

The Relationship Between Corporate Social Responsibility and Corporate Financial performance: Factors that Moderate and Mediate the CSR-CFP Relationship

Yuqin Deng

The Australian National University, Canberra ACT 2600, Australia

ABSTRACT

Previous studies on the relationship between corporate social responsibility (CSR) and corporate financial performance (CFP) have not been conclusive. This paper reviews the literature on the relationship between corporate social responsibility (CSR) and corporate financial performance (CFP). Furthermore, it examines the factors that moderate the relationship between the two, including corporate reputation, customer satisfaction, ethical leadership, ownership concentration, institutional environment and market competition, based on legitimacy theory and stakeholder theory. The results show that the relationship between CSR and corporate performance is affected by corporate reputation, customer satisfaction, ethical leadership, ownership concentration, institutional environment and market competition. This paper may have implications for corporate management and policy makers.

KEYWORDS

CSR; CFP; Moderators; Mediators

1. INTRODUCTION

Corporate Social Responsibility (CSR) has received a great deal of attention from practitioners and academia due to its importance to business and society.

Marsden (2001) defines CSR as the selfless and voluntary involvement of an organization in activities that lead to the achievement of some social benefit. It means that companies are required to contribute to the well-being of society. Therefore, companies should pay attention to the social interests of people in the community in their operating business decision-making process (Sarkar, 2005).

Stakeholder theory suggests that to be recognized as socially responsible, a company should consider the interests of its multiple stakeholders, as they all impact organizational performance. (Freeman and Dmytriiev, 2017). The current literature suggests that corporate social responsibility (CSR) and corporate financial performance (CFP) are interrelated. Most studies (Weber, Scholz and Michalik, 2008; Callan and Thomas, 2009; Cho, 2016) emphasize the positive impact of CSR on financial performance. For example, Bagh et al. (2017) suggest that when commercial banks in Pakistan increase the amount of investment in CSR, the bank performance increases significantly. However, a few studies show negative or no correlation (Moore and Robson, 2002). As the cost of CSR activities increased, corporate profits decreased. Therefore it is believed that CSR practices are negatively related to earnings per share (López, Garcia and Rodriguez, 2007). Furthermore, Griffin and Mahon (1997) found no link between CSR and CFP in their empirical study.

The research gap is that although most empirical studies focus on the direct relationship between CSR and CFP, there may be mediating or moderating mechanisms that lead to unreliable results on the

direct impact of CSR on CFP. By overestimating the impact of CSR on CFP, ignoring intervening or moderating factors can lead to biased results. Long et al. (2019) find that competition between firms plays a crucial role in increasing CSR investment.

Thus, this paper mainly explores which dimensions influence the relationship between CSR and financial performance?

The main structure of the paper is as follows: firstly, the theoretical background for studying the relationship between CSR and CFP is presented, the factors affecting the relationship are discussed in Section 3, and a conclusion is given in the last section.

2. LITERATURE REVIEW

2.1. Legitimacy Theory

Legitimacy theory defines that organizations should constantly try to ensure that they are legitimate and that their social norms, values and culture adhere to their social contract to function (Deegan, 2009). Furthermore, legitimacy theory suggests that society's expectations as a whole need to be met by the organization (Deegan, 2002; Deegan and Unerman, 2006). Therefore, firms must meet the requirements of all stakeholders and ensure that the terms are not violated to justify their operations to gain good legitimacy. Moreover, CSR practices help firms gain legitimacy (Guthrie et al., 2006). Noah (2017) states that organizations can meet the needs and expectations of the public through corporate social responsibility. Past research has also often used legitimacy theory to explain the relationship between CSR and CFP and argues that failure to maintain legitimacy can jeopardize the firm's survival (Mahoney and Roberts, 2007).

2.2. Stakeholder Theory

Firstly, Freeman's (1984) stakeholder theory states that the goal of a company is not only to pursue profit but also to satisfy the needs of stakeholders from different backgrounds. The company's stakeholders include employees, customers, shareholders and suppliers, each of whom has a legitimate interest in the company's operations. The survival and success of a company depend on the ability of its managers to generate sufficient wealth and satisfaction for its key stakeholders (Clarkson, 1995). The link between CSR and corporate performance has been empirically tested in many previous studies using stakeholder theory. Freeman (1984) argues that companies that satisfy their stakeholders create a strategic competitive advantage. CSR involvement can improve the relationship between various stakeholder groups, thereby improving firm performance (Preston and O'Bannon, 1997).

In the short term, a company's involvement in CSR activities can positively influence stakeholders' attitudes towards the company and increase positive stakeholder behavior in the long term (Du Bhattacharya and Sen, 2010) as consumers are generally more likely to purchase products and services from socially responsible companies, which in turn has a positive impact on the company's financial performance.

2.3. CSR and Firm Financial Performance

The examination of the relationship between CSR and firm financial performance has been highly researched in the recent literature. However, the findings are inconclusive, and three relationships have been broadly concluded. A positive relationship, a negative relationship and no relationship.

2.3.1. Positive relationship.

Scholars argue that there is a significant positive relationship between CSR and financial performance. According to the stakeholder theory statement (Freeman, 1898), an organization should meet the

needs of all its stakeholders. CSR plays a positive effect on corporate financial performance. Several studies indicated that CSR could positively affect financial performance (Van der Laan et al., 2008; Manokaran et al., 2015). Chen and Wang (2011) found that CSR activities improved the firm's capabilities in different ways, thus influencing the firm's financial performance in the following year. Profits of socially responsible companies were much higher than those of less responsible companies. Researchers believe that positive CSR practices can enhance brand image, build effective communication bridges with stakeholders, reduce conflicts with stakeholders, and thus gain customer and investor confidence in products and companies (Galbreath, 2010). Companies that are more socially responsible are thought to be more attractive to talented individuals (Aguilera et al., 2007) and have lower turnover rates, significantly reducing the cost of talent development.

2.3.2. Negative Relationship.

However, it has also been proposed that CSR harms corporate performance. Fisher-Vanden and Thorburn (2011) found that the market may react negatively to news that a company has joined an environmental program. It is because joining an environmental programme means upgrading production facilities and increasing costs. Rashid and Ibrahim (2002) argue that CSR imposes additional costs on firms, leading to a shortage of capital flows and seriously undermining the interests of shareholders. In addition, increased corporate social investment can lead to cuts in other areas, such as employee wages, which compromise stakeholders' interests and contradicts the company's primary objectives. A study was conducted to examine the extent of CSR and corporate financial performance of companies listed on the Shanghai Stock Exchange. The final results showed that the corporate performance of most companies declined with the implementation of CSR (Zhu, 2009). Therefore, some scholars argue that CSR "legitimately" costs valuable corporate resources at the expense of the company's goal of maximizing shareholder wealth and therefore does not bring any financial benefits to the company's shareholders (Johnson and Greening, 1999).

3. FACTORS INFLUENCE THE CSR - CFP RELATIONSHIP

3.1. Ethical Leadership

Ethical leadership is defined as "the demonstration of appropriate behavior through personal behavior and interpersonal relationships and promoting such behavior to followers through two-way communication" (Brown, Treviño and Harrison, 2005: 120). Stakeholder theory suggests that business leaders should serve the interests of all stakeholder groups. Therefore, they need to be accountable for their actions and ensure that their subordinates are accountable for their actions.

Roeck and Farooq (2018) emphasize that leaders' behavior will strongly influence and motivate employees' attitudes towards the organization's CSR practices. There is much past literature that proves that organizational values have an impact on CSR outcomes (De Roeck and Farooq, 2017). Leaders have a decisive role in developing CSR programme. Therefore, leaders play an excellent role in leading (including employees). In a survey of Malaysian employees, it was found that ethical leaders are more motivated to engage employees in CSR (Nejati, Salamzadeh and Loke, 2019). As they lead by example in social enterprise activities and are more attentive to the needs of different stakeholders. Employees are positively influenced by the ethical environment and motivated to engage in socially responsible activities. Conversely, unethical leaders are more interested in self-interest. According to stakeholder theory, managers need to serve the interests of all groups, and ethical leaders will strive to improve the environment and welfare to meet stakeholder expectations. Ethical leaders are more likely to gain acceptance and maintain relationships with all stakeholders (Wu et al., 2014). Thus, ethical leadership contributes to the promotion of corporate social responsibility.

Furthermore, ethical leadership helps to link CSR and performance to action (Pless et al., 2012). This is because ethical leadership not only acts in an ethical manner, thus setting an example of ethical

behavior and communicating the importance of ethics. (Brown, Treviño and Harrison, 2005: 120). Thus, through their actions, ethical managers reflect their values and balance the needs of each stakeholder, thereby gaining the favor of the stakeholder to cooperate with the company and thus bring benefits to the company. For example, for employees, ethical leadership serves as a role model, increasing employee loyalty, thereby reducing turnover and maximizing productivity.

Additionally, as customers consider the company's sustainability initiatives when purchasing goods, ethical leadership values communicate well to customers and build a positive brand image, thereby increasing revenue. A survey found that 47% of consumers are more likely to buy products or services from socially responsible "ethical companies" (Sato, 1998). However, when leaders demonstrate weak ethics, even increased investment in CSR will not improve performance.

Therefore, ethical leadership is a mediator between corporate social responsibility and corporate performance. Firstly, ethical management can motivate employees to engage in corporate social practices. In addition, ethical leadership can communicate corporate values to consumers and thus gain the goodwill of stakeholders, thus helping to increase the company's market share.

3.2. Firm Reputation

Corporate reputation mediates the relationship between CSR and CFP. CSR enhances corporate reputation, which has a positive impact on financial performance (Bear, Rahman and Post, 2010). In a survey of 280 firms in Australia, Galbreath and Shum (2012) found that CSR practices can improve corporate image and reputation. Social responsibility is a competitive strategy to meet the needs of various stakeholders (Lii and Lee, 2010).

A good reputation is crucial for organizations to achieve sustainable competitive advantage (Fombrun and Shanley, 1990). And the involvement of companies in CSR activities is one of the ways in which companies build their image and reputation. Corporate reputation increases with the CSR activities initiated by the company (Aguinis and Glavas, 2012). Because the more CSR practices a company undertakes, the more it is recognized and positively evaluated by its stakeholders.

Roberts and Dowling (2002) found that the higher the reputation of a company, the higher its return on assets. This is because when a company follows strict social standards and fulfills its social responsibility, it influences the positive perception of the company by all stakeholders, thus improving the overall reputation of the company. Researchers have found that companies that maintain higher levels of philanthropic spending play a positive role in shaping shareholder perceptions of the company (Brammer and Millington, 2005). This means that a good reputation helps to increase customer confidence and attract more customers, thus improving firm performance.

Besides, in their recent study, Bergh and Ketchen (2010) also support the idea that a good reputation has a positive impact on performance. This is because 40% of employees claim that a company's reputation attracts them to the company. Ansong and Agyemang's (2016) survey of 423 companies in Ghana revealed a significant positive relationship between company reputation and company performance. A high reputation helps companies retain high-level talent and thus improve operational efficiency.

3.3. Customer Satisfaction

Customer satisfaction is a vital contributor to a company's shareholder value (Swaminathan et al., 2013). It is also a key driver of a company's long-term profitability and market value (Gruca and Rego, 2005), as consumers are the main stakeholders of a company and the primary source of revenue. Scholars have shown that satisfaction can be increased through CSR (García-Madariaga and Rodríguez-Rivera, 2017). Because CSR practices allow companies to demonstrate strengths, give customers a more comprehensive understanding of the company, and responsible companies can better differentiate themselves from ordinary companies and thus gain a competitive advantage in the

marketplace. The company's corporate social responsibility practices allow it to demonstrate its strengths, give its customers a comprehensive understanding of the company and differentiate it from ordinary companies, thus gaining a competitive advantage. Customers are more satisfied with the products or services of a socially responsible company than those of a company that does not take CSR seriously. (Khaled and Fares Jamiel Husain, 2020). Therefore, CSR has a positive effect on customer satisfaction (Al-Ghamdi and Badawi, 2019).

Whereas customer satisfaction also has a positive impact on the company's financial performance (Grewal, Chandrashekar and Citrin, 2010). Pooser and Browne (2018) found a positive relationship between customer satisfaction and profitability in a study of Chinese state-owned enterprises. This is because customer satisfaction helps firms to build strong and lasting bonds with consumers. In addition, customer satisfaction directly affects customer loyalty. This is because customers who remain highly satisfied with a brand will tend to repurchase its products or services (Homburg, Koschate and Hoyer, 2005). In other words, when consumers approve of the company's products or services, it creates customer loyalty and leads to regular visit. This directly increases the revenue and profit of the company.

On the other hand, when customers have a good experience, they will also refer their friends to the company, which will significantly reduce the company's marketing costs. Since it is estimated that it takes about five times as much time, money and resources to attract new customers as it does to keep existing ones (Stank, Daugherty and Ellinger, 1997), companies save on publicity and customer acquisition costs by building a reputation for excellence in customer satisfaction.

Thus, customer satisfaction mediates the relationship between corporate social responsibility and financial performance. Good corporate social practices help to increase customer satisfaction, which in turn increases customer repurchase rates and hence corporate revenues and profits.

3.4. Ownership Concentration

In general, significant shareholders are considered to be at the heart of a company because they have a high proportion of investment and extensive decision-making power. As they invest a large amount of money and resources, they are more interested in generating more profits. This is because shareholders do not prioritize CSR when assessing a company. Agency theory (Fama and Jensen, 1983) describes that there is a divergence of interests between management and shareholders, which can be detrimental to the company's interests as managers make decisions to gain personal benefits at the expense of other stakeholders. (Zaid, Abuhijleh and Pucheta-Martínez, 2020)

Withisuphakorn and Jiraporn (2018) show that more concentrated ownership significantly reduces CSR engagement. When shareholders have a majority stake, they bear a more significant cost of CSR, resulting in large shareholders not investing as much in CSR activities. While promoting CSR will benefit other stakeholders, it will do so at the expense of the majority shareholder, whose investment costs far outweigh the benefits. As a result, controlling majority shareholders have more discretionary power than minority shareholders and tend to be more self-interested. Brammer and Millington (2005) find that ownership concentration is negatively related to donations to charities. This supports the view of agency theory. In companies with concentrated ownership, donations to charities are lower. Therefore, the more concentrated the shareholding, the lower the propensity of companies to be socially responsible.

Compared to concentrated ownership, dispersed shareholding implies an increase in the number of shareholders. As ownership spreads, shareholders' expectations and demands become broader (Keim, 1978). Investors prefer to be long-term holders of shares and therefore focus on long-term performance rather than short-term profits, which would support CSR activities or disclosure.

Another typical example of ownership concentration is in China, where nearly 60% of listed companies are state-owned (Li et al., 2013). The government holds a majority stake in SOEs, thus granting voting rights and limiting their ability to make independent decisions (Fifka and Pobiz, 2013). In line with the agency theory issues explained above, this makes corporate social responsibility practices of companies subject to political factors (Kimber and Lipton, 2015).

Therefore, ownership concentration negatively moderates the relationship between CSR and corporate financial performance. The more decentralized a company's shareholding is, the more importance it places on CSR activities, which in turn has a positive impact on firm performance. However, as ownership concentration increases, the strength of CSR's impact on financial performance decreases.

3.5. Institution Environment

In the context of economic globalization, social responsibility has become an essential component of a company's core competencies. The institutional environment is a crucial determinant of corporate social responsibility (Campbell, 2007). The institutional environment refers to rules, norms and practices related to politics, economy and culture (Han et al., 2020). A good institutional environment means a solid legal environment, an excellent local culture and more supportive policies (Xie et al., 2017). This can help companies understand CSR better and encourage them to implement CSR actively. On the other hand, government departments are the leading institutional developers and have a decisive influence on the reform of the institutional environment.

It is noted that independent watchdog organizations and state regulation stimulate CSR-related activities (Campbell, 2007). In contrast, governments promote laws based on employee rights and stakeholder protection (Garcia-Sanchez, Cuadrado-Ballesteros and Frias-Aceituno, 2016). Therefore, companies need to pay more attention to CSR practices to gain social legitimacy (Lau, Lee and Jung, 2018).

Furthermore, for employees, their rights are more secure, leading to employees contributing with peace of mind, thus increasing operational efficiency. There are hefty fines for violators. Therefore, this incentivises companies to perform corporate social practices and thus gain legitimacy. Conversely, a weak regulatory environment makes it easier for companies to escape social responsibility because they face small costs of breaking the law or have little legal awareness. For example, Surana (2015) studied the Malaysian case and found that the lack of relevant regulations and resources to monitor business activities has led to the implementation of CSR activities being entirely dependent on the autonomy of business managers. Many companies only undertake short-term social responsibility practices before preparing their annual reports.

Bhatia and Makkar (2019) find that CSR disclosure in regions with a good institutional environment is much higher than in an immature institutional environment. The disclosure rate in the UK was found to be as high as 98% compared to 47% in India, a difference that experts attribute to differences in the institutional environment. Because the environmental system is well developed, people (including customers, employees and investors) are more concerned about environmental and sustainability issues. In contrast, regions with inadequate institutions do not take CSR seriously due to a lack of awareness, reducing the pressure on companies to practice it. Thus, the institutional environment can influence the motivation of companies to exercise CSR. Thus, the institutional environment can influence the motivation of companies to exercise CSR.

In addition, CSR practices require significant amounts of investment. In a strict regulatory environment, governments intervene and introduce policies to subsidize companies to lead more socially responsible activities or green innovations to help them project a positive image (Lau, Lee and Jung, 2018). As regulations become stricter, companies begin to pay more attention to environmental issues and take a proactive approach to social responsibility and performance, which helps build a positive image and contributes to competitive advantage and financial performance (Han

et al., 2020). In areas where institutions are absent, managers do not see CSR as profitable in the short term, and there is a lack of regulatory guidance. As a result, companies are forced not to consider CSR.

Consequently, a well-developed institutional environment enhances the positive relationship between CSR practices and financial performance. The positive effect of a mature, well-developed institutional environment on corporate performance is more pronounced than in a less regulated market environment.

4. CONCLUSION

Corporate social responsibility (CSR) is a critical factor in achieving the financial objectives of any business entity (Du, Bhattacharya and Sen, 2010). This paper aims to explore the factors that influence the relationship between CSR and financial performance. While the link between CSR and financial performance has been a controversial topic, this paper reviews past research and finds that while the relationship between CSR and corporate financial performance is not yet definitive, CSR has generally become a tool for organizations to develop a competitive advantage and build reputation, thereby positively influencing corporate financial performance. Secondly, the factors that influence the relationship are further analyzed. Stakeholder theory and legitimacy theory were used as the theoretical background.

This paper found that: (1) Reputation plays a mediating role in CSR and corporate performance. On the one hand, corporate involvement in CSR helps to create and enhance a company's image (Minor and Morgan, 2011). On the other hand, a good reputation can boost corporate revenues and thereby increase a company's profitability; (2) Customer satisfaction plays an important mediating role between CSR and firm performance. Customers prefer the products of high socially responsible companies, and social practices can increase customer satisfaction and directly influence loyalty, leading to positive profits and revenues; (3) Ownership concentration plays a negative moderating role in the relationship between CSR and financial performance. It means that CSR activities benefit the financial performance of companies with decentralized ownership structures. Nevertheless, as ownership concentration increases, the strength of this relationship diminishes; (4) Ethical leadership is an essential determinant of CSR, acting as a moderator in the relationship between CSR and corporate performance (Den Hartog, 2015). When ethical leadership is solid and ethical, leaders can act as role models, communicating their values to employees and thus encouraging them to commit to corporate social practices. In addition, they can present an image to customers and investors of a company that values social well-being and thus gain the goodwill of stakeholders. In contrast, the opposite is true when ethical leadership is weak; (5) The degree of market competition mediates the relationship between CSR and CFP to a certain extent. The more competitive the market is, the more a company can win with a slight competitive advantage (Fernández-Kranz and Santaló, 2010). CSR is a means of product differentiation that helps companies gain a competitive advantage and thus increase their market share.

Finally, given that no empirical research has been conducted in this paper, for the time being, more data is needed in the future to support the above moderating factors. In addition, there are limitations to the above results. Future research could compare the above moderating or mediating factors in developed and developing countries to see if the same findings exist.

REFERENCES

- [1] Aguilera, R.V., Rupp, D.E., Williams, C.A. and Ganapathi, J. (2007). Putting the S back in corporate social responsibility: A multilevel theory of social change in organizations. *Academy of Management Review*, 32(3), pp.836–863. doi:10.5465/amr.2007.25275678.

- [2] Aguinis, H. and Glavas, A. (2012). What We Know and Don't Know About Corporate Social Responsibility. *Journal of Management*, 38(4), pp.932–968. doi:10.1177/0149206311436079.
- [3] Al-Ghamdi, S.A.A. and Badawi, N.S. (2019). Do corporate social responsibility activities enhance customer satisfaction and customer loyalty? Evidence from the Saudi banking sector. *Cogent Business & Management*, 6(1). doi:10.1080/23311975.2019.1662932.
- [4] Angus-Leppan, T. (2010). Leadership styles and CSR practice: an examination of sensemaking, institutional drivers and CSR leadership. *Development and Learning in Organizations: An International Journal*, 24(5). doi:10.1108/dlo.2010.08124ead.006.
- [5] Bagh, T., Asif Khan, M., Azad, T., Saddique, S., Khan, M., Mazafarabad, K. and Pakistan (2017). and Technology since 2006, while he is currently PhD Finance and Banking Scholar at School of Economics. *International Journal of Economics and Financial Issues*, [online] 7(2), pp.301–308. Available at: <https://dergipark.org.tr/en/download/article-file/365718> [Accessed 12 Apr. 2022].
- [6] Bear, S., Rahman, N. and Post, C. (2010). The Impact of Board Diversity and Gender Composition on Corporate Social Responsibility and Firm Reputation. *Journal of Business Ethics*, 97(2), pp.207–221. doi:10.1007/s10551-010-0505-2.
- [7] Brammer, S. and Millington, A. (2008). Does it pay to be different? An analysis of the relationship between corporate social and financial performance. *Strategic Management Journal*, 29(12), pp.1325–1343. doi:10.1002/smj.714.
- [8] Callan, S.J. and Thomas, J.M. (2009). Corporate financial performance and corporate social performance: an update and reinvestigation. *Corporate Social Responsibility and Environmental Management*, 16(2), pp.61–78. doi:10.1002/csr.182.
- [9] Campbell, J.L. (2007). Why would corporations behave in socially responsible ways? an institutional theory of corporate social responsibility. *Academy of Management Review*, 32(3), pp.946–967. doi:10.5465/amr.2007.25275684.
- [10] Carroll, A.B. (1999). Corporate Social Responsibility. *Business & Society*, [online] 38(3), pp.268–295. doi:10.1177/000765039903800303.
- [11] Chen, Y.-H. and Nie, P.-Y. (2016). Duopoly competition in food industry considering corporate social responsibility. *Quality Assurance and Safety of Crops & Foods*, 8(1), pp.33–40. doi:10.3920/qas2014.0479.
- [12] Cho, E., Chun, S. and Choi, D. (2015). International Diversification, Corporate Social Responsibility, And Corporate Governance: Evidence From Korea. *Journal of Applied Business Research (JABR)*, 31(2), p.743. doi:10.19030/jabr.v31i2.9153.
- [13] Cho, H.-J. (2016). 'Relation Between Corporate Social Responsibility, Intangibles, and Corporate Financial Performance'. *Academy of Management Proceedings*, 2016(1), p.11798. doi:10.5465/ambpp.2016.11798abstract.
- [14] Creyer, E.H. (1997). The influence of firm behavior on purchase intention: do consumers really care about business ethics? *Journal of Consumer Marketing*, 14(6), pp.421–432. doi:10.1108/07363769710185999.
- [15] D'Amato, A. and Falivena, C. (2019). Corporate social responsibility and firm value: Do firm size and age matter? Empirical evidence from European listed companies. *Corporate Social Responsibility and Environmental Management*. doi:10.1002/csr.1855.
- [16] De Roeck, K. and Farooq, O. (2017). Corporate Social Responsibility and Ethical Leadership: Investigating Their Interactive Effect on Employees' Socially Responsible Behaviors. *Journal of Business Ethics*, [online] 151(4), pp.923–939. doi:10.1007/s10551-017-3656-6.
- [17] Den Hartog, D.N. (2015). Ethical Leadership. *Annual Review of Organizational Psychology and Organizational Behavior*, 2(1), pp.409–434. doi:10.1146/annurev-orgpsych-032414-111237.
- [18] Du, S., Bhattacharya, C.B. and Sen, S. (2010). Maximizing Business Returns to Corporate Social Responsibility (CSR): The Role of CSR Communication. *International Journal of Management Reviews*, [online] 12(1), pp.8–19. doi:10.1111/j.1468-2370.2009.00276.x.
- [19] Feng, J. (2021). Flood-relief donation lifts struggling Chinese brand out of financial funk. [online] *SupChina*. Available at: <https://supchina.com/2021/07/27/flood-relief-donation-lifts-struggling-chinese-brand-out-of-financial-funk/> [Accessed 18 Apr. 2022].
- [20] Fernández-Kranz, D. and Santaló, J. (2010). When Necessity Becomes a Virtue: The Effect of Product Market Competition on Corporate Social Responsibility. *Journal of Economics & Management Strategy*, 19(2), pp.453–487. doi:10.1111/j.1530-9134.2010.00258.x.
- [21] Flammer, C. (2012). Does Product Market Competition Foster Corporate Social Responsibility? *SSRN Electronic Journal*. doi:10.2139/ssrn.2146280.
- [22] Freeman, R.E. and Dmytryiev, S. (2017). Corporate Social Responsibility and Stakeholder Theory: Learning from Each Other. *Corporate Social Responsibility and Stakeholder Theory: Learning from Each Other*, [online] 1(1). doi:10.4468/2017.1.02freeman.dmytryiev.

- [23] García-Madariaga, J. and Rodríguez-Rivera, F. (2017). Corporate social responsibility, customer satisfaction, corporate reputation, and firms' market value: Evidence from the automobile industry. *Spanish Journal of Marketing - ESIC*, 21, pp.39–53. doi:10.1016/j.sjme.2017.05.003.
- [24] Garcia-Sanchez, I.-M., Cuadrado-Ballesteros, B. and Frias-Aceituno, J.-V. (2016). Impact of the Institutional Macro Context on the Voluntary Disclosure of CSR Information. *Long Range Planning*, 49(1), pp.15–35. doi:10.1016/j.lrp.2015.02.004.
- [25] Grewal, R., Chandrashekar, M. and Citrin, A.V. (2010). Customer Satisfaction Heterogeneity and Shareholder Value. *Journal of Marketing Research*, 47(4), pp.612–626. doi:10.1509/jmkr.47.4.612.
- [26] Griffin, J.J. and Mahon, J.F. (1997). The Corporate Social Performance and Corporate Financial Performance Debate. *Business & Society*, 36(1), pp.5–31. doi:10.1177/000765039703600102.
- [27] Han, S.-R., Li, P., Xiang, J.-J., Luo, X.-H. and Chen, C.-Y. (2020). Does the institutional environment influence corporate social responsibility? Consideration of green investment of enterprises—evidence from China. *Environmental Science and Pollution Research*. doi:10.1007/s11356-020-09559-6.
- [28] Helm, S. (2007). The Role of Corporate Reputation in Determining Investor Satisfaction and Loyalty. *Corporate Reputation Review*, 10(1), pp.22–37. doi:10.1057/palgrave.crr.1550036.
- [29] Homburg, C., Koschate, N. and Hoyer, W.D. (2005). Do Satisfied Customers Really Pay More? A Study of the Relationship between Customer Satisfaction and Willingness to Pay. *Journal of Marketing*, 69(2), pp.84–96. doi:10.1509/jmkg.69.2.84.60760.
- [30] Hwang, J., Cho, S. and Kim, W. (2019). Philanthropic corporate social responsibility, consumer attitudes, brand preference, and customer citizenship behavior: Older adult employment as a moderator. *Social Behavior and Personality: an international journal*, 47(7), pp.1–10. doi:10.2224/sbp.8111.
- [31] Inekwe, M., Hashim, F. and Yahya, S.B. (2020). CSR in developing countries – the importance of good governance and economic growth: evidence from Africa. *Social Responsibility Journal*, ahead-of-print(ahead-of-print). doi:10.1108/srj-10-2019-0336.
- [32] Jaworski, B.J. and Kohli, A.K. (1993). Market Orientation: Antecedents and Consequences. *Journal of Marketing*, 57(3), pp.53–70. doi:10.1177/002224299305700304.
- [33] Johnson, R.A. and Greening, D.W. (1999). The Effects of Corporate Governance and Institutional Ownership Types on Corporate Social Performance. *Academy of Management Journal*, 42(5), pp.564–576. doi:10.5465/256977.
- [34] Khaled, A. and Fares Jamiel Husain, A. sufy (2020). The Impact of Corporate Social Responsibility (CSR) on Bank Reputation and Financial Performance (Case study: Iranian banks). *Journal of Economics and Environment*, 1(1), pp.1–6. doi:10.47277/jee/1(1)6.
- [35] Kiliç, M., Kuzey, C. and Uyar, A. (2015). The impact of ownership and board structure on Corporate Social Responsibility (CSR) reporting in the Turkish banking industry. *Corporate Governance: The international journal of business in society*, 15(3), pp.357–374. doi:10.1108/cg-02-2014-0022.
- [36] Lau, A., Lee, S. and Jung, S. (2018). The Role of the Institutional Environment in the Relationship between CSR and Operational Performance: An Empirical Study in Korean Manufacturing Industries. *Sustainability*, 10(3), p.834. doi:10.3390/su10030834.
- [37] Lo, C.K.Y., Yeung, A.C.L. and Cheng, T.C.E. (2012). The impact of environmental management systems on financial performance in fashion and textiles industries. *International Journal of Production Economics*, [online] 135(2), pp.561–567. doi:10.1016/j.ijpe.2011.05.010.
- [38] López, M.V., Garcia, A. and Rodriguez, L. (2007). Sustainable Development and Corporate Performance: A Study Based on the Dow Jones Sustainability Index. *Journal of Business Ethics*, 75(3), pp.285–300. doi:10.1007/s10551-006-9253-8.
- [39] Mathis, A. (2004). Corporate Social Responsibility in the UK, the Netherlands and Germany: Theory and Forerunners. [online] Available at: <https://ris.utwente.nl/ws/portalfiles/portal/102740651/Mathis2004corporate.pdf> [Accessed 19 Mar. 2022].
- [40] Minor, D. and Morgan, J. (2011). CSR as Reputation Insurance: Primum Non Nocere. *California Management Review*, 53(3), pp.40–59. doi:10.1525/cmr.2011.53.3.40.
- [41] Moore, G. and Robson, A. (2002). The UK supermarket industry: an analysis of corporate social and financial performance. *Business Ethics: A European Review*, 11(1), pp.25–39. doi:10.1111/1467-8608.00256.
- [42] Nejati, M., Salamzadeh, Y. and Loke, C.K. (2019). Can ethical leaders drive employees' CSR engagement? *Social Responsibility Journal*, ahead-of-print(ahead-of-print). doi:10.1108/srj-11-2018-0298.
- [43] Park, R.Y. and Lee, E.S. (2017). Strategy, Motive, and Organizational Capability for Corporate Philanthropy : A Case Study of Starbucks Coffee Korea. *Korean Journal of Resources Development*, 20(2), pp.1–41. doi:10.24991/kjhrd.2017.06.20.2.1.

- [44] Pérez, A., García de los Salmones, M. del M. and López-Gutiérrez, C. (2020). Market reactions to CSR news in different industries. *Corporate Communications: An International Journal*, 25(2), pp.243–261. doi:10.1108/ccij-05-2019-0056.
- [45] Pooser, D.M. and Browne, M.J. (2018). The Effects of Customer Satisfaction on Company Profitability: Evidence From the Property and Casualty Insurance Industry. *Risk Management and Insurance Review*, 21(2), pp.289–308. doi:10.1111/rmir.12105.
- [46] Roberts, R.W. (1992). Determinants of corporate social responsibility disclosure: An application of stakeholder theory. *Accounting, Organizations and Society*, 17(6), pp.595–612. doi:10.1016/0361-3682(92)90015-k.
- [47] Schreck, P. (2013). Nonfinancial Disclosure and Analyst Forecast Accuracy: International Evidence on Corporate Social Responsibility Disclosure. *Social and Environmental Accountability Journal*, 33(3), pp.180–181. doi:10.1080/0969160x.2013.845036.
- [48] Stank, T.P., Daugherty, P.J. and Ellinger, A.E. (1997). Voice of the Customer: The Impact on Customer Satisfaction. *International Journal of Purchasing and Materials Management*, 33(3), pp.2–9. doi:10.1111/j.1745-493x.1997.tb00031.x.
- [49] Surana, S. (2015). Empowering India through Imperative Contribution from Corporate Houses for Better Tomorrow. *Siddhant- A Journal of Decision Making*, 15(2), p.117. doi:10.5958/2231-0657.2015.00012.9.
- [50] Swaminathan, V., Groening, C., Mittal, V. and Thomaz, F. (2013). How Achieving the Dual Goal of Customer Satisfaction and Efficiency in Mergers Affects a Firm's Long-Term Financial Performance. *Journal of Service Research*, 17(2), pp.182–194. doi:10.1177/1094670513510196.
- [51] Withisuphakorn, P. and Jiraporn, P. (2018). Deciphering the motives behind corporate social responsibility (CSR) using managerial ownership: evidence from heteroskedastic identification. *Applied Economics Letters*, 26(12), pp.963–970. doi:10.1080/13504851.2018.1524973.
- [52] Wu, L.-Z., Kwan, H.K., Yim, F.H., Chiu, R.K. and He, X. (2014). CEO Ethical Leadership and Corporate Social Responsibility: A Moderated Mediation Model. *Journal of Business Ethics*, [online] 130(4), pp.819–831. doi:10.1007/s10551-014-2108-9.
- [53] Yun, J. and Lee, J. (2022). Analysis of the Relationship between Corporate CSR Investment and Business Performance Using ESG Index—The Use-Case of Korean Companies. *Sustainability*, 14(5), p.2911. doi:10.3390/su14052911.
- [54] Zaid, M.A.A., Abuhijleh, S.T.F. and Pucheta-Martínez, M.C. (2020). Ownership structure, stakeholder engagement, and corporate social responsibility policies: The moderating effect of board independence. *Corporate Social Responsibility and Environmental Management*, 27(3), pp.1344–1360. doi:10.1002/csr.1888.