# Social Responsibility and Value in enterprises and companies

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**Abstract.** The purpose of this study is to discuss the impact of social responsibility on the company's value. Taking Xiaomi Company as a case, the research objects are decision-making level, management level and grass-roots employees by questionnaire survey. The sampling method is purposive sampling. 125 groups of samples (decision-making level and management level) and 623 groups of samples (grass-roots employees) are sampled. Hierarchical model (HLM) and hierarchical regression are used to analyze the positive impact of different levels of employees on social responsibility on the company's value and verify it.

**Keywords:** Social responsibility; Company value; Financial analysis; Financial strategy; Carroll frame.

## 1. Introduction

The main problem of this study is to analyze the relationship among social responsibility, corporate economic value and corporate social value. In order to explore the influence of social responsibility on corporate value, cost leadership is the moderating role between them. Firstly, this chapter explains the research background and motivation, extends the purpose of this research and puts forward research questions according to the research background, and then clarifies the innovation of this research. Finally, the definitions and explanations of the terms in the study will be described as follows.

### 1.1 Research Background

Enterprises make use of their limited resources, allocate them rationally, and then further process them to form products that customers need. On the one hand, it meets the needs of customers and realizes the economic value of the company. Enterprises must fulfill their social responsibility. From the history of management accounting, many modern companies also recognize the concept of social responsibility. Is the inevitable result of historical development? Therefore, all sectors of society have been discussing social responsibility for a long time. At present, the company's social responsibility starts from two parts. One is internal responsibility, and the other is external responsibility. Including internal responsibility to shareholders and investors: be responsible to shareholders to ensure steady profits. Responsibility to employees: ensure employee welfare, pay wages on time, ensure the safety of working environment and comply with Source also improves customer loyalty, and prepares for the future social welfare investment of more resources. If the company makes outstanding contributions, it can establish the corporate image and attract more people to participate in the purchase. Then, the company has more money to invest in product innovation.

### 1.2 Research Content

The research purpose of this study is to understand the relationship between social responsibility and company value. Taking Xiaomi Company as an example, taking cost leadership as the adjustment variable, we can ask the following questions, which are worth exploring. It includes: (1) whether social responsibility can influence the company value? (2) To explore whether cost leadership can promote social responsibility? (3) Does cost leadership play a moderating role between social responsibility and company value?

### 1.3 Research Significance

The significance of this research is as follows: (1) the research on social responsibility and cost leadership helps to understand the positive role that cost leadership plays in fulfilling social

responsibility, so that enterprise stakeholders can play their functions and values in fulfilling social responsibility. (2) In the process of improving the advantages of enterprises through cost leadership, we should adopt innovative methods to improve our core competitiveness, so as to enhance the achievements of enterprises. (3) The research on social responsibility, cost leadership and company value is helpful to enrich the research among variables and provide data support for future related research. (4) The research on social responsibility and cost leadership can better verify the importance of the two variables to enterprise value, and provide ways and methods for enterprises to improve their economic benefits and social values.

### 1.4 Research and innovation

Some literatures think that the factors that affect the company value are a dynamic development system. If we consider the influence of a certain research factor on the company value alone, it will be difficult to get the influence of corporate responsibility on its value. Therefore, this paper adds adjustment variables.

### 1.5 Research process

The key of this research is to analyze the impact of social responsibility on the current company value, and carry out a lot of research with the moderating effect of cost advantage. This research process first establishes the research motivation, according to which the purpose of this research is generated. Then, according to the research motivation and purpose, the thesis is discussed. According to the theoretical viewpoints put forward by the sages, the research hypothesis and research framework are established, and the research method is determined according to the research framework. Finally, after the questionnaire is collected, the data is analyzed, the final research conclusion is drawn, and the discussion and suggestions are made.

Determine the research motivation
↓
Draw research purpose and ask questions
↓
Discussion on related literature
↓
Establish research hypothesis
↓
Establish a research framework
↓
Determine the research method
↓
Questionnaire collection data analysis
↓
Research conclusions and suggestions

## 2. Ease of Use

### 2.1 Definition and Connotation of Social Responsibility and Corporate Value Social

Responsibility Social responsibility refers to an organization's responsibility to society. An organization operates and manages in a way that is beneficial to society. Social responsibility usually means that an organization undertakes social obligations higher than its own goals. It is beyond the obligation of law and economy to the organization. Social responsibility is the morality of organization management, and it is the voluntary behavior of the organization out of obligation. "According to the statistics platform of the third-party live broadcast data, nearly 300,000 new fans of White Elephant's official Tik Tok have been added in the past week, with live broadcast sales of 7.7 million yuan. The reputation of Baixiang brand has soared. Although there are hot events, the

internal cause is the emphasis on social responsibility. Li Keyu (2022); "Corporate social responsibility is the key factor for the long-term survival and development of enterprises in the social and economic environment. Especially with the rapid economic development in the new era, more and more Chinese enterprises realize that taking the initiative to undertake more social responsibilities will be more conducive to long-term realization of economic interests and values, rather than just pursuing the maximization of corporate profits. Wangle (2020) "Company Value" is the discounted value of the expected free flow of the enterprise with its weighted average capital cost as the discount rate. It is closely related to the financial decision of the enterprise and reflects the capital value of the enterprise. And the ability of risk sustainable development, which is extended to the field of management, with enterprise value as the core, so that all stakeholders with the enterprise can obtain satisfactory return ability. "Companies with high internal control quality have significantly better value creation ability than those with low accounting quality; The larger the scale, the stronger the value creation ability; The higher the asset-liability ratio, the weaker the value creation ability. " Xi (2021) To sum up, this study has defined the social and corporate values, and based on the above literature, its ultimate goal is not only the economic interests of the company, but also the realization of the established economy. Enterprises themselves should strengthen their sense of social responsibility and realize social values other than economic values. Therefore, to achieve this goal, we need to know the relevant theories first.

Carroll's Four Frameworks Theory of Social Responsibility The pyramid of corporate social responsibility was put forward by Archie Carroll in 1979. He regarded social responsibility as a structural component and related to four different levels of the relationship between enterprises and society. That is, "the corporate society contains the economic, legal, ethical and charitable expectations of the society for the organization in a specific period. "Carroll model provides an important theoretical support and practical basis for enterprises to fulfill their social responsibilities. Enterprises need to constantly strengthen their social responsibility concepts and strengthen their social responsibility management, which will not only bring direct economic benefits to enterprises and shareholders, but also help enterprises establish a good image and increase their competitive advantages. Therefore, corporate social responsibility is an inevitable condition to achieve sustainable development, and it is also the source of power to promote sustainable development. Hu Xin Yun (2016).

### 2.2 SWOT environmental analysis theory

Economic value is one of the two-way influences of social responsibility and corporate value. Based on SWOT model, we should consider the rationality of financial strategy. Among them, the factors that affect financial strategy are: economic environment, the influence of internal organizational structure, the influence of production scale and the influence of competitors. SW is the internal influence factor, including the influence of internal organizational structure and the influence of production scale. OT is an external factor, including the economic and financial environment and the influence of competitors. On the other hand, social value is another aspect of company value discussed in this paper, and the factors that influence social value include charity environment and the propaganda of green environment. "The third part reviews the development process of TCL Group, makes SWOT analysis of its corporate financial situation, and puts forward corresponding countermeasures and reasonable suggestions for its financial strategy. Zeng Ying (2017).

### 2.3 DuPont theory

Dupont theory is a tool for financial analysis and one of the important ways to measure economic value. 1. First, calculate the equity multiplier, then analyze the reward level, analyze the problems existing in the enterprise, and actively seek solutions. 2. Consider the financial leverage effect through the number of liabilities and equity multiplier. 3. Consider the relationship between the return rate of shareholders' equity and the net interest rate of the total assets of the enterprise, and the problem of rising or falling in the same direction. "This paper takes Company S as the research object, makes a

concrete analysis of the problems existing in its profitability based on the annual statements published from 2016 to 2020, and gives relevant suggestions. Yang Antwan (2021)

### 2.4 Summary

In summary, the research related to social responsibility shows that it can have a two-way impact on company value. After an enterprise satisfies its economic value, it can fulfill its sense of social responsibility, not only establish its corporate image, but also improve its customer loyalty. After gaining more capital gains, it can carry out technological innovation and improve its core competitiveness.

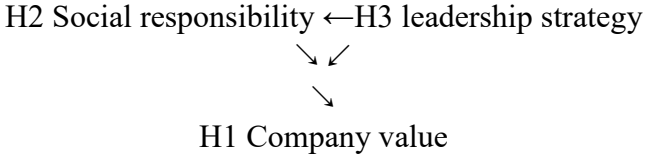
## 3. Prepare Your Paper Before Styling

In this study, a questionnaire survey was used, covering two scales of "social responsibility" and "company value", and linear regression model (HLM) was used for analysis. Take Xiaomi Company as the specific research object. Based on the analysis of the impact of social responsibility on the company's value, the cost advantage is taken as the adjustment variable. In order to achieve the above research hypothesis, this study gives the specific research method and research framework through literature analysis, analyzes the data collected in this study and explains the research results. As the basis of research conclusions and suggestions, this paper puts forward the research framework and hypothesis, explains the research object and sampling method again, discusses the research tools and how to conduct the research investigation again, and finally uses the data analysis method.

### 3.1 Research framework

According to the research purpose and the results of literature discussion, this study shows the conception of the whole research in the form of architecture diagram, and puts forward the research hypothesis.

The research architecture is shown




### 3.2 Research hypothesis

According to the above research purpose and research framework, the hypothesis of this study is as follows H1: Social responsibility can positively influence the company value. H2: Cost leadership strategy can positively influence social responsibility. H3: The cost leadership strategy has a moderating effect between social responsibility and company value.

### 3.3 Research object and sampling method

Xiaomi Company, as a specific research sample, conducted paired sampling, taking one leader corresponding to five employees as a group, and distributed 110 questionnaires for testing; 130 groups were formally sampled (evenly distributed among 23 provinces), and a questionnaire survey was carried out. The questionnaires were distributed to companies in various provinces, cities and counties, all of which were distributed to familiar management, so as to facilitate reasonable sampling.

### 3.4 Research tools and analysis

The research tool consists of two scales: "Social Responsibility" and "Corporate Value". The scales compiled or developed by domestic and foreign researchers already have good reliability and validity. Experts and professionals are requested to make suggestions on the translated scales and revise the semantics of each item, so as to avoid difficult understanding or mistakes in the translated sentences, and the standardization is greatly improved.

Taking Xiaomi Company as the main research object, and the head offices in 23 provinces as the research object, through purposive sampling and the form of electronic questionnaires, we commissioned acquaintances in the industry to distribute them. Among them, 118 questionnaires were collected for "social responsibility", and the samples were optimized by SPSS software, of which 14 were invalid and 102 were valid, with the recovery rate of valid questionnaires reaching 88.1%. A total of 126 questionnaires were collected from "Company Value", and 10 invalid questionnaires were removed. Finally, 116 valid questionnaires were collected, with a recovery rate of 92.1%.

## 4. Using the Template

**Table.1** "Social Responsibility" Carroll Four Framework Analysis Results

| Analysis results of Carroll's four frameworks of "social responsibility" | | | | | | |
|---|---|---|---|---|---|---|
| form | Topic item | average number | Correction result | delate | form | total |
| economics | c12-22 | 3.98 | 730 | 650 | 915 | |
| laws | c23-33 | 3.83 | 690 | 550 | 767 | |
| ethics | c35-45 | 3.79 | 650 | 530 | 750 | |
| charitable | c48-58 | 3.92 | 700 | 620 | 890 | |

**Table.2** Analysis Results of Factors Affecting "Company Value"

| Factors influencing social value | | | | | | |
|---|---|---|---|---|---|---|
| form | Topic item | average number | Correction result | delate | form | total |
| Enterprise internal organization | c12-22 | 3.12 | 796 | 656 | 896 | |
| Production scale | c23-33 | 3.01 | 737 | 607 | 871 | |
| Financial environment | c35-45 | 2.98 | 715 | 685 | 857 | |
| competitor | c48-58 | 2.96 | 706 | 576 | 758 | |

**Table.3** Linear Regression Analysis Chart

| | Analysis and Results of Regression Parameter Model | | |
|---|---|---|---|
| | coefficient | error | Correlation coefficient |
| Fixed result | -8.271 | 2.408 | 0.001 |
| Social value | 7.059 | 3.153 | 0.001 |
| Company value | 0.046 | 1.478 | 0.027 |

Summary: The previous correlation analysis shows that there is an obvious connection between them; then the regression analysis shows that the results are more scientific and the correlation is significant.

## 5. Conclusion

After the statistical analysis of the research samples, the authenticity of the hypothesis is confirmed. The statistical analysis of samples is described, the correlation of related factors is verified, and the correlation between "social responsibility", "company value" and "cost leadership strategy" is significant, with $P<0.05$. As described in Chai Jing's Under the Dome, Xiaomi's mobile phone is also a practitioner and witness in protecting the environment. Similarly, at the moment of the epidemic, the company also contributed its own strength, realizing economic value and social value, and the number of customers increased steadily. Xiaomi invented the intelligent electric cooker and the remote control of washing machine in the innovation stage, and won the core competitiveness in the same industry, science and technology, wisdom and convenience.

It is suggested that this paper should be improved in the later stage, the research sample should be improved, the questionnaire questions should be supplemented, and several adjustment variables

should be added. I hope to study the value and corporate responsibility of Chinese enterprises from a deeper and more perspective in the future. We can get more explicit factors that affect the enterprise value, and provide better help for later researchers.

Through design and analysis, there are also some research limitations in making innovative suggestions for e-commerce. 1. The scale is not comprehensive enough, the data source lacks objectivity, and the number of scales is insufficient; The model is relatively simple, and the research depth is not enough. In order to successfully complete the research, the model is more theoretical, and the number of case studies is not enough, which requires specific analysis of specific problems

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