Research on the Behavior Evaluation for Social Responsibility of Food Corporation in China Based on Consumer Response

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Abstract: This paper introduces the general situation of food security and social responsibility of the enterprise, based on the analysis of Chinese food safety problems. Our country Food Enterprise society responsibility is very difficult. Based on the consumer response theory, we point out that the problem is mainly caused by the enterprise internal and external two aspects. The enterprise internal reason mainly concentrated in three levels: the food business operator's moral level of loss and economic benefits and the enterprise bear ability is not driven. External factor are all five level of the shortcomings: the lack of government’s regulation and our information disclosure system is incomplete, food safety standard system and complete legal system is imperfect, social responsibility standard system is not complete. In order to improve the corporate social responsibility based on Food Safety, this paper puts forward some suggestions to strengthen our corporate social responsibility consciousness and safeguard Chinese basic food security. We can improve the enterprise internal construction to strengthen the enterprise responsibility consciousness and enhance the enterprise the management ability, and strengthen the small and medium-sized enterprise training improvement liability to force.

Keywords: Behavior evaluation, consumer response theory, food corporation in china, social responsibility.

1. INTRODUCTION

With the economic and social development, corporate social responsibility has drawn a widely public attention. Our country food enterprise society responsibility actually has become the ordinary populace continuously issue. Enterprises as an important participant of the market economy, social and economic cells, closely related to the sustained and healthy development of society [1]. Since the reform and opening up, China's food enterprises have been developing rapidly and now be an important part of the national economy, plays a vital role in our economic and social development [2]. However, in recent years, China's food safety accidents frequent. Currently, some food companies have forgotten in the pursuit of the interests of their commitment to corporate social responsibility, they escape or pull off to fulfill their social responsibilities. Such as Sanlu "toxic milk" Shuanghui "lean" and "fake eggs" and other events, fully exposed to some of our food corporate social responsibility is weak, does not fulfill its responsibilities and obligations [3]. Food companies fulfill their social responsibilities, not only related to the economic efficiency of enterprises, but also related to the interests of consumers and the construction of harmonious society [4].

"People regard food as their prime want." Food safety is related to every consumer. In recent years, a series of food safety incidents have made the food enterprises encounter the serious trust crisis. The causes of these problems lie in the lack of corporate social responsibility. The main purpose of research on the corporate social responsibilities of the food enterprises is fundamentally to find reasons for the missing of the corporate social responsibilities of the food enterprises, to establish an effective evaluation system of corporate social responsibility and to promote corporate social responsibility management in the food enterprises. So for studies of food enterprises social responsibility standards and evaluation have practical significance [5].

Corporate social responsibility standard is an important basis to promote enterprise social responsibility management. It is found that, China has not formed a complete food standard system of corporate society responsibility, in the absence of the effective government guidance and business management experience of the premise; it is a huge risk for enterprises and individual to choose the standard of enterprise society responsibility, and there are many drawbacks with the existing food enterprise society responsibility standard system. In this paper, in reference to domestic and foreign food enterprises social responsibility standard system as the foundation, it proposed society responsibility standard system of food of enterprises reform conception [6]. The problem of Chinese food enterprises to fulfill the social responsibility is very important both in theoretical research and in practical life [7].

2. OVERVIEW OF FOOD SAFTY PROBLEM IN CHINA

The laws on food safety in China consist of a set of laws, guided by Food Safety Law, Product Quality Law and Standardization Law, with special regulations on food safety including Food Hygiene Administrative Punishment Measures and Food Hygiene Supervision Procedures as the main
body, and supplemented by relevant specifications in laws and rules such as Law on Protection of Consumers Rights and Interests, Contagious Law Prevention Law, Criminal Law, etc. These laws are not few, but characteristic of scattered articles due to section legislation, single law and regulation is adjustable in a narrow scope, with low level legal force, plus some legal specifications are theoretical and abstract, so they are difficult to operate. Therefore, in general, global legal regulation system of food life circle from food production to consumption to final treatment has not been established yet in China.

Inherent crossing and overlapping of laws and regulations lead to overlapping arrangement of regulatory agencies and plural and complex main body, affecting supervision effects. For instance, Product Quality Law specifies industrial and commercial and quality supervision departments have principal value, that is, weak independence, lack of fund and simple organizational structure, affiliated to the local government agency, coupled with inconsistency in recognition and understanding of law, driven by department interests, departments will frequently take what they need, compete against each other for rights and interests, evade from responsibility and fight with each other. Hence, strength of the departments cannot be combined, making it difficult for the whole regulatory agency to realize effective integration [8].

Social supervision mechanism of media (including network media and so on), experts, public figures and the public has drawbacks in the field of food safety. Food industry association has a poor capacity of survival hence it cannot undertake the supervision responsibilities of food industry. Meanwhile, due to lack of social participation mechanism of food safety volunteers, action channels are not available to the public in food safety.

China’s food safety risk management remains at the stage of post-analysis and summary, lack of prior risk analysis, placing food safety inspection and test in China at the passive status. It is still inadequate in risk assessment, risk management and risk pre-warning ability of food safety hazards. Moreover, regulators’ safety risk is independent of themselves, which is due to lack of supervision of social public.

In the academic circles, corporate social responsibility has no unified definition. Although the definition of corporate social responsibility is different, it is no doubt that enterprises cannot take the profit as the sole purpose. In the pursuit of their own profits, enterprises should take into account the interests of their stakeholders. Corporate stakeholders include consumers, employees, suppliers, investors, government, community, etc. As products buyer, consumers finally decide whether the enterprise can assume economic responsibility. The consumers are undoubtedly the most important stakeholders. To provide consumers with safe food is the most important duty of food enterprises, and it is the primary standard to test whether the food enterprises take social responsibility.

3. BEHAVIOR EVALUATION METHOD BASED ON CONSUMER RESPONSE

The primary expression of behavior evaluation method based on consumer response can be expressed as following:

$$f^{(a)}(x \theta) = \frac{df^a(x)}{dx^a} \bigg|_{x=\theta} = \lim_{\delta \to 0} \Delta^a (f(x)-f(x_\delta))/ (x-x_\delta)^a \quad (1)$$

for $0 < a \leq 1$ where

$$\Delta^a (f(x)-f(x_\delta)) = \Gamma(1+a) \lim_{x \to \infty} \Delta^{(a)} (f(x)-f(x_\delta))$$

And local fractional integral of $f(x)$ defined by Eq. (3).

$$\int_x^{-}\mathbf{a} f(t) \mathbf{d} = \frac{1}{\Gamma(1+a)} f(t) = \frac{1}{\Gamma(1+a) \eta^{a}} \lim_{\eta \to 0} \sum_{n=0}^{N-1} f(t_n)(\Delta t_n)^a \quad (3)$$

With $\Delta t = \max \{\Delta t_1, \Delta t_2, \ldots, \Delta t_n\}$ and $\Delta t_n = t_{n+1} - t_n$, where for $n=1,2,\ldots,N-1$, $(t_{n+1},t_n)$ is a partition of the interval $[a,b]$ and $t_0 = a$, $t_N = b$.

If $f(x)$ is defined on the real line $-\infty < x < \infty$, its fractional function, denoted by $f^{(a)}(x)$ is defined by

$$H(x) f(x) = \int_x^{-} f(t) \mathbf{d} = \frac{1}{\Gamma(1+a)} f(t)$$

Where $x$ is real and the integral is treated as a Canchy principal value, that is,

$$\frac{1}{\Gamma(1+a)} \int_x^{-} f(t) \mathbf{d} = \lim_{\epsilon \to 0} \frac{1}{\Gamma(1+a) \eta^{a}} \int_x^{x-\epsilon} f(t) \mathbf{d} + \frac{1}{\Gamma(1+a) \eta^{a}} \int_x^{x+\epsilon} f(t) \mathbf{d}$$

To obtain the inverse force, write again Eq. (1) as

$$\int_x^{-} f(t) \mathbf{d} = \frac{1}{\Gamma(1+a)} \int_x^{-} f(t) \mathbf{d} = \int_x^{-} f(t) g(x-t) \mathbf{d} = f(x) * g(x)$$

In the real life, some food companies do not consider how to promote the interests of consumers by their products, and even produce fake food through various means such as fraud, illegal addition; false advertising in the situation of knowing that would damage the consumers’ health. It causes damage to the health of consumers directly. These food enterprises bring harm to their consumers, let alone to reach the realm of altruism. They disobey the basic request of social responsibility. In recent years, all kinds of public food safety events occur frequently. It fully exposes the serious consequences of the lack of social responsibility in food enterprise. According to the data displayed on Ministry of Health Website, the major food poisoning events happened frequently from 2006 to 2014. Although the number of poison-
ing cases had a downward trend, the death number did not reduce significantly [9]. It was still high (See Fig. 1).

Food safety events happened again and again. They not only damage consumer’s health, but also influence their food consumption confidence, and some even cause people to arise hitherto unknown anxiety about food. This distrust will gradually make consumers feel panic for the entire food industry, and lead to social instability. The European Union established RASFF to expedite the food safety information since 1979. The food safety administration can take measures according to the information. RASFF announced 3717 bulletins related to food and feed products in 2011, 565 bulletins were related to China, which was about 15.2%. The bulletin of China is rising whether in absolute figure or percentage. (See Fig. 2).

According to the announcement, the main problem is about migration of the substance, heavy metal content exceeding the standard and harmful components exceeding the standard. Other causes include containing mycotoxin, doping/adulteration, (illegal) transgenic. Because of the strict EU food monitoring system, more than 54% Chinese products were rejected directly. (See Fig. 3).

Pursuing profit is a normal demand of enterprise. Food industry is a typical fast consuming industry. The gross margin is low for most food enterprises, except some high-end luxuries. Enterprises mainly rely on the rapid turnover to increase profitability. Food enterprises belongs to labor intensive industry. The labor costs in China has been rising in recent years, so enterprises are facing an increasing cost pressure. In order to gain short-term profits, some food enterprises forget the most fundamental social responsibility: providing safe and healthy foods. They provide the counterfeit and shoddy products by all means. They only pursue profit maximization.

But the particularity of food determines that the enterprise will pay a heavy price once they were exposed. For
example, Sanlu Milk Powder factory announced bankruptcy because of melamine event and was eventually merged by Beijing Three Yuan. Shuanghui Development, as the leading enterprise of meat enterprises in China, was reported by the news channel of CCTV “weekly quality report” in March 15, 2011. Some pigs with "Clenbuterol" in flowed Jiyuan Shuanghui Food limited Company. Shuanghui brand was ruined greatly after this event. The company's profit fell by 50% compared with 2010, which ended its successive 10 years positive growth since 2002.

To ensure the quality of product, the enterprises need not only strict supervision, but also good values. Enterprise values determined attitudes of employees, whose attitude determined their behaviors. The real social responsibility asks the enterprise to have the conscience, moral demonstration, selfless giving. If there are no outstanding values of strong support coming from management, if the enterprises couldn’t be in the pursuit of good morality such as sincerity perseveres, they will concentrate on details but forget the main purpose about social responsibility. While performing corporate social responsibility, enterprises must return to its basic line and the essence of the spirit, guaranteeing safety of consumers absolutely, it is also essential requirement to realize the consumer value. In the short term, inputs to social responsibility will increase the cost of an enterprise, and reduce the profit. But in the long run. The two are mutually promoted to bring the benign relationship. Good corporate social image will win the stakeholders' support. This will lead to the greater development of enterprises and the profit will also be billowing.

As the food industry has a long industry chain, only the establishment of food safety traceability system can solve the problem that the responsibility is difficult to define. And the food safety traceability system is a protection to final link of industrial chain business. Food accidents tend to happen on specific, individual batches of product. If we order production enterprises to be inspected indiscriminately, the loss of enterprises should increase. In the establishment of food safety traceability system, the problem can be rapidly found, and the enterprise can disclose the truth in time. In the United States, if something is wrong with the quality of a beef or steak, it will soon be traced back to the product from the cow and two to three matrix just with a DNA scanner. So it reduces the loss of large scale recalling.

Therefore the food enterprises at the end of the industrial chain should increase the input actively, and spare no effort to promote food safety traceability system. Under good food traceability mechanism, enterprises from upstream to downstream assume their social responsibility respectively and work together to create a safe food chain. Enterprises should respond quickly after food safety accident, formulate the disposal scheme, and establish handling mechanism and compensation system. Enterprises should implement recall system on the defective products emerging from designing, manufacturing selling and other links. Recall system is the last effort for food production enterprises to save the enterprise reputation, eliminate consumer panic and assume social responsibility.

In developed countries such as Europe and America, the whole-process supervision is its common characteristic in food regulatory system. In the United States, there are three stage regulatory agencies: federal, state and territory. These agencies employ epidemiologists, microbiologists and food scientific research experts to go into the food processing plants, farms directly. They undertake all-around supervision from raw materials acquisition, production, circulation, sales and customer service. A stereo supervisory network all the country is formed. The European Union in the “Food Safety White Paper” proposed a radical reform on Jan 12, 2000 in order to control the whole process "from farm to table", including common animal breeding, animal health and health care, contaminants and residues of pesticides, new food, additives, flavor, packaging, radiation, feed production, farmers, food producers responsibility and a variety of agricultural control measures.

China's current food supervision system is vertical distribution. In the county level, person, money, material are insufficient. There are only one or two experts in some county supervision branches. Supervision strength is very weak in the basic level. Due to the fact that front-line supervision staff is very few. It is difficult to achieve normal regulation starting from the source. They can only take remedial measures after the food incident. To perfect our country's food monitoring system, we should change the multiple segmented supervision system. We need to strengthen the basic supervision power greatly, and conduct a comprehensive regulation to the food production, current, consumption areas.

CONCLUSION

All levels of food safety supervision departments should reinforce the punishment against food illegal case under the guidance of "food safety law" and its implementation rules. The cost of crime involving food must be enhanced. Under the current "food safety law", government should increase the punishment level no matter whether personal damages compensation or punitive compensation. In addition, we can draw lessons from foreign experience, for example, market prohibition system. The illegal enterprises are not allowed to engage in food industry in any way in the next several years.

CONFLICT OF INTEREST

The author confirms that this article content has no conflict of interest.

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