

# CHAPTER 1

## INTRODUCTION

### 1.1 Background and significance

Foreign researchers began theoretical analysis on CSR 150 years ago. The classical economic theory explained the concept of "CSR" as early as the 18th century, namely, the CSR of an enterprise lies in the efficient allocation of resources to provide the products and services required by the society with acceptable price. Since 1980, more and more researchers have carried out research on this subject and provided a large number of research cases. Most of the results show that the seriously practice of CSR plays a promotion role in wealth accumulation. ( Yao Haixin, 2007).

In 2000, the United Nations called on global enterprises to comply with several principles, including human rights, aiming at helping enterprises to realize and dare to fulfill CSR. In 2004, ISO began to prepare corresponding international standards for CSR (ISO26000). At present, the ISO/WGSR co-led by Brazil (ABNT) and Sweden (SIS) have 91 members including different countries or regions, besides, 42 organizations participate in the ISO/WGSR activities as liaisons. Currently, the trend that enterprises actively practice CSR gradually appears.

Compared with foreign countries, corporatized organizations in China have begun to focus on how to display and fulfill CSR, although there are relatively few studies in this field domestically. In 2006, the CSR-related guidelines issued by the Shenzhen Stock Exchange set a precedent for listed companies to disclose their due diligence status (Zou Xiong, 2008). On the whole, the corporatized organizations in China have begun to pay attention to their own CSR.

China has a long history and a vast territory with much richer tourism resources than other countries. However, the flourishing development of tourism also reflects more defects and shortcomings. For example, it's often difficult for investors

to timely access to real and complete corporation operation information, frequent staff changes often lead to fluctuated product and service quality. On these issues, China's tourism enterprises are still lack of a strong sense of CSR, and during decision-making process, the appeals of stakeholders are ignored to a certain extent.

Listed Tourism Company's economic situation and its influence on the whole industry have raised the whole society's attention. However, relatively speaking, the studies on the relationship between CSR and economic performance of tourism enterprises needs to be further strengthened. This paper selects listed tourism companies as research objects, and comprehensively makes use of theoretical and empirical studies to demonstrate the relationship between CSR and economic performance, and eventually clarify the influence of actively fulfill CSR on enterprises. This study is of great significance to promote degree of concern of the tourism listed companies and even the whole tourism industry on CSR and the realization of enterprises' maximum social value.

## **1.2 Research significance**

### **1) Theoretical significance**

Although foreign researchers recognize the positive correlation between fulfillment of CSR and economic performance through empirical research (Zhao et al. 2007), there still exist unsolved problems. For example, what kind of impact mechanism does each of the two sides share actually? Is it that the enterprises with good performance further improve their economic performance by fulfilling CSR or that some enterprises which are on the verge of bankruptcy come back to life by fulfilling CSR? How much is the effect of fulfilling CSR on the economic performance of enterprises? Is it decisive, or just play the role of icing on the cake? These questions do not yet have definite answers.

At present, most researchers in China choose business ethics as the breakthrough point to analyze the nature of CSR when carrying out studies, thus the

empirical research is relatively lacking. This paper chooses the intersection of many theories as the breakthrough point, and takes tourism industry as the researching field to analyze the relationship between economic performance and CSR.

## **2) Practical significance**

Faced with increasingly exogenous external competitive environment, a very important way to improve enterprise's competitiveness is to continuously shape their social images with the help from investors, managers, employees, governments, banks and other areas. There exists a close relationship between enterprise's social image and CSR. Listed company's concern for CSR will lead the general tourism enterprises to fulfill their CSR to accumulate the intangible capital for enterprises, and eventually realize the sustainable development of the whole industry.

### **1.3 Research category**

#### **1) Normative research**

Normative research can be understood as theoretical research, specifically applied to the theme of "what should it be". In the normative research part, this paper mainly studies the relationship between CSR and the improvement of economic performance, the theories mainly includes basic theories like sustainable development.

#### **2) Empirical research**

Empirical research addresses the problem of "what it is". According to the conclusions drawn from the above theoretical research, this paper proposes corresponding Hypothesis, and completed correlation and regression analysis through the statistical analysis software SPSS20. The correlation analysis and regression analysis are completed to analyze the actual situation of tourism listed companies based on specific data and examine the research Hypothesis presented above.

#### **1.4 Structure and main content of this paper**

This paper is divided into seven parts; each part contains the following content:

Chapter 1 is introduction. This chapter mainly introduces the history of CSR and the practical significance of this research. This chapter also expatiates the research methods and the structure of this paper.

Chapter 2 is literature review and theoretical basis. This chapter reviews the history of listed tourism companies as well as the history of CSR and wealth accumulation. At the same time, this chapter discusses the basic theory of CSR theory. This chapter also proposes research Hypothesis according to related theories and achievements.

Chapter 3 mainly introduces research method and indicator design and equation design.

Chapter 4 examines the relationship between CSR and economic performance in sample companies through correlation analysis and regression analysis approaches

Chapter 5 offers specific conclusion of the above analyze and recommendations to promote listed tourism companies to fulfill their CSR based on the above theoretical research and empirical analysis.