# An Empirical Study on the Relationship between Social Responsibility and Financial Performance of China's Transportation Industry

Bingzhou Wen [a], Peiyao Yang [b]

School of management, Xi'an University of Science and Technology, Xi'an, China

[a]2505502100@qq.com, [b]695022713@qq.com

## Abstract

**Based on the stakeholder theory, this paper takes 66 listed companies of China's transportation enterprises in 2016-2018 as the research sample, and conducts an empirical study on the relationship between the performance of social responsibility and financial performance of China's transportation enterprises. The results show that: the performance of social responsibility to shareholders is positively related to financial performance, while the performance to creditors, consumers and government is negatively related to financial performance.**

## Keywords

**Communications and transportation industry, Corporate Social Responsibility, Financial performance.**

## 1. Introduction

*Corporate social responsibility* (CSR for short) refers to that enterprises should not only create profits and bear corresponding legal responsibilities, but also bear responsibilities for consumers, communities and the environment. In 1924, Oliver Sheldon, a British scholar, first proposed the concept of corporate social responsibility, which caused a heated academic discussion. It was not until 1984 that Firman put forward the theory of stakeholder management and defined all stakeholders that he laid a theoretical foundation for the follow-up study of the relationship between social responsibility and financial performance. The traditional idea regards profit as the only goal of an enterprise. However, with the rapid development of economy, it is impossible for an enterprise to make great progress only to pursue profit maximization. The competition among enterprises has changed from the original single economic level to the multi-level comprehensive competition. In the environment of rapid economic growth, enterprises are required to pay attention to social responsibility while realizing economic benefits. Compared with foreign countries, the construction of corporate social responsibility in China started late. Since the mid-1990s, with the promotion of international retailers and brands, we began to attach importance to corporate social responsibility. At the beginning of this century, corporate social responsibility began to receive widespread attention. Chinese academia and non-governmental organizations began to discuss and study corporate social responsibility. The government departments also began to pay attention to the construction of corporate social responsibility in China. Article 5 of the company law of the people's Republic of China, which came into force on January 1, 2006, clearly points out that the company shall bear social responsibility; on January 4, 2008, the state owned assets supervision and Administration Commission of the State Council issued the guiding opinions on the central enterprises' performance of social responsibility, summarizing the main contents of the corporate social responsibility with Chinese characteristics; On June 2, 2015, AQSIQ and sac jointly issued a

series of national standards on social responsibility. It will unify the understanding of social responsibility of all kinds of organizations, provide systematic and comprehensive guidance for organizations to fulfill social responsibility, and play an important role in promoting the level of domestic social responsibility. At the same time, according to the data published in the Golden Bee blue book on corporate social responsibility 2018, the number of corporate social responsibility reports in China has increased year by year from 2001 to 2018; on August 27, 2019, the 2019 China corporate social responsibility Summit Forum hosted by China business daily opened in Beijing. This forum proposed the theme of "global vision, responsibility sharing" The concept of "profit oriented enterprise" arouses the participants' Thinking on corporate social responsibility.

As the basic industry of our national economy and the service industry related to the national economy and people's livelihood, transportation industry ensures the smooth progress of the whole national economic activities and the socialist economic construction. The degree of fulfillment of social responsibility of transportation enterprises is directly related to the safety of people's lives and property. The events of 2016 Hongqiao Airport Runway invasion, 2018 Chongqing Bus falling into the river and 2019 China Eastern Airlines flight 586 are the reflection of the lack of social responsibility in some transportation industries. China's transportation industry has also learned lessons from accidents and gradually realized the importance of corporate social responsibility. In order to ensure the safety of people's life and property and the smooth development of our national economy, China's transportation enterprises began to carry out in-depth research on the social responsibility. According to the report on the development of corporate social responsibility in China's transportation industry (2018), from the perspective of industry performance, among the top 10 enterprises in China's transportation industry in terms of social responsibility performance, the water and air transportation industries account for three respectively, the railway and port transportation industries account for two respectively, while the logistics and road transportation industries are not listed. The report establishes an evaluation index system with seven criteria levels, including "responsibility governance performance", "human rights performance", "environmental performance", "fair operation performance", "product responsibility performance", "community development performance" and "economic contribution performance", ensuring the integrity and authority of the information contained in the evaluation index system. The publication of the report on the social responsibility of transportation enterprises can not only make the stakeholders understand some information of the enterprises, but also help the public supervise the enterprises and urge the enterprises to fulfill their social responsibilities. Many foreign enterprises will publish social responsibility reports regularly under the pressure of all parties, but there are not many enterprises in China that publish social responsibility reports. Some unlisted transportation enterprises choose not to publish the social responsibility report, while some listed enterprises publish the social responsibility report, but the information is not complete. It may be that most enterprises have not been under pressure from the government, business associations, non-governmental organizations and other aspects, and have not yet formed the habit of consciously issuing social responsibility reports. What's more, enterprises still take profit maximization as the ultimate goal, and they are unwilling to fulfill their social responsibilities under the condition of ensuring the same profit level of enterprises. Therefore, our government should put some pressure on the transportation enterprises, let the enterprises realize the importance of fulfilling social responsibility, make the enterprises consciously issue social responsibility reports, and constantly improve their ability to fulfill social responsibility.

## 2. Journals Reviewed

Milton Friedman, winner of the Nobel Prize in economics, proposed in 1970 that "one and only social responsibility of enterprises is to increase profits within the scope of competition rules." After that, more and more scholars have launched a heated discussion on the relationship between corporate social responsibility and financial performance.

In the existing research, the research results of Oh, Park (2015) [1] show that CSR has a positive impact on the financial performance of Korean enterprises, the impact of corporate social responsibility on financial performance has not increased after the global financial crisis. Enterprises should take the strategic approach of corporate social responsibility to improve financial performance. Zou Fenghua (2017) [2] believes that the performance of corporate social responsibility has an inverted U-shaped relationship with financial performance. The performance level of initial social responsibility is positively related to financial performance, and there is a certain threshold. When the performance level of social responsibility exceeds this threshold, the positive correlation will change into a negative correlation. Neena Sinha et al. (2018) [3] found that there was a weak correlation between corporate social responsibility and financial performance. Niannana (2018) [4] believes that the active performance of corporate social responsibility to shareholders, employees, customers, creditors, suppliers and government will promote the improvement of corporate financial performance, but the performance of social responsibility to the public will have a negative impact on corporate financial performance. Further research found that non-state-owned enterprises' social responsibility to customers, suppliers, governments and employees will significantly improve the financial performance of enterprises, state-owned enterprises' social responsibility to creditors and the public will significantly improve the financial performance of enterprises, and the performance of shareholders' social responsibility is less affected by the nature of enterprises, which can still improve the financial performance. Wang Dandan et al. (2019) [5] most scholars think that corporate social responsibility performance is positively related to financial performance; Chen Yuqing (2019) [6] thinks that corporate social responsibility performance is significantly negatively related to financial performance; Liu Xiao (2019) [7] et al. Found that the impact of corporate social responsibility on financial performance is different under each life cycle; Wang xuerui (2019) [8] thinks that in the media In the short term, enterprises are forced to perform social responsibility under supervision, which will lead to the decrease of financial performance, but in the long term, the performance of corporate social responsibility under the pressure of public opinion will improve the financial performance of enterprises; Li Erping (2019) [9] believes that the financial performance of enterprises is positively related to the measurement indicators of shareholders, customers, suppliers, employees, government and environment, and negatively related to the measurement of creditors Close, that is to say, the positive performance of sample companies will be more beneficial to the improvement of corporate financial performance; Luo Jiaqi (2019) [10] found that the performance of corporate social responsibility in the transportation industry has a significant positive effect on the current financial performance indicators, and the financial performance will be positively affected by the corporate social responsibility of one and two periods lagging behind, and the longer the time, the social performance of the current period The effect of responsibility on financial performance is weaker.

## 3. Empirical Research Design

### 3.1. Resarch Hypothesis

Based on the above analysis, the following assumptions are proposed:

(1) Shareholders are the initial investors of an enterprise. They enjoy the rights of assets income, participating in major decisions and choosing managers according to law, and they are also the bearers of enterprise risks. Therefore, the most important thing for an enterprise is to protect the interests of its shareholders and make their investment return. It can not only increase their confidence, but also promote their continuous investment in the enterprise, maintain the stability of the enterprise's capital, and provide the most sufficient capital source for the enterprise to continue to expand its scale, so as to further enhance the comprehensive competitiveness of the enterprise, obtain more profits and improve its performance Financial performance of the enterprise. Therefore, hypothesis 1 is proposed.

H1: the social responsibility of China's transportation enterprises to shareholders is positively related to their financial performance.

(2) The creditor is an indispensable fund provider during the development and operation of the enterprise. The most basic responsibility of the enterprise to the creditor is to strictly abide by the contract and repay the principal and interest on schedule. Only in this way, can we help the capital turnover of enterprises, establish a good corporate image, and open up a wider financing channel for enterprises. When the enterprise's capital is in trouble, it can guarantee sufficient capital source and help the enterprise to get through the trouble, so as to promote the normal development of the enterprise and promote the improvement of financial performance. Therefore, hypothesis 2 is proposed.

H2: there is a positive correlation between the social responsibility of China's transportation enterprises to the creditors and their financial performance.

(3) Employees are the main body of the normal operation of the enterprise. All aspects of the work of the enterprise are inseparable from the cooperation of the employees in various departments and positions. Only when enterprises attach importance to employees, care more about their lives, protect their rights and interests according to law, and implement incentive mechanism, can they inspire their enthusiasm and enthusiasm for their work, and make them have a sense of belonging to the enterprise. Only when the satisfaction of employees is improved, can the work efficiency be improved, the vitality of employees be stimulated, and the cost of re recruitment and training due to brain drain be reduced, so as to improve the financial performance of enterprises. Therefore, hypothesis 3 is proposed.

H3: there is a positive correlation between social responsibility and financial performance of transportation enterprises in China.

(4) The raw materials of an enterprise can not be separated from the timely and sufficient supply of suppliers. Maintaining a good cooperative relationship with suppliers will help to ensure the stable supply of raw materials, ensure the high quality of raw materials, and even get more commercial discounts, and reduce the cost of the enterprise. Once the capital of an enterprise encounters a short-term crisis and cannot be turned around, it can negotiate with suppliers to give certain payment grace period to ease the capital pressure of the enterprise, so as to improve the financial performance of the enterprise. Therefore, Hypothesis 4 is proposed.

H4: the social responsibility of China's transportation enterprises to suppliers is positively related to their financial performance.

(5) Consumers are the purchasers of products and services. The satisfaction of consumers is directly related to the profits of enterprises. Only when enterprises undertake more social responsibilities to consumers, strive to improve product quality and service level, and make

consumers satisfied, can they promote consumers' secondary consumption and increase repurchase rate. But it will increase the cost of the enterprise at the same time, which is not conducive to the improvement of the financial performance of the enterprise. Thus Hypothesis 5 is proposed.

H5: the social responsibility of China's transportation enterprises to consumers is negatively related to their financial performance.

(6) An enterprise shall, in accordance with the relevant provisions of the government, operate reasonably, pay taxes in accordance with the law, and ensure the financial revenue of the state. We should resolutely refrain from tax evasion and be a law-abiding taxpayer. It not only helps to maintain the image of the enterprise, but also improves the social status of the enterprise. If enterprises fulfill more social responsibilities to the government, they will increase the tax burden, increase the cost and reduce the profit, so it is not conducive to the improvement of the financial performance of enterprises. Thus hypothesis 6 is proposed.

H6: China's transportation enterprises' social responsibility to the government is negatively related to their financial performance.

## 3.2. Sample Selection and Data Source

According to the industry classification standard of CSRC, this paper selects the transportation industry listed on Shanghai Stock Exchange and Shenzhen Stock Exchange as samples. Based on the listing time of the company and the integrity of its data, the company was screened, and St, * ST listed companies and listed companies with incomplete data were further eliminated. Finally, a total of 201 data from 66 transportation industries in 2016-2018 were obtained as effective samples for research.

All the data are from CSMAR database and processed by Microsoft Excel 2010. The empirical test is completed by IBM SPSS statistics 23.0.

## 3.3. Variable Selection and Definition

### 3.3.1. Explanatory Variable-Social Responsibility

(1) Liability to shareholders: earnings per share = net profit / number of ordinary shares. The higher the index, the better the development of the enterprise, the more beneficial it is to the shareholders, and the better the performance of the social responsibility of the shareholders.

(2) Liability to creditors: asset liability ratio = Total Liabilities / total assets. The higher the index is, the lower the protection degree of the creditor's interests is, the worse the performance of the enterprise to the creditor's social responsibility is.

(3) Responsibility to employees: interest rate earned by employees = cash paid to and for employees / operating income. The higher the index is, the more profit the employee will make, and the better the enterprise will fulfill the social responsibility of the employee.

(4) Responsibility to suppliers: accounts payable turnover rate = operating cost / average amount of accounts payable. The higher the index is, the lower the degree of occupying the supplier's payment is, the better the enterprise's fulfillment of the supplier's social responsibility is.

(5) Responsibility to consumers: operating cost rate = operating cost / operating revenue. The higher the index is, the more profit enterprises give to consumers, the better the enterprises fulfill their social responsibility to consumers.

(6) Responsibility to the government: tax contribution rate = (business tax and surtax + income tax) / total assets. The higher the index, the greater the contribution of enterprises to the government's tax revenue, the better the performance of enterprises to the government's social responsibility.

### 3.3.2. Explained Variable-Financial Performance

In view of the objectivity, comprehensiveness and availability of the index selection, this paper selects the return on total assets (ROA) as the index to measure the financial performance of transportation enterprises. Return on total assets = (total profits + financial expenses) / total assets. This indicator is used to evaluate the overall profitability of an enterprise using all its assets. The higher this indicator is, the better the enterprise's profitability and financial performance are.

### 3.3.3. Control Variable-Enterprise Scale

In the process of fulfilling the social responsibility of transportation enterprises, the scale of enterprises will have a greater impact on them. The larger the scale of enterprises, the more attention will be paid by the society. For these enterprises, they will assume more social responsibility in an invisible way. Therefore, this paper selects the enterprise scale as the control variable, which is expressed by the natural logarithm of the total assets at the end of the period. Enterprise scale = ln (total assets), the larger the enterprise scale, the more attention it receives, and the more responsibility it takes.

The definitions and calculation methods of the above variables are shown in Table 1.

**Table 1:** Summary of Research Variables

| Variable | Variable Type | | Variable Name | Variable Code | Computing Method |
|---|---|---|---|---|---|
| Explained variable | Financial performance | | Return on total assets | Y | (total profit + financial expenses) / total assets |
| Explanatory variable | Corporate Social Responsibility | Liability to shareholders | Earnings per share | $X_1$ | Net profit / number of common shares |
| | | Liability to creditors | Asset liability ratio | $X_2$ | Total liabilities / total assets |
| | | Responsibility to employees | Employee interest rate | $X_3$ | Cash / operating income paid to and for employees |
| | | Responsibility to suppliers | Accounts payable turnover | $X_4$ | Operating cost / average amount of accounts payable |
| | | Responsibility to consumers | Operating cost ratio | $X_5$ | Operating cost / revenue |
| | | Responsibility to the government | Tax contribution rate | $X_6$ | (business tax and surcharges + income tax) / total assets |
| Control variable | | | Enterprise scale | SIZE | Natural logarithm of total assets of an enterprise |

### 3.3.4. Model Building

According to the above theoretical analysis and research hypothesis, combined with the selected explanatory variables, explanatory variables and control variables, this paper believes that the social responsibility of transportation enterprises has a linear correlation with their financial performance, so we build a multiple regression model: $y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \varepsilon$.

Among them, $\alpha$ is intercept term, $\beta i$ is regression coefficient, $\varepsilon$ is random interference term.

## 4. Empirical Results and Analysis

### 4.1. Descriptive Statistics

This paper will use spss23.0 software to analyze 201 social responsibility indicators and financial performance indicators of 66 listed companies in China's transportation industry from 2016 to 2018. The results are shown in Table 2.

**Table 2:** Descriptive Statistics

| Variable | N | Minimum value | Maximum value | Average value | Standard deviation |
|---|---|---|---|---|---|
| $Y$ | 201 | -0.3901 | 0.1758 | 0.0625 | 0.0454 |
| $X_1$ | 201 | -2.2741 | 2.2997 | 0.4152 | 0.4335 |
| $X_2$ | 201 | 0.0634 | 0.8919 | 0.4514 | 0.1780 |
| $X_3$ | 201 | 0.0556 | 22493.4140 | 153.9965 | 1647.9039 |
| $X_4$ | 201 | 0.4770 | 228.9070 | 17.3545 | 24.5115 |
| $X_5$ | 201 | 0.1014 | 0.9681 | 0.7256 | 0.1755 |
| $X_6$ | 201 | -0.0112 | 0.0393 | 0.0071 | 0.0091 |

It can be seen from table 2 that the minimum value and maximum value of the explained variable y (return on total assets) are -0.3901 and 0.1758, respectively, indicating that there is a certain degree of profit difference between the listed transportation enterprises in China. The standard deviation of this variable is 0.0454, indicating that the change range of return on total assets is small. Among the explanatory variables, the minimum and maximum values of $X_1$ (earnings per share) are -2.2741 and 2.2997, respectively, indicating that there is a large gap in the earnings that different transportation enterprises can bring to shareholders, but the standard deviation is 0.4335, indicating that the social responsibility of the transportation industry to shareholders is close to the average; the minimum and maximum values of $X_2$ (asset liability ratio) are 0.0634, respectively , 0.8919, the average value is 0.4514, and the standard deviation is 0.1780, which indicates that the transportation enterprises have different risk preferences in financing; the minimum and maximum values of $X_3$ (employee earned interest rate) are 0.0556 and 22493.4140, respectively, which indicates that the employee welfare level of different transportation enterprises is very different, and the standard deviation is 1647.9039, which indicates that the salary and welfare level paid by enterprises to employees is not stable Fixed: the minimum value of $X_4$ (turnover rate of accounts payable) is 0.4470, the maximum value is 228.9070, and the standard deviation is 24.5115, which indicates that the due repayment speed of transportation enterprises to suppliers is unstable, that is, the performance of social responsibilities of transportation enterprises to suppliers is different to some extent; the minimum and maximum values of $X_5$ (operating cost rate) are 0.1040 and 0.9681, respectively, which indicates that transportation enterprises have certain instability in the repayment speed to suppliers There are some differences in the products and services provided by transportation enterprises to customers; the minimum value of $X_6$ (tax contribution rate) is -0.012, and the maximum value is 0.0393, which indicates that each transportation enterprise will carry out tax planning according to its own situation, resulting in different taxes borne by each enterprise. The minimum and maximum of the control variables size are 20.6140 and 26.2313, respectively, indicating the different scales of each transportation enterprise.

### 4.2. Correlation Analysis

There is a certain correlation between the social responsibility of China's transportation enterprises and their financial performance. In this paper, through spss23.0 software, Pearson

correlation analysis method is used to analyze the correlation between variables, and the relationship between social responsibility and financial performance of China's transportation industry is preliminarily discussed. The results are shown in table 3.

It can be seen from table 3 that y (return on total assets) has a significant positive correlation with $X_1$ (earnings per share) and $X_6$ (tax contribution rate) at the level of 0.01, indicating that the social responsibility of transportation enterprises to shareholders and the government has a significant financial performance; at the same time, y (return on total assets) has a significant negative correlation with $X_2$ (asset liability ratio) and $X_5$ (operating cost ratio) at the level of 0.01 It shows that the social responsibility of transportation enterprises to creditors and consumers has a significant negative correlation with financial performance; $X_3$ (employee earning rate), $X_4$ (accounts payable turnover rate) and Y (return on total assets) have a weak correlation, but not significant; Y (return on total assets) and size (Enterprise size) also have a significant correlation at the level of 0.05 It is reasonable to choose enterprise scale as control variable. Generally speaking, there is a certain correlation between the performance of social responsibility of transportation enterprises and their financial performance.

**Table 3:** Correlation Test Table

| | | Y | $X_1$ | $X_2$ | $X_3$ | $X_4$ | $X_5$ | $X_6$ | Size |
|---|---|---|---|---|---|---|---|---|---|
| Y | Pearson correlation | 1 | .790** | -.351** | -.080 | -.041 | -.301** | .476** | .152* |
| | Sig.(2-tailed) | | .000 | .000 | .261 | .563 | .000 | .000 | .031 |
| $X_1$ | Pearson correlation | .790** | 1 | -.208** | -.075 | -.014 | -.181* | .615** | .189** |
| | Sig.(2-tailed) | .000 | | .003 | .288 | .849 | .010 | .000 | .007 |
| $X_2$ | Pearson correlation | -.351** | -.208** | 1 | -.141* | -.113 | .224** | -.393** | .312** |
| | Sig.(2-tailed) | .000 | .003 | | .047 | .110 | .001 | .000 | .000 |
| $X_3$ | Pearson correlation | -.080 | -.075 | -.141* | 1 | -.029 | -.038 | -.072 | -.075 |
| | Sig.(2-tailed) | .261 | .288 | .047 | | .680 | .591 | .308 | .293 |
| $X_4$ | Pearson correlation | -.041 | -.014 | -.113 | -.029 | 1 | .251** | .014 | -.213** |
| | Sig.(2-tailed) | .563 | .849 | .110 | .680 | | .000 | .844 | .002 |
| $X_5$ | Pearson correlation | -.301** | -.181* | .224** | -.038 | .251** | 1 | -.199** | -.003 |
| | Sig.(2-tailed) | .000 | .010 | .001 | .591 | .000 | | .005 | .968 |
| $X_6$ | Pearson correlation | .476** | .615** | -.393** | -.072 | .014 | -.199** | 1 | .066 |
| | Sig.(2-tailed) | .000 | .000 | .000 | .308 | .844 | .005 | | .352 |
| Size | Pearson correlation | .152* | .189** | .312** | -.075 | -.213** | -.003 | .066 | 1 |
| | Sig.(2-tailed) | .031 | .007 | .000 | .293 | .002 | .968 | .352 | |

\*\*At 0.01 level (double tail), the correlation was significant.

\*At 0.05 level (double tail), the correlation was significant.

## 4.3. Multiple Linear Regression Analysis

In order to further study the correlation between social responsibility and financial performance of the transportation industry, the following multiple linear regression analysis will be conducted for the model, and the results are shown in Table 4.

**Table 4:** Regression Analysis Results

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | Collinearity Statistics | |
|---|---|---|---|---|---|---|---|
| | B | Std. Error | Beta | | | Tolerance | VIF |
| 1    (Constant) | .083 | .010 | | 8.653 | .000 | | |
| $X_1$ | .083 | .005 | .795 | 15.563 | .000 | .615 | 1.626 |
| $X_2$ | -.056 | .012 | -.219 | -4.796 | .000 | .772 | 1.296 |
| $X_3$ | -1.804E-6 | .000 | -.065 | -1.599 | .112 | .957 | 1.045 |
| $X_4$ | -4.130E-5 | .000 | -.022 | -.529 | .597 | .905 | 1.105 |
| $X_5$ | -.034 | .011 | -.131 | -3.019 | .003 | .854 | 1.170 |
| $X_6$ | -.645 | .271 | -.129 | -2.378 | .018 | .542 | 1.846 |
| Sample Size | 201 | | | | | | |
| R Square | 0.689 | | | | | | |
| Adjusted R Square | 0.679 | | | | | | |
| F | 71.480 | | | | | | |
| Sig. | 0.000[b] | | | | | | |

It can be seen from table 4 that $R^2 = 0.689$ of the regression equation, adjusted $R^2 = 0.679 \geqslant$ 0.6, indicating that 67.9% of the dependent variables can be explained by the regression equation, and 22.1% can't be explained, the interpretation ability is good, the fitting effect is good, and the reflection degree of the real data is good; F value is 71.480, P value is 0, indicating that the regression effect between the explanatory variables and the interpreted variables in the regression model is significant, and each explanatory variable is significant It has significant influence on the explained variables, which shows that the model is reasonable. In collinearity diagnosis, the tolerance of each variable is greater than 0.5, and the Vif value is less than 2. It can be considered that there is no multicollinearity problem between independent variables.

It can be seen from the regression analysis results that $X_1$ (earnings per share), $X_2$ (asset liability ratio) and $X_5$ (operating cost ratio) have passed the significance test at the level of 1%. The correlation coefficient of $X_1$ (earnings per share) is positive, indicating that earnings per share has a significant positive correlation with return on total assets, indicating that the social responsibility of transportation enterprises to shareholders can promote the financial performance of enterprises; the correlation coefficient of $X_2$ (asset liability ratio) and $X_5$ (operating cost ratio) is negative, indicating that asset liability ratio, operating cost ratio and return on total assets are positive Significant negative correlation shows that the performance of social responsibility of transportation enterprises to creditors and consumers does not improve the financial performance of enterprises, but for the purpose of fulfilling the responsibility, it produces costs and reduces the financial performance. $X_6$ (tax contribution rate) is significant at the level of 0.05, and the correlation coefficient is negative, indicating that the tax contribution rate has a significant negative correlation with the return rate of total assets, indicating that the performance of social responsibility of the government by transportation enterprises has a negative impact on the financial performance of the current period. $X_3$ (employee earning rate) and $X_4$ (turnover rate of accounts payable) failed to pass the significance test, and they were negatively correlated with the return rate of total assets, but not significantly. To sum up, hypothesis 1, 5 and 6 are true, while hypothesis 3, 4 and 5 are not.

# 5. Conclusion

From the perspective of different stakeholders, combined with the data of 66 listed companies in China's transportation industry in 2016-2018, this paper conducts an empirical study on the relationship between social responsibility and financial performance in the transportation industry, and draws the following conclusions:

First, there is a significant positive correlation between the social responsibility of the transportation enterprises to the shareholders and the financial performance, which indicates that the active performance of the social responsibility of the enterprises to the shareholders is conducive to the improvement of the financial performance of the enterprises. This is mainly because the shareholders are the most original investors of the enterprise. They guarantee the most basic source of funds for all activities of the enterprise. They are the most solid strength for the enterprise to share the profits and losses with the enterprise. Fulfilling the social responsibility to the shareholders can enhance the confidence of the shareholders and promote the shareholders to further expand their investment. With a strong financial support, we can invest more in all aspects of daily work, expand the scale of the enterprise, enhance the comprehensive competitiveness of the enterprise, so as to obtain more profits and promote the improvement of the financial performance of the enterprise.

Secondly, the social responsibility of transportation enterprises to creditors, consumers and the government has a significant negative correlation with financial performance, indicating that enterprises ignore the performance of social responsibility to creditors, consumers and the government, which is not conducive to the improvement of financial performance. This is mainly because enterprises invest too much cost in fulfilling social responsibilities to creditors, consumers and the government, which leads to the decrease of profits and the decrease of financial performance.

Third, the social responsibility of transportation enterprises to employees and suppliers is negatively related to financial performance, but not significant, which shows that the social responsibility of enterprises to employees and suppliers does not directly affect their financial performance. This is mainly due to the fact that transportation enterprises take on too much social responsibility in other aspects, ignoring the social responsibility of employees and suppliers, which makes their impact on financial performance not significant.

Based on the above conclusions, I think that the social responsibility of some stakeholders in China's transportation enterprises is not conducive to the improvement of financial performance. In the long run, actively fulfilling the social responsibilities of enterprises to all parties will promote the improvement of the financial performance of enterprises, and then expand the scale of enterprises, enhance the image of enterprises, improve the comprehensive competitiveness, and form a virtuous circle. If you can't improve the financial performance of an enterprise in a short period of time, don't lose heart, stick to it, enhance self-confidence, pay attention to the performance of social responsibilities of all stakeholders, meet the needs of all stakeholders to the greatest extent, integrate the performance of social responsibilities into daily work, and form a growth effect mechanism, which will promote the improvement of the financial performance of an enterprise.

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