

Corporate Social Responsibility Dimensions of Selected Chinese Listed Companies Towards the Development of An Enterprise Value Framework

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Abstract: The aim of this study is to explore how various dimensions of Chinese listed companies' fulfillment of social responsibility (CSR) affect enterprise value and develop an enterprise value framework. The main focus of the research is on enterprise value indicators such as Economic Value Added (EVA), Return on Equity (ROE), and Tobin's Q Ratio (TQR), as well as their relationship with the performance of economic responsibility, legal responsibility, public welfare responsibility, and environmental responsibility. The study selected Chinese listed companies as research subjects and collected relevant data from 2014 to 2023. The research findings indicate that certain aspects of CSR, particularly economic responsibility, have a significant positive impact on enterprise value. Therefore, an enterprise value framework has been developed.

Keywords: Corporate Social Responsibility, Enterprise value, Economic responsibility, Legal responsibility, Public welfare responsibility, Environmental responsibility.

1. Introduction

Compared with western countries, there is still a big gap between Chinese enterprises in fulfilling their social responsibility. Take charitable donations as an example, from the information released by China's Ministry of Civil Affairs, the total amount of U.S. charitable donations is about 18 times as much as that of China in 2019.

The majority of Chinese enterprises generally have a biased understanding of social responsibility, believing that social responsibility will increase the operating costs of enterprises, which is not in line with the principle of "cost-effectiveness", and will have a negative impact on enterprise performance, thus jeopardizing shareholders' rights and interests.

At present, Corporate Social Responsibility (CSR) has become an important driving force for enterprises to expand their competitive advantages. In the future, more and more Chinese entrepreneurs will recognize the strategic significance of fulfilling CSR for their enterprises.

The new trend will gradually change the traditional concept of CSR and promote more enterprises to actively devote themselves to the cause of CSR, take sustainable development as a guideline for enterprise development, and combine the pursuit of social interests and business values.

In this context, in response to the current situation of China's socio-economic transformation, enterprises must develop a sustainable framework for their sustainable development through the fulfillment of their social responsibility and realize their long-term sustainable development. In this paper, social responsibility is subdivided into economic responsibility, legal responsibility, public welfare responsibility and environmental responsibility.

Therefore, actively fulfilling responsibilities will force enterprises to enhance corporate reputation and brand

awareness, promote synergistic development with the market, the environment, the society and the government, improve the quality of their products and services, thereby creating enterprise value in the long term.

Previous researchers have focused too much on corporate donations and environmental responsibility, while neglecting the fundamental role of economic responsibility in the development of an enterprise value framework.

The innovation of this study in terms of research perspectives mainly lies in the development of an enterprise value framework and the study of multiple dimensions of enterprise value. This study embodies CSR in several dimensions, indicating the impact of social responsibility performance on different aspects of enterprise value in each dimension.

Thus, figure 1 shows the Conceptual Framework used in this study:

Based on the relevant literature reviewed in this paper, the researcher believes that the relationship between CSR and enterprise value must be analyzed with data to argue whether it is relevant or not, and therefore, it is necessary to collect data from representative listed companies to be analyzed to support this claim. This therefore explains the main avenue of this study - analyzing data from selected listed companies in China.

Finally, the findings will also refine and develop an enterprise value framework to support corporate social responsibility and promote a virtuous circle of mutual reinforcement between social responsibility and enterprise value; Chinese companies have realized the impact that the performance of social responsibility has on their enterprise value, and therefore the sustainability framework can serve as a general guide for the long-term development of companies.

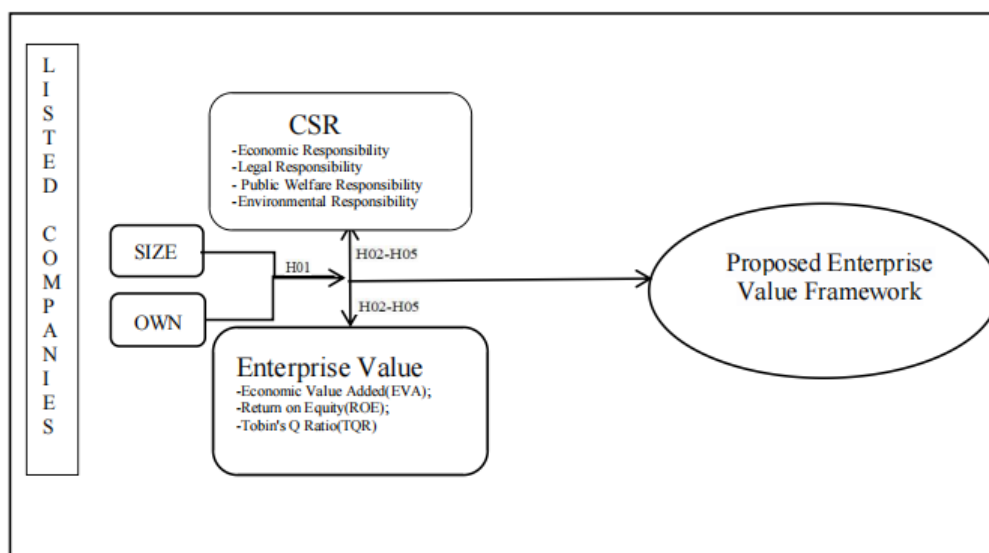


Figure 1. Conceptual Paradigm of the Study

2. Statement of the Problem and Hypotheses

2.1. Statement of the Problem

The purpose of this study is to develop an enterprise value framework to promote the fulfillment of corporate social responsibility and the enhancement of enterprise value of Chinese listed companies. Although many scholars have studied the relationship between social responsibility and enterprise value, few have developed an enterprise value framework to serve the virtuous circle of corporate social responsibility and enterprise value. Specifically, this study seeks answers to the following questions:

1. What is the status with regard to enterprise size and ownership?
2. What is the status of enterprise value of the selected enterprises in terms of:
 - 2.1 Economic Value Added (EVA);
 - 2.2 Return on Equity (ROE);
 - 2.3 Tobin's Q Ratio (TQR)
3. Are there significant relationships as to ownership and size to enterprise value?
4. What is the performance of the selected enterprise with regard to the following:
 - 4.1 Economic responsibility performance;
 - 4.2 Legal responsibility performance;
 - 4.3 Public welfare responsibility performance;
 - 4.4 Environmental responsibility performance
5. How does the following CSR dimension affect the enterprise value as to EVA, ROE and TQR?
6. From the result of the study, what enterprise value framework can be developed?

2.2. Hypotheses

Based on the problem statement, the following hypotheses will be tested:

- H01: Enterprise size and ownership have no effect on enterprise value as to EVA, ROE, and TQR.
 H02: Economic responsibility performance has no effect on enterprise value as to EVA, ROE and TQR.
 H03: Legal responsibility performance has no effect on enterprise value as to EVA, ROE and TQR.
 H04: Public welfare responsibility performance has no

effect on enterprise value as to EVA, ROE and TQR.

H05: Environmental responsibility performance has no effect on enterprise value as to EVA, ROE and TQR.

3. Method

In this research paper, the researcher first excludes listed companies belonging to the financial industry. This decision was made because of the significant differences in capital structure between the financial industry and general enterprises in terms of capital structure, business operations, and accounting treatment. These disparities could potentially distort the results of our analysis, hence the need to eliminate them from the study.

Next, the researcher removes sample companies with missing data or unclear corporate nature. Missing data can lead to biased results, while an unclear corporate nature may make it difficult to draw accurate conclusions. Finally, after carefully screening the samples, the researcher are left with a refined data set that is suitable for intended analysis. This study performed logarithmic processing on some data to eliminate the influence of extreme values.

This study selected listed companies in the China CSI 300 Index from 2014 to 2023, excluding financial companies, The selected companies are derived from the CSMAR database, Wind database and related information. Stata17 software was used for data analysis.

4. Results

4.1. The Status of Enterprises' size and Ownership

Table 1. Status of Selected Enterprise in Terms of SIZE

Variable	Obs	Mean	Std. Dev.	Min	Max
SIZE	2153	24.472	1.59	19.93 9	28.697

Notes: *SIZE: Logarithm of total assets

The Variable Definition of SIZE is logarithm of total assets, Based on the descriptive statistical analysis in Table 1, the study conducted an analysis of the enterprise size of the selected sample.

Among the 2153 samples included in the study, the maximum value of the control variable SIZE (logarithm of

total assets) was 28.697, and the minimum value was 19.939, indicating a small gap in SIZE between different enterprises. In addition, the average value of SIZE is 24.472, with a standard deviation of 1.59. The average value is greater than the standard deviation value, indicating that the overall EVA value fluctuates small. the median value is 24.388, the average value is higher than the median, indicating that the SIZE values of most samples are at a relatively high level.

Table 2. Status of Selected Enterprise in Terms of OWN

Variable	Obs	Mean	Std. Dev.	Min	Max
OWN	2153	0.495	0.5	0	1

Notes: *OWN: If the company is a state-owned enterprise, its value is 1; otherwise, it is 0

Based on the descriptive statistical analysis in Table 2, the study conducted an analysis of the ownership nature of the selected sample. Among the 2153 samples included in the study, the maximum value of the control variable OWN was 1, and the minimum value was 0, indicating a small gap in SIZE between different enterprises. In addition, the average value of SIZE is 0.495, with a standard deviation of 0.5. indicating the number of state-owned enterprises and non-state-owned enterprises is very close.

4.2. The Status of Enterprise Value of the Selected Enterprises

According to Table 3-5, Through descriptive statistical analysis of key financial indicators of the selected sample companies, including economic value added (EVA), return on equity (ROE), and Tobin's Q ratio (TQR), the results indicate significant differences among the sample companies in these indicators.

4.2.1. Economic Value Added (EVA)

Table 3. Status of Selected Enterprise in Terms of EVA

Variable	Obs	Mean	Std. Dev.	Min	Max
EVA	2153	10.362	18.261	-24.832	25.474

Notes: *EVA: Logarithm of economic value added

The Variable Definition of EVA is logarithm of economic value added. Based on the descriptive statistical analysis in Table 3, the study conducted an analysis of the economic value added of the selected sample. Among the 2153 samples included in the study, the maximum value of the explained variable EVA (logarithm of economic value added) was 25.474, and the minimum value was -24.832, indicating a significant gap in EVA between different enterprises. In addition, the average value of EVA is 10.362, with a standard deviation of 18.261. The average value is smaller than the standard deviation value, indicating that the overall EVA value fluctuates greatly. the median value is 8.855, the average value is higher than the median, indicating that the EVA values of most samples are at a relatively high level.

4.2.2. Return on Equity (ROE)

Table 4. Status of Selected Enterprise in Terms of ROE

Variable	Obs	Mean	Std. Dev.	Min	Max
ROE	2153	.139	.135	-.929	1.331

Based on the descriptive statistical analysis in Table 4, the study conducted an analysis on the return on equity of the

selected sample. Among the 2153 samples included in the study, the maximum value of the explained variable enterprise value ROE was 1.331 and the minimum value was -0.929, indicating a significant difference in ROE between different enterprises. In addition, the average ROE value is 0.139, with a standard deviation of 0.135. The difference between the average value and the standard deviation value is not significant, indicating that the overall ROE value fluctuates less. At the same time, the median value is 0.129, the average value is higher than the median, indicating that the ROE values of most samples are at a relatively high level.

4.2.3. Tobin's Q ratio (TQR)

Table 5. Status of Selected Enterprise in Terms of TQR

Variable	Obs	Mean	Std. Dev.	Min	Max
Tobin's Q	2153	3.04	2.982	.639	33.374

Based on the descriptive statistical analysis in Table 5, the study conducted an analysis of Tobin's Q ratio for the selected samples. Among the 2153 samples included in the study, the maximum Tobin's Q value of the dependent variable enterprise value was 33.374, and the minimum value was 0.639, indicating a significant difference in Tobin's Q between different enterprises. In addition, the average Tobin's Q value is 3.04, with a standard deviation of 2.982. The average value is greater than the standard deviation value, and the difference between the two is not significant, indicating that the overall Tobin's Q value fluctuates relatively small and stable. At the same time, the median value is 1.981, the average value is higher than the median, indicating that the Tobin's Q values of most samples are at a high level.

4.3. The Relationships as to Ownership and Size to Enterprise Value

This section explores the relationship between firm size and nature of ownership and firm value through Pearson analysis. Based on the results of the correlation analysis, it aims to address sub-question 3 and respond to the hypothesis.

In research, when examining whether there is an interaction between two variables, it is common to first explore whether there is a correlation between them.

In this study, the analysis of Pearson's correlation coefficient was used to verify the link between the size of the firm and the nature of ownership and the value of the firm, and the results of the analysis are shown in Table 6 below.

Table 6 shows that through Pearson Correlation Coefficient Analysis of the main indicators (including enterprise size and ownership) of the selected sample companies, the results indicate a significant relationship between the sample companies on these indicators.

Table 6. Pearson Correlation Coefficient Analysis of the relationship between Size, Own and Enterprise Value

Variable	EVA	ROE	TobinQ
SIZE	-0.163***	-0.105***	-0.526***
OWN	-0.173***	-0.182***	-0.325***

Note: * * * indicates significant at the 1% level, * * indicates significant at the 5% level, and * indicates significant at the 10% level.

There is a weak negative relationship between SIZE and EVA with a coefficient of -0.163 and p-value less than 0.01, there is a significant relationship between SIZE and EVA

indicating that larger companies are likely to produce slightly lower economic value added due to the cost and complexity of managing large operations.

The negative relationship between SIZE and ROE with a coefficient of -0.105 and a p-value of less than 0.01 and a significant relationship between SIZE and ROE suggests that larger companies produce a lower return on equity suggesting that due to the fact that as the size of the company grows, the equity capital is used less efficiently.

SIZE has a strong negative relationship with Tobin's Q. The relationship coefficient is -0.526 with a p-value of less than 0.01 and there is a significant relationship between SIZE and Tobin's Q. This implies that larger companies are valued at a lower value relative to the replacement cost of assets. This is due to the fact that investors prefer smaller, more agile companies with greater growth potential.

OWN is negatively related to EVA with a coefficient of -0.173 and a p-value of less than 0.01. There is a significant relationship between OWN and EVA, which suggests that the nature of ownership of state-owned companies reduces the companies' economic value-added, which is due to the limited diversification or less efficient management decisions of listed companies in China.

OWN is negatively related to ROE with a coefficient of -0.182 and a p-value of less than 0.01, and there is a significant relationship between OWN and ROE, which suggests that the nature of ownership of state-owned companies is associated with lower return on equity, which may be due to centralized decision-making or risk aversion strategies.

OWN is also negatively related to Tobin's Q with a coefficient of -0.325 and a p-value of less than 0.01, and there is a significant relationship between OWN and Tobin's Q, which implies that the nature of ownership of state-owned companies is less attractive relative to the market value of their assets, which is due to the Chinese market's concerns about transparency, risk or adaptability.

The above results indicate that SIZE and OWN are associated with lower firm value indicators in EVA, ROE and Tobin's Q. This finding suggests that the nature of ownership of larger companies or state-owned companies can encounter challenges that affect operational efficiency, market perception or capital allocation, which ultimately affects their overall enterprise value.

4.4. The Performance of the Selected Enterprises' CSR Dimensions

According to Table 7-10, the following will answer the CSR dimensions of The Performance of the selected enterprises in four dimensions.

4.4.1. Economic Responsibility Performance

Table 7. Status of Selected Enterprise in Terms of DP

Variable	Obs	Mean	Std. Dev.	Min	Max
DP	2153	16	8.384	0	25.139

Notes: *DP: Logarithm of dividend payout amount

Based on the descriptive statistical analysis in Table 7, the study conducted an analysis of the economic responsibility of the selected samples. On the one hand, there is the situation of dividend distribution. Among the 2153 samples included in the study, the maximum value of DP was 25.139 and the minimum value was 0, indicating that the DP gap between different enterprises is quite significant. In addition, the average value of DP is 16, with a standard deviation of 8.384.

The average value is much larger than the standard deviation value, indicating that the overall DP value fluctuates less. At the same time, the median value is 8.541, the average value is higher than the median, indicating that the DP values of most samples are at a relatively high level.

The descriptive statistics for economic responsibility performance, as indicated by dividend payouts, reveal that while some companies are actively returning value to shareholders, there is significant variability in performance. The presence of companies with no dividend payouts contrasts sharply with those offering high returns, highlighting a diverse landscape of economic responsibility among the enterprises studied.

The analysis of DP shows significant differences in dividend policies among different enterprises, which may affect shareholder value and the market's perception of corporate financial health (Zhou & Li, 2020).

4.4.2. Legal Responsibility Performance

Table 8. Status of Selected Enterprise in Terms of LAW

Variable	Obs	Mean	Std. Dev.	Min	Max
LAW	2153	.643	5.062	0	202

Notes: *LAW: Number of lawsuits

The indicator chosen for legal responsibility is LAW, which is number of lawsuits, and according to the descriptive statistical analysis in Table 8, the study has conducted the legal responsibilities of the selected samples. Of the 2153 samples included in the study, the maximum value of the LAW indicator is 202 and the minimum value is 0. Minimum values indicate that some firms do not have lawsuits filed against them, reflecting good legal responsibility performance; maximum values indicate that some companies in the sample are involved in a significant number of legal disputes, which may point to issues such as operational risk, regulatory challenges, or product liability, suggesting significant disparities in legal responsibility across firms. It indicates that there is a significant gap in legal responsibility between different enterprises.

In addition, the mean value of LAW is 0.643 and the standard deviation is 5.062. The mean value is much smaller than the standard deviation, indicating that the overall LAW value fluctuates greatly. At the same time, the median value is 0, indicating that the majority of the sample's LAW values are at a low level and have fewer involvement in litigation. It indicates that the sample companies are performing better in terms of legal responsibility.

In this study, the fewer lawsuits, the better the legal responsibility performance, while the more lawsuits, the worse the performance.

LAW analysis shows that although the majority of sample companies have good legal responsibility performance, there is still room for improvement, especially in terms of compliance with laws and regulations (Wu Shan & Zou Mengqi, 2022).

4.4.3. Public Welfare Responsibility Performance

Table 9. Status of Selected Enterprise in Terms of TSD

Variable	Obs	Mean	Std. Dev.	Min	Max
TSD	2153	13.104	5.511	0	20.646

Notes: *TSD: Logarithm of total social donations

Based on the descriptive statistical analysis in Table 9, the study conducted an analysis of the public welfare

responsibility of the selected samples. Among the 2153 samples included in the study, the average value of the logarithm of total social donations (TSD) is 13.104, indicating that on average, enterprises contribute a substantial amount to public welfare initiatives. This shows that many companies are actively engaged in supporting social causes, reflecting a level of corporate commitment to public welfare.

The maximum value of TSD is 20.646, which reflects that some firms are making very high social donations, and the minimum value is 0, which means that some companies are not making any social donations, indicating that there is a significant difference in TSD between companies.

In addition, the average TSD value is 13.104, with a standard deviation position of 5.511. The average value is much larger than the standard deviation value, indicating that the overall TSD value fluctuates less. At the same time, the median value is 6.409, the average value is higher than the median, this indicates that most companies have relatively similar levels of donations, but the overall average level of donations is higher than the median due to the very high donations of a few companies.

The analysis of TSD shows that different companies have different performances in public welfare donations, which may reflect the degree of importance that companies attach to social responsibility and social image (Yang Haoran, 2021).

4.4.4. Environmental Responsibility Performance

Table 10. Status of Selected Enterprise in Terms of EI

Variable	Obs	Mean	Std. Dev.	Min	Max
EI	2153	6.123	8.449	0	24.041

Notes: *EI: Logarithm of environmental investment amount

Based on the descriptive statistical analysis in Table 10, the study conducted an analysis of the environmental responsibility of the selected samples. Among the 2153 samples included in the study, the maximum EI (Logarithm of environmental investment amount) value was 24.041, this indicates that some enterprises have invested a large amount of funds in environmental protection, reflecting a firm commitment to environmental protection; and the minimum value was 0, This indicates that some companies have not made environmental investments and may not prioritize environmental responsibility, suggesting significant differences in EI among different enterprises.

In addition, the average value of EI is 6.123, with a standard deviation of 8.449. The average value is much smaller than the standard deviation value, indicating that the overall EI value fluctuates greatly.

The analysis of EI reveals differences in environmental investment among enterprises, which may be related to their sustainable development strategies and commitments to environmental protection (Du, Z., & Li, G., 2019)

This section analyzes multiple dimensions of corporate social responsibility (CSR), including economic responsibility, legal responsibility, public welfare responsibility, and environmental responsibility, and finds that there are differences in the performance of sample companies in these CSR dimensions. Some companies exhibit strong commitments to CSR, as seen in their large dividend payouts, social donations, and environmental investments, while others are either more conservative or constrained in these areas. Legal responsibility performance shows that while most companies avoid frequent litigation, a

few faces significant legal challenges, impacting their CSR profile.

4.5. The CSR Dimensions Affect the Enterprise Value as to EVA, ROE and TQR

Structural Equation Modeling (SEM) is a multivariate statistical analysis technique used to analyze complex relationships between variables. It combines factor analysis and multiple regression analysis to consider multiple causal relationships simultaneously.

This study applies structural equation modeling (SEM) to analyze the relationship between different aspects of corporate social responsibility (CSR) and enterprise value. First, the researcher defines a conceptual model that specifies the four dimensions of CSR (economic, legal, public interest, and environmental responsibility) and three indicators of enterprise value (economic value added, return on equity, and Tobin's Q ratio). Second, data were collected and prepared to build a measurement model to verify that each indicator appropriately reflects the underlying variables. Third, a structural model is constructed to specify the potential path of influence of CSR dimensions on enterprise value indicators. Fourth, model estimation is performed using appropriate estimation methods and the model is evaluated by fitting goodness-of-fit metrics. Modifications are made to the model as needed to improve its fit. Finally, the results are interpreted and through this process, SEM is able to provide quantitative evidence to analyze the impact of CSR on enterprise value in depth.

In order to better explore the relationship between corporate social responsibility and enterprise value, the study constructed a structural equation model and conducted path analysis using the four dimensions of corporate social responsibility and enterprise value, controlling for the variables SIZE and OWN. The analysis results are shown in Table 11.

Table 11. Path Analysis

	Path	Regression Coefficient	S.E.	C.R.	P
EVA	<--- DP	0.705	0.044	16.182	***
	<--- LAW	-0.19	0.076	-2.492	*
	<--- TSD	0.328	0.075	4.405	***
	<--- EI	-0.073	0.046	-1.57	0.116
ROE	<--- DP	0.005	0	15.537	***
	<--- LAW	-0.001	0.001	-1.184	0.236
	<--- TSD	0.003	0.001	5.471	***
	<--- EI	0	0	-0.003	0.997
TobinQ	<--- DP	0.04	0.006	6.183	***
	<--- LAW	-0.006	0.011	-0.594	0.552
	<--- TSD	0.057	0.01	5.49	***
	<--- EI	-0.031	0.006	-4.84	***

Note: * * * indicates significant at the 0.1% level, * * indicates significant at the 1% level, and * indicates significant at the 5% level.

In Table 11, DP has a significant positive effect on all three dimensions of enterprise value (EVA, ROE, and Tobin's Q). This indicates that dividend policy is an effective tool to enhance the financial performance and market value of the enterprise.

LAW (Number of lawsuits) has a significant negative effect on EVA, but not on ROE and Tobin's Q. This indicates that

poor legal responsibility performance has a negative effect on some dimensions of enterprise value, but the overall effect is limited.

TSD has a significant positive effect on EVA, ROE, and Tobin's Q, indicating that social donations not only help to improve the financial performance of enterprises, but also enhance market value.

EI has a significant negative effect on Tobin's Q and a non-significant effect on EVA and ROE, indicating that the fulfillment of environmental responsibility may have a negative effect on the market value of enterprises in the short term.

From the perspective of EVA, the ability to fulfill economic responsibility and public welfare responsibility can significantly promote the EVA value of the enterprise; while the higher the LAW (Number of lawsuits), the worse the

performance of legal responsibility, which has a negative impact on the EVA of the enterprise, indicating that the enterprise is involved in many lawsuits may reduce the economic value added of the enterprise;

From the perspective of ROE, the fulfillment of economic responsibility and public welfare responsibility can significantly increase ROE;

From the perspective of Tobin's Q, the fulfillment of economic responsibility and public welfare responsibility can also significantly increase the Tobin's Q. However, the fulfillment of environmental responsibility has a significant negative effect on Tobin's Q, indicating that environmental investment may increase the cost of the enterprise, thus weakening its market value in the short run.

The following diagram illustrates the path structure of this study:

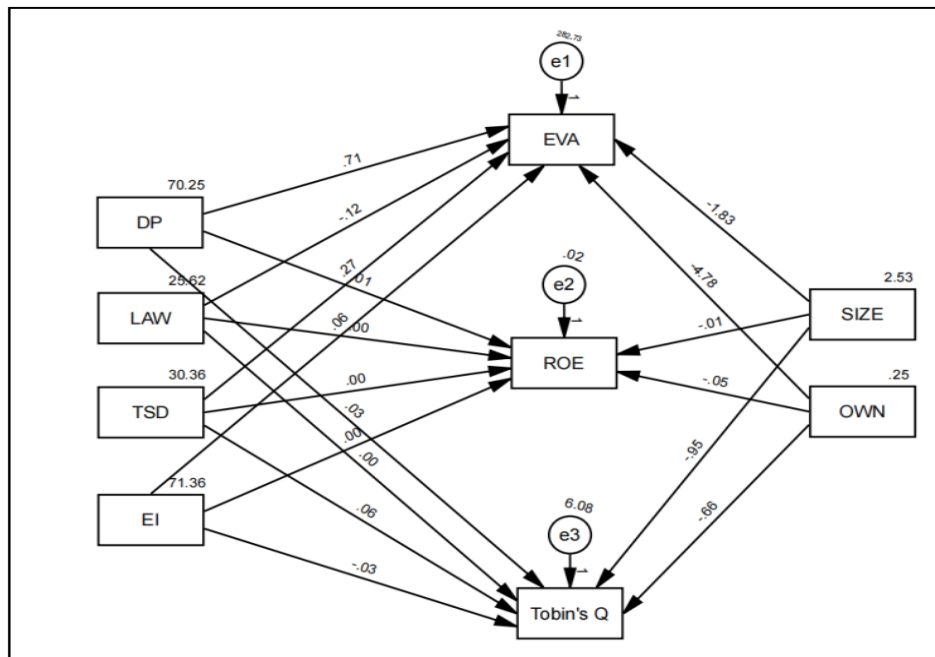


Figure 2. Path Structure Diagram

4.6. Proposed the Enterprise Value Framework

Based on the above analysis, the study has developed a framework for enhancing enterprise value, which includes improving performance in fulfilling economic, legal, and public welfare responsibilities, and implementing strategies to better fulfill environmental responsibilities without increasing environmental investment.

Researchers emphasize the importance of economic

responsibility and public welfare responsibility, as well as optimizing financial policies and enhancing social participation (Davis & Thompson, 2024). These recommendations are consistent with their research, as they both emphasize the role of corporate social responsibility in enhancing enterprise value.

According to the research results, the development of an enterprise value framework is as follows:

Table 12. The Development of an Enterprise Value Framework

Development Content	Development Elements	Development Strategy
Improve the performance of CSR dimensions	Economic Responsibility: Focus on the economic performance indicators such as Economic Value Added (EVA), Return on Equity (ROE), and Tobin's Q Ratio (TQR). The framework emphasizes the importance of robust financial policies, particularly dividend payout (DP), as a key driver of EVA, ROE and Tobin's Q.	Optimization of Financial Policies: The framework suggests that companies should optimize their financial policies to ensure stable and attractive dividends, which can enhance shareholder value and confidence.
	Legal Responsibility: The framework includes compliance with legal standards and the number of lawsuits (LAW) as indicators of how well a company upholds its legal duties.	Compliance with the law: Companies need to reduce the number of lawsuits and penalties involved, maintain their corporate image and reduce the negative impact on their enterprise value.
	Public Welfare Responsibility: The framework encourages companies to engage in social welfare activities, measured by total social donations (TSD), which positively influence the Tobin's Q Ratio, reflecting the market's assessment of the company's long-term value.	Setting up a special office responsible for social welfare: increasing donations, strengthening cooperation with non-profit organizations, encouraging employees to participate in public welfare activities, and participating in projects such as social assistance and community development, so as to exploit synergies.
	Environmental Responsibility: The framework underscores the importance of environmental investments (EI) as a reflection of a company's commitment to sustainable development.	Improve operational efficiency and reduce resource consumption: Without significantly increasing the total amount of environmental investment, companies can still fulfill their environmental responsibility and reduce their environmental impact by optimizing production processes, reducing the consumption of energy and raw materials, and implementing green offices.

5. Conclusion and Recommendations

5.1. Conclusion

(1) The study provides an analysis of enterprise size (SIZE) and ownership (OWN) for the sample companies. Descriptive statistics show that SIZE, defined as the logarithm of total assets, ranges from 19.939 to 28.697 with a mean of 24.472, indicating relatively small variation in company size across the sample. OWN, indicating ownership type (1 for state-owned and 0 for non-state-owned), has a mean of 0.495, suggesting an almost equal distribution between state-owned and non-state-owned enterprises in the sample. These results highlight minor differences in size and balanced ownership representation among the companies studied.

(2) The analysis results in Chapter 3 show significant differences in economic value added (EVA), return on equity (ROE), and Tobin's Q ratio (TQR) among the selected sample companies. Some companies are able to create considerable economic value and achieve high market valuations, while others face financial difficulties or lower market recognition.

(3) The study examines the relationship between enterprise size (SIZE) and ownership structure (OWN) and their impact on enterprise value (EVA, ROE, and Tobin's Q). Pearson correlation analysis reveals significant negative relationships between both SIZE and OWN with each of the three value indicators. Larger companies exhibit lower EVA and ROE, likely due to the increased complexity and cost of managing scale, and have a notably lower Tobin's Q, suggesting investor preference for smaller firms with higher growth potential. State-owned enterprises (OWN) also display lower EVA and ROE, which may be linked to less efficient management practices, and a lower Tobin's Q, reflecting market concerns over agility and transparency. Consequently, both larger company size and state ownership are associated with lower enterprise value.

(4) There are significant differences among the sample companies in four areas: economic, legal, public welfare and environmental responsibility. While most companies show

some performance in social responsibility, the level of engagement in specific areas (e.g., dividend payments, number of lawsuits, social donations, and environmental investments) varies considerably. Some companies are active in social responsibility and make substantial contributions, while others are weak in certain areas, possibly due to differences in financial status, industry characteristics or management strategies.

(5) In terms of CSR dimensions, the economic responsibility measured by dividend policy (DP) has the greatest positive impact on enterprise value. LAW (Number of lawsuits) has a negative impact on EVA, Because the more lawsuits there are, the worse the legal responsibility performance. Public welfare responsibility measured by TSD has a positive impact on enterprise value, while environmental responsibility measured by EI has a negative impact.

(6) Finally, based on the results of the analysis, the paper develops an enterprise value framework that emphasizes the importance of improving the ability to meet economic and public welfare responsibilities and reducing the negative impact of poor legal responsibility performance on enterprise value. The study suggests that without increasing their environmental burden, companies can better fulfill their environmental responsibilities and reduce their environmental impact by optimizing production processes, reducing energy and raw material consumption, and implementing green offices. Advocates that companies enhance value by optimizing financial policies and strengthening social participation, and recommends that companies strictly comply with the law to achieve more comprehensive value creation.

This hierarchical summary clearly outlines the key findings of this study and lays the foundation for the following recommendations.

5.2. Recommendations

(1) To enhance enterprise value, companies should consider optimizing both scale and ownership structure.

Firms with larger asset bases can benefit from economies of scale and improved capital efficiency, yet should actively manage operational efficiency to prevent size from negatively impacting profitability. For state-owned enterprises, adopting market-oriented governance practices may help to drive competitiveness and innovation, aligning more closely with private-sector efficiencies. Additionally, fostering a balanced ownership structure can attract diverse investments and promote accountability, which in turn can enhance Return on Equity (ROE) and market valuation indicators like Tobin's Q, ultimately boosting overall enterprise value.

(2) Enterprises should focus on optimizing their economic responsibility performance, particularly through effective dividend policies (DP) to enhance EVA and ROE. Transparent and consistent dividend payments can enhance investor confidence and improve market awareness.

Business owners should prioritize reinvestment in long-term growth and dividend payments to ensure sustainable profitability. By strategically allocating resources for current performance and future expansion, they can increase shareholder value while maintaining a competitive edge.

(3) In order to reduce the negative impact of legal issues on corporate value, companies must strengthen their performance in fulfilling legal responsibilities. This can be achieved by ensuring strict compliance with laws and regulations, thereby reducing legal disputes and penalties and protecting shareholder interests.

Government should ensure that regulations are clear, fair, and enforced, creating a level playing field for companies. By promoting transparency, businesses can comply more easily, reducing legal risks and fostering a trustworthy business environment.

(4) It is recommended that companies increase their investment in public welfare responsibility as a means of improving Tobin's Q ratio. Enterprises can achieve this by increasing charitable donations (TSD) and participating in community development programs, which can improve their public image and brand value.

Government can encourage businesses to engage in CSR by offering recognition programs or tax benefits for companies that contribute to public welfare and support community development.

(5) Companies should invest in energy-efficient processes and sustainable supply chains to minimize their environmental impact while reducing costs. In the long run, this can help reduce operating costs and improve brand image.

Government can implement policies that promote environmental responsibility, such as carbon tax rebates or mandates for greener business practices. Providing infrastructure for green technologies can stimulate private sector investment in sustainability.

(6) For the Enterprise Value Framework, improving the performance of CSR dimensions can be achieved by optimizing dividend policies, developing flexible dividend strategies, ensuring sustainable dividend payments, and considering stock repurchase plans as a supplementary means to enhance shareholder value; Secondly, legal compliance management: establish an internal audit mechanism, regularly review the company's compliance with laws and regulations, and prevent potential legal risks; Thirdly, improve social donation strategies: support specific areas (such as education, healthcare, environmental protection, etc.) through targeted donations to achieve greater social benefits and recognition; Fourth, improving resource efficiency: investing in research

and development of new technologies, improving production processes, and reducing energy and material consumption per unit of product; Promote the circular economy model and improve the utilization rate of waste recycling.

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