

Elements of Realization for the Effective Implementation of Corporate Social Responsibility

-Case Analysis based on Novolife Corporation's Charity Relief Programme for Children with Encephalopathy

Kaiyue Jiang

Breck School, MN, U.S.A.

Abstract:

Participating in social welfare undertakings and helping to solve social problems are significant channels for fulfilling and realizing corporate social responsibility. Over the past two years, as a volunteer, the author has personally participated in the public welfare project for children with encephalopathy of Nolai Biomedical Technology Co.(Novolife). The author has organized public welfare associations for children with encephalopathy in ICC attached to the Renmin University of China and Breck School in Minnesota, USA, to publicize and study the progress of this project, to follow up and understand the treatment and recovery of the children with encephalopathy, to consult and discuss with managers, medical experts and nurses of Novolife Corporation, and to tale to the children with encephalopathy and parents of the patients. From the preliminary discomfort and shock of witnessing children with encephalopathy in batches, the author gradually changed to the voluntary dedication of directly participating in the service, and under the guidance of Professor Chengfu Zhang, doctoral supervisor of Renmin University of China, and professor of Fulbright Foundation in the United States, the author transformed into the rational thinking of corporate social responsibility. The author is interested in how enterprises should achieve social responsibility under the law of profit maximization and gradually explores the shortcomings, dilemmas, experiences, and inadequacies of Chinese enterprises in achieving social responsibility. This paper focuses on the case analysis of Novolife Corporation's public welfare project for children with encephalopathy and seeks to analyze the experience of Novolife Corporation in realizing its CSR and to summarize the effective paths for corporations to fulfill their social responsibility under the premise of profit maximization.

Keywords: Corporate Social Responsibility; social welfare; Novolife Corporation; Children with Encephalopathy; Children with Encephalopathy; economic benefits

I. Theoretical Basis for the Fulfillment of Social Responsibility by Corporates

As profit-making organizations pursue their profit maximization strategies, whether and how enterprises should bear social responsibility has undergone a process of exploration, controversy, and deepening of understanding in theoretical and practical circles.

The traditional view holds that enterprises are profit-making economic organizations that operate independently, are independently accountable, and are established under the law, and that the purpose of the existence of an enterprise is to make profits, and that it would be contrary to the nature of an enterprise to emphasize its social responsibility. Enterprises should take the realization of their

interests as their starting point, and fulfilling their social responsibilities is not required.

In 1924, Oliver Sheldon, a British scholar, first put forward the concept of corporate social responsibility, arguing that the goal of economic organizations should not only be the pursuit of economic benefits but also the consideration of moral dimensions in the process of production and operation, so as to meet the needs of society. With the development of the times, especially the rise of labor rights theories, socioeconomic theories, and environmentalism theories, it has become more and more a consensus that enterprises need to assume social responsibility. According to Frederick, social responsibility means that managers must take into account the public's expecta-

tions in their business operations and that production and distribution should enhance the socioeconomic well-being of society as a whole.¹ Harold Koontz argues that: 'Corporate social responsibility is the responsibility of the company to meet the needs of society. According to Harold Koontz, corporate social responsibility means considering the impact of a company's actions on society. McGuire considers the concept of social responsibility refers to the fact that corporations not only have economic and legal responsibilities, but also social responsibilities related to political interests, community welfare, education, and employee welfare.'² In 1997, the American civil organization, Social Accountability International issued the SA8000 standard for the first time, which defines the social responsibility standard and puts forward the corresponding social responsibility system requirements, combines social responsibility with enterprise management, regulates the moral behavior of enterprises to a certain extent, and is conducive to improving the working conditions of enterprises and protecting workers. In 2004, the International Organization for Standardization (ISO) issued ISO26000 'Guidelines on Social Responsibility', which emphasized the integration of social responsibility into the management system of the organization as an important element of CSR and systematically described how to carry out the assessment of social responsibility.

The research and development of CSR in China came relatively late, and it was only after the 1980s, with the deepening of China's reform and opening up, the gradual establishment and perfection of the socialist market economic system, and the real determination of the status of enterprises as the main body of legal persons operating in the market, that the research and practice of CSR in China was launched. Most of the research on CSR conducted by Chinese scholars is based on the incorporation and reference of relevant foreign theories and defines and elaborates on CSR from different disciplines and perspectives. Article 20 of the Company Law of the People's Republic of China stipulates that In engaging in business activities, a company shall give full consideration to the interests of the company's employees, consumers, and other stakeholders, as well as the public interests of society, such as ecological and environmental protection, and shall assume social responsibility. The State encourages companies to participate in social welfare activities and to publish social responsibility reports. The State encourages companies to participate in social welfare activities and publish social responsibility reports.

Given the current theoretical discussions on CSR, the definition of CSR mainly includes two aspects: the narrow sense and the broad sense. CSR in the narrow sense emphasizes the obligations and responsibilities that enterpris-

es need to undertake and generally refers to the responsibilities that enterprises need to undertake in addition to the goal of maximizing operating profits. In a broader sense, CSR is considered to be an extension of its basic connotation, and scholars usually define it from the perspective of social taxonomy, of which the most influential are Carroll's four conceptual frameworks of responsibility and the stakeholder theoretical framework of the Stanford University research group in the United States, respectively. According to Carroll's classification of responsibility attributes, CSR includes economic, legal, ethical, and philanthropic responsibilities.³ The stakeholder theory framework is based on responsibility attributes.⁴ According to the stakeholder theory framework, enterprises should take responsibility for shareholders, employees, consumers, communities, the environment, and other factors that are related to their operational efficiency. Based on the above analysis, this paper argues that CSR refers to the fact that while generating profits and being responsible for the interests of shareholders, enterprises should also take responsibility for their employees, consumers, communities, and the environment in a way that is conducive to the sustainable development of the economy and society, which includes, in particular, abiding by business ethics, protecting the rights and interests of laborers, expanding employment in the society, protecting the resources and the environment, supporting charitable undertakings, and rescuing the vulnerable groups, and so on.

II. Business Case: the Practice and Effectiveness of Novolife Corporation in Fulfilling its Social Responsibility

Around us, there is this group of special children. When other children are learning to speak, they are unable to express themselves because of speech development disorder; when other children are toddling, they are unable to straighten their limbs because of high muscular tension; when other children are running and playing on the field, they can only follow their parents to run around in various hospitals. They are the children with cerebral palsy - the angels with broken wings. Relevant data show that the incidence rate of cerebral palsy is about 1.5 to 4 per 1,000 globally, and there are now 6 million children with cerebral palsy in China, of whom 1.78 million are under the age of 12, and there are about 45,000 new cases of cerebral palsy every year, with 70 % of the children with cerebral palsy living in poverty-stricken and economically backward areas. Most children with cerebral palsy miss out on, or cannot receive, timely and effective treatment and rehabilitation due to the limitations of medical technology and the economic conditions of their families.

Cerebral palsy, epilepsy, cerebral dysplasia, and other diseases seriously affect the physical and mental health and development of children, and the families of the affected children have to bear great mental and economic pressure, and the treatment of children with cerebral diseases has become a common concern of the whole society.

Novolife Corporation is located in Tai'an City, Shandong Province, China. The business scope of Novolife Corporation mainly consists of four sections: Functional Neurosurgery Centre, Major Disease Prevention Centre, Regenerative Medicine Centre, and Skin Beauty Centre, etc. From December 2019 to the present, Novolife Corporation has been relying on its own advantages in medical technology, focusing on the rescue of cerebral children, actively fulfilling its social responsibility, and continuing to carry out the cause of public welfare assistance for cerebral children, which has achieved very good results and has been regarded as the 'Shandong Model' of public welfare assistance for cerebral children by the Chinese charitable sector.

The Functional Neurosurgery Centre of Novolife Corporation, with Professor Tian Zengmin as the chief expert, leads a team focusing on the medical treatment of various types of brain diseases, mainly relying on robot-assisted frameless brain stereotactic technology to provide surgeries for brain-diseased children to fundamentally improve the patients' limb function, cognitive function, language function and other diseases, which is featured with minimally invasive, precise, highly efficient and safe.

While providing marketable medical services to society,

Novolife Corporation, starting from the end of 2019, has joined hands with the China Health Promotion Foundation and Shandong Disabled Persons' Federation to successively carry out the "Sharing Sunshine - Caring for Children with Disabilities" rescue project, the 'New Hope' National Cerebral Palsy Children Public Welfare Relief Programme, and nearly 20 other free public welfare relief projects. Through the free public welfare assistance programs, Novolife Corporation has penetrated into 16 provinces, 58 cities, and 97 counties, including Beijing, Xinjiang, Qinghai, Tibet, Chongqing, and Shandong, etc., and carried out more than 1,000 offline screening activities, providing assistance and diagnostic services for more than 20,000 children with encephalopathy, and conducting 2,723 professional evaluations (2,470 pre-operative and post-operative evaluations, and 253 reassessments for more than half a year), successfully rescuing and treating 12,000 children with encephalopathy, and providing them with medical services. The program successfully treated 1,254 children with brain diseases (585 with cerebral palsy, 101 with epilepsy, 490 with cerebral dysplasia, and 78 with other diseases), and the treatment technology and the number of treatments were assessed by experts in the medical industry as reaching the international advanced level. The public welfare program has effectively relieved the pain of children suffering from cerebral diseases, improved the children's speech and mobility, and greatly reduced the financial burden of their families, giving them and their families new hope.⁵

Summary of Surgical Performances (2019 to date)

Total	2019	2020	2021	2022	2023
1254 persons	5 persons	114 persons	243 persons	463 persons	428 persons

III. Elements of Realization for the Effective Implementation of CSR

It is a real challenge for enterprises to balance the pursuit of profit and the commitment to social responsibility. Novolife Corporation has made a useful exploration in balancing the relationship between the two and actively fulfilling its social responsibility.

(i) Operators' social sentiments as an intrinsic motivation for enterprises to fulfill their social responsibilities

As a native of Shandong Province, the founder and chairman of Novolife Corporation is deeply influenced by Confucianism's ideas. As a father of a child with cerebral palsy, the founder and chairman of the Board of Directors

has experienced the impatience, helplessness, and despair of parents of children with cerebral palsy. When his own child's speech and mobility improved after receiving treatment, he decided to invest all his family's assets and energy into Novolife Corporation, the creation of the Functional Neurosurgery Centre, and the promotion of public welfare assistance projects. It can be said that Novolife Corporation's tireless efforts to carry out projects to help children with encephalopathy and actively fulfill its corporate social responsibility are inseparable from the humanistic care of the founder and chairman of Novolife Corporation. At the same time, however, we should also see that only relying on the personal humanistic care of business operators is not enough to support the fulfillment of corporate social responsibility in the long run.

(ii) Integration with development strategies and branding strategies is an important foundation for the sustainable realization of CSR.

The proper corporate development and branding strategy is an irreplaceable foundation for the realization of corporate profitability. In order to realize social responsibility in a sustainable way, it is necessary to integrate with the brand strategy of enterprise development strategy. By combining the construction and development of the Functional Neurosurgery Centre and the free treatment program for children with encephalopathy, Novolife Corporation has explored a new business model and public benefit model. On the one hand, the construction and development of the Functional Neurosurgery Centre provide technical support and partial financial support for the free treatment program for children with encephalopathy; on the other hand, the continuous implementation of the free treatment program for children with encephalopathy wins the branding effect and social reputation for the construction and development of the Functional Neurosurgery Centre and enhances the competitiveness and influence of the company. In the past four years, Novolife Corporation has invested more than RMB 50 million in the free treatment program for children with encephalopathy, successfully treating 1,254 children with encephalopathy and benefiting 1,254 families. All these funds came from the marketing income of the whole business segment of Novolife Corporation, including the Functional Neurosurgery Centre.

When profiling the company's approach, the main reason lies in the fact that it has applied the perspective of 'social economy' theory to its business practices and constructed an operable public welfare-branding strategy. The theory of 'social economy' advocates that economic behavior is a process of interaction with society, culture, and values, emphasizing cooperation, improvement, economic and social evolution and development, and maximizing human welfare through economic activities. According to French economist Thierry Rantai, the 'social economy' is not 'measured in the same way that people measure the capitalist economy, i.e., wages, earnings, etc.', but rather, 'its output is a combination of social effects and indirect effects'. Outputs combine social effects with indirect economic benefits. The essence of the public welfare-branding strategy is to promote the brand of the enterprise's products through the fulfillment of social responsibilities, such as public welfare and charity, so as to turn the business activities of fulfilling the enterprise's social responsibilities into the enterprise's valuable assets, and to achieve a win-win situation between public welfare objectives and business objectives. This strategy not only defines the long-term development goals of the enterprise more accu-

rately, but also makes the enterprise more practical when moving towards the development goals; at the same time, a successful public welfare brand strategy will generate significant positive incentives for the enterprise's stakeholders, including management, employees, consumers, service users, and so on, so that the fulfillment of CSR is more sustainable in terms of subjective motivation and objective possibilities. This will make the fulfillment of CSR more sustainable, both in terms of subjective motivation and objective possibilities.

(iii) Scientific and technological innovation is the quality support for enterprises to fulfill their social responsibilities at a high level

Excellence comes from innovation, and the ability to innovate in science and technology is the soft power of an enterprise. Technological progress is indispensable for the fulfillment of corporate social responsibility, whether it is the improvement of labor conditions, the economical use of resources, or the assistance to disadvantaged groups in society.

The success of the public welfare project of Novolife Corporation for children with brain diseases is mainly due to the robot-assisted frameless brain stereotactic technology from the medical point of view, which is characterized by minimally invasive, precise, efficient, and safe. Unlike traditional craniotomy, there are three core technologies required to treat cerebral palsy: the first is to accurately locate the foci; the second, to accurately reach the foci without causing new injuries through stereotactic technology; and the third, to resolve the foci and activate the brain nerves; these three technologies have been achieved by Novolife Corporation. According to the evaluation and monitoring of medical experts from Qilu Hospital of Shandong University, the target accuracy rate of the surgery of the company's public welfare rescue program for children with brain disease is 100%, the efficiency rate is 98.2%, and there is not a single case of serious surgical complication or medical accident. The practice of this enterprise shows that scientific and technological innovation, especially scientific and technological innovation that meets the needs of the market, improves the technical capacity and efficiency of enterprises in fulfilling their social responsibilities.

(iv) Government recognition and support is an important guarantee for the realization of CSR.

According to Howard R. Bowen, the founder of social responsibility, CSR is a process in which entrepreneurs make appropriate decisions and take specific actions required based on their corporate goals and social value objectives, leaning on the relevant policies of the country.⁶

To resonate with the development of the society and the country is the rightful meaning for enterprises to realize their social responsibility.

Combining the public welfare relief program for children with encephalopathy and serving the national strategy, Novolife Corporation has gained recognition and support from the government through its persistence and dedication. It has received special relief projects and funds supported by Shandong Provincial Government and Chongqing Municipal Government successively in 2021. The enterprise's proposal on improving the national rehabilitation and relief system for children with encephalopathy has received a positive response from the relevant national authorities, encouraging the enterprise to continue to build the 'Shandong model' for public welfare relief of children with cerebral palsy in 2023. Novolife Corporation was encouraged to continue to build a 'Shandong model' of public welfare assistance for children with encephalopathy. The recognition and support of governments and government departments at all levels for the public welfare assistance program for children with cerebral diseases and their accommodating and promoting attitude towards the innovative medical system have made the enterprise, which aspires to realize its social responsibility, walk more and more broadly on the road of benefiting the society and the disadvantaged groups.

(v) Collaboration with social organizations is a necessary enabler for corporate social responsibility

Specialized social organizations have a good understanding of the social issues in their field and have accumulated a certain amount of talent and information. The cooperation between enterprises and professional social organizations is an indispensable contribution to the better fulfillment of social responsibility.

The Shandong Disabled Persons' Federation (SPDF) has played an important role in the organization and implementation of Novolife Corporation's project to help children with cerebral palsy. Under the auspices of the Shandong Disabled Persons' Federation, the special action for the rehabilitation of children with cerebral palsy was included in the 14th Five-Year Plan of the Shandong Disabled Persons' Programme. In order to expand the charity fund, the enterprise has cooperated with a number of social welfare organizations in China and the province to jointly launch charity projects, leading the whole society to participate in supporting the rescue of children with cerebral palsy through corporate donations and public donations. The cooperation with social disability organizations and charitable organizations has enabled the enterprise to gain more social recognition and charitable support,

making its efforts to build a sustainable path of public and online fundraising for the relief of children with cerebral palsy more feasible.

IV. Conclusions

The above enterprise practice reveals to us that the pursuit of economic benefits and the fulfillment of social responsibility by enterprises are not contradictory, on the contrary, they can feed each other. As the demand for enterprises to fulfill their social responsibility grows louder and louder in all aspects of society, the fulfillment of social responsibility is increasingly becoming a new strategy for enterprises to optimize the allocation of resources and build up their brand image.

For enterprises to effectively fulfill their social responsibility, subjectively, they need the social sentiment of their managers; intrinsically, they need to integrate with their development strategy and support scientific and technological innovation; and externally, they need the recognition and support of the government and professional cooperation with social organizations. When an enterprise can effectively fulfill its social responsibility and continuously devote itself to solving social problems in terms of value orientation, the recognition and praise of the government and the community for the enterprise will grow simultaneously. Such recognition and praise can directly enhance the reputation of the enterprise and bring more brand benefits to the enterprise; it can deepen the pride of the enterprise's employees, who will then work more actively for the enterprise. The development mode of enterprises effectively fulfilling their social responsibility, as a more long-term benefit return mechanism, can provide a more solid foundation for the sustainable development of enterprises and society. This is a win-win, benign, and positively correlated relationship worthy of incentives, both for the development of the enterprise and for the development of society.

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