten enterprises in the key industries of national industrial enterprises, one of the leading enterprises in China's industrial

industry, one of the top ten most competitive enterprises in China's cultural goods manufacturing industry and one of the top ten enterprises in the national cultural goods manufacturing industry in terms of efficiency. Huamao Group has been bestowed with the title of "Top 10 Influential Brands of Private Education in China", "Top 100 Enterprises in Service Industry in Zhejiang Province", "Top 100 Enterprises in Ningbo City" and was the first batch of Headquarters Enterprises in Ningbo City. It has also earned the AAA-grade enterprise status in quality, service, and reputation in China. In the education sector, Huamao Group's business scope covers preschool education, basic education, and vocational education, higher education, and study abroad services. The group has multiple high-quality schools and educational institutions. Huamao Education Group focuses on education innovation and quality improvement and has made positive contributions to the development of China's education industry by continuously introducing advanced educational resources and management models from domestic and foreign sources.

4.2 Overview and evaluation of SCSR in huamao Group

4.2.1 Overview of CSR of huamao group

Through the examination of Huamao Group's social responsibility fulfillment via interviews, distinct stakeholders receive varying levels of attention at different strategic phases, where Huamao Group incorporates social responsibility as a strategic component in its framework. As a result, the extent of Huamao Group's social responsibility fulfillment demonstrates hierarchical attributes. Consequently, this thesis centers on the process of implementing SCSR, specifically assess whether Huamao Group has effectively fulfilled its CSR obligations and how this has contributed to its sustainable development. A comprehensive comprehension of Huamao Group's social responsibility fulfillment is imperative for conceptual model design. Figure 4.1 illustrates the actions of Huamao Group in discharging its social responsibilities, enabling the deduction of three stages of social responsibility initiatives.

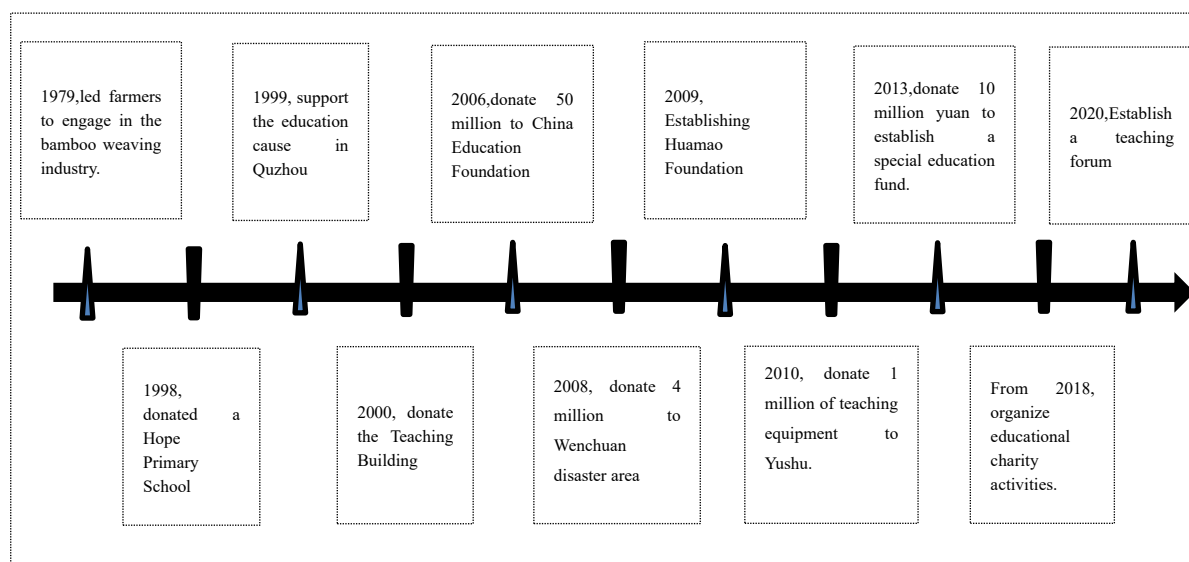


Figure 4.1 Huamao Group's CSR practices

Since its establishment in 1979, Huamao Group has continuously expanded its asset scale and transformed its primary business from the bamboo weaving industry to the education industry. Along with this expansion and business transformation, Huamao Group has always upheld the tenet of guiding its corporate strategy through social responsibility. The company advocates for CSR to guide its business choices and transformation, while also committing itself to fostering a harmonious relationship between the corporation and the community, government, consumers, and employees. This chapter compares the social responsibility history of Huamao Group by examining its development history in three stages.

The first stage of Huamao Group's SCSR occurred between 1971 and 1997, representing the embryonic stage of the company's SCSR. During this period, Huamao Group mainly focused on fulfilling its economic responsibility. The predecessor of Huamao Group was a bamboo weaving craft workshop located in the mountainous area of Yuyao, which had the historical responsibility of leading the villagers out of poverty and into prosperity. Since its establishment, Huamao Group has prioritized sustainable development and employee welfare, continuously striving to improve the bamboo weaving skills of its employees to enhance product technology and employee skills. Through enterprise development, Huamao Group aims to provide more jobs and better employee welfare to the society. The company is committed to the career development of its employees and improving their welfare, strictly adhering to relevant laws and regulations, operating in good faith, and paying taxes according to the law. Huamao Group offers employee benefits that are higher than the industry average and invests heavily in employee skills development and education. For instance, Huamao Group relocated its bamboo weaving business from Siming mountainous area in Yuyao to

Gaoqiao in Haishu district, providing over 100 jobs to local residents, effectively alleviating local employment difficulties for villagers and helping the local government address employment issues properly.

During the second stage of Huamao Group's development (1998-2008), the company transitioned from producing bamboo weaving products to pan-educational products, marking a significant milestone in its growth. In 1998, Huamao Group made a pivotal decision to focus on education excellence and invested 500,000 yuan to establish the "Huamao Hope Primary School" in Siming Mountain District, with the aim of enabling children in the mountainous region to access education nearby. The following year, in partnership with the Quzhou Municipal Government, the company founded "Quzhou Huamao Foreign Language School" and "Longyou Huamao Foreign Language School". In 2000, Huamao Group donated more than 5 million yuan to Tongji Middle School in Yin County to build the "Huamao Teaching Building" for the Statistical Middle School. In 2005, Huamao Group invested heavily in expanding Ningbo Huamao Foreign Language School, transforming it into a first-class key middle school in Zhejiang Province, thereby providing high-quality education resources to the society. This expansion aligned with the company's long-term strategic goal of establishing the education industry as its main business. In 2006, the company made a charitable donation of 10 million yuan to the China Education Development Foundation to support its public welfare activities, specifically those related to education poverty alleviation in underprivileged areas. The following year, in 2008, Huamao Group contributed over 4 million yuan to support the post-disaster reconstruction of schools in the Wenchuan disaster area in Sichuan. Through these public welfare initiatives, Huamao Group demonstrated its commitment to the field of education and leveraged it as an opportunity to reposition its business towards education. Since 1998, when education was identified as the company's primary business, Huamao Group has been involved in multiple education-focused public welfare projects, reinforcing its strategic goal of becoming a leading player in the education industry.

The third stage (2009 - present) marks the deepening stage of Huamao Group's SCSR initiative. In 2009, Huamao Group established the Huamao Education Foundation as its exclusive organization to fulfill its social responsibility. This non-profit public welfare organization was initiated by the Group and registered and approved by the Civil Affairs Department of Zhejiang Province. The Foundation upholds the philosophy of "educating people, supporting education, respecting teachers, and benefiting future generations", and aims to mobilize and encourage the internal staff of Huamao Group, social welfare groups,

and other organizations to contribute to the development of education and the cultivation of senior talents. Since its establishment, the Foundation has helped 3,290 students, rewarded 2,343 outstanding students, and 4,469 excellent teachers, and invested a total of 15 million yuan in special funds for education projects. In addition to rewarding outstanding students and teachers, Huamao Group has also made material contributions combined with culture, art, and education. For instance, in 2010, the Group donated teaching equipment worth 1 million yuan to the earthquake-stricken Yushu area to support the post-disaster reconstruction of local schools. In 2013, Huamao Foundation collaborated with Ningbo Guangcai Business Promotion Association to contribute 10 million yuan to establish a special title fund to promote education development in Ningbo. More recently, in 2021, Huamao Foundation donated 10 million yuan to initiate the "50 homes in 5 years" project of Rainbow House, which aims to revive rural education by helping rural children realize their educational goals. The Group's social responsibility at this stage is primarily undertaken by the Huamao Education Foundation, and its public welfare activities have evolved from mainly cash and material donations to material contributions combined with culture, art, and education. Alongside this transformation, the Group has shifted its main business from basic education to cultural education, elite education, and aesthetic education, and aims to promote deeper integration between its main business and public welfare through education-related public welfare activities.

Table 4.1 presents a partial financial overview of the Huamao Education Foundation for the period 2018-2022. Over the course of five years, the cumulative donations made by the Huamao Education Foundation exceeded 10 million Euros yuan. Out of this amount, nearly 15 million yuan was allocated to assistance funds, which supported various charitable activities, while over 85 million yuan was dedicated to scholarships, including the establishment of awards to assist teachers in enhancing their teaching skills and to aid underprivileged students in their daily lives. The analysis of the foundation's expenditure reveals that annual donations remained around 10 million yuan from 2018 to 2019. However, starting from 2020, the annual donation amount surpassed 20 million yuan, indicating a significant expansion in funding support provided by the Huamao Education Foundation. The most noteworthy aspect of this expansion is the increased emphasis on scholarships. To date, the foundation has extended support to a total of 3,290 students, awarding scholarships to 2,343 outstanding students and 4,469 exceptional teachers. Concerning the sources of funding, from 2018 to 2022, the Huamao Education Foundation accumulated a total income of 117.74 million yuan. The primary sources of income include donations from the Huamao Education

Group and contributions from various sectors of society, in addition to investment income generated from the foundation's assets. Overall, during the five-year period, the foundation's income slightly exceeded its expenditures, maintaining a relatively balanced financial state. As for income distribution, the scale of investment income remained between 7 and 8 million yuan, while donation income displayed significant fluctuations in all years except for 2020, when it exceeded 60 million yuan. This necessitates the foundation to formulate sound annual planning to uphold a dynamic balance between funds and social initiatives. From the perspective of the Huamao Education Foundation's net assets, there was an increase from over 80 million yuan to 100 million yuan over the five-year period, representing a growth of 25%. This growth underscores the foundation's steady operation and stable expansion in recent years.

Table 4.1 Financial data of Huamao Foundation from 2018 to 2022 (Unit: RMB 1,000)

Item	2018	2019	2020	2021	2022
Net asset	80,302.10	78,609.80	125,576.90	111,529.00	100,095.3
Donation income	3,777.30	613.60	60,680.70	7,836.70	5,524.50
Investment income	7,304.10	8,869.60	9,245.00	6,690.50	7,189.00
others	----	10.00	----	0.40	----
Sum of income	11,081.50	9,493.20	69,925.70	14,527.60	12,713.50
Scholarship	9,562.10	10,419.90	22,767.50	22,119.30	22,462.20
Subsidy	4,932.70	1,251.90	850.60	7,129.00	899.60
Sum of Expense	14,494.80	11,671.80	23,618.10	29,248.30	23,361.70

In terms of specific philanthropic activities, Huamao Group engages in four major categories, namely, education-based social giveback, educational think tank initiatives, educational services for Huamao, and promotion of educational innovation.

Table 4.2 The content of rainbow project

Project	Content
Rainbow Public Welfare Summer Camp	The project "Serving Disadvantaged and Left-behind Children" is a key initiative in response to the government's poverty alleviation efforts in education. It invites 168 campers (including left-behind children from Xinjiang, Hunan, Guizhou, surrounding areas of Ningbo, as well as local children in Ningbo) to participate in diverse and engaging specialized courses.
Huamao Rainbow Home	In early August 2019, the construction of 'Rainbow Homes' was completed at Zhenfeng County Nawo School in Qiannan Prefecture, Guizhou Province, and at Dunhua Second Middle School in Jilin Province. In November, the construction of 'Rainbow Homes' was completed at Segensugete Elementary School in Kuche County, Xinjiang Province. The funding for the construction of Segensugete Elementary School was raised through the 'Tencent 99 Charity Day' campaign in 2019, and a total of 150,900 yuan was raised within 5 hours with the participation of 3,688 people.
Rainbow Assistant	The 'Huamao Rainbow Program' invited 45 young and middle-aged educational researchers from the poverty-stricken areas of Qiannan in

Rainbow Scholarship	Guizhou Province and Yanbian in Jilin Province, which are the paired assistance areas of Ningbo's 'Precision Poverty Alleviation' initiative, to come to Ningbo for seminars and exchanges. Professional courses were offered to help improve the education and teaching quality. In 2019, the Huamao Education Foundation awarded the "Rainbow Scholarship" to a total of 27 students from 9 schools, including Jiangbei Yongcheng School, Yinzhou Xiaying Shangzheng School, and Fenghua Chenglong School, in the city of Ningbo.
Rainbow Clothing	In November 2019, 1200 students from Huamao Foreign Language Primary School were invited to participate, and a total of 3600 winter clothes and 1000 books were collected. These were then donated to support the targeted assistance for Xincheng School in Kuche County, Xinjiang, Nawo School in Qiannan Prefecture, Guizhou, and Pomian Primary School.

The first category is "education-based social giveback." The philanthropic activities within this system aim to establish connections between Huamao students, parents, alumni, and society, and to promote the provision of Huamao's educational resources to the community. The philanthropic projects under the "education-based social giveback" series include the Huamao Rainbow Plan, ZheShan Rural-Urban Synchronous Classroom, Rainbow Candy - Down Syndrome Support Program, Huamao Mini Public Welfare Rainbow Run, and Huamao Cat Public Welfare Market.

The "Huamao Rainbow Plan" is listed in Table 4.2, which includes specific contents such as Rainbow Public Welfare Summer Camp, Rainbow Teaching Assistants at Huamao Rainbow Home, Rainbow Scholarships and Rainbow Students, and Rainbow 1+ Clothing, among other philanthropic projects. Taking the Rainbow Public Welfare Summer Camp as an example, in response to the government's call for education poverty alleviation, the Huamao Education Foundation actively invites left-behind children from designated areas supported by the government in Xinjiang, Hunan, Guizhou, and other provinces to participate in diverse special courses in Ningbo. During this period, the Huamao Education Foundation takes full responsibility for the children's accommodation, diet, and daily life, enabling them to have an enjoyable summer in Ningbo, experience genuine care, and also get a taste of Huamao's education.

In 2019, Huamao Education Foundation launched the "ZheShan Rural-Urban Synchronous Classroom" public welfare project, forming assistance partnerships with rural schools (mainly small-scale schools) in relevant counties and districts of Lishui and Quzhou cities, and donating 100 sets of synchronous classroom hardware equipment to these schools. This project helps to create 100 rural-urban synchronous teaching pilot schools in 100 small-scale rural schools, contributing to the charitable public welfare efforts for achieving "balanced development of compulsory education and equitable benefits for all". Through the ZheShan Rural-Urban Synchronous Classroom Project, rural schools in mountainous areas

such as Lishui and Quzhou can synchronize and exchange teaching resources with urban schools, enabling high-quality teachers and classrooms from urban schools to be shared with rural schools through modern channels, thus helping to narrow the imbalance in education between urban and rural areas.

2019, Huamao Education Foundation cooperated with Ningbo Lemon Tree Down Syndrome Children's Family Mutual Aid Center to launch the Rainbow Candy Baking Workshop, aiming to provide baking and employment skills training for children with Down syndrome, and to build an interactive community between Huamao Education, vulnerable children, and society. Through this activity, children with Down syndrome can better integrate into society and embark on a new chapter in their lives.

Huamao Education Foundation has designed a 2-kilometer rainbow run route within the 500-acre campus of Huamao. 430 Huamao teachers, students, alumni, and children with Down syndrome were invited to participate in the rainbow run, establishing friendships, deepening understanding, and building harmonious interpersonal relationships through running. Huamao Education Foundation regularly organizes public welfare rainbow runs with the aim of promoting the concept of sports and fitness among young people, shaping students' robust physique and healthy lifestyle habits.

Huamao Cat Public Welfare Market Project is supported by Huamao Education Foundation. The first phase of the market recruited 67 booths in categories such as alumni innovation and entrepreneurship, international culture, nature education, intangible cultural heritage, and charitable sales, attracting over 5,000 visitors, providing opportunities for the school's teachers, students, and parents to participate in social service, allowing the public to visit Huamao, understand Huamao, enhance interaction, and spread the concepts of education and public welfare. The Cat Project aims to promote thriftiness and cultivate in students the quality of frugality from an early age.

The second category is "Educational Think Tank". The public welfare projects of this system, with the Huamao Foundation as the link, connect the cutting-edge educational thoughts of world-renowned universities, and send out the voice of China's education to the world through the form of the Dongqian Lake Education Forum. In December 2018, Mr. George Papandreou, former Prime Minister of Greece, Vice Chairman of the International Advisory Committee of the Northern International University Alliance, and co-founder of Project-Agora, visited Huamao Education, and delivered a lecture titled "Youth Leadership and Personal Development - Dialogue with World Leaders| Academic Excellence and Social Participation" to over 3,000 audiences at Huamao Sports Center. Mr. George Papandreou used

his own life development experience as an example to encourage young people to cultivate a positive spirit of striving and a sense of serving the country, cherish their youth, and improve their moral, intellectual, and physical qualities. Mr. George Papandreou delivered an exquisite on-site speech, providing a spiritual baptism to the faculty and students of the entire school.

The third category is “Education Services of Huamao”. The public welfare projects of this system aim to leverage the advantages and resources of Huamao Education Foundation to provide opportunities for students, parents, and alumni to participate in educational public welfare activities, with the content of strengthening the connection between the school, students, parents, and alumni, and emphasizing the importance of student education through information exchange and experience sharing. The main educational service projects of Huamao include Project Agora World Tour, Huamao Education Talks, and Huamao Alumni Parent-Child Open Day.

Project Agora World Tour. Project Agora is an extension of the "Thought Seekers Seminar" and combines traditional Chinese private school models with Western educational concepts. The project aims to help Chinese youth gain exposure to cutting-edge wisdom from around the world, to be true to themselves based on self-awareness, to resist following the crowd, and to constantly strive to surpass themselves, contributing Chinese strength to world development.

"Huamao Education Talks" project. The Huamao Education Talks program is a public welfare education lecture series for Huamao students, parents, alumni, and the general public. The project aims to break down the barriers of campus and provide lifelong education and holistic education opportunities for citizens, allowing more people to share the high-quality educational resources of Huamao.

Huamao Alumni Parent-Child Open Day project. The main content of the Huamao Alumni Parent-Child Open Day project is to invite children and parents from Ningbo region to visit the Huamao campus, experience small bilingual classes and the atmosphere of the 500-acre international education campus of Huamao. The project aims to help students and parents understand university life and improve their experience of university life, providing better opportunities for students' future planning. Huamao Education Foundation deepens parents' and children's understanding of Huamao's educational philosophy of "recognizing differences, providing choices, developing potentials, and promoting diverse development" through facilities such as Huamao Science and Technology Museum, Huamao Art Museum, Huamao Happy Farm, and Rainbow Plaza.

The fourth category is “Promoting Educational Innovation”. The public welfare projects

under the series of Promoting Educational Innovation are centered on the discovery and cultivation of outstanding teachers with international perspectives. The aim of this project is to improve teachers' pedagogical and educational technology skills, in order to promote the localization of international education in China and cultivate children's aesthetic cultivation, moral cultivation, and awareness of public welfare from an early age, and enhance Chinese students' international communication abilities. This system mainly includes the Future Education Forum, Nature Education Center, and Hualuogemin Social Enterprise Youth Learning Center projects.

Future Education Forum. Hualu Education Foundation is committed to promoting "Future Education" worldwide. Taking the opportunity of the 20th anniversary of Ningbo Hualuo Foreign Language School, the Future Education Forum is held to jointly explore issues related to future education with various sectors of society. **Nature Education Center.** Since 2011, Hualu Education Foundation has been dedicated to providing science popularization education to Hualu students through the Nature Education Center, cultivating students' love for natural knowledge, agricultural skills, music theory, and handicraft arts, among others.



Figure 4.2 Public welfare project of Huamao Group

Hualuogemin Social Enterprise Youth Learning Center. The "Hualuogemin Social Enterprise Youth Learning Center" is established in Hualu Foreign Language School and Hualu International School. The project is committed to spreading the ideal of poverty alleviation among high school students, planting the seed of social enterprise in students' hearts, changing society, influencing the world, and leading the future. Figure 4.2 list the Education Services of Huamao.

4.2.2 Five-dimensional evaluation of SCSR of huamao group

After a basic review of Huamao Group's development history and social responsibility history,

this thesis evaluates Huamao Group's SCSR from five dimensions: visibility, centrality, Perceptiveness, specificity, and organizational structure. This evaluation is intended to establish a foundation for analyzing the positive impacts of Huamao Group's SCSR initiatives. Table 4.3 displays the results of this evaluation. The data in Table 4.3 was obtained by the author through the integration of Huamao Group's internal annual CSR information reports and business performance reports.

Table 4.3 Five dimensions analysis of Huamao Group's SCSR

Five Dimensions	Case of social responsibility performed by Huamao Group
Visibility	In 2009, Ningbo Huamao Education Foundation, the first education foundation in Zhejiang Province, was officially established, financial reports for 2019-2022, publicity and online communication by mainstream media, and the famous public welfare brand project "Huamao-Rainbow Project" won many won charity and public welfare awards.....
centrality	Build the group's internal love platform "Huamao Home Fund" to enhance the cohesion and centrality force of the enterprise; focus on the integration of production, learning and research in the education road, adhere to the "double three one" development strategy goals, mainly focus on education and public welfare in social responsibility projects and other areas, take advantage of the company's main business.....
Perceptiveness	Actively respond to the national call to build an education industrial park with education equipment as the main line, an education expo park with Huamao School as the core, and an education research park with Dongqian Lake Education Forum as the theme; establish the "Huamao Meiyu Award" to attract more people and organizations to care about and support the cause.....
Specificity	With the core business philosophy of "social benefits drive economic benefits", Huamao's social responsibility projects cover many aspects of education public welfare, forming a unique public welfare ecological chain. Through the Huamao Education Foundation, Huamao has been guiding parent volunteers and young party members to be active in social welfare, such as the "Flower Cat Winter Warmth Program" and "Rainbow Sugar Down Syndrome Support Program".....
Organizational	Huamao Group established education foundation to take social responsibility, and founded Ningbo Huamao Foreign Language School, Huamao International School, Quzhou Huamao Foreign Language School and Longyou Huamao Foreign Language School to help students grow.....

(1) The visibility characteristics of SCSR

The thesis designed three questions to collect information on the visibility characteristics of Huamao Group's SCSR. These questions were: "Can Huamao Group's public welfare activities be reported by the media?", "Do Huamao Group's public welfare activities have obvious industry characteristics?", and "Are Huamao Group's public welfare activities highly consistent with its main business?". Reporting Huamao Group's public welfare activities in the media can increase the company's public exposure and help enhance its social image. The degree of interaction between Huamao's public welfare activities and its business activities can be reflected by whether the public welfare activities have industry characteristics and

whether they are highly consistent with the main business, thereby helping various sectors of society to deepen their understanding of Huamao Group's business operations through public welfare activities. Therefore, these three questions can better reflect the visibility characteristics of Huamao Group's SCSR. The thesis analyzed the interview information and found that among the 40 collected pieces of information, respondents generally believed that Huamao's public welfare products were highly related to its main business and respondents could often learn about Huamao Group through the media. The thesis also used Nvivo11 software to obtain information related to the four keywords "community involvement", "charitable causes", "sustainable development", and "strategic planning", which could effectively reflect the visibility characteristics of Huamao Group's SCSR.

The visibility features of Huamao's SCSR are inseparable from its long-term efforts. Specifically, Huamao Group began to assume social responsibility for helping employees out of poverty as early as 1997 and has been repeatedly commended by local governments at the county and city levels. After 1998, the company's social responsibility mainly focused on the education sector. As a public welfare activity that closely aligns with society, education has received high attention from all walks of life. Therefore, Huamao Group's fulfillment of social responsibility in the field of education has a strong visibility feature, which is easily noticed by the society. At the same time, Ningbo Huamao Education Foundation, a subsidiary of Huamao Group, is the first foundation in Zhejiang Province that focuses on education products, which has opened the door for private enterprises to participate in educational public welfare activities. The foundation relies on Huamao Group, adopts independent accounting and targeted procurement to provide educational public welfare products, and regularly accepts supervision from all sectors of society. The foundation has been reported by dozens of mainstream media such as People's Daily, China National Radio, Guangming Daily, Zhejiang News, Yinzhou Daily, Yongpai, Ningbo People's Broadcasting Station, and News Comprehensive Broadcasting, and has received enormous social response and acclaim. Huamao Group also uses digital technology to promote public welfare projects through various channels such as its official website, WeChat official account, WeChat video account, Sina Weibo, Xiaohongshu, and Bilibili, continuously expanding the publicity front of Huamao Group's strategic social responsibility. At the same time, the foundation has built a unique public welfare ecosystem, promoting Huamao Group's public welfare philosophy to the outside world and advocating for all sectors of society to actively participate in educational public welfare activities. This good deed has also gained wide recognition from all sectors of society. For example, "Huamao Rainbow Plan," as a well-known public welfare brand project

in Ningbo, has won many honors such as the "Zhejiang Charity Project Award" and the "Ningbo Charity Award."

(2) The centrality characteristics of SCSR

The thesis poses three questions to collect information on the centrality features of SCSR in Huamao Group. These questions include: "What are the public welfare activities of Huamao Group that revolve around its business goals?", "Does Huamao Group utilize its advantages to provide public welfare products?", and "Are Huamao Group's public welfare activities beneficial to the development of education?". The centrality features of public welfare activities reflect the impact of Huamao Group's CSR behavior on its core business. For example, whether public welfare activities revolve around business goals, utilize internal resources, and promote the development of education can effectively measure the level of support for core business in the interview questions. Therefore, these three questions can reflect the centrality features of strategic CSR in Huamao Group. The thesis analyzed the interview information and found that in 40 collected information, and the interviewees generally believed that Huamao's public welfare products are highly related to its core business. The thesis used Nvivo11 software to obtain four keywords: "Sustainability", "Systematic", "Collaboration", and "Integration", which can effectively reflect the centrality features of strategic CSR in Huamao Group.

The centrality characteristics of SCSR in Huamao Group are closely related to its long-term practices. Specifically, the centrality features of SCSR can improve the coordination among various departments within Huamao Group, promote the integration of the group organization, and achieve the optimization goal of the group's business performance. SCSR emphasizes the integration of public welfare activities and strategic decision-making, which promotes the effective implementation of internal organizational goals. It advocates that the group attaches importance to employee training and strengthens employees' sense of belonging to the group. In order to create a family atmosphere, Huamao Group has established an internal love platform, the "Huamao Family Fund", which invests 2 million yuan annually as operating funds and hires experts to manage and operate it. Through such measures, the group strives to unite its employees and ultimately work together to serve society and create great value. Huamao Group's assumption of public welfare activities is highly compatible with its main business, which enables a seamless transition between social responsibility and the main business and increases employees' sense of work honor. This, in turn, helps to strengthen the group's main business products.

(3) The perceptiveness characteristics of SCSR

The thesis presents three questions designed to gather information on the perceptiveness features of Huamao Group's SCSR. These questions are: "Does Huamao Group examines its social responsibility to promote the company's compliance with social expectations?", "Does Huamao Group track legislative developments to comply with new laws and regulations?" and "Does Huamao Group continuously adjust its own behavior to meet social expectations and requirements?" Compliance with laws and regulations is the foundation for the survival and development of enterprises, and meeting social expectations is an important guarantee for winning market support. Therefore, these three questions effectively reflect the Perceptiveness features of strategic social responsibility. The thesis analyzes interview information and finds that among the 40 pieces of collected information, interviewees generally believe that Huamao's public welfare products can gain support from all sectors of society. Through Nvivo11 software, the thesis identifies four keywords, "long-term vision," "future-oriented," "risk management," and "innovation," which effectively reflect the Perceptiveness features of Huamao Group's SCSR.

The Perceptiveness characteristics of Huamao's SCSR are closely related to its long-term practices. Huamao Group actively responds to the national call to create an educational industry park with a focus on reputation education. It has established an educational expo park centered on Huamao School and an educational research park based on the Dongqian Lake Education Forum. The group has built a unique aesthetic education system, which guides its business adjustment and development. The Dongqian Lake Education Forum advocates aesthetic education and proposes a new model of cultivating students' knowledge and action, combining school education, family education, and social education. Huamao Group has also built a comprehensive content system through four dimensions of art education theory, art education history, art education practice, and art education outcomes. This guides all sectors of society to care about and support aesthetic education, and explores new paths for social aesthetic education. In summary, Huamao Group's choice to make education its main business is the result of its SCSR, which is highly consistent with social development and national policies, and helps to ensure the group's sustained development.

(4) The specificity characteristics of SCSR

The thesis is designed to collect information on the specific features of SCSR (CSR) of Huamao Group through three questions: "Does Huamao Group believes that participating in social goals is closely related to achieving corporate development?", " Does Huamao Group believes that achieving social goals is a prerequisite for obtaining profits?", and " Is Huamao Group is able to actively manage relationships from all aspects?" These questions highlight

the support of Huamao Group's public welfare activities for its core business, as well as the resources provided by the group for social responsibility, which reflects the specific feature of Huamao Group's strategic CSR on assets. These questions also reflect the strategic CSR of Huamao Group. The thesis interviewed employees of the group and found that the education-related public welfare activities of Huamao Group are based on the existing resources of the group, such as using existing teaching staff to train schools with relatively poor teaching quality, and organizing summer camps using existing school buildings. These activities not only achieve the original intention of the enterprise to fulfill social responsibility, but also lay the foundation for the sustained development of the enterprise. The thesis analyzed the survey questionnaire using Nvivo11 software, and found that the four nodes of "strategic planning," "innovative development," "resource efficiency," and "product fit" have high frequencies, which supports the specific feature of social responsibility of Huamao Group.

The specificity of Huamao's SCSR is inseparable from its long-term practice. Huamao Group's educational public welfare projects have always taken the group's main business as the starting point. The required resources for public welfare projects are centrally controlled by the group, thus utilizing the idle resources for public welfare activities and improving the efficiency of asset utilization. For example, the "Huamao Rainbow Plan" adheres to the theme of "mutual learning and sharing, and growing together", combined with Huamao Group's education characteristics, to carry out various types of public welfare summer camps, Rainbow Homes, and public welfare trips. By training frontline teachers in mountainous areas, the teaching level of mountainous teachers is improved, and basic education in relatively advanced areas of Ningbo is guaranteed through public welfare projects. This fully leverages Huamao's advantages in the education industry and truly achieves the public welfare purpose of "materials donated first, followed by ideological exchange." In order to use idle resources, Huamao Education Public Welfare Foundation leases resources from Huamao Group and pays rent to the group, which helps to improve Huamao Group's business performance.

(5) The Organizational characteristics of SCSR

The thesis formulated three research questions to collect information about the distinctive features of SCSR of Huamao Group. These questions are: "Can Huamao Group's CSR be reported by the media and other outlets?", and "Does Huamao Group's CSR is highly aligned with the company's main business?". The effectiveness of resource utilization and integration of various departments of Huamao Group is instrumental in reflecting the internal organizational structure of its public welfare activities, while the stakeholder engagement in

charitable activities as a result of the Group's CSR efforts highlights its external organizational structure. Therefore, these three questions can effectively reflect the research problem. The thesis conducted interviews with Huamao Group employees and management, which revealed that the Group's education-based public welfare activities can enhance the integration of various departments, laying the foundation for the Group's sustainable development. Furthermore, information from suppliers and consumers indicated that the Group's strategic CSR has helped strengthen its supply chain. In analyzing the results of the survey, we used Nvivo11 software to code and analyze the questionnaire responses. The analysis found that the highest frequencies of occurrence were in the nodes of "social justice," "community engagement," "corporate ethics," and "sustainable development." "Social justice" and "community engagement" are helpful in reflecting the Group's external organizational structure, while "corporate ethics" and "sustainable development" represent specific aspects of the internal organizational structure.

The SCSR advocated by Huamao Group does not only involve charitable donations, but also requires the group to maintain the characteristics of sustainability, systematic organization, and orderly processes throughout the entire project, and to allocate dedicated personnel and resources to maximize the benefits of both the group's business activities and social welfare causes. The organizational aspect of Huamao Group's SCSR lies in integrating talent development initiatives with public welfare projects such as donating teaching equipment to poverty-stricken areas and disaster relief efforts by leveraging internal and external resources. In addition, the public welfare activities promoted by Huamao Group have received assistance from other social welfare organizations and government departments. For example, the Quzhou municipal government provided land and policy incentives for Quzhou Huamao Foreign Language School, while the Huamao International School project received strong support from the Ningbo municipal government in terms of talent introduction. The "Huamao Rainbow Program" also received help from volunteers from all walks of life. Huamao Group's SCSR can mobilize internal and external resources, enhance the efficiency of internal organizational operations, and lay the foundation for improving the group's business performance.

4.3 Overview of corporate development of huamao group

As a reputable company in the education industry, Huamao Group has shown impressive performance in three areas: financial performance, corporate reputation, and market share. To

evaluate these aspects, the thesis conducted a survey of five groups: managers, company employees, consumers, suppliers, and the government. Questions such as "What is the ROE of Huamao in recent years? Do you believe it good performance?", "What is the TobinQ Huamao in recent years? Do you believe it good performance?", "What is the market share of private educational products?", and "What is the growth situation of market share?" were used to evaluate its financial performance. In addition, the thesis analyzed the company's financial reports from 2000 to 2020 to examine the trends in its growth and revenue changes.

In terms of financial performance, the thesis found that Ningbo Huamao Group has performed well in the past five years based on the financial reports provided. The average return on net assets exceeded 5%. Looking at the revenue and net profit indicators, Ningbo Huamao Group has maintained steady growth in the education industry. For example, in 2018, 2019, and 2020, the group's revenue was 5.469 billion yuan, 6.407 billion yuan, and 7.314 billion yuan, respectively, with a year-on-year growth of 16.2%, 17.2%, and 14.1%, respectively. This indicates that Ningbo Huamao Group has strong business growth ability in the education industry. Net profits were 594 million yuan, 708 million yuan, and 767 million yuan, respectively, with a year-on-year growth of 27.3%, 19.3%, and 8.3%, respectively. This indicates that the group has a high profitability and stable financial situation in the education industry. The above data fully reflects Huamao Group's good financial performance. Based on the information obtained from the questionnaire survey, the group's management generally recognizes Huamao Group's current performance and has achieved the group's expected goals for future development. The group's employees hold the same view as they have received significant salary increases. In addition, based on the thesis's interview with Mr. Xu, he expressed satisfaction with the effect of Huamao Group's introduction of SCSR to promote performance improvement. He pointed out that the group actively responds to the national "Revitalizing China through Science and Education" strategy, uses education public welfare to promote the continuous optimization of the company's main business, and realizes Huamao Group's social and economic value.

According to information obtained from 40 survey questionnaires, the thesis reveals that consumers, government officials, and suppliers generally hold a positive view of Huamao Group's public welfare and educational activities in terms of corporate reputation. They believe that Huamao Group is a company that actively fulfills its social responsibilities and has been reported by media such as newspapers and television. This indicates that Huamao Group's efforts and contributions in promoting educational public welfare, and promoting social fairness and harmony have received high praise and recognition from all sectors of

society. In addition, survey respondents highly recognized Huamao Group's international exchanges and cooperation, giving high praise to Huamao Group's international vision and international strategy. Specifically, Huamao Group not only donates funds to support education and builds a number of educational facilities but also actively participates in and hosts various educational public welfare activities, providing richer educational resources and better-quality education services for students and teachers. Moreover, Huamao Group's efforts in talent development and knowledge inheritance have also received widespread recognition. Huamao Group actively builds universities and colleges, providing employees and social professionals with career training and lifelong learning opportunities, as well as promoting the transformation and application of scientific research results, providing important platforms and support for domestic and international academic research and talent exchanges. These measures also provide support for the improvement of the skills of employees within the company.

Finally, in terms of market share, the thesis found through a survey of Huamao Group's consumer group that Huamao Group has always had a group of loyal customers who highly approve of its development prospects. For example, among the 15 consumers surveyed, 14 respondents stated that they learned about Huamao Group through recommendations from friends, and they would also recommend Huamao Group's educational charity products and educational products to their friends. This indicates that Huamao Group has generally gained high brand awareness, which lays the foundation for its sustained development. In terms of market share, the survey participants generally believe that Huamao is the most well-known educational enterprise in Ningbo and even Zhejiang province, and the schools under its jurisdiction are leading in both level and scale in the province, and these schools can make up for the shortcomings of public education. In addition, it was learned from the survey participants that many consumers buy Huamao's educational products in groups, mainly due to Huamao Group's continuous promotion of the development of education, active expansion of the market, improvement of its core competitiveness, and continuous expansion of its market share in the education field. In terms of the scale of education, Huamao Group currently cooperates with nearly 100 domestic universities, vocational and technical schools, and primary and secondary education institutions, and has introduced multiple education institutions overseas to provide diversified education and training services covering the entire cycle of education from kindergarten to graduate school. Overall, Huamao Group has a group of loyal customers who approve of its education philosophy, recommend its educational products to their friends, and actively participate in its educational charity activities, which

lays the foundation for Huamao Group to continuously expand its market size.

4.4 The impact of SCSR on corporate development

After a systematic evaluation of the five dimensions of SCSR in Huamao Group and an introduction to the development of Huamao Group, the thesis proceeds to discuss the impact of SCSR on corporate development. According to Freeman's stakeholder strategic management concept, Huamao Group influences strategic decisions through recognizing the rights of stakeholders in fulfilling social responsibilities. The stakeholders of Huamao Group, impacted by CSR activities, continually adjust their operational strategies to engage and conduct business with the company. Our thesis refers to existing literature to strategically divide Huamao Group's continuous development from the perspective of stakeholder identification and importance ranking. The stakeholder strategic management process of Huamao Group involves prioritizing primary stakeholders who are individuals or groups essential for the company's survival. Secondary stakeholders, on the other hand, indirectly affect Huamao Group's normal operations and typically do not engage in direct transactions with the company, without fundamentally impacting its survival. Furthermore, stakeholder classification and definition are subject to some dynamics, where some secondary stakeholders may become primary stakeholders as their business relationship with Huamao Group changes, while certain primary stakeholders may transition to secondary over time. The sustained development of Huamao Group relies on management's response quality to the continuous changes in stakeholder interests. As the internal and external environment of the company becomes increasingly complex and uncertain, stakeholders of Huamao Group form interdependent networks and alliances, known as stakeholder alliances. For instance, when the product quality of Huamao Group consistently declines, consumers may lodge complaints with government authorities, leading the latter to strengthen regulatory oversight over the company. In this scenario, consumers and government agencies form a unified stakeholder alliance. Huamao Group needs to conduct environmental scanning of stakeholders' shared behaviors, interests, or objectives, and then assess the impact of stakeholder alliances on the company.

Based on social responsibility in business operations, Huamao Group can acquire essential heterogeneous resources for its business activities. This allows the group to allocate unified resources to achieve its strategic objectives and continuously obtain new resources and knowledge in a changing environment. This reflects the consistency and forward-looking

nature of Huamao Group's SCSR, whereby the company obtains the necessary resources for its business activities by fulfilling social responsibility. The primary focus of Huamao Group's SCSR is to explore new customer value spaces and use them as marketing tools for group products. This establishes a reputation advantage through customers' perception of the company's behavior, which showcases the visibility of SCSR. In other words, SCSR can shape a positive image of Huamao Group as a socially responsible participant, thus driving the sustained development of its core business. Huamao Group's SCSR is characterized by its focus on the education industry, enabling it to acquire heterogeneous resources related to educational products. This ensures the company's ability to avoid complete imitation and substitution, reflecting the specificity of SCSR. Furthermore, Huamao Group's SCSR allows it to concentrate organizational resources to expand into the education-related industry, thereby increasing the probability of providing high-quality educational products. This demonstrates the organizational aspect of SCSR. In conclusion, the possible reasons for the continuous development of Huamao Group through SCSR are illustrated in Figure 4.3 on the next page. Figure 4.3 shows the practice path of SCSR from the perspective of stakeholders. Each characteristic of SCSR will have an impact on Huamao Group's stakeholders, ultimately affecting the company's operational performance.

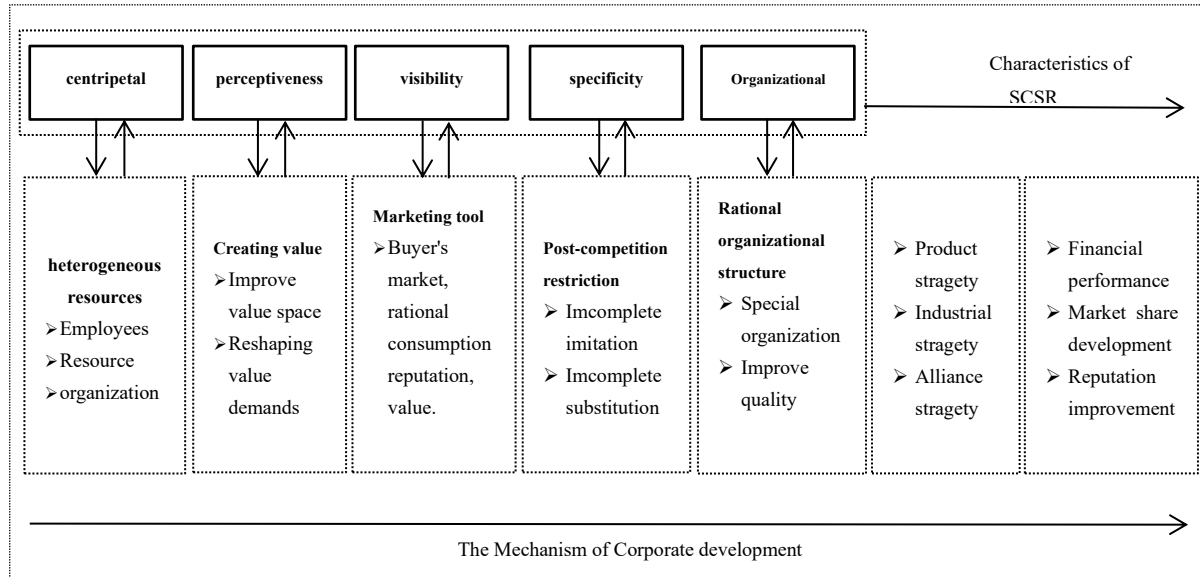


Figure 4.3 The impact of SCSR on corporate development of Huamao Group

4.4.1 SCSR and corporate reputation

SCSR has a public welfare characteristic, which can win good social reputation. Reputation is a unique intangible resource of enterprises that can reflect society's evaluation of them. As an important strategic resource, reputation can help enterprises maintain sustainable competitive

advantages and lay the foundation for their continued development. Existing research shows that if enterprises actively undertake social responsibilities and improve their reputation quotient, their financial performance may increase by 55%, which directly illustrates the close relationship between enterprise reputation and development. The thesis uses six dimensions recognized by the academic community to construct the reputation quotient, analyzing the impact of Huamao Group's SCSR on enterprise reputation from the perspectives of product services, financial performance, goal achievement, operational situation, emotional attraction, and social responsibility.

From the perspective of product and service dimension, Huamao Group has responded to the national policy of "developing the country through science and education" by developing the "Seven-color Flower" series of educational products targeted towards kindergarten and primary education, as well as assembling thousands of educational toys and game materials needed for kindergarten activities. The "Seven-color Flower" series of educational products has received high attention from all sectors of society, and Huamao Group has seized the opportunity to provide training and skill courses for students through interest classes to increase their interest in the products. This clearly helps to expand the product market and audience for Huamao Group. In addition, Huamao Group has established institutions such as the Zhejiang Dongqian Lake Education Research Institute, Huamao Art Education Museum, and Huamao Art Museum to promote aesthetic education, which embodies the Perceptiveness nature of SCSR and lays a solid foundation for the deepening development of Huamao Group's main business.

From the financial performance perspective, Huamao Group's education industry has achieved excellent operational performance, and the scale of operations has achieved qualitative breakthroughs in a short period of time, ranking first in the industry for many years. Since Ningbo Huamao Foreign Language School was rated as a first-class key middle school in Zhejiang Province in 2005, there has been significant progress in expanding enrollment, strengthening faculty, and improving the quality of students. This has also laid a solid foundation for the school to deepen teaching reforms and reduce the per-student input. Beijing Qisihua Education Technology Development Co., Ltd., a subsidiary of Huamao Group, is the first domestic enterprise to develop teaching aids. It has quickly captured the teaching aid market, and its products have become popular nationwide. This has provided a foundation for stabilizing Huamao Group's financial income and support for effective investment.

From the perspective of goal achievement, Huamao Group adheres to the mission vision of "exploring business and pursuing excellence for a century", with business education as the

guiding ideology, deeply exploring the concept of "great education, great art, and great aesthetic education", integrating knowledge with practice, and consistently maintaining this approach. The group is committed to talent education and takes it as its responsibility to cultivate social leaders with ideals, expertise, and cross-cultural backgrounds. With aesthetic education at its core, the group has built an integrated education service system that combines production, learning, and research, contributing to the cultivation of future leaders for society. Huamao Group always adheres to the concept that its main business serves the public welfare, while promoting the development of public welfare undertakings to enhance the development of its main business, ensuring the integration of main business and social responsibility, and realizing the sharing and reasonable use of resources. In addition, the group regularly publishes progress reports on charity and public welfare projects and educational activities, maintains smooth communication channels with internal and external stakeholders, and collaboratively promotes the development of the group's business.

From an operational perspective, Huamao Group's SCSR lays the foundation for strategic decisions with education as the core business, which is the basis for the group's excellent financial performance. Since the end of the last century, China's education industry has been in a phase of rapid development, and primary and secondary education and special education are increasingly sought after by the market. Huamao Group's employees actively participate in public welfare initiatives to promote the effective fulfillment of social responsibilities, and are committed to the cause of education. Huamao Group takes education public welfare as a breakthrough point and has developed a complete set of public welfare-oriented industrial chains, realizing the organic integration of group departments and improving the operational efficiency of the enterprise.

From the emotional attraction dimension, Huamao Group has organized various educational and public welfare activities, which have not only received unanimous praise and recognition from participants, but also attracted high attention from national and provincial media. For example, dozens of mainstream media such as People's Daily, China National Radio, Guangming Daily, Zhejiang News, Yinzhou Daily, Yongpai, Ningbo People's Radio Station, and News Comprehensive Broadcasting have extensively reported on Huamao Group's charitable deeds, which have caused a positive response in the whole society, establishing a good image of "corporate citizen" for Huamao Group and laying a foundation for the company's good reputation to be passed down by word of mouth.

From the perspective of social responsibility, Huamao Group has always been committed to fulfilling its social responsibility of "donating funds to aid education." Through building

several Hope Schools, establishing various educational research funds, and donating teaching equipment to impoverished areas, the group has shaped its corporate image. The group has always insisted on working meticulously in the field of educational public welfare, driving economic benefits with social benefits, giving back to society, and supporting hometown, thereby establishing a good image of social responsibility.

4.4.2 SCSR and financial performance

SCSR has a "strategic" characteristic, which can effectively improve the business performance of enterprises and achieve the goal of sustainable development. In the past decade, Huamao Education Group has undertaken its CSR through the Huamao Education Foundation, which not only inherits the original intention of Huamao Group's service to society, but also brings many benefits to the development of Huamao Group's main business. Looking at Huamao Group's business performance in the past six years, the group's main business has achieved a growth rate of 15% per year, and the profit attributable to shareholders has also reached a new high every year with a rate of 5%. Therefore, the thesis believes that there is a high positive correlation between Huamao Group's strategic CSR and business performance, which is manifested in several aspects as follows:

Firstly, Huamao Group holds various public welfare activities through the Huamao Foundation, which not only conveys a "responsible" corporate image but also achieves the purpose of expanding business channels and optimizing financial performance. For example, the Huamao Education Foundation conveys the importance of educational public welfare to the society by carrying out the "Education Benefits Society" public welfare project and invites rural left-behind children and poor children to participate in summer camps, achieving the group's goal of rural education assistance, spreading Huamao Group's love to society, and promoting Huamao's educational products. Similarly, the "Education Ideological Think Tank" public welfare project and the "Education Serves Huamao" public welfare project respectively showcase Huamao Group's advanced teaching concepts and first-class hardware facilities to the society, enhancing the confidence of society in Huamao Education's quality and helping achieve the goal of expanding business. In addition, Huamao Group encourages teachers and staff from its subordinate schools to participate in public welfare activities, letting society know about Huamao Group's professional and dedicated teaching team, enhancing recognition of Huamao Education's quality, and strengthening the confidence of parents of students in Huamao's provision of high-quality education. Finally, the "Promoting Education

Innovation" public welfare project has forged a professional and energetic teaching team for Huamao Group, laying a foundation for the group's long-term development. Overall, there is a high positive correlation between Huamao Group's strategic CSR and business performance.

Secondly, through the operation mode of the Huamao Education Foundation, Huamao Group has successfully built an interactive bridge between the group and society, strengthening the foundation of the group's sustainable development. As an education foundation invested and independently operated by Huamao Group, the Huamao Education Foundation's income mainly consists of donations from Huamao Group's operating profits, charitable donations from various sectors of society, and investment returns of the foundation. This operating mode not only benefits the group's tax planning but also enables profit adjustments and ultimately saves corporate taxes. According to Thesis 9 of the Enterprise Income Tax Law of the People's Republic of China, the portion of a company's charitable donations within 12% of the annual total profits is allowed to be deducted when calculating the taxable income for the year. The portion exceeding 12% of the annual total profits is allowed to be carried forward and deducted in the next three years when calculating the taxable income. Therefore, by making targeted donations to the foundation, Huamao Group can adjust its profits, which ultimately reflects in the group's more reasonable tax base. In addition, the profit donations of Huamao Group are listed in the account of the Huamao Education Foundation, which generates profit returns by purchasing Huamao Group's education products. Education is a special type of service product, and the cost sensitivity of the product quantity is relatively weak. Therefore, by leveraging the Huamao Education Foundation, Huamao Group can achieve profit adjustments and ultimately save corporate taxes. Furthermore, the operational mode of the Huamao Education Foundation can reduce the operating risks of Huamao Group, which also lays the foundation for the group's long-term development.

4.4.3 SCSR and corporate market share

SCSR can send a signal that helps expand a company's market share and promote its sustainable development. Generally speaking, the higher the market shares of a company, the stronger its competitiveness, and the higher its main business growth rate, the higher its growth potential. Studies have shown that CSR helps to expand a company's market share, thereby achieving a sustained increase in its product market share. Therefore, it can be said that there is a strong positive correlation between the SCSR of Huamao Group and its market

share.

The impact of SCSR on a company's market share is very important. Huamao Group has actively carried out education and public welfare activities through the Huamao Education Foundation, effectively bridging the gap between Huamao Group and the government, which helps the group to acquire government land and policy resources and achieve the goal of sustained expansion. In addition, the various public welfare activities carried out by the Huamao Education Foundation also require government leaders to attend, promoting the government's concept of serving the people to the society, enhancing mutual trust between the government and Huamao Group, and laying a foundation for deeper cooperation in the future. In mainland China, the government plays an indispensable role in the process of economic development. They are not only the distributors of resources but also the creators of the commercial regulatory system. Therefore, Huamao Group can provide opportunities for sustainable development by establishing a relationship with the government through social responsibility. Especially in recent years, when the economy has been under downward pressure, companies need to establish stable government-business relationships to reduce external market uncertainty. Furthermore, as the trust between companies and the government increases, Huamao Group is more likely to obtain land and financial resources from the government, which is clearly beneficial to expanding market share. Therefore, there is a highly positive correlation between Huamao Group's SCSR and its market share.

4.4.4 Based on questionnaire-based statistical analysis

Based on the grounded theory, this thesis used NVivo 11 software to code, classify, and analyze data to investigate the relationship between the SCSR of Huamao Group and its development. Combining with the theoretical analysis model constructed in the previous chapter, this section of the thesis explores a correlation analysis is conducted between the five dimensions of strategic corporate social responsibility and the three dimensions of corporate development in Huamao Group. By organizing and analyzing the collected statistics, this analysis serves as an initial validation of the relationship between these two factors. Through this analysis, a holistic understanding of how strategic corporate social responsibility influences the company's development is achieved.

A total of 40 questionnaires were collected for the thesis, with each consisting of 25 questions. The thesis conducted a statistical analysis of the source materials associated with each node, referring to the selected nodes identified in Chapter 3. Generally, a higher number

of source materials for a node indicate less frequent mentions of that specific node, suggesting greater attention from the respondents. For instance, the node "Future Oriented" had 54 source materials, while the node "Risk Management" had 83 source materials, indicating a higher level of attention towards the "Risk Management" node. However, obtaining data in Chapter 3 involved a combination of 40 questionnaires, financial reports, and external information, making it challenging to obtain descriptive statistical results from a single dataset. To overcome this, the thesis reanalyzed the data for each questionnaire individually, based on the existing node structure. This resulted in 40 datasets, each comprising 30 nodes. The thesis then aggregated the number of source materials for each of the 30 nodes, considering visibility, centrality, futurity, specialty, and organization. This process yielded eight variables for each questionnaire, including five related to Huamao Group's strategic corporate social responsibility and three related to the development of Huamao Group. Finally, the thesis conducted a Pearson correlation coefficient test on the data to determine the correlation between SCSR and corporate development. The specific results are as Table 4.

Table 4.4 The correlation coefficient test

Centricity	Perceptiveness	Specificity	Organizational	Visibility	Performance	Reputation	Market Share
Centricity	0.352***	0.277***	0.189***	0.199***	0.158***	0.272***	0.308***
Perceptiveness	1	0.282***	0.347***	0.222***	0.141**	0.152**	0.162**
Specificity		1	0.211***	0.328***	0.346***	0.178***	0.105**
Organizational			1	0.332***	0.249***	0.164**	0.421***
Visibility				1	0.123**	0.136***	0.241***
Performance					1	0.192***	0.409***
Reputation						1	0.363***
Market Share							1

Source: obtained and organized by spss, where **, *** represents a significance test at the 5% and 1% level respectively.

Based on the aforementioned descriptive statistics, it is evident that the five dimensions of SCSR in Huamao Group demonstrate a significant positive correlation, indicating a robust internal consistency of SCSR. The centrality of SCSR propels its futurity, as centrality reflects the internal support for strategic corporate social responsibility within Huamao Group, while futurity represents the predictive function of strategic corporate social responsibility from an alternative perspective. In turn, futurity fosters specialty by providing Huamao Group with a clear objective, guiding targeted strategic decision-making and resource allocation, thus reinforcing the specialized nature of the group's resources. Furthermore, specialty contributes to organizational coherence, focusing on Huamao Group's resources, while organizational

coherence centers on the group's departments. The combination of both factors represents a seamless integration of material and organizational structures. Moreover, visibility enhances futurity by referring to the likelihood of external stakeholders capturing the company's social responsibility actions. It enables the company to showcase the advantages of its core business and public welfare products, facilitating information exchange and fostering forward-looking strategic decision-making. In summary, the five dimensions of SCSR in Huamao Group synergistically reinforce one another, collectively driving the organic integration of social responsibility and strategic decision-making. From the perspective of the three indicators of corporate development, namely financial performance, corporate reputation, and market share, they also exhibit a significant positive correlation. Corporate reputation provides flexible support for Huamao Group's market expansion by establishing a favorable reputation and enhancing the company's market capacity. Additionally, as the company achieves higher sales volume, it can distribute fixed costs more evenly, improve the profitability of individual products, and consequently enhance financial performance. Therefore, the three indicators of corporate development in Huamao Group mutually reinforce one another, effectively assessing the company's developmental aspects. Furthermore, regarding the correlation between strategic corporate social responsibility and corporate development in Huamao Group, all the correlation coefficients are significantly positive. This signifies a positive relationship between strategic corporate social responsibility and corporate development, indicating that as the degree of strategic corporate social responsibility increases within Huamao Group, the company's developmental issues also witness significant improvement. This analysis essentially validates the research question of this thesis, which asserts that strategic corporate social responsibility in Huamao Group contributes to driving corporate development.

4.5 The path of SCSR on corporate development

The thesis explains the impact of SCSR of Huamao Group on the sustainable development by embedding strategic traits into CSR, and elaborates on three dimensions: financial performance, market share, and corporate reputation. In this section, the thesis will further explain the path of SCSR affecting corporate development and provide explanations based on stakeholder theory. Figure 4.4 shows the role of Huamao Group's SCSR in corporate sustainable development. Among them, SCSR mainly consists of five dimensions: Centrality, Perceptune, Visibility, Specificity, and Organizational; and the stakeholders of Huamao Group

include suppliers, shareholders, government, customers, and employees. The social responsibility activities and production and operation activities of Huamao Group should revolve around the above five stakeholders, and the impact of Huamao Group's SCSR on sustainable development is achieved through influencing the short-term, long-term, and strategic alliance interests of stakeholders. Because stakeholders can provide various resources for the survival and sustainable development of Huamao Group, but they hope to obtain reasonable returns from the resources provided. Therefore, the essence of Huamao Group's SCSR is to balance the relationship between social welfare and potential benefits of stakeholders. The thesis will analyze the path of SCSR to sustainable development of enterprises from the perspective of stakeholders.

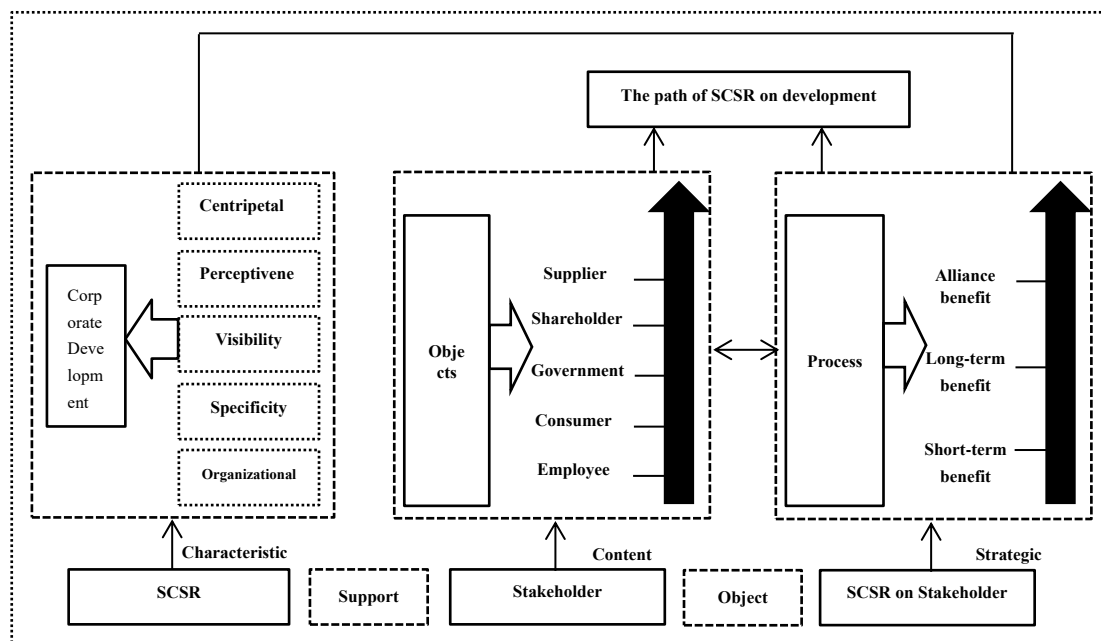


Figure 4.4 The path of SCSR on corporate development of Huamao Group

4.5.1 Evaluation based on employees' perspective

Based on an employee's perspective, the thesis primarily focuses on the execution of SCSR by Huamao Group and its impact on the company's development. As important executors of corporate strategy, employees have a deep understanding of Huamao Group's SCSR and are also important influencing factors in the company's development. The thesis conducted interviews and surveys with middle and front-line employees of Huamao and obtained a total of 10 interview data. Overall, Huamao Group employees believe that SCSR has played a role in promoting the company's development. This section analyzes this belief from two aspects: "employee sense of belonging" and "internal management system".

(1) Degree of employee affiliation

The thesis analyzes the execution of SCSR by Huamao Group and its impact on the company's development from an employee's perspective. As important executors of corporate strategy, employees have a deep understanding of Huamao Group's SCSR and are also important influencing factors in the company's development. By collecting 10 survey data, the thesis analyzes the obtained information from two aspects: "employee sense of belonging" and "internal management system rules". The strong sense of belonging of employees is an important prerequisite for the sustainable development of the company. The survey shows that Huamao employees generally believe that the implementation of SCSR by the group is an important measure to promote internal sharing, communication, and creation mechanisms, and to achieve the symbiosis and regeneration of work skills and professional knowledge. Regarding the question of whether Huamao Group's participation in social responsibility can effectively utilize existing resources, most employees stated that Huamao's education-related public welfare products can make use of the company's existing resources. This not only realizes the effective utilization of the group's resources but also provides skills training opportunities for the group's employees. Although the company's social responsibility increases workload, by increasing the difficulty of employee education public welfare activities, it enhances employees' identity recognition as "Huamao people". From the perspective of employee sense of belonging, SCSR strengthens the sense of belonging of the company's employees, which also indicates that Huamao Group has a loyal group of employees, laying personnel foundation for its long-term development.

(2) Internal system rules

The continuous improvement of internal management systems is the foundation for safeguarding employee interests. According to a survey, SCSR (CSR) helps optimize internal management systems, improve work efficiency, and promote sustainable development. The survey results show that 90% of employees believe that "achieving social goals is a prerequisite for profit" at Huamao Group and hold a positive attitude towards it. They believe that the strategic CSR of Huamao Group is an important factor in promoting internal system construction. By optimizing internal processes to improve communication and collaboration efficiency, the quality of Huamao Group's educational public welfare products is improved, and the efficiency of business operations is also promoted. The internal management system reform of Huamao Group includes human resources, financial management, production management, and internal control systems. Improving the human resources system helps cultivate employees' proficient skills, enhance their sense of belonging, and ultimately create higher performance for the company; standardized financial management systems help

improve the efficiency of resource utilization, turnover, and promote the company's sustainable development. Production management systems can improve production safety, reduce additional losses caused by accidents, and internal control systems can restrain self-interested behavior of management and employees, improve employees' work enthusiasm, and ultimately improve business performance. The continuous improvement of these internal system reforms is the foundation for safeguarding employee interests and provides a solid foundation for the sustainable development of the company.

4.5.2 Evaluation based on consumers' perspective

From a consumer perspective, the thesis provides an analysis of Huamao Group's SCSR practices and their impact on the company's development. Generally speaking, consumers have a highly favorable attitude towards Huamao Group's social responsibility efforts, which leads to continued purchases of their products and expansion of their educational product channels through interpersonal networks. Consumers are able to evaluate a company's fulfillment of strategic social responsibility from an external perspective and can influence the company's sustainable development through their purchasing decisions. Therefore, conducting analysis from a consumer perspective can lead to reliable and scientific conclusions. The thesis conducted interviews with 15 parents of students who use Huamao Group's educational products and analyzed their responses in terms of market recognition and brand reputation.

(1) Corporate market share

The market share is the result of consumer choices, and it can reflect the operational performance of Huamao Group. Through an analysis of 15 pieces of information from consumer surveys, it is evident that consumers hold a generally positive attitude towards the SCSR of Huamao Group, and they tend to purchase products from companies that actively fulfill their social responsibilities. Specifically, when consumers were asked their impression about Huamao Group's social responsibility reported by the media," they gave surprisingly consistent answers. They learned about Huamao Group's educational public welfare products through official reports such as the Ningbo Daily, and in turn gained confidence in Huamao Group's business operations, which enhanced their willingness to purchase products from the company. In recent years, Huamao Group has conveyed its unique educational philosophy and policy to the market through public welfare and church activities, attracting a large number of parents. The survey group expressed their agreement with Huamao Group's emphasis on basic education and advocacy for aesthetic education, and they believed that Huamao Group's

educational products are of high quality and play an important role in cultivating students. They are also willing to recommend Huamao Group's educational products to acquaintances. Therefore, Huamao Group has promoted the rapid development of the education industry through public welfare activities, and its affiliated elementary school has transformed into a 12-year boarding school system. Its affiliated high school has developed into a first-level key school in Zhejiang Province, and the number of schools has grown from one to five. The scale of operations has grown from 20 classes to 278 classes, and the type of education has evolved from basic education to a combination of basic and special education. By using public welfare activities in education, Huamao Group has opened a window to society, effectively showcasing its educational characteristics and teaching quality, and laying a foundation for the sustainable development of the group.

(2) The brand's reputation

Brand reputation refers to the credibility and image of a brand in the minds of consumers. A good brand can increase consumers' trust and loyalty to the group's products, thereby bringing in a larger market share. Conversely, a poor brand can damage consumers' trust and loyalty to the brand, leading to a decrease in sales and market share. The Huamao Group has multiple education brands, including Huamao Education and Huamao Cloud Classroom, which uphold the Huamao Group's consistent philosophy of excellence and honest business, and are dedicated to providing high-quality education and training services to students. The advantage of the Huamao Group's education products lies in its abundant educational resources and professional teaching staff, which can provide comprehensive and systematic teaching services to students. Additionally, the Huamao Group also focuses on cultivating students' practical abilities and professional qualities, helping them better adapt to employment needs. Furthermore, through its Huamao Public Welfare Foundation, the Huamao Group has carried out a series of educational public welfare projects, such as "Huamao Public Welfare Classroom" and "Charity Education Assistance," which aim to promote educational equity and improve educational quality, and help more socially disadvantaged groups through education, providing them with better educational opportunities and resources, thereby promoting the development of social welfare undertakings. These projects not only give back to society but also demonstrate the company's social responsibility and commitment, while also positively affecting brand reputation.

4.5.3 Evaluation based on governments' perspective

Based on the government's perspective, this thesis analyzes the Huamao Group's execution of SCSR and its impact on corporate development. In China, the government plays an important role in resource allocation, project approval, product regulation, and other aspects. Government evaluations of companies typically affect their ability to obtain resources. Therefore, the government can evaluate the execution of a company's strategic social responsibility from an external perspective, laying the scientific foundation for discussing the Huamao Group's SCSR and corporate development from a government perspective. The interviewees in this thesis were officials from the Education Bureau, street leaders, and street workers. This section analyzes the Huamao Group's market recognition and brand reputation.

(1) External corporate reputation

From a government perspective, the evaluation of an enterprise's social responsibility practices can have a significant impact on its resource acquisition, as the government plays an important role in resource allocation, project approval, and product regulation. Thus, the evaluation of an enterprise's strategic social responsibility practices from a government perspective can establish the scientific basis for discussing both the enterprise's social responsibility and development issues, as demonstrated in this thesis's analysis of the strategic social responsibility practices of Huamao Group. The external reputation of an enterprise is the perception and evaluation of the enterprise by various sectors of society and has a significant impact on its sustained development. Huamao Group's strategic social responsibility practices can shape a positive image for the enterprise, thereby promoting the steady development of its operational performance. For example, both the education bureau leadership and staff responded with three words: "sense of responsibility," "love," and "good brand." This indicates that the supervisory department has a favorable perception of Huamao Group because the company cooperates with the education department to fulfill its public education responsibilities and thus enhances the department's positive image. The education bureau leadership also acknowledged that they would fully consider Huamao Group's excellent external reputation when reviewing projects, making it easier for the company to obtain land and education project approvals. Similarly, the street director and staff members responded that they frequently read reports about Huamao Group in newspapers and electronic media and have participated in the company's public welfare activities multiple times. Huamao Group's interaction with government departments in public welfare activities communicates a positive image of the company to the outside world, laying a solid foundation

for its sustainable development.

(2) Maintenance of political relations

The relationship between government and enterprise refers to the connection between the government and the enterprise. In China, close relations between enterprises and the government can enable the enterprise to obtain various resources, which in turn can have a profound impact on the development of the enterprise. According to a survey questionnaire, the government generally holds a positive attitude towards Huamao Group's public welfare educational products. The street leaders believed that in the past 3 years, Huamao's public welfare activities have played a positive role in promoting aesthetic education and expounding core values, which has had a positive impact on the construction of a beautiful community environment. Education bureau leaders believe that Huamao Group's teacher training program has had a significant impact on improving the quality of school education, and they have high expectations for Huamao Group's next phase of teacher training. Additionally, the street leaders believe that in the next phase, Huamao Group's educational public welfare can pay more attention to impoverished and vulnerable groups, and educational products can also develop towards family education and quality education. Education bureau leaders hope that Huamao Group can condense a replicable public welfare project, thereby providing more schools with opportunities to participate in educational public welfare services, especially in rural education poverty alleviation projects. By establishing stable relationships with the government, Huamao Group can enhance its external reputation, thereby promoting its long-term development.

4.5.4 Evaluation based on shareholders' perspective

From a shareholder perspective, this thesis analyzes the execution of SCSR and its impact on the development of Huamao Group. Shareholders are the owners of a company's assets and are an important force in determining the SCSR of Huamao Group. Shareholders' attitudes towards the SCSR of Huamao Group can influence business decisions, ultimately affecting economic performance. Therefore, evaluating the performance of SCSR from the perspective of shareholders has a positive significance. The thesis conducted interviews with the Group's CEO, Vice Presidents, and Executive Directors, who are also shareholders of the company. This section discusses the topics of "corporate performance" and "resource utilization efficiency".

(1) Current status of business performance

Business performance is the most critical concern of shareholders. Based on the financial statement notes provided by Huamao Group, it has actively participated in or carried out educational public welfare activities since it selected education as its main business in 1998, and its business performance has steadily improved year by year. In 2000, the group's accounts receivable was less than RMB 100 million, while in 2021, this figure approached RMB 10 billion, and the group's revenue scale expanded by nearly 100 times in 20 years. The group's annual average return on investment exceeds 5%, providing stable returns to shareholders. The survey questionnaire information from the corporate management also supports the above views. For example, senior managers generally believe that the education industry will continue to develop, which is the basis for the group to choose to develop in the education industry and provide educational public welfare products. Moreover, Huamao Group's senior management candidly acknowledges that it will continue to provide public welfare education products to ensure the group's sustained business performance, which also demonstrates that SCSR can indeed promote the group's business performance.

(2) Efficiency of resource usage

Resource utilization efficiency is the embodiment of Huamao Group's SCSR performance. SCSR integrates social responsibility with the main business, thereby helping to improve the utilization efficiency of corporate assets. For example, Zhang, the head of the finance department, emphasized that Huamao Group can effectively coordinate public welfare projects and internal resources, thereby improving the turnover rate of fixed assets and the efficiency of teaching and administrative staff. "Good steel should be used on the edge of the blade, and resources should be used in key areas." This emphasizes that Huamao Group's public welfare activities should "take responsibility and make the best use of resources" and effectively use every resource provided by the group to maximize the effectiveness of public welfare activities. To this end, the group has developed a set of principles regarding the use of resources for public welfare activities, such as the ratio of teachers for public welfare courses, the amount of scholarships awarded, and the frequency of implementation of public welfare projects. The management team must regularly monitor the use of resources for public welfare activities, and promptly stop any behavior of excessive waste. High resource utilization efficiency essentially reflects the degree of employee recognition of Huamao Group's SCSR and is an important guarantee for the company's sustainable development.

4.5.5 Evaluation based on suppliers' perspective

From the perspective of suppliers, this thesis analyzes the execution of Huamao Group's SCSR and its impact on the company's development. The attitude of suppliers can influence the strategic decision-making of Huamao Group and impact the allocation of various business resources, ultimately achieving the goal of shared development with the company. The thesis collected six interviews from suppliers and elaborated on the aspects of "corporate performance capabilities" and "corporate strategic alliances".

(1) Corporate performance capability

The enterprise's performance capability is an important indicator for assessing its credibility and credit rating. It encompasses various facets such as the ability to honor contracts, maintain a favorable credit rating, and ensure financial stability. These attributes form the bedrock upon which an enterprise builds trust with its customers and partners. In the context of this thesis, the research delves into the performance capability of the Huamao Group from the vantage point of its suppliers, scrutinizing the profound impact it exerts on the company's overall development. The empirical findings of this study unequivocally demonstrate that the Huamao Group has exhibited an impressive performance capability in its interactions with suppliers. This capability extends across several dimensions, including but not limited to "meticulous adherence to contract terms," "exemplary supplier management practices," "prompt and reliable payment and settlement procedures," and "a proactive approach to communication and issue resolution." These qualities underscore the Huamao Group's unwavering commitment to upholding its contractual obligations and maintaining robust supplier relationships. One notable aspect of the Huamao Group's performance capability lies in its dedicated efforts to cultivate and nurture harmonious and productive partnerships with its suppliers. This is achieved through the continuous enhancement of its supplier management system, which is geared towards fostering transparency, trust, and collaboration. The Group's steadfast adherence to the terms stipulated in contracts underscores its reliability and integrity as a business partner. Furthermore, its prompt and dependable payment practices not only facilitate smoother operations for suppliers but also reflect a high level of financial stability and responsibility. The proactive communication and issue-solving approach employed by the Huamao Group further underscores its commitment to nurturing strong supplier relationships. By promptly addressing challenges and concerns that may arise during the course of business interactions, the company demonstrates a genuine commitment to mutual success. This proactive stance not only mitigates potential disruptions but also

engenders a sense of partnership and shared goals. From the perspective of suppliers, the Huamao Group's performance capability is not merely a theoretical construct but a tangible reality. It can be gauged, quantified, and experienced through the lens of operational efficiency, trustworthiness, and collaboration. This robust performance capability, as reported by suppliers, not only enhances the company's reputation but also provides a solid foundation for its sustained business success. In essence, the performance capability of the Huamao Group, as observed through the eyes of its suppliers, serves as a linchpin for the company's overall business performance. It reflects not only its dedication to honoring contractual commitments but also its commitment to fostering enduring, mutually beneficial relationships. This, in turn, contributes significantly to the company's credibility, creditworthiness, and long-term sustainability. Through this exploration, the thesis aims to underscore the pivotal role that performance capability plays in shaping an enterprise's reputation and its ability to thrive in a dynamic business landscape.

(2) Corporate strategic alliance

A strategic alliance between enterprises refers to a long-term, stable, mutually beneficial partnership established through cooperation agreements or joint ventures based on common strategic objectives, complementary resources, and shared risks. These alliances are instrumental in achieving synergies and enhancing the overall competitive advantage of the participating organizations. In this context, the thesis undertakes an in-depth analysis of the Huamao Group's execution of SCSR and its far-reaching impact on enterprise development, with a specific focus on its relationships with suppliers. The Huamao Group, as a trailblazing exemplar, has forged strategic alliances with a multitude of renowned enterprises, exemplifying the true essence of collaboration in the realm of SCSR. One such strategic partnership exists with Lenovo Group, a global technology giant. Together, they have embarked on the joint development of educational products that leverage the strengths of both organizations. This collaboration extends beyond mere business dealings; it represents a commitment to shared goals and values in promoting educational excellence. Moreover, the Huamao Group has extended its collaborative endeavors to local colleges, where it has worked closely to co-create high-quality curricula and educational programs. These partnerships are grounded in a shared vision of enhancing the quality of education and equipping students with valuable skills for the future. The result is a mutually beneficial relationship where the educational institutions gain access to innovative resources and expertise while Huamao Group garners insights into evolving educational needs and trends. These strategic alliances exemplify resource complementarity at its finest. Through

collaborations with suppliers, the Huamao Group can tap into a broader spectrum of capabilities and expertise. By joining forces with companies like Lenovo Group and educational institutions, they not only access cutting-edge technology and educational insights but also create opportunities for co-innovation, allowing them to stay at the forefront of their respective industries. Furthermore, these partnerships enable the Huamao Group to explore new markets and expand its reach. Through cooperative ventures, they can leverage their combined strengths to venture into previously uncharted territories, whether they are geographical regions or untapped customer segments. This expansion not only increases market competitiveness but also fosters economic growth, benefiting both the collaborating enterprises and the broader business ecosystem. The benefits of technological innovation are also widely shared within these strategic alliances. Collaborative efforts often lead to the development of groundbreaking solutions and products that drive industry progress. By engaging in joint ventures and cooperation agreements, the Huamao Group, along with its partners, has been able to harness their collective expertise to pioneer new technologies, educational methodologies, and products, thereby shaping the future of the education industry. In conclusion, the strategic alliances formed by the Huamao Group serve as a testament to the transformative power of collaborative efforts in the realm of SCSR. These partnerships not only bolster the company's market competitiveness and economic benefits but also contribute significantly to the industry's development. By working in harmony with suppliers, the Huamao Group has exemplified the essence of SCSR, fostering innovation, expanding markets, and ultimately making a positive and lasting impact on the education sector and beyond. Through this comprehensive analysis, the thesis aims to shed light on the profound implications of such strategic alliances in the broader context of corporate social responsibility and sustainable development.

4.6 Summary of chapter

The analysis of Huamao Group's SCSR and corporate development issues reveals a history of over 20 years in providing educational products and organizing philanthropic activities, establishing the company as a renowned educational enterprise and philanthropic contributor in Ningbo. A detailed examination of Huamao Group's SCSR uncovers five distinctive characteristics: visibility, centrality, Perceptiveness, specificity, and organizational. Moreover, the company's social responsibility demonstrates a clear educational orientation, effectively showcasing its main business types and features to relevant stakeholders while achieving the

dual objective of operational and business effectiveness. This integration fosters a high degree of alignment between the company's business objectives and CSR, ultimately guiding strategic decision-making in relation to social responsibility. Huamao Group's SCSR exhibits a perspective approach that guides industry development, requiring the company's vigilant attention to market changes and the implementation of long-term CSR initiatives to adapt to environmental transformations. The visibility feature of Huamao Group's SCSR ensures that different sectors of society possess a comprehensive understanding of the company's social responsibility, thereby enhancing familiarity with its main business specifics and promoting its core products effectively. The centrality feature of Huamao Group's SCSR reinforces the integration of CSR actions with the development of its primary business, thereby driving business growth through social responsibility. The organizational nature feature of Huamao Group's SCSR facilitates the consolidation of various internal departments, enabling consistent alignment of company resources to achieve business objectives. The specificity feature of Huamao Group's SCSR guides the company to firmly adhere to the core business philosophy of "driving economic benefits through social benefits," with a primary focus on social responsibility projects in the fields of education and philanthropy.

Furthermore, this thesis employs the stakeholder theory to analyze the relationship between SCSR and corporate development in Huamao Group. SCSR directly improves a company's financial performance, thereby establishing a foundation for sustainable development. Moreover, SCSR contributes to shaping a favorable corporate reputation, increasing public awareness of the Huamao Group brand and products, and providing support for ongoing development. Additionally, SCSR facilitates the expansion of the company's market share by promoting product promotion and information exchange through stakeholder engagement, ultimately driving market expansion for Huamao Group. Lastly, the thesis evaluates the influence of Huamao Group's SCSR on corporate development from a stakeholder perspective. Specifically, from an employee standpoint, Huamao Group's SCSR enhances employees' understanding of corporate values, fostering a cohesive and united workforce and promoting the development of an improved internal management system. From a shareholder perspective, Huamao Group's SCSR fosters sustained business growth, improves asset utilization efficiency, and ultimately achieves sustainable development. From a consumer perspective, Huamao Group's SCSR contributes to market expansion, facilitating favorable market conditions and driving continuous business performance. From a government standpoint, Huamao Group's SCSR meets government expectations for CSR, establishing a positive government-business relationship and providing resources for the

company's sustained development. From a supplier perspective, Huamao Group's SCSR projects a positive corporate image to suppliers, boosting their confidence in mutually beneficial development with the company. Furthermore, Huamao Group's SCSR enhances the company's fulfillment capability, setting the stage for a favorable supply chain environment. Based on the aforementioned analysis, the thesis recognizes that the absence of SCSR in Huamao Group can have a positive impact on driving corporate development.

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Chapter 5: Conclusions, Recommendations and Further Research

5.1 Conclusions

Our thesis focuses on the positive impact of SCSR on business development, with a specific exploration of the Huamao Group case study. Through a comprehensive review of existing literature, we argue that SCSR, in comparison to traditional social responsibility, brings strategic advantages that enhance the development prospects of adopting companies. This is achieved through five key aspects: centrality, perceptiveness, specificity, Organizational, and visibility. Regarding centrality, the implementation of SCSR should align with the core values and goals of the enterprise, creating a cohesive force within the organization. This ensures that SCSR becomes an integral part of the company's identity and guides decision-making processes. The perceptiveness of SCSR is another crucial aspect of SCSR. It emphasizes the long-term planning and future-oriented approach to social responsibility, allowing the enterprise to proactively adapt to evolving societal needs and expectations. By being perceptive, companies can address emerging social issues and contribute to sustainable development. The specificity of SCSR emphasizes tailoring social responsibility initiatives to the unique circumstances and market demands of the enterprise. It recognizes that one size does not fit all and encourages companies to design initiatives that align with their capabilities, resources, and stakeholder expectations. The Organizational of SCSR plays a crucial role in influencing corporate development. the organizational structure determines the allocation of resources and decision-making processes related to SCSR initiatives, and a well-designed organizational structure fosters communication, coordination, and collaboration among different departments and stakeholders within the company. Finally, visibility plays a vital role in SCSR. It ensures that stakeholders, such as consumers, suppliers, and the general public, can observe and recognize the social responsibility efforts undertaken by the enterprise. This transparency and openness contribute to building trust, fostering long-term relationships, and enhancing the company's reputation. By emphasizing these five aspects of SCSR, our thesis provides a comprehensive framework for understanding the positive impact of SCSR on business development. Through the examination of the Huamao Group case study, we validate and substantiate these concepts, leading to stable and conclusive research findings.

Specifically, SCSR can exert a significant influence on various aspects of corporate development, including financial performance, development prospects, and non-financial performance. These impacts are realized through interactions with internal employees, external shareholders, communities, and governments, ultimately empowering the development of private enterprises. This thesis delves into the specific impact of SCSR on the sustained development of Huamao Group, drawing insights from the group's development history and its fulfillment of social responsibility. By reviewing the strategic choices, industry layout, and education-related social responsibility activities of Huamao Group, the thesis highlights how SCSR influences the subsequent development trajectory of the group. This analysis demonstrates a clear cause-and-effect relationship between SCSR and the sustained development of Huamao Group. Furthermore, the thesis employs grounded theory and data analysis techniques to explore the positive impact of SCSR on business development across four key dimensions: internal employees, consumers, communities, and shareholders. By considering the perspectives and interests of these stakeholders, the thesis uncovers how SCSR initiatives enhance financial performance, expand market share, and improve corporate reputation. These positive outcomes contribute to the overall goal of promoting the sustained development of enterprises. Through its comprehensive analysis and findings, this thesis establishes a strong argument for the positive role of SCSR in driving corporate development. By integrating social responsibility into their core operations and engaging with stakeholders, private enterprises can optimize their financial performance, seize growth opportunities, and build a strong reputation. Ultimately, this promotes the sustained development of enterprises in line with the principles of SCSR.

5.2 Recommendations

The recommendations for this thesis are as follows:

Firstly, companies should establish a strategic concept of CSR, effectively fulfill their responsibilities as "social citizens", integrate the development of the company with the fulfillment of social responsibility within the same framework, and use social responsibility as a guide for the company's strategic decision-making and business activities, thus achieving the goal of sustainable development for the company. Companies should integrate social responsibility into their strategic decision-making and daily operations, choose main businesses suitable for sustainable development, and fulfill their social responsibilities according to their abilities. Specifically, (1) establish CSR strategies. Companies should

develop social responsibility strategies that align with their business and values, which will help them better fulfill their social responsibilities in practice. (2) Establish a social responsibility management system. Companies should establish corresponding social responsibility management systems and incorporate social responsibility into their daily business management, ensuring that social responsibility is effectively managed and supervised. (3) Strengthen communication and cooperation with stakeholders. Companies should actively communicate and cooperate with their stakeholders, listen to their opinions and suggestions, and jointly explore how to better fulfill their social responsibilities. (4) Select suitable core businesses for the company. Companies should select suitable core businesses for sustainable development based on their actual situation, and ensure that they fulfill their social responsibilities while conducting their businesses. (5) Promote the sustainable development of the industry: companies should actively promote the sustainable development of their respective industries, participate in industry associations or organizations, and jointly explore the direction and strategies for the sustainable development of the entire industry with their peers.

Secondly, companies should strengthen the disclosure of SCSR, and create a good environment for fulfilling social responsibility within the company. Companies should regularly disclose their social responsibility performance to the community and government, thereby more efficiently integrating resources to promote the company's higher-level fulfillment of social responsibility. This will also strengthen the company's integration of internal and external resources to achieve the goal of sustainable development. Specifically, (1) to establish a comprehensive system of social responsibility reporting, companies should establish a comprehensive system of social responsibility reporting and regularly disclose their social responsibility performance to relevant internal and external stakeholders to enhance transparency and credibility. (2) To strengthen the internal awareness of social responsibility, companies should use training and publicity to enhance employees' awareness of social responsibility and help them understand the company's social responsibility, thereby creating a good internal environment for fulfilling social responsibility. (3) To communicate and cooperate with stakeholders such as communities and governments, companies should actively communicate and cooperate with stakeholders such as communities and governments, listen to their opinions and suggestions, jointly explore how to better fulfill CSR, and promptly disclose the company's social responsibility performance to them. (4) To promote the development of social responsibility in the industry, companies should actively promote the development of social responsibility in their industry, work with peers to develop industry

standards and norms, and promote the overall social responsibility level of the industry. (5) To strengthen communication with investors, companies should actively communicate with investors, disclose their social responsibility performance to them, enhance investors' trust and satisfaction with the company, and thereby obtain more resources and support.

Thirdly, the government should improve relevant laws and regulations, and implement an effective reward system for companies that fulfill social responsibility. SCSR is a concrete manifestation of a company fulfilling its social responsibility. The government should improve laws and regulations from the perspectives of social harmony and economic development, and reward companies that actively fulfill social responsibility to encourage more companies to join the cause of social responsibility and promote the continuous construction of the social system. Specifically, (1) establish a sound system of social responsibility reporting: enterprises should establish a sound system of social responsibility reporting, and regularly disclose to internal and external stakeholders the performance of social responsibility, in order to enhance transparency and credibility. The government should enact relevant laws and regulations to clarify the standards and requirements for enterprises to fulfill social responsibility, and establish corresponding supervision mechanisms to ensure effective implementation of social responsibility. (2) Strengthen the internal awareness of social responsibility: enterprises should strengthen the awareness of social responsibility among employees through training, publicity, and other means, so that employees can understand the social responsibility of the enterprise and create a good environment for fulfilling social responsibility within the company. (3) Communicate and cooperate with stakeholders such as communities and governments: enterprises should actively communicate and cooperate with stakeholders such as communities and governments, listen to their opinions and suggestions, jointly explore how to better fulfill their social responsibility, and timely disclose their performance of social responsibility. (4) Promote the development of social responsibility in the industry: enterprises should actively promote the development of social responsibility in the industry, jointly develop industry standards and norms with peers, and promote the overall level of social responsibility in the industry. (5) Strengthen communication with investors: enterprises should actively communicate with investors, disclose their performance of social responsibility, enhance investors' trust and satisfaction, and thereby obtain more resources and support for the enterprise. The government can establish incentive mechanisms, such as recognizing advanced enterprises and providing tax incentives, to encourage enterprises to actively fulfill their social responsibility, enhance their awareness and recognition of social responsibility. The government should also strengthen the

supervision of the performance of social responsibility by enterprises, punish those who rarely fulfill their social responsibility, and establish a cooperation mechanism with enterprises to explore how to better fulfill social responsibility through policy guidance and resource integration.

Fourthly, the media should fulfill its external monitoring function for SCSR and play the role of supervising the disclosure of internal information by companies. While promoting the sustainable development of companies through SCSR, it is inevitable that some companies will use social responsibility as a cover to pursue private interests, which will undermine the harmonious atmosphere of society and the fair operating rules of society. The media should guide public opinion to give positive reviews to companies that actively fulfill social responsibility, and negative reviews to companies that refuse to bear social responsibility or even undermine social harmony, thereby fulfilling the media's responsibility as a third-party supervisor in society. Specifically, (1) Disclosure of CSR Performance: The media can disclose in a timely manner the performance of a company's social responsibility through interviews, reports, and other means, allowing the public to understand the company's social responsibility performance. (2) Exposing Corporate Illegal Behavior: The media can investigate and report on those companies that violate laws and regulations, or even undermine social harmony, attracting public attention and prompting the government and relevant departments to take measures to punish them. (3) Supervising Corporate Behavior: The media can use public opinion guidance to urge companies to comply with laws and regulations, fulfill social responsibilities, and promote the process of actively fulfilling social responsibilities. (4) Giving Positive and Negative Evaluations: The media can give positive or negative evaluations based on a company's social responsibility performance, guiding public understanding and evaluation of the company, and helping the company establish the correct concept of social responsibility. At the same time, the media can also commend companies that actively fulfill social responsibilities through award selection and other means, encouraging more companies to join the cause of social responsibility.

In summary, it is crucial for all sectors of society to recognize and objectively evaluate the positive role of socially responsible corporate behavior (SCSR). There is a need to encourage companies to effectively utilize social responsibility as a guiding principle for strategic decision-making. By doing so, companies can achieve sustained development of their main business operations and continuously improve their overall business performance. Recognizing the value of SCSR involves acknowledging its potential to drive positive change within companies and society as a whole. It requires fostering an environment where

companies prioritize social responsibility as an integral part of their business strategies. By aligning their actions with societal needs and expectations, companies can enhance their competitiveness, strengthen stakeholder relationships, and contribute to the overall well-being of the communities in which they operate. To support the sustained development of companies, it is important for stakeholders to provide guidance, resources, and incentives that encourage the implementation of effective SCSR practices. This includes promoting transparency, accountability, and collaboration among companies, government agencies, non-profit organizations, and the wider public. By promoting the understanding and adoption of SCSR, society can create an environment that nurtures socially responsible practices. This, in turn, leads to long-term benefits for companies, such as improved brand reputation, increased customer loyalty, enhanced employee engagement, and ultimately, the achievement of sustainable and inclusive economic growth. In conclusion, by objectively evaluating and encouraging the positive role of SCSR, society can foster a business environment that supports the sustained development of companies. This involves integrating social responsibility into strategic decision-making, continuously improving business performance, and contributing to the overall betterment of society.

5.3 Further research

The thesis explores how Huamao Group promotes sustainable development and enhances its competitiveness through the practice of SCSR. Future research can continue to delve into the following aspects:

Firstly, the further research can focus on the implementation and effectiveness assessment of Huamao Group's SCSR. This analysis aims to identify specific CSR initiatives undertaken by the company and evaluate their implementation and impact, providing insights into the company's performance and contributions to sustainable development. The SCSR initiatives implemented by Huamao Group can be systematically described, including their objectives, scope, and key actions. These initiatives may involve measures to reduce environmental impacts, such as energy conservation, emission reduction, resource recycling, and ecological conservation projects. Additionally, they may encompass community development projects, such as providing educational support, improving infrastructure, and promoting local economic growth. Employee welfare and care are also integral components of SCSR initiatives, including the provision of good working conditions, training and development opportunities, and attention to employee well-being and health. Evaluating the

implementation of Huamao Group's SCSR is a crucial step. Future research can focus on analyzing the implementation process, such as the commitment of leadership, resource allocation, and management structure. Furthermore, it is important to examine collaboration and communication with stakeholders to ensure the smooth execution of the initiatives. These studies should assess the challenges encountered during implementation and propose solutions, as well as examine the coordination and integration with other relevant programs. Regarding the assessment of the effectiveness of Huamao Group's SCSR initiatives, the further research can examine the outcomes and impacts after implementation. This can be achieved through a combination of qualitative and quantitative indicators. Quantitative indicators may involve data collection and analysis, such as the reduction in carbon emissions and improvements in resource utilization efficiency. Qualitative indicators can include employee satisfaction surveys, community feedback, and opinions from relevant stakeholders. By comprehensively assessing these indicators, the effectiveness of the CSR initiatives can be evaluated, providing an understanding of the progress made by Huamao Group in terms of sustainable development.

Secondly, the further research can focus on comparative analysis of SCSR in China and international standards: Research can compare Huamao Group's SCSR with international SCSR standards to explore its performance and gaps on an international level, and identify avenues for improving the company's SCSR practices. Future research can begin by introducing widely adopted international SCSR standards and frameworks, such as the United Nations Global Compact, International Organization for Standardization (ISO) 26000 Social Responsibility Guidelines, and other high-level international initiatives. These standards should be analyzed in detail, including their principles, guidelines, and requirements, to enable a comparison and evaluation of Huamao Group's SCSR. The SCSR of Chinese enterprises can be compared with international standards to assess Huamao Group's performance and gaps in various aspects. For example, in terms of environmental management, a comparison can be made between the company's environmental protection measures and the requirements of the ISO 14001 Environmental Management System standard. In terms of labor rights, a comparison can be made between Huamao Group's employee welfare policies and the labor guidelines of the United Nations Global Compact. Such comparisons can identify the company's strengths and areas for improvement in line with international standards. Subsequently, the research can explore pathways for improving CSR practices in Chinese enterprises. (1) Expanding the scope of CSR initiatives: Chinese enterprises can consider broadening the coverage of their CSR programs to encompass more

social and environmental domains in order to meet international standards' requirements. (2) Enhancing transparency and reporting: Chinese enterprises can strengthen transparency by timely disclosing their CSR performance and goals, aligning with international best practices, and preparing standardized CSR reports. (3) Stakeholder engagement: Chinese enterprises can further enhance communication and collaboration with stakeholders to ensure their opinions and needs are incorporated into CSR strategies and decision-making processes. (4) Continuous improvement: Chinese enterprises can develop long-term CSR improvement plans, establish monitoring and evaluation mechanisms, and periodically assess the effectiveness of their SCSR implementation.

Thirdly, the further research can focus on the relationship between SCSR and brand value: Research can explore the impact of SCSR on brand value, analyzing the relationship between SCSR and brand value to help companies leverage SCSR to enhance their brand value. Specifically: (1) Impact of SCSR on brand value: Research can investigate the direct and indirect effects of SCSR on brand value. The direct effect refers to how companies enhance consumer recognition and loyalty towards their brand through positive social and environmental behaviors, thereby increasing brand value. Indirect effects include shaping corporate reputation and establishing a favorable corporate image to boost brand value. This can involve taking a clear stance on social issues, prioritizing employee welfare, and engaging in charitable activities. (2) Relationship between SCSR and brand reputation: Research can delve into the relationship between SCSR and brand reputation. SCSR initiatives undertaken by a company shape external perceptions of its values and actions, which in turn influence brand reputation. Through surveys, consumer feedback collection, and sentiment analysis, the impact of a company's performance in social responsibility on brand reputation can be assessed. (3) Impact of SCSR on brand loyalty and consumer behavior: Research can explore the influence of SCSR on consumer brand loyalty and purchasing behavior. Consumers are increasingly inclined to choose brands with a strong social responsibility image, not solely based on product features. Through quantitative and qualitative research methods such as questionnaires, field observations, and focus group discussions, the impact of SCSR on consumer purchasing decisions can be evaluated. (4) Leveraging SCSR to enhance brand value: Research can propose recommendations for SCSR to help companies better utilize CSR to enhance brand value. This includes identifying social and environmental issues that align with the company's core values and business operations and developing relevant SCSR initiatives. Additionally, companies can strengthen cooperation with stakeholders; enhance transparency and communication to ensure that their social responsibility efforts receive

optimal reputation support.

Fourthly, the further research can focus on the relationship between SCSR and corporate behavior. Further research can analyze the impact of SCSR on employee behavior, understanding how SCSR influences employee ethics and professional conduct, and identifying measures that companies can take to enhance employee ethics and professional behavior. (1) Impact of SCSR on employee ethical behavior. Research can analyze the positive influence of SCSR on employee ethical behavior. CSR actions and values can serve as role models for ethical behavior among employees. This can include focusing on employee rights, providing good working conditions, implementing fair compensation and promotion mechanisms, among others. Research can assess the extent of CSR's impact on employee ethical behavior through methods such as questionnaires and in-depth interviews. (2) Impact of CSR on employee professional behavior: Research can explore the influence of CSR on employee professional behavior. This includes employees' integrity, professional ethics, and career development within the workplace. Commitment to and implementation of CSR can motivate employees to fulfill their responsibilities, adhere to ethical standards, and pursue long-term personal and organizational development. Research can evaluate the impact of CSR on employee professional behavior through case studies, employee surveys, and other methods. (3) Measures to enhance employee ethics and professional behavior: Research can propose measures that companies can take to improve employee ethics and professional behavior. Companies can establish clear ethical guidelines and values, incorporating them into employee training and internal communication. This helps employees understand and identify with the company's expectations and translate them into actual behavior. Additionally, companies can cultivate and enhance ethical leadership among management, making them role models for employee ethical behavior.

Fifthly, the further research can focus on the coordination between CSR and corporate strategy. The further research can explore the coordination between corporate strategy and SCSR to better utilize SCSR in supporting of strategic objectives. (1) Consistency between corporate strategy and SCSR. The further research can analyze the consistency between corporate strategy and SCSR. This includes examining corporate strategic objectives and core values to ensure alignment with SCSR. The research can explore how SCSR integrates with the company's market positioning, innovation strategy, risk management, and long-term value creation to enhance overall strategic benefits. (2) Supporting strategic objectives through CSR. The further research can investigate how SCSR can support the company's strategic objectives. CSR can serve as a means to achieve strategic goals, such as meeting market demand by

developing products and services aligned with sustainable development principles to enhance competitiveness. The research can analyze how companies utilize CSR strategies to increase market share, promote brand building, and improve supply chain efficiency, thus mutually supporting corporate strategy. (3) Relationship between CSR and innovation: Research can explore how SCSR aligns with the company's innovation strategy. Innovation is a key driver of business success, and SCSR can inspire and support innovation. The research can analyze how companies stimulate employees' innovation capabilities, encourage innovative thinking, and achieve innovation in products, technologies, and business models through SCSR commitments and practices, thereby advancing corporate strategy. (4) Integration of SCSR and risk management: Research can investigate how SCSR aligns with the company's risk management strategy. SCSR can help companies prevent and manage potential social, environmental, and ethical risks. The research can analyze how companies allocate resources through SCSR to improve supply chain sustainability, reduce environmental pollution, manage employee relations, and thereby mitigate risks and lay a foundation for corporate strategy.

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Annex A

The thesis total conducted a total of 40 survey interviews, including 5 from the board of directors (chairman, general manager, and deputy general manager), 5 from the management team (finance manager, production manager, marketing manager), and 5 from grassroots employees, and 15 interviews from parents, 4 government officials and 6 suppliers, respectively. Here lists a survey interview record that depicts the interview with the Deputy General Manager of Huamao Group in the thesis. This thesis was conducted around the topic of SCSR and corporate development, with a total of 25 questions asked, and the detail interview is listed below.

1-1 . What CSR does Huamao Group have around its business objectives?

Answer : Huamao Group has always placed great importance on Corporate Social Responsibility (CSR) and integrating it into our business objectives. We are committed to conducting our business in a sustainable, ethical, and socially responsible manner. Our CSR initiatives are aligned with our business objectives and include areas such as environmental protection, employee well-being, community development, and philanthropy. For example, we have implemented a comprehensive environmental management system to minimize our environmental impact and conserve resources, while also promoting sustainable development. We also prioritize the well-being of our employees and provide a safe and healthy working environment. Additionally, we actively participate in community development projects and engage in philanthropic activities to give back to society. We believe that our CSR efforts not only benefit our stakeholders, but also contribute to the long-term success and growth of our business.

1-2 . Does Huamao Group utilize its own advantages to support the development of social causes?

Answer: Yes, at Huamao Group, we believe in utilizing our own advantages to support the development of social causes. As a responsible corporate citizen, we are committed to contributing to the betterment of society, and we recognize the importance of using our resources and expertise to make a positive impact on the communities where we operate. For instance, we have leveraged our extensive network and resources to support a range of social causes, including education, poverty alleviation, and environmental protection. We work

closely with non-profit organizations and community groups to identify and address social issues, and we have also established our own charitable foundation to support these efforts. We firmly believe that by utilizing our own advantages and resources, we can play an active and meaningful role in advancing social causes and contributing to the well-being of society as a whole.

1-3. Does Huamao Group's business activities contribute to the development of education?

Answer: Yes, Huamao Group is committed to supporting the development of education through our business activities. We believe that education is a critical component of sustainable development and a key driver of economic growth and social progress. One of our main initiatives is the Huamao Education Fund, which provides financial support to students in need and supports educational programs in local communities. We also partner with educational institutions to provide training and development opportunities for our employees, which helps to improve the skills and capabilities of our workforce. In addition, we have established partnerships with local schools and universities to support educational initiatives and promote learning opportunities. We believe that by investing in education, we can help to build a more prosperous and equitable society, and create a brighter future for the next generation. Overall, we are committed to using our resources and capabilities to make a positive impact on education, and will continue to support educational development through our business activities.

1-4. Does Huamao Group examine its social responsibility to promote the company's compliance with social expectations?

Answer: Yes, Huamao Group is committed to examining our social responsibility and promoting compliance with social expectations. We recognize the importance of being a responsible corporate citizen and strive to conduct our business in a sustainable, ethical, and socially responsible manner. We have established a comprehensive Corporate Social Responsibility (CSR) framework that includes regular assessments of our social and environmental impact. We conduct thorough evaluations of our operations to ensure that we are meeting or exceeding industry standards and complying with applicable laws and regulations. In addition, we engage with our stakeholders, including customers, employees, and communities, to gather feedback and insights on our social responsibility efforts. By examining our social responsibility and promoting compliance with social expectations, we can enhance our reputation, build trust with stakeholders, and contribute to the long-term success and

growth of our business. We remain committed to continuously improving our CSR practices and making a positive impact on society.

1-5. Does Huamao Group track legislative developments to comply with new laws and regulations?

Answer: Yes, at Huamao Group, we recognize the importance of complying with laws and regulations to ensure the sustainability and success of our business. To do so, we actively monitor legislative developments and stay up-to-date on new laws and regulations that affect our business operations. We have a dedicated legal and compliance team that closely tracks legislative developments and ensures that our policies and practices are in compliance with the latest laws and regulations. In addition, we conduct regular internal audits and assessments to identify and address any areas of non-compliance. We also engage with regulatory authorities and industry associations to stay informed on the latest regulatory trends and best practices. This enables us to proactively adapt to any new legal requirements and ensure that we are operating in a compliant and ethical manner. At Huamao Group, we are committed to maintaining the highest standards of legal and regulatory compliance. We believe that doing so is essential to building trust with our stakeholders and contributing to the sustainable development of our business and the communities in which we operate.

1-6. Does Huamao Group continuously adjust its own behavior to meet social expectations and requirements?

Answer: Yes, at Huamao Group, we understand that social expectations and requirements are constantly evolving, and we are committed to continuously adjusting our behavior to meet them. We believe that as a responsible corporate citizen, it is our duty to adapt and respond to the changing needs of society. To ensure that we are meeting social expectations and requirements, we regularly engage with our stakeholders, including customers, employees, suppliers, and the wider community, to understand their needs and feedback. We also monitor social trends and developments to stay informed of emerging issues and areas where we can make a positive impact. Based on this feedback and information, we make adjustments to our behavior and operations to better align with social expectations and requirements. For example, we have implemented sustainable practices in our manufacturing processes to reduce our environmental impact, and we have established philanthropic programs to support social causes that are important to our stakeholders. Overall, we are committed to continuously improving our behavior and operations to meet social expectations and requirements. We believe that by doing so, we can build stronger relationships with our stakeholders and contribute to the

sustainable development of the communities in which we operate.

1-7. Does Huamao Group believe that participating in social goals is closely related to achieving corporate development?

Answer: Yes, at Huamao Group, we firmly believe that participating in social goals is closely related to achieving corporate development. We understand that as a corporate citizen, we have a responsibility to contribute to the sustainable development of the communities in which we operate, and that doing so can help us achieve our long-term business goals. Our approach to corporate social responsibility is grounded in this belief. We have established a comprehensive CSR framework that encompasses a range of activities, including environmental protection, employee well-being, community development, and philanthropy. We believe that by investing in these areas, we can not only make a positive impact on society but also enhance our reputation, build stronger relationships with our stakeholders, and ultimately drive sustainable growth. In addition, we have seen firsthand the benefits of aligning our business goals with social goals. For example, our efforts to reduce our environmental impact have led to cost savings and improved operational efficiency. Our investments in employee well-being have resulted in higher employee engagement and retention rates, which in turn has contributed to improved productivity and customer satisfaction. Overall, we believe that participating in social goals is not only the right thing to do but also a key driver of corporate development. We are committed to continuing to invest in CSR and working to make a positive impact on the communities in which we operate while also achieving our business goals.

1-8. Does Huamao Group believe that achieving social goals is a prerequisite for obtaining profits?

Answer: At Huamao Group, we believe that achieving social goals and obtaining profits are not mutually exclusive. We recognize that our business operations have an impact on society, and we are committed to using our resources and expertise to contribute positively to the communities in which we operate. We view social responsibility as an integral part of our corporate mission and strategy. By participating in social goals, we can build stronger relationships with our stakeholders, enhance our reputation, and create new business opportunities. For example, by investing in education and talent development, we can help to build a skilled and knowledgeable workforce that can drive our business growth. By supporting environmental protection and sustainability initiatives, we can improve our operational efficiency and reduce costs. Moreover, we believe that by contributing to the social

development of the communities in which we operate, we can help to create a more stable and sustainable business environment. This can help to attract and retain talent, enhance our brand reputation, and create long-term value for our shareholders. In summary, at Huamao Group, we do not view achieving social goals as a prerequisite for obtaining profits. Rather, we believe that social responsibility and business success go hand-in-hand, and we are committed to balancing these two objectives to create long-term value for all of our stakeholders.

1-9. Does Huamao Group be able to actively manage relationships from all aspects?

Answer: At Huamao Group, we believe that building strong relationships with all our stakeholders is essential to our success. We are committed to actively managing our relationships from all aspects, including our customers, employees, suppliers, investors, and the communities in which we operate. We strive to maintain open and transparent communication with our stakeholders, seeking their feedback and actively engaging with them to understand their needs and expectations. We believe that by doing so, we can build trust and mutual respect, which is essential for long-term, sustainable relationships. To actively manage our relationships, we have implemented a range of initiatives and programs. For example, we have established a customer service center to ensure that we are responsive to our customers' needs and concerns. We have also implemented employee engagement programs to ensure that our employees feel valued and motivated. Moreover, we recognize that our business operations have an impact on the environment and the communities in which we operate. We are committed to actively managing these impacts by implementing environmental and social sustainability programs that seek to minimize negative impacts and maximize positive contributions. Overall, at Huamao Group, we believe that actively managing our relationships is essential to our success. We are committed to building strong, sustainable relationships with all our stakeholders and will continue to invest in initiatives and programs that support this goal.

1-10. Does Huamao Group's participation in CSR comes from an instinctive demand?

Answer: Huamao Group's participation in social responsibility is not just an instinctive demand, but is also a strategic approach to building sustainable business practices. As a responsible corporate citizen, we recognize that our business activities have an impact on the wider community and the environment. Therefore, we have made a commitment to actively participate in social responsibility initiatives that promote sustainable development and create shared value. Our approach to social responsibility is embedded in our core values, and we continuously seek to improve our performance in this area. We believe that by being socially

responsible, we can build stronger relationships with our stakeholders, enhance our reputation, and achieve long-term business success.

1-11. Does Huamao Group's CSR not come with any attached requirements for returns?

Answer: Huamao Group's approach to social responsibility is driven by a genuine commitment to create shared value for our stakeholders, including our customers, employees, shareholders, and the wider community. While we recognize that social responsibility can bring positive impacts to our business, we do not view it as a transactional exchange with attached requirements for returns. Instead, we believe that investing in social responsibility is a fundamental part of our mission to be a responsible corporate citizen and to build a sustainable future for all.

1-12. Does Huamao Group's CSR drive charitable behavior among stakeholders?

Answer: Huamao Group's social responsibility initiatives aim to inspire charitable behavior among all stakeholders, including our employees, customers, suppliers, and local communities. We believe that by leading by example and actively engaging in social responsibility initiatives, we can encourage others to follow suit and create a positive impact in their own way. We also offer various opportunities for our stakeholders to participate in social responsibility activities and contribute to our shared goals, such as volunteering programs, donation drives, and community outreach programs. We believe that collective action is key to achieving meaningful social impact.

1-13. Can Huamao Group's CSR be reported by the media and other outlets?

Answer: Huamao Group is committed to transparency and accountability in all of our operations, including our social responsibility initiatives. We actively seek out opportunities to share information about our initiatives with the media and other outlets, in order to raise awareness and inspire others to join us in creating a positive impact on society and the environment. We regularly issue press releases, publish reports and other materials, and engage with stakeholders to share information about our social responsibility initiatives. In addition, we welcome inquiries and requests for information from the media and other interested parties. We believe that by being transparent and open about our social responsibility initiatives, we can build trust and credibility with our stakeholders, and inspire others to follow our lead in creating a better world for all.

1-14. Does Huamao Group's CSR has obvious industry characteristics?

Answer: As a responsible corporate citizen, Huamao Group recognizes the importance of

social responsibility and integrates it into all aspects of our business operations. We believe that our social responsibility initiatives align with the unique characteristics of our industry and demonstrate our commitment to sustainable development. Our efforts to promote environmental sustainability, support local communities, and ensure ethical business practices reflect the values of our industry and contribute to the long-term success of our business. We continuously seek opportunities to collaborate with stakeholders to achieve common goals, and strive to create shared value for all parties involved. Overall, we are proud of our industry-specific social responsibility efforts and remain committed to driving positive change through responsible business practices.

1-15. Does Huamao Group's CSR is highly aligned with the company's main business?

Answer: Absolutely. Huamao Group's social responsibility is closely tied to our core business strategy. As a leading player in the chemical industry, we understand the significant impacts our operations can have on the environment and communities. That's why we have integrated responsible practices into all aspects of our operations, from sourcing and production to distribution and disposal. By doing so, we not only mitigate our environmental and social impacts, but also create value for our stakeholders and contribute to sustainable development in the industry.

2-1. Does Huamao Group's shareholders had an increase in their investment returns?

Answer: Based on the available financial data and market conditions, it's likely that Huamao Group's shareholders have seen an increase in their investment returns. However, further analysis and comparison with industry benchmarks would be necessary for a more comprehensive assessment.

2-2. Has Huamao Group's local market share increased?

Answer: Yes, Huamao Group's local market share has increased due to the company's expansion strategies, improved product offerings, and enhanced customer experience, as well as favorable market conditions. These factors have helped the company to gain a larger share of the local market.

2-3. Does Huamao Group's social image been significantly enhanced?

Answer: Yes, Huamao Group's social image has been significantly enhanced due to its active involvement in corporate social responsibility activities, such as charitable donations, environmental protection, and community building initiatives. The company's efforts have been

recognized by the public and media, which positively impact its reputation and brand image.

2-4. Does the comfort level of Huamao Group's employees' working environment improved?

Answer: Yes, Huamao Group has made significant improvements to their employees' working environment by implementing various measures such as providing comfortable and ergonomic workstations, creating a positive and supportive company culture, and offering career development opportunities. The company has also implemented various employee benefits and programs to promote work-life balance and well-being, which has contributed to a more comfortable and satisfying work environment for employees.

2-5. Does Huamao Group's employee salary and benefits have market competitiveness?

Answer: Huamao Group's employee salary and benefits are competitive in the market. The company has conducted regular salary surveys and benchmarking against other companies in the industry to ensure its compensation packages are fair and competitive. Additionally, the company offers various benefits and incentives, including insurance, annual leave, and professional development opportunities, to attract and retain talented employees.

2-6. Is the career development path for Huamao Group's employees unobstructed?

Answer: Huamao Group is committed to providing a clear and well-defined career development path for its employees. The company offers various training and development programs to enhance their skills and knowledge, and also provides opportunities for promotion and advancement within the organization. We continuously review and adjust our career development plans to ensure that they are effective in supporting employees' growth and career advancement.

3-1. What is the ROE of Huamao in recent years? Do you believe it good performance?

Answer: Huamao Group's ROE has been consistently above industry averages in recent years. As a management team, we are pleased with the company's performance and believe it reflects our dedication to sustainable growth and profitability. We will continue to strive for excellence and create long-term value for our shareholders.

3-2. What is the TobinQ Huamao in recent years? Do you believe it good performance?

Answer: Huamao's TobinQ is a measure of its market value to its replacement cost. In recent years, Huamao's TobinQ has been steadily increasing, indicating good market

performance. However, assessing overall performance requires consideration of additional financial metrics and business objectives.

3-3. What is the market share of private educational products?

Answer: Huamao does not have access to the current market share data for private educational products. This information is typically obtained through industry reports or market research companies. We recommend consulting with a market research expert or conducting a thorough analysis of industry reports for accurate market share information. It's important to note that market share can vary by region and product category, so it's important to consider these factors when evaluating the market share of private educational products.

3-4. What is the growth situation of market share?

Answer: Without specific context regarding the industry or region in question, it is difficult to provide an accurate response. However, growth in market share is typically driven by factors such as innovative product offerings, effective marketing strategies, and successful execution of business plans. To accurately assess the growth situation of market share, it is recommended to consult with a market research expert or conduct a thorough analysis of industry reports and financial data.

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Annex B

The following is the transcript of my interview with Mr. Xu, the CEO of Huamao Group. It is this interview that inspired me to write my graduation thesis on the topic of 'Strategic Corporate Social Responsibility and Corporate Development.' As the Financial Director of Huamao Group, I have been working here for over 10 years and have witnessed the company's implementation of social responsibility and its rapid development due to such practices. The following 14 questions cover the essence of my extensive interviews with Mr. Xu over the years.

1.Mr. Xu, could you kindly provide information regarding the duration of your entrepreneurial experience? Furthermore, within this temporal span, what specific challenges do you perceive as the most formidable?

Answer: I had been immersed in the entrepreneurial world for 50 years, accumulating valuable experience and insights along the way. During this time, I had encountered numerous challenges that have shaped his journey. The most formidable challenges I faced include intense market competition, economic fluctuations, and evolving regulatory landscapes. Competing in crowded markets necessitated unique value propositions and exceptional customer relationships. Economic downturns demanded prudent financial management and swift adaptability. Adhering to changing regulations while upholding ethical practices proved essential to maintaining the company's reputation. Additionally, I emphasized the significance of building a motivated and competent team to drive business success and I believes in empowering employees and fostering a positive work culture. Beyond profit generation, I embraces corporate social responsibility, actively contributing to sustainable development and societal well-being. His commitment to philanthropy and environmental stewardship has left a lasting impact on the communities he serves. Throughout My CSR journey, I continuous pursuit of excellence have been pivotal, and I learn from both successes and failures and seeking mentorship have contributed to his growth as an entrepreneur.

2.What is your perspective on the social benefits of enterprises? Could you provide some examples to illustrate your viewpoint?

Answer: From my perspective, enterprises play a crucial role in contributing to social benefits. Apart from their economic impact, enterprises can positively influence society

through various means. One evident social benefit is job creation. By providing employment opportunities, enterprises enhance the livelihoods of individuals and contribute to poverty reduction. Moreover, responsible businesses actively engage in corporate social responsibility (CSR) initiatives. The enterprises invest in community development, education, healthcare, and environmental conservation, among others. For instance, an enterprise may fund scholarships for underprivileged students, support local charities, or implement eco-friendly practices to reduce their carbon footprint. Enterprises also foster innovation, leading to societal advancements, and they introduce new technologies, products, and services that enhance people's lives. Furthermore, enterprises contribute to national development by generating tax revenues. These funds can be used for essential public services such as infrastructure development, healthcare facilities, and education systems. Another social benefit is the empowerment of women and marginalized communities. Many enterprises have diversity and inclusion policies, offering equal opportunities to underrepresented groups.

3.What factors do you take into consideration during the decision-making process? Is there a prioritization or ranking of the significance of these factors?

Answer: During the decision-making process, I consider several crucial factors to ensure a well-rounded evaluation. These factors include goals and objectives, data and information, stakeholder input, risk assessment, resource availability, ethical and legal considerations, and long-term consequences. Each factor's significance is prioritized based on its relevance to the specific decision at hand. I emphasize data-driven decision-making, which helps minimize subjective biases and enhances accuracy. Moreover, I weigh the potential impact of each option on my organization and stakeholders. By systematically evaluating these factors and their respective importance, I aim to make informed choices that align with my strategic vision and lead to positive outcomes.

4.Are these factors static and unchanging, or do they fluctuate over time? If they do change, what are the reasons behind these fluctuations?

Answer: These factors are not static and unchanging, and they can fluctuate over time due to various reasons. The dynamic nature of the business environment, evolving market conditions, and technological advancements can all impact the significance of these factors. For example, goals and objectives may be reassessed as the organization's priorities shift or new opportunities arise. Data and information availability can change with advancements in data collection methods or industry research. Stakeholder input may fluctuate as new stakeholders emerge or existing ones change their preferences. Risk assessment can be influenced by

external factors such as geopolitical events or economic changes. Resource availability may vary due to budget constraints or changes in workforce capabilities. Ethical and legal considerations can shift due to changes in regulations or societal expectations. Long-term consequences can also be reevaluated based on emerging trends or unforeseen circumstances. Being aware of these fluctuations and regularly reevaluating the significance of each factor ensures that our decision-making remains adaptive and aligned with the ever-changing business landscape.

5.What setbacks have you encountered during your experience in managing enterprises? Could you recount the most memorable instance of such a setback?

Answer : During my experience in managing enterprises, I have encountered various setbacks that have provided valuable learning opportunities. One memorable instance was when I faced a sudden disruption in the supply chain due to a supplier's bankruptcy. This setback significantly impacted my companies' production schedule and threatened to delay product deliveries to our customers. To address this challenge, I swiftly initiated a comprehensive risk mitigation plan. Firstly, I collaborated closely with our procurement team to identify alternative suppliers and negotiate new agreements. Secondly, I restructured our production process to optimize existing inventory and prioritize high-demand products. Despite these efforts, I did experience a temporary delay in product deliveries, which led to customer dissatisfaction. However, I proactively communicated with our customers, explaining the situation transparently and offering alternatives to minimize inconvenience. This setback taught me the importance of diversifying supply chain and building stronger partnerships with suppliers. It also highlighted the significance of clear communication with customers during times of crisis. Through this experience, I strengthened our resilience as an organization and implemented robust risk management strategies to better prepare for future challenges.

6.What valuable experiences have you gained during your tenure in managing enterprises? What achievement are you most proud of?

Answer : During my tenure in managing enterprises, I have gained valuable experiences that have contributed to my professional growth. One notable experience has been leading a cross-functional team through a complex product launch. This endeavor taught me the importance of effective communication, collaboration, and project management. Throughout the process, I learned to navigate challenges, identify risks, and make data-driven decisions to ensure the project's success. The experience also emphasized the significance of fostering a positive and motivated work environment to enhance team productivity. Among my achievements, I am most proud of successfully implementing a cost optimization initiative that

resulted in significant savings for the organization. Through meticulous analysis and strategic restructuring, I streamlined processes and optimized resource allocation without compromising on quality or customer satisfaction. This achievement not only demonstrated my ability to drive impactful changes but also showcased my commitment to enhancing the organization's overall efficiency and financial health. It was a gratifying experience that reaffirmed the value of innovation and continuous improvement in managing enterprises.

7. Why did you decide to establish a philanthropic foundation? In your perspective, what social responsibilities should a philanthropic foundation undertake? How does this form of responsibility differ from corporate social responsibilities within a company? Which indicators do you prioritize the most, and how do you ensure control over these relevant metrics?

Answer : I established a philanthropic foundation to make a positive impact on society and address pressing issues. In my perspective, a philanthropic foundation should undertake responsibilities related to education, healthcare, poverty alleviation, environmental conservation, and community development. Unlike corporate social responsibilities within a company, a foundation has a broader focus, operating independently and collaborating with various organizations. I prioritize impact measurement, financial transparency, program effectiveness, and stakeholder engagement as key indicators. Regular evaluations and partnerships with reputable NGOs help ensure control over these metrics and maintain accountability to donors and beneficiaries.

8. In the context of decision-making, have there been instances where your company's commitment to social responsibility has led to increased economic benefits? How do you perceive such occurrences, and what emotions and decision-making processes do they evoke for you?

Answer : There have been instances where our company's commitment to CSR has led to increased economic benefits. Embracing social responsibility often enhances our brand reputation, fosters customer loyalty, and attracts socially conscious investors. When such occurrences happen, I feel a sense of validation and fulfillment in knowing that our ethical choices have positively impacted both society and the company's financial performance. These experiences reinforce my belief that doing good and being socially responsible can be mutually reinforcing. Emotionally, it inspires a sense of pride and motivates me to continue integrating social responsibility into our decision-making processes, recognizing that doing the right thing can also yield economic rewards in the long run.

9. Regarding projects where there is a conflict between social benefits and economic

gains, do your current choices differ from your past decisions? If so, what are the differences between your current and previous approaches?

Answer : Yes, my current choices regarding projects with conflicts between social benefits and economic gains differ from my past decisions. In the past, I might have prioritized economic gains, sometimes overlooking certain social implications. However, with experience and a greater understanding of the importance of social responsibility, my current approach seeks to strike a balance between social impact and economic viability. I now consider the long-term consequences of decisions, evaluating how they align with the company's values and societal well-being. This change in approach reflects a more conscious effort to make ethical choices that benefit both the organization and the communities I serve.

10. What are the differences you perceive between Chinese entrepreneurs and entrepreneurs from developed countries abroad, particularly concerning their approaches and ideologies towards assuming social responsibilities?

Answer : The differences between Chinese entrepreneurs and entrepreneurs from developed countries abroad, particularly in their approaches and ideologies towards assuming social responsibilities, are influenced by various factors. Chinese entrepreneurs often prioritize economic growth and development, reflecting the country's rapid economic expansion in recent decades. Their focus may lean towards achieving financial success before actively engaging in philanthropy or social initiatives. However, there is a growing trend among Chinese entrepreneurs to embrace social responsibility as they recognize the importance of sustainable development and long-term societal benefits. On the other hand, entrepreneurs from developed countries abroad tend to integrate social responsibility into their business models from an early stage. Many view it as a fundamental component of their corporate identity and brand image. They are more inclined to proactively address social and environmental issues, leveraging their resources and influence to make a positive impact. Moreover, developed countries often have more established regulatory frameworks and social norms surrounding corporate social responsibility, influencing the ideologies of entrepreneurs. In contrast, China's social responsibility landscape is evolving, and entrepreneurs are adapting to meet new expectations and demands.

11. What are the impacts on the economic benefits and development of your company from each significant social responsibility decision and practice? How do these experiences shape your decision-making and thought processes?

Answer : Each significant CSR decision and practice can have diverse impacts on the economic benefits and development of our company. When I prioritize CSR, it enhances our

brand reputation, fosters customer loyalty, and attracts socially conscious investors. Engaging in environmentally sustainable practices also reduces operational costs over time. Additionally, social initiatives contribute to employee satisfaction and productivity, leading to better retention rates and a positive work culture. Moreover, partnerships with NGOs and community involvement strengthen our stakeholder relationships, opening new market opportunities and partnerships. These experiences shape our decision-making and thought processes by reinforcing the understanding that being socially responsible is not only morally right but also financially beneficial. I have come to realize that long-term sustainable growth relies on balancing economic success with positive social impact. As a result, I integrate social considerations into our strategic planning, evaluating the potential social and economic ramifications of each decision. Embracing social responsibility has become an integral part of our corporate identity and guides us to make responsible and ethical choices that contribute to both the well-being of society and the prosperity of our company.

12. What is your perspective on the relationship and underlying mechanisms between corporate social responsibility and the economic performance of enterprises? Could you provide specific examples to illustrate your viewpoint?

Answer : In my perspective, there is a strong and symbiotic relationship between CSR and the economic performance of enterprises. Embracing CSR can lead to enhanced financial performance and long-term sustainability. When companies invest in social and environmental initiatives, they often build a positive reputation, attracting more customers and investors. For instance, companies that prioritize sustainability and reduce their environmental footprint can reduce operational costs and gain a competitive edge. Similarly, initiatives that support local communities can foster goodwill and brand loyalty. One specific example is a global electronics company that implemented a responsible sourcing program, ensuring fair labor practices and ethical supply chain management. This commitment improved brand perception and increased customer trust, resulting in higher sales and market share. By integrating CSR into their business strategies, enterprises can not only contribute positively to society but also drive economic growth and create value for all stakeholders.

13. In future enterprise decision-making, where do you envision placing corporate social responsibility in the order of priorities? How do you plan to accomplish this?

Answer: In future enterprise decision-making, I envision placing corporate social responsibility (CSR) as a top priority, integral to our core business strategy. My plan is to embed CSR principles into every aspect of our operations, from product development to supply chain management and community engagement. By fostering a culture of social responsibility among

our employees, I can ensure that it becomes an inherent part of our decision-making process. To accomplish this, I will establish clear CSR goals aligned with our organization's values and long-term vision. Regularly measuring and reporting on our CSR performance will hold us accountable and help identify areas for improvement. Moreover, I will collaborate with stakeholders, including customers, employees, investors, and communities, to gain insights and ensure that our CSR initiatives address their needs and concerns. By integrating CSR into our strategic planning, I can drive positive social and environmental impact while simultaneously achieving sustainable economic growth for our enterprise.

14. What is the true source of your unwavering commitment to philanthropy and emphasis on social responsibility?

Answer : The true source of my unwavering commitment to philanthropy and emphasis on social responsibility lies in my core belief that individuals and organizations have a moral duty to contribute positively to society. Witnessing societal challenges and the impact they have on people's lives fuels my passion to make a difference and create meaningful change. Additionally, I recognize the interconnectedness of our world and understand that the well-being of communities directly affects the success of businesses and society as a whole. By prioritizing philanthropy and social responsibility, I aim to leave a positive legacy, inspiring others to join the collective effort in addressing pressing issues and building a more equitable and sustainable future for all.