2017

The Relationship Between Financial Performance, Firm Size, Leverage and Corporate Social Responsibility

Fraser T. Nega
Walden University

Walden University

College of Management and Technology

This is to certify that the doctoral study by

Fraser T Nega

has been found to be complete and satisfactory in all respects,
and that any and all revisions required by
the review committee have been made.

Review Committee
Dr. Ify Diala, Committee Chairperson, Doctor of Business Administration Faculty

Dr. Sean Stanley, Committee Member, Doctor of Business Administration Faculty

Dr. Z Al Endres, University Reviewer, Doctor of Business Administration Faculty

Chief Academic Officer
Eric Riedel, Ph.D.

Walden University
2017

Abstract

The Relationship Between Financial Performance, Firm Size,

Leverage, and Corporate Social Responsbility

by

Fraser T. Nega

MBA, North Central University, 2013

MA, Financial Economics, Ohio University, 2007

BA, Economics, The Ohio State University, 2004

Doctoral Study Submitted in Partial Fulfillment

of the Requirements for the Degree of

Doctor of Business Administration

Walden University

December 15, 2017

Abstract

Approximately $25.2 trillion in total assets under management in the United States is involved in some strategy of socially responsible and sustainable investing. Grounded in the stakeholder theory, the purpose of this correlational study was to examine the relationships between financial performance, firm size, leverage, and corporate social responsibility. A random sample included 119 large companies located in the United States from the population of companies listed in the Russell 100 index. The data were collected via Bloomberg Terminal. Multiple linear regression analysis was used to predict Environmental, Social, and Governance (ESG) activity scores. The 3 predictor variables accounted for approximately 7% of the variance in ESG activity scores and the result was statistically significant, $F(3,115) = 2.83$, $p < .04$, $R^2 = .07$. Although the p value was significant, the R^2 was low representing a poor model fit. In the final analysis, total revenue was added to the model and was a significant predictor and negatively correlated with ESG activity scores; However, return on equity and leverage were not significant predictors of ESG activity scores suggesting the potential need to transfer some corporate social initiatives from business leaders to government policy makers. Future researchers should consider incorporating additional variables to make the model more useful. The implications for positive social change include the potential to identify fiscal incentives for corporate social programs by policy makers which benefit stakeholders such as employees, suppliers, customers, communities, and the environment.

The Relationship Between Financial Performance, Firm Size, Leverage and Corporate Social Responsbility

by

Fraser T. Nega

MBA, North Central University, 2013

MA, Financial Economics, Ohio University, 2007

BA, Economics, The Ohio State University, 2004

Doctoral Study Submitted in Partial Fulfillment

of the Requirements for the Degree of

Doctor of Business Administration

Walden University

December 2017

Dedication

First, I would like to thank the Holy Savior and his Mother Virgin Mary for giving me the strength and patience to finish this long and frustrating but fruitful journey. I started this milestone with unbroken faith and completed in the same manner despite the multitude challenges. I would like to dedicate this work to my father Nega Tsehay who has incredibly high value to education and for his unyielding support and motivation since my childhood. Sadly, my father passed away on October 23, 2017 right before he sees my accomplishment. I love you Abushu, may God rest your soul in heaven. I also dedicate this work to my beloved mother Tsige Ayele whose constant prayers and love had been the driving forces behind my success.

Acknowledgments

First, I would like to thank God for giving me the strength and motivation to achieve this milestone. I am grateful to my father, my mother, my brothers, and my sister for their relentless support and encouragement. I would like to thank my doctoral study chairperson, advisor, and mentor, Dr. Ify Diala, and the second committee member Dr. Sean Stanley for their unyielding mentoring and guidance. Finally, yet importantly, I would like to thank Dr. Al Endres, for his valuable input and additions to this study.

Table of Contents

List of Tables

List of Figures

Section 1: Foundation of the Study

Corporate social responsibility (CSR) is a vital competitive strategy for all types of business organizations (Chandler &Werther, 2013). Managers may improve competitiveness by engaging CSR strategies, based on the strengths of their companies (Nagurney & Li, 2014). Implementing CSR strategies can transform a company's image and thus lead to a positive outlook among consumers, suppliers, and communities served by the company (Thaliyan & Lekshimi, 2013). As thousands of companies in hundreds of countries participate in some level of CSR practices, research about CSR shifted from existential questions to the core business and contextual factors, processes, and related measures of financial and social findings (Tilt, 2016; Wang, Tong, Takeuchi, & George, 2016). Stakeholders may benefit from research that explains the relationship between financial performance, firm size, leverage, and CSR. This understanding may, in turn, lead to innovation, efficient logistics, employee motivation, positive publicity, and sustainability (Girerd-Potin, Jimenez, &Louvet, 2014). Wang et al. (2016) highlighted the concept of CSR and the various factors pertaining to organizational purpose, with a call for additional research to inform academics and managerial leadership on business elements related to the transformative roles of businesses in contemporary society.

Background of the Problem

The idea of CSR gained attention in 1960s, followed by wide-ranging global applications of the concept across diverse business settings (Wang et al., 2016). Scholars and business managers discussed the concept of CSR for decades (Tilt, 2016). The introduction of globalization, as well as advancements in technology strengthened

business leaders' responsiveness towards CSR (Carroll & Buchholtz, 2014). CSR initiatives have strategic significance for companies: They allow them to obtain and maintain a competitive edge in the market (Basera, 2013). Leaders achieve this goal by exceeding stakeholder expectations, which leads to sustainability, and stability represents one of the most pressing business issues (Carroll & Buchholtz, 2014).

Implementation of CSR strategies requires a commitment to address larger societal challenges that affect mainstream society (Tilt, 2016). According to Wang et al. (2016), businesses have begun to establish dedicated organizational units to manage their CSR obligations. By practicing CSR, businesses generate, rather than reduce, trust and goodwill, while also experiencing positive changes in sustainability, reputation, and status (Hollensbe, Wookey, Loughlin, George, & Nichols, 2014). With a growing presence in the peer-reviewed literature, CSR continues to be a concept deemed worthy of ongoing business research (George, Dahlander, Graffin, & Sim, 2016). Wang et al. (2016) called CSR an organizational phenomenon that can energize and motivate constituents, also known as stakeholders, by extending the utility of businesses in society beyond the core functions of the companies.

In practice, business leaders, such as chief financial officers, are integral in the strategic decision-making processes pertaining to resource allocations for CSR activities; these individuals also determine the returns to the company for their efforts (Wang et al., 2016). Despite the commitment of these resources to CSR efforts, according to Wang et al. (2016), the effectiveness of CSR activities may be difficult to predict, measure, track, and optimize. Business leaders may also lack knowledge about determining the strategic

advantages of CSR initiatives to achieve a competitive edge in the market (Porter & Kramer, 2011). Managing stakeholder expectations while remaining attentive to sustaining and increasing profits is a crucial responsibility of business leaders who engage in CSR activities (Sodhi, 2015). Therefore, business leaders who are CSR decision-makers continue to rely on the body of empirical research that enhances their understanding of CSR practices, challenges, and related contextual findings (Wang et al., 2016).

Problem Statement

Financial performance, firm size, and leverage may influence CSR (Maskun, 2013). In 2011, approximately $3.74 trillion of the $25 trillion of investment assets in the United States was financed via socially responsible activities—a 22% increase since 2009 (Elliot, Jackson, & Peecher, 2014). The general business problem was that business leaders may lack adequate knowledge to understand the implications of CSR on the financial performance of their businesses (Wang et al., 2016). The specific business problem was that some business leaders in the United States do not understand the relationship between financial performance, firm size, leverage and CSR.

Purpose Statement

The purpose of this quantitative correlational study was to examine the relationships between financial performance, firm size, leverage, and CSR. The predictor variables were financial performance, firm size, and leverage. The criterion variable was environmental, social and governance (ESG) activity scores. The population for this study comprised American publicly traded corporate firms listed in the Russell 1000

Index. The implications for positive social change included the need for government policy makers to investigate the potential need and means to implement regulations and financial incentives to increase the scale and prominence of CSR activities that may benefit employees, customers, the environment, and members of society.

Nature of the Study

I used a quantitative research method for this study, which involved the counting, measuring, and statistically analyzing numerical data (Gravetter & Forzano, 2015). The qualitative research method was not suitable for this study because field notes, interviews, conversations, photographs, recordings, and memos were not needed to answer the research question (Bryman & Bell, 2015). A qualitative method may be appropriate when there is a need to develop a theory, engage in cultural immersion, or explore and understand the meaning of human perceptions and experiences (Guetterman, Fetters, & Creswell, 2015). A mixed method involves gathering, evaluating, and integrating quantitative and qualitative research data in one study (Bryman & Bell, 2015). Although using a qualitative method and a mixed method can provide a practical advantage when exploring open-ended, complex research questions (McCusker & Gunaydin, 2015), the mixed method was not appropriate for this study due to depth and complexity of the methods.

On the other hand, the quantitative research method is useful for analyzing various known and measurable variables that relate to research questions (McCusker & Gunaydin, 2015). Thus, quantitative research method was suitable for developing and

testing of business-related hypotheses derived from specific theories and previous findings (Corbin & Strauss, 2014).

I used a correlation design for this study. While it did not address cause-and-effect relationships among variables, it was useful for inferences about the relationships among known and measurable variables (Stangor, 2014). In a correlational design, I begun the study with a hypothesis and then collects data for statistical analysis to test the hypothesis (Akhtar, Shah, Rafiq, & Khan, 2016). The quasi-experimental design was not an appropriate for this study because I did not use random sampling and groups to examine variables implicated in cause-and-effect occurrences (Mangal & Mangal, 2013). Similarly, a pure experimental design was not appropriate for this study because I would be unable to manipulate independent variables, perform random sampling, or establish control groups which Ragin (2014) explained were components of experimental designs. In contrast to quasi-experimental and pure experimental designs, a correlational design enabled researchers to use statistical analysis on secondary data from a single group sample to ascertain the extent and nature of the relationship between the predictor and criterion variables (Stangor, 2014). A correlation design was appropriate for the study of the relationships between contextual factors and CSR activities in functional business settings.

Research Question

The overarching research question for this study was as follows: What relationships exist between financial performance, firm size, leverage, and CSR? In this study, the predictor variables were financial performance (measured by the return on

equity), firm size (measured by total revenue), and leverage (measured using the ratio of debt and total assets). The dependent variable was CSR (measured by the companies' environmental, social, and governance activity scores).

Hypotheses

In this study, I examined the following three null and alternative hypotheses that aligned with the three predictor variables and the single criterion variable in the overarching research question:

H1o. There is no statistically significant relationship between financial performance and CSR.

H1a. There is a statistically significant relationship between financial performance and CSR.

H2o. There is no statistically significant relationship between firm size and CSR.

H2a. There is statistically significant relationship between firm size and CSR.

H3o. There is no statistically significant relationship between leverage and CSR.

H3a. There is a statistically significant relationship between leverage and CSR.

Theoretical Framework

For this study, I selected the stakeholder theory as the theoretical framework. The stakeholder theory is an organizational management useful to explain stockholders' expectations. According to Freeman, who introduced the theory in the 1980s, *stakeholder* refers to a group of individuals affected by business leaders' decisions (1984). According to Donaldson and Preston (1995), the theory contributes to management literature based on (a) its value to descriptive and empirical research, (b) its instrumental power, and (c)

its validity. Stakeholder theory has expanded over the decades to encompass the idea that managers can strengthen their relationships with interested parties by creating economic values (Tilt, 2016). Previous researchers have used stakeholder theory for various studies involving CSR (Wang et al., 2016)

Both the descriptive and empirical aspects of stakeholder theory are potentially relevant to specific corporate characteristics and behaviors (Donaldson & Preston,1995). For example, it might apply to descriptions of the nature of a firm, the way managers perceive organizational management, and how boards of directors recognize the interests of various stakeholders (Tilt, 2016). The instrumental aspect of stakeholder theory, described by Donaldson and Preston (1995), can help examine the links between the practice of stakeholder management and the achievement of various corporate performance goals. The premise of the instrumental aspect of stakeholder theory is that companies implementing stakeholder management would be effective in corporate performance, as indicated by profitability, stability, and growth (Gao & Bansal, 2013). The validity aspect relates to the concept that stakeholders are persons or groups with legitimate interests in substantive aspects of corporate activities (Reynolds & Schultz, 2006). As applied to this study, the theory implies that the benefits to all stakeholders are of intrinsic value to the firm and that CSR activity, maintened by multistakeholder governance and sustainability, relates to firm growth and leverage.

Operational Definitions

Corporate governance. A system established to evaluate and balance the interests of various stakeholders (Filatotchev & Nakajima, 2014).

CSR. A view of the company and its role in a society that assumes responsibility to pursue socially beneficial purposes in addition to profit maximization (Glavas & Kelley, 2014).

Firm size. The size of a firm can be measured by one of the following: total assets, total revenue or total sales (Beck, Demirguc-Kunt, Laeven & Levine, 2008).

Financial performance. How well a company uses its asset to generate profits (Klaassen & Van Eeghen, 2014).

Leverage. The ratio of a firm's total debt to the value of its equity (Maskun, 2013).

Market capitalization. The total market value of outstanding stocks of a publicly traded company (Albu, Lupu, & Calin, 2014).

Return on asset (ROA). A profitability ratio that measures the net income produced by total assets (Klaassen & Van Eeghen, 2014).

Return on equity (ROE). An indicator of the financial performance of a firm at generating revenues from each unit of shareholder equity (Gugong & Bala, 2015).

Socially responsible investing. An investment philosophy useful to evaluate firms based on their environmental and social activities requiring investments into sustainable and socially conscious opportunities (Delmas, Etzion, &Nairn-Birch, 2013).

Stakeholders. A person or group of persons that could derive benefit from an organization or a project (Sodhi, 2015).

Assumptions

Assumptions pertain to issues or conditions of the research that a researcher accepts as truths, although there may be no way to judge the degree to which they represent reality (Leedy & Ormrod, 2010). The first assumption in this study related to the CSR measurement. Measurement of CSR is a complex task due to the wide range of reporting practices and the difficulty of verifying the accuracy of the information provided by companies. Bloomberg is one of the top financial data sources available for researchers and investment professionals who seek to measure CSR (Scotti et al., 2016). Hence, I assumed that Bloomberg's ESG activity scores as measures of CSR are suitable for this study. The second assumption was that the self-reported financial data, corporate performance measurements, and CSR data are accurate and honest. The third assumption was that, although both ROA and ROE are useful for measuring financial performance, in this research, I assumed the use of ROE was the more appropriate financial performance measurement. In this study, there was an assumption that the application of rigorous research standards through the selected research method and design are appropriate for answering the research question and that a random sampling of the population is generalizable to the larger population.

Limitations

Limitations are uncontrolled issues representing threats to the validity of the study (Ellis & Levy, 2009). There were three major limitations in this study. The first limitation was that the ESG scores as useful measures of CSR activities stem from records prepared and reported by each company; therefore, it is possible for errors or misrepresentations in

the reporting to affect the findings of this study. The second limitation was that there is no universally accepted approach to measure financial performance. The two prominent accounting-based financial performance measurements often used by researchers are ROA and ROE. The decision to operationalize the measure of financial performance through use of the ROE could affect the findings in this study. The third limitation was that I obtained data from large public companies listed in the Russell 1000 index, thereby excluding smaller businesses and medium-sized firms that were not listed in the Russell 1000 index that might contribute different data, which could affect the results of this study.

Delimitations

According to Ellis and Levy (2009), delimitations are factors, constructs, or variables deliberately selected by a researcher to restrict and define the research scope. The objectives of this study included providing research-based evidence to business leaders through use of a quantitative correlation approach using stakeholder theory, thereby excluding other methodologies and conceptual frameworks that could lead to different results. The first related delimitation was the exclusion of the use of other methodologies, conceptual frameworks, or examination of smaller firms' CSR activities that could lead to varying conclusions. The second delimitation was my selection of the predictor and criterion variables for this study, whose values could be affected by unknown confounding or criterion variables. The selection of known variables followed a comprehensive review of the research literature, which indicated a need to examine financial performance, firm size, leverage, and CSR within the context of the theoretical

framework. An additional delimitation pertained to the choice of secondary data for this study derived from publicly available financial performance measurements. The financial performance measurement in this study stems from internationally accepted accounting-based standard measurements such as return on equity, return on assets, profit margin, and total revenue. Although there are multiple financial metrics appropriate for rigorous studies, there was no strong consensus on the most suitable financial performance measurements for various study purposes. I selected the ROE as the single measure of corporate financial performance for this study because many scholars have used ROE to measure financial performance.

Significance of the Study

This study was significance to provide valuable information for business leaders and various stakeholders regarding the potential means for increasing CSR activities through better corporate financial performance. This correlational study has three major implications. First, understanding the relationships among the variables can help business leaders and investors make business decisions directed to promote CSR initiatives. Second, the study's findings can provide valuable information to business leaders and constituents about the strategies useful for maintaining corporate social responsibility. Third, after more than 30 years of studies, scholars have not reached a consensus on the relationship between financial performance and CSR (Wang et al., 2016). Results from this study were expected to provide insights that could help reconcile the opposing views about the relationship between financial performance, firm size, leverage, and CSR

Contribution to Business Practice

This study represented ongoing contributions to business practices with *the potential to lead* to useful information for business leaders, government policy makers, investors, scholars, and stakeholders. The findings of this study included conclusions and recommendations for business leaders as well as policy makers to apply regarding the extent and nature of the relationships between financial performance, firm size, leverage, and CSR. Business leaders and government policy makers *could benefit* from the results of the relationship to make decisions pertinent to CSR. Understanding the relationship is of potential assistance to business leaders for determining the *possible benefits* from implementing certain policies for increasing corporate social initiatives that *might relate* to financial performance, firm growth, and for reducing financial leverage.

Implications for Social Change

The absence of significant relationship between financial performance and CSR in this study indicated the need to review and perhaps modify government participation in social and environmental initiatives. The implications for positive social change included identifying the potential to increase CSR programs that may benefit constituents such as the environment, the community, and the society. Social changes stemming from government catalysts include the reduction of carbon emissions, the invention of environmental friendly products, and the protection, preservation, and management of natural resources and ecological communities.

A Review of the Professional and Academic Literature

The purpose of this quantitative correlational study was to examine the relationship between financial performance, firm size, leverage, and CSR. In this study, I examined the following three null and alternative hypotheses, which aligned with the three predictor variables and the single criterion variable in the overarching research question:

H1o. There is no statistically significant relationship between financial performance and CSR.

H1a. There is a statistically significant relationship between financial performance and CSR.

H2o. There is no statistically significant relationship between firm size and CSR.

H2a. There is statistically significant relationship between firm size and CSR.

H3o. There is no statistically significant relationship between leverage and CSR.

H3a. There is a statistically significant relationship between leverage and CSR.

The literature review consisted of information obtained from peer-reviewed journal articles that include results of rigorous studies, accompanied by arguments, debates, discussions, conclusions, recommendations for leaders, and suggestions for future research. The search for relevant peer-reviewed literature led to the discovery of similar and opposing views pertinent to CSR, financial performance, firm size, and leverage. The search topics included: (a) stakeholder theory, (b) corporate social responsibility, (c) elements of CSR (d) CSR measurements, (e) financial performance and

measurements, and (f) evaluation of the relationship between financial performance, firm size, leverage and CSR. I began with in-depth discussion and analysis of the stakeholder theory. The stakeholder theory is the theoretical foundation of this study. Subsequent headings included the various concepts of CSR, different types of CSR rating systems, and dimensions of CSR. Also included in subsequent subheadings are additional findings about financial performance, firm size, and a discussion of leverage, within the context of CSR. The review of the professional and academic literature included a methodical examination of scholarly inquiry related to the possible relationship between financial performance and CSR. Also inlcuded in the review of literature is a summary of various journal articles pertinent to examining the relationship between firm size and CSR and relationships between leverage and CSR.

Strategy for Searching the Literature

To identify articles, I used the following databases: ABI/INFORM Global, ProQuest Central, ERIC, and EBSCOhost Business Source Complete. The following keywords were used: *corporate social responsibility, corporate social performance, responsible investing, financial performance, stakeholder theory, economic profitability, sustainability, corporate citizenship, socially responsible investing,* and *social performance.* For example, the keyword *CSR* generated over 15,000 articles of which over 7,000 were peer-reviewed and relevant to the research topic. To narrow the number of hits, I limited the range to publication dates within 5 years of this study's expected year of approval (2017).

I scanned hundreds of peer-reviewed journal articles. I limited the professional and academic literature to 85 resources, of which 78 (92%) were peer-reviewed journal articles and the remaining 7 (8%) were books and online sources. There are 270 references in the reference list of which 245 (90%) were peer-reviewed sources. In addition, 89% of all sources was published within 5 years of the anticipated 2017 approval.

Stakeholder Theory

The stakeholder theory is a theory of organizational management and business ethics that became the subject of great interest to scholars and business leaders in the 1970s (Van Limburg, Wentzel, Sanderman, & van Gemert-Pijnen, 2015). The proponent of stakeholder theory, Freeman (1984), stated that the primary objective of a business should be to create value for stakeholders. According to Freeman, stakeholders are any groups or individuals affected by or who can affect the achievements of the firm's objectives. Stakeholders of a firm include investors, employees, creditors, suppliers, customers, public interest groups, and government agencies (Wang et al., 2016). The adoption of CSR with a company is much more than public relations (Freeman, 2013). CSR activities can be practical if business leaders are willing to embrace them; however, strong leadership is necessary to transform a company into the socially responsible organization (Ioannou & Serafeim, 2015). According to Szekely and Knirsch (2005), both internal and external factors determine CSR performance of a company; internal factors encompass managerial and organizational factors, and external factors encompass stakeholders' demands.

The stakeholder theory supports the social responsibility aspect of this study. The stakeholder theory applies to CSR research because it helps account for the role of each stakeholder in increasing financial performance (Wang et al., 2016). As discussed in the theoretical framework heading, Donaldson and Preston (1995) noted the stakeholder theory integrated into the management literature based on applications to descriptive and empirical inquiries with considerations of instrumental power and validity. For example, the stakeholder theory applied to describe the nature of the firm, the way managers think of organizational management, and how the board of directors perceives the interest of stakeholders (Donaldson & Preston, 1995). The instrumental aspect of stakeholder theory applied as a framework to examine the practice of stakeholder management and the achievement of various corporate performance goals, such as profitability, stability, and growth (Gao & Bansal, 2013). The validity aspect related to the concept that stakeholders are persons or groups with legitimate interests in substantive aspects of corporate activities (Reynolds & Schultz, 2006).

Central considerations with CSR practices include the idea that stakeholder may have unique and conflicting objectives (Mason & Siemmons, 2014). For example, investors may focus on profit maximization as the main purpose of CSR (Vallaster, Lindgreen, & Maon, 2012). Customers expect quality products or services at reasonable prices (Lindgreen, Xu, Maon, & Wilcock, 2012). Employees expect leadership that furthers better work conditions and fair labor practices by the management (Metcalf & Benn, 2013). Suppliers and related key stakeholders expect compliance with contractual requirements by the company including commitments to social responsibility activities

(Tribó, Torres, Bijmolt, & Verhoef, 2013). Civil society and the communities expect corporations to comply with laws and regulations and to minimize negative effects they have on the environment or society (Luu, 2013). Thus, effective multifaceted stakeholder management can be challenging but can make a significant contribution to business continuity, efficiency, and sustainability (Mason & Siemmons, 2014).

Freeman (1984) classified the development of stakeholder concept into corporate planning, business policy model, and the CSR model. The business planning and business policy model primarily focuses on the development and evaluation of corporate strategic decisions by groups whose support is required for the firm to continue to exist (John, 2014). The business planning and policy model identifies stakeholders like customers, investors, and suppliers who may have conflicting interests (Luu, 2013). The CSR model of stakeholder analysis extends the business planning and business policy model to include external stakeholders who may have adversarial positions, such as regulators and special interest groups concerned with specific social issues (Freeman, 1984; Vallaster et al., 2012).

Substantial number of studies conducted on stakeholder theory indicated that business leaders aspire to increase profitability and promote strategies to meet stakeholders' interests (Tribó et al., 2013). A stakeholder approach is crucial for managers to understand how they can deal with the external environment and how their decisions affect stakeholders within the company (such as employees, managers, and investors) and outside of the company (such as customers, creditors, and suppliers). Successful business leaders will not make major decisions without considering the effects

of their decisions on each of the specific stakeholders (Yusof & Ismail, 2015). Proponents of the stakeholder theory argue that business leaders who effectively manage the interest of all constituencies can achieve profitability as opposed to managers who provide little attention to other stakeholders'expectations (Tribó et al., 2013).

According to Freeman (1984) and reiterated by scholars, such as Yusof and Ismail (2015), a major role of business leaders is to assess the importance of meeting stakeholders demand to achieve the strategic objectives of the firm. Stakeholder theorists consider companies, as part of the large social entity (Van Limburg et al., 2015). A corporation is a legal entity founded to create and provide goods and services to society (Kirkland, 2015). A company's profit making goal may include achieving social gain through job creation, produce goods and services that appeal to customers and, respond to needs in the ecosystem (Eberechukwu & Chukwuma, 2016). Stakeholder theory plays a substantial role in business decision making processes when business leaders make strategic decisions reflecting stakeholders' interests (Luu, 2013). Business leaders may help to create value by providing a corporate vision and strategy to bring all stakeholders together with a goal of increasing competitiveness and add value to investors (Gupta, Malhotra, Czinkota, & Foroudi, 2016). CSR activities may ultimately lead to wealth maximization because as society grows, social issues continue to appeal to consumers and constraints on business performance tend to decline (Koschate-Fischer, Stefan, & Hoyer, 2012).

Corporate Social Responsibility

CSR has become an increasingly important part of companies' operations (Deng, Kang, &Low, 2013). Many businesses increased their investment in CSR activities and some firms dedicated large portions of their annual reports to present their CSR activities (Flammer, 2013). At the end of 2011, $3.74 trillion of the $25 trillion of investment assets went toward socially responsible investment initiatives (Elliot, Jackson, & Peecher, 2014). The growing importance of corporate social investments by American firms led to questions about why business leaders integrate CSR into their business strategies, especially in light of the prior research that revealed mixed evidence for a relationship between CSR and financial performance (Wang et al., 2016). American companies increasingly involved in CSR initiatives reported two major reasons for CSR investments, competition, and profit growth (Flammer, 2015).

The history of defining CSR dated back to Freeman (1984) who advanced the idea that in the process of profit-maximization, firms should do right by their employees, customers, the environment, and local communities. Freeman's work pertained to the duties associated with good corporate citizenship. To build on Freeman's work, Solomon and Hanson (1985) suggested that addressing social responsibility is good for investors, as well as other stakeholders. Solomon and Hanson expanded the view of stakeholders to include (a) customers, (b) employees, (c) communities, (d) public interest groups, and (e) government agencies or regulators. Decades later, scholars, such as Kirat (2015), focused on the idea of CSR as involving the maintenance of a high standard of living for stakeholders while increasing profits for organizations. The various definitions provided

by scholars are pertinent to the three essential dimensions of CSR: environmental, social, and governance (Wang et al., 2016).

Multiple terms emerged from the academic literatre as synonymous or associated with CSR, such as (a) social responsibility, (b) corporate social performance, (c) corporate citizenship, (d) sustainability, (e) global business citizenship, (f) corporate governance, (g) corporate accountability, (h) corporate community engagement, and (i) business commitment (Ioannou & Serafeim, 2015; Luu, 2013; Tribó et al., 2012). Early work with stakeholder theory and CSR had significant philosophical implications (Flammer, 2013; Van Limburg et al., 2015). However, the new theoretical approaches to CSR extended beyond the previous narrow focus toward a combined framework that includes operational and behavioral aspects of companies' integration with their outside environments (Wang et al., 2016).

The traditional role of business leaders is facing a challenge due to growing demands of societies (Schmelz, 2014). Companies rarely act as separate entities operating with minimum attention to society (Wang et al., 2016). In the past, business leaders created strategies that enabled them to maximize profits and outperform their competitors (John, 2014). Business leaders had no plan to listen to other stakeholders as outside regulators closely monitored companies' day-to-day activities to protect the environment and members of communities (Flammer, 2013). Business leaders became more enthusiastic in embracing voluntary self-regulations to address the social and environmental goals (Javaid, Ali, & Khan, 2016), and from a growing demand to incorporate the stakeholders' interest into the companies' business strategies (Van

Limburg et al., 2015). According to Filatotchev and Nakajima (2014), CSR initiatives provided opportunities for business leaders to convert resources into goods and services while creating additional value for stakeholders.

Successful leadership is required to promote companies' corporate citizenship (Lindgreen et al., 2012; Luu, 2013). Business leaders incorporate CSR as an integral part of the decision-making process (Jones, Mackey, &Whetten, 2014). Jones et al. (2014) furthered the idea that the adoption of CSR within a company requires progressive leadership approach; progressive leaders are enablers and inspire a shared vision, which involves motivation, empowering employees towards a greater good that serves stakeholders. Jones et al. noted that the implementation of progressive leadership strategies requires business leaders to commit to their roles in facilitating employee motivation, team building, diversity, equal employment, ethics, and financial transparency.

Another aspect of CSR involves maintenance of adequate corporate governance and control (Yusoff, Dalila, Jamal, & Darus, 2016). Jo and Harjoto (2011) noted that CSR is an extension of companies 'efforts to foster effective corporate governance to ensure sustainability via sound business practices that promote accountability and financial transparency. Adequate corporate governance and controls build trusts with stakeholders through positive public relations and high ethical standards to minimize business and legal risks and maximize responsible actions. The social responsibility actions may include community development, environmental protection, customer

satisfaction, and philanthropy, creating shared value, social education and awareness, and product safety (Wang et al., 2016).

Philanthropy involves charitable activities by companies to share benefits with the communities and the environment in which these companies operate (Mair & Hehenberger, 2014; Tilcsik & Marquis, 2013). Corporate philanthropic activities include the donation of funds, goods, and services to serve the social and environmental welfare programs (Yusoff et al., 2016). Growing expectations by the customers and communities may lead to increased corporate philanthropy (Sahota, 2013).

Corporate philanthropy is one of the most distinguishing factors between stockholder theorists who suggest profit maximization as the sole responsibility of a manager and stakeholder theorists who advance corporate citizenship (Yusoff et al., 2016). Active participation of a manager in corporate philanthropy promotes the wellbeing of the communities and may enhance stakeholders' satisfactions (Wang et al., 2016). In so doing, companies may attract new consumers and increase their prospects of future profitability (Koschate-Fischer et al., 2012; Lindgreen et al., 2012; Metcalf et al., 2013). Managers may use corporate philanthropy to expand and promote marketing programs and build positive reputations, which is an important intangible business firm asset (George et al., 2016).

Basera (2013) noted that in the last few decades, CSR became a broad concept with a focus on environmental concerns, attraction of customers, service to communities, and treatment of employees. A review of the literature showed that six of the major essential elements of corporate social responsibilities are addressing and benefiting (a)

the environment, (b) customers, (c) communities, (d) employees, (e) marketplace, and (f) government. Traditionally, the role of business manager was to generate profits for the sole purpose of enhancing shareholder value (Basera, 2013). Baker (2004) and Paul and Lee (2007) explained the transition toward social responsibility as stemming from both a moral responsibility as well as a strategic resource essential to increase financial performance.

Over decades, the pressure on business leaders to engage in CSR increased. Many business leaders embraced the pressure, but some showed resistance (Blackman, Kennedy & Quazi, 2013). Business leaders who embrace the change have taken strong measures to advance corporate social responsibilities while those resisting the change may realize that they risk long-term profits (Blackman et al., 2013). Blackman et al. (2013) credited the lack of positive mental models with the resistance of some leaders to CSR initiatives. Blackman et al. claimed that active development of positive mental models of CSR could prevent corporate dissonance that can lead to negative CSR dispositions.

Basera (2013) noted that CSR promotes corporate accountability to a broad range of internal and external stakeholders. At the same time, adoption of CSR requires the commitment and involvement of both internal and external stakeholders (Blackman et al., 2013). Employees and shareholders are internal stakeholders, whereas customers, suppliers, community, and government agencies considered key external stakeholders (Basera, 2013). According to Basera, *internal CSR* includes employees and shareholders

whereas *external CSR* includes the environment, customers, communities, and the marketplace.

Employees. As internal stakeholder, employees play a strategic role for CSR. Managers and leaders can influence employees' behavior and their interactions with their clients through the implementation of several employee motivation strategies (Wilder, Collier, &Barnes, 2014). Empowerment is one of the leadership roles useful to increase employee's motivation and maintain integrity (Jeon & Yom, 2014). According to Basera (2013), some of the programs beneficial to increase employee motivation include (a) health and safety issues, (b) equal opportunities training and development, (c) decision-making participation, (d) balancing work-family relationships, and (e) better pay and compensation.

Several types of research involved evaluating the importance of CSR activities in relation to motivating employees. For example, Sánchez and Benito-Hernández (2015) noted that some of the benefits of internal CSR include increased productivity and quality, more ability to attract and retain a qualified workforce, workforce diversity, and lower operating costs. In similar efforts, Korschun, Bhattacharya, and Swain (2014) examined front line employees' responses to CSR initiatives. Korshun et al. used a multisource dataset at a Global 500 financial service company. The study's findings reported by Korshum et al. were that frontline employees identify themselves with their organization and customers to support the company's CSR activities. In a related study, Jamali, Dirani, and Harwood (2015) explored the roles of human resource management in

CSR. The results reported by Jamali et al. indicated that human resource personnel could provide dynamic support to CSR strategy design, implementation, and delivery.

Shareholders. Shareholders are important external stakeholders with significant contributions to corporate activities, including involvement in decision-making processes. Since the 1960s, the ways shareholders affect corporate social performance changed significantly (Glac, 2014). According to Glac (2014), shareholders may actively engage in their organizations as activists for socially responsible investing. Some shareholders may be willing to participate in corporate activities with a purpose of furthering social change; shareholder activists may attempt to assert their power through active involvement in decision-making processes (Eesley, DeCelles, & Lenox, 2015). According to Pickering et al. (2014), some of the key features of activism include participation in meetings, campaigns, discussions, conflict resolution, and influence over the composition of the board of directors.

Other shareholders may be interested to make an impact in the corporate decision-making process through the promotion of sustainable investment approaches (Pickering et al., 2014). The sustainable investment approaches include devoting funds in socially conscious and ethical investment opportunities with the goal of increasing financial returns and social welfare (Wilson, 2014). Socially responsible investors invest in companies that are socially conscious of the environment, consumers, human rights, and diversity (Tobias, 2014). According to White and Higgins (2014), socially responsible investors may seek to avoid investments in businesses that involve production and or

distribution of controversial products such as (a) firearms, (b) alcohol, (c) tobacco, (d) gambling, (e) contraceptives, and (f) fossil fuels.

Flammer (2012) examined whether shareholders are sensitive to a corporation's environmental care record. Flammer's findings indicated that firms with leaders who provided vital care for the environment reported substantial stock price increases, whereas others reported a large decline in stock prices attributed partly to less attention to the environment (Flammer, 2012). Similarly, Jo and Harjoto (2011) investigated the effects of internal and external corporate activities and reported a relationship between CSR decisions, corporate governance, positive monitoring mechanisms, and anti-takeover provisions. In another study, Deng, Kang, and Low (2013) examined whether CSR creates value for a company that acquires another firm. Deng et al. compared CSR acquirers, reported that significant CSR acquisitions related to higher merger announcement returns, and increased in post-merger long-term operating performance, compared to lower CSR acquirers.

Environment. Environmental groups emphasize environmental responsibility such as the reduction of carbon emissions (Flammer, 2013). Corporations face constant pressures from various environmental caregivers and activists to behave responsibly towards the environment (Klettner, Clarke, & Boersma, 2014). According to Owazuaka and Obinna (2014), some of the positive findings of adopting environmental, social responsibility include (a) a safe and clean environment, (b) increased material recyclability, and (c) better product durability and functionality. Responsible investing includes substantial use of renewable resources and environmental management

strategies, such as life-cycle assessment and eco-labeling (Owazuaka &Obinna, 2014). Tangible financial performance is possible when companies continue to invest in sustainable projects to safeguard the environment (Gallego-Álvarez, García-Sánchez, & Silva Vieira, 2014).

Several authors examined the reasons companies actively participate in environmental CSR and the relevance to corporate performance (Cavaco & Crifo, 2014; Flammer, 2015; Ortiz, Álvarez &Garayar, 2015). Flammer (2013) used the 2010 British Petroleum oil spill to illustrate how environmental issues could affect stock prices. The 2010 BP incident considerably affected the stock market more than the 1989 Exxon incident. In a comparison of the stock price drop between British Petroleum and Exxon, the stock price for Exxon declined only marginally following a similar oil spill catastrophe (Flammer, 2013). There are two possible explanations for the variation in stock market price reaction to the events. First, BP and Exxon are different companies, and their difference could explain the stock market reaction. Second, the two incidents happened 20 years apart, and the public opinions towards the environment have changed notably. The conclusion drawn by interested scholars was significant investor reactions to chemical and other health and safety accidents can spur responsible environmental policy that may lead to several benefits for corporations in an environmentally-friendly society (Diestre & Rajagopalan, 2014).

Customers. Customers are one of key external stakeholders of a business organization; companies attempt to create value for customers while achieving long-term financial performance (Swaminathan, Groening, Mittal, & Thomas, 2014). CSR can

increase customers' loyalties and willingness to pay higher prices for products (Perez & del Bosque, 2014). Managers may increase customer loyalty through effective marketing strategies such as product differentiation, discounts, and loyalty benefits. These strategies are useful to enhance both customer satisfaction and profit growth (Yu, Ramanathan, & Nath, 2014). As a result, creating and demonstrating customer value may support the relationship between CSR and financial performance (Yu et al., 2014).

Corporations create customer value through participation in philanthropy, responsible business practices, and demonstrating attractive benefits from product related activities (Deng & Xu, 2015). Some of the specific examples of corporate philanthropy may include the donation of cash, sales, products, employee volunteerism, charity events, and promotion of public service announcements (Masulis& Reza, 2015). Business practices that may enhance customer loyalty or value include (a) customer relations (Chen, 2015), (b) ethical conduct (Sharif & Scandura,2014), (c) reduced energy consumption (Hori, Shinozaki, Nogata, & Fujita, 2014), (d) recycling and packaging (Da Cruz, Simões, &Marques, 2014), (e) fair trade and competition, (f) local sourcing, and (g) labor practices including diversity (Akbar & Ahsan, 2014; Delgado-Ceballos, Montiel, &Antolin-Lopez, 2014). Product-related contributions to improved customer value and perceptions include (a) energy efficient products, (b) organic products, (c) high product quality, and (d) safety (Athanasopoulou, 2014; Tang, Tang, & Katz, 2014; Teh, Adebanjo, & Ahmed, 2014).

CSR's impact on consumers' behavior is complex, but research indicate that CSR can have a positive effect on corporate reputation, brand equity, brand performance, and

consumer attitudes (Bolton & Mattila, 2014; Lai, Chiu, Yang, & Pai, 2010; Sen & Bhattacharya, 2001). Servaes and Tamayo (2013) examined the impact of CSR on firm value and the role of customer awareness. The researchers revealed that CSR and business value positively related to companies with high customer awareness (Servaes &Tamayo, 2013). From the above-selected studies, one can observe that firms that give substantial attention to their clients can succeed in both value creation and sustain the brand reputation.

Communities. Community refers to the society in which corporations conduct business. According to Yin and Jamali (2016), CSR is a core strategy for companies to do business ethically to benefit the welfare of the community. Companies play a substantial role in community development activities. Community development includes initiatives carried out by the community in partnership with the external organizations (Cruz, Larraza-Kintana, Garces-Galdeano, & Berrono, 2014). Companies provide support and empower individuals and groups to effect change in their communities. Businesses most often contribute to the communities in which they do business (Cruz et al., 2014). According toYin and Jamali, the significant contributions of CSR to communities include (a) job creation, (b) transfer of technology, (c) conservation, (d) sustainable development, (e) human rights advocacy, (f) poverty reduction, and (g) crime prevention.

A prominent example in the literature was research by Dandago and Arugu (2014), who examined the cause of conflict between oil exploring companies and the local communities in Nigeria. The researchers studied motivation by short-term expediency and the long-term environmental development needs of the local

communities (Dandago & Arugu, 2014). Analyzing data from focus groups and interviews with local community members led to recommendation by Dandago and Arugu for oil exploring multinational companies in Nigeria to implement long-term sustainable development, provide high quality social amenities, and conserve the environment.

Competitiveness. CSR is part of a business strategy that requires the full attention of leaders to the increasing level of global competition that challenges many business firms, especially multinational firms (Jusciu &Snieska, 2015). Competitiveness is the measurement of a company's ability and perception of the market as the best in providing high-quality goods and services at fair prices (Basera, 2013). CSR can enhance the competitiveness of a business through effective strategies pertinent to social performance initiatives (Turyakira et al., 2013). A positive relationship between corporate social performance and profitability may enhance competitiveness if a long-term perspective is adopted (Turyakira et al., 2013).

Basera (2013) examined the extent to which small and medium enterprises engage CSR as a strategic tool for competitiveness through a descriptive survey design with 100 research participants selected from retail sectors. The study led to Basera's findings that CSR can be an important factor for increased competitiveness. In a similar study, Turyakira (2013) examined the impact of CSR factors on the competitiveness of small and medium-sized enterprises. Turyakira distributed a questionnaire to 750 businesses that revealed enhanced competitiveness through (a) workforce oriented CSR activities,

(b) society-oriented CSR activities, (c) market-oriented CSR activities, and (d) regulated CSR activities.

Corporate Social Responsibility Measurements

In a current changing socio-economic environment, business leaders work under extreme pressures to act responsibly to meet shareholders' expectations (Blackman et al., 2013). Managers evaluate their own efforts and the firm's CSR performance based on business impact on: (a) communities, (b) employees, (c) customers, and (d) suppliers (Santhosh & Varghese, 2014). CSR is a firm's commitment to integrate social, environmental and governance issues into business operations in a sustainable manner to balance stakeholders' interests (Nuryaman, 2013). Despite the long history of CSR in corporate businesses, identifying accepted CSR measurement metrics and disclosure processes are a difficult task for many business leaders and researchers, in part because there are several CSR measurement parameters and disclosure practices (Blackman et al., 2014).

There is no single collectively agreed CSR measurement metrics. Several research institutes examined CSR measurement metrics using different approaches and methodology, including (a) RiskMetrics, (b) Bloomberg, (c) Sustainalytics, (d) the Boston College Center for Corporate Citizenship, and (e) Thompson Reuters. There are several CSR measurements metrics. The commonly accepted evaluation indices for CSR include (a) the Boston College CSR Index, (b) Global Rep. Track Pulse Study, (c) Thomson Reuters CSR Index, (d) Bloomberg's ESG Metrics, and (e) the Morgan Stanley Environmental, Social and Governance (MSCI ESG) Index. For example, the CSR index

developed by the Boston College measures the combined average of the public's perceptions of three key dimensions: citizenship, governance, and workplace (Boston College, 2014). The combined score of the three dimensions provides information regarding the influence of stakeholder programs, policies, and activities on reputation (Boston College, 2014).

The Reputation Institute created the Global Rep Track Pulse Study, an examination of the reputations of corporations around the world (Reputation Institute, 2014). The Reputation Institute designed the Global Rep Track to understand what is necessary to build trust and support with the public. The study included more than 2000 companies from 25 industries across 40 countries, leading to critical insights into what drives the perceptions and how they influence marketplace behaviors (Reputation Institute, 2014). The resultant Rep Track Pulse scores provide an authoritative global benchmark to track corporate reputations in industries and countries around the world, serving as a standard for continued leadership in the field of reputation (Reputation Institute, 2014).

According to the Thomson 2015 report, Thompson is the world's leading source of intelligent information for businesses and professionals. The company provides critical information to business leaders and scholar's necessary financial and risk analysis data. Thomson tracks the performance of firms with superior ratings for environmental, social and governance practices. The Thomson Reuters Corporate Responsibility Index is a dynamic rating based on the Thomson Reuters ASSET4ESG Database. The database rate

the ESG practices of a universe of 4,600 companies worldwide in 226 key indicators of ESG performance (Thompson, 2015).

The MSCI ESG Research Inc. developed the MSCI ESG index, which provides in-depth research, ratings, and analysis of the environmental, social, and governance-related business practices of thousands of companies worldwide (MSCI ESG Research, 2014). The MSCI ESG Research Inc. builds on the experts and achievements of sustainability pioneers KLD, Innovest, and IRRC all acquired by MSCI (MSCI ESG Research, 2014). The MSCI ESG STATS is one of the oldest ESG data time series available to academics and investors (MSCI ESG Research, 2014). The time series consists of an annual dataset of environmental, social and governance performance indicators applied to a universe of publicly traded companies. The environmental indicators include climate change, natural resource use, waste management, and environmental opportunities (MSCI ESG Research, 2014). The social indicators cover the human capital, product safety, and social opportunities (MSCI ESG Research, 2014). The governance indicators consist of corporate governance, business ethics, government, and public policy (MSCI ESG Research, 2014).

Bloomberg Terminal is another powerful and flexible financial data platform for obtaining real-time and up-to-date financial news and analytics (Bloomberg Finance, 2015). The Bloomberg Professional Service, founded in 1981, is the leading global financial information system. This database provides real-time and historical pricing, economic data and analytics on the capital markets (Bloomberg Finance, 2015). Bloomberg also provides useful data (a) to monitor world financial markets (b) to

confirm bond credit ratings, and (c) to verify overall security pricing and valuation. Available on the Bloomberg database is complete financial information of all publicly traded companies (Scotti et al., 2016). The Bloomberg terminal enables users to obtain company profile and financial information including financial statements, ratio analysis, issues reports, revenue and earnings reports, and industry information (Bloomberg Finance, 2015).

The Bloomberg ESG disclosure score database launched in 2009. Bloomberg researched 20,000 companies worldwide in large market capitalization indices and major exchanges. As of the end of 2014, Bloomberg provided ESG coverage for over 11,000 companies in more than 100 countries. The Bloomberg ESG disclosure score consists of three major dimensions: environmental, social, and governance. The environmental disclosure score consists of: (a) total greenhouse gas, (b) emissions, (c) total energy, (d) consumption, (e) water consumption, (f) hazardous waste, (g) total waste, and (h) environmental fines. The social disclosure score includes: (a) the total number of employees, (b) the percentage of women in the workforce, (c) the percentage of women in management, (d) the percentage of minorities in the workforce, and (e) percentage of minorities in management. The governance disclosure score reflects: (a) the size of the Board, (b) independent directors, (c) percentage of independent directors, (d) board duration (years), (e) the number of board meetings, (f) board meeting attendance, and (g) political campaign contributions and donations.

Investors and companies increasingly recognize that environmental, social, and governance information directly affect their reputation, value, and performance (George

et al., 2016). Investment professionals combine data on community relations, training, workforce development, and emissions management to make investment decisions (Weigelt & Shittu, 2016). Bloomberg ESG is a solution for integrating these ESG factors for analysis. Due to Bloomberg's depth of valuable financial information source, in this study, I will use the Bloomberg database to obtain data pertinent to the independent and dependent variables. ESG scores, return on equity, total revenue, and financial leverage data are available in Bloomberg database.

Financial Performance and Measurement

Financial performance is one of the predictor variables in this study. Links between CSR and financial performance have been the focus of researchers and are a part of the recommendations for future research (Wang et al., 2016). According to Wang et al. (2016), companies with strong financial performance may have substantial investments in responsible social programs. However, the question remains as to how companies measure their business performance. There are two important sources of financial information useful to evaluate financial performance: stock market returns and accounting-based measures (McGuire, Sundgren, & Schneeweis, 1988). For publicly traded firms, stock market returns provide the stock price information (Flammer, 2013). The accounting-based measures are available from the company's audited financial statements, including balance sheet, income statement, and cash flow statement, that provide more details of company's bottom line (Gomulya & Boeker, 2014).

The stock market financial measurement metrics uses the stock exchange price to measure financial performance. This measurement is very dynamic and tends to fluctuate

daily depends on the capital market activities. According to Bacidore, Boquist, Milbourn, and Thakur (1997), from the shareholder's perspective, the best metric to measure firm's performance is the stock market price. The stockprice, however, may not be a sufficient metric, as several factors beyond the control of the company's management may affect it (Sun, Shen, Cheng, & Zhang, 2016). Stock prices are sensitive to economic events and influenced by a wide range of unanticipated news (Chen, Roll, & Ross, 1986; Sun et al., 2016). Stewart (1991) proposed economic value added which creatively links the company's accounting information with its stock market performance. Economic value-added gives an analytical framework to examine firm's operational performance measures in the context of value creation for investors; thus, economic value-added may indicate whether there is a correlation between shareholder wealth and a performance measure.

Historically, one of the major concerns for shareholders is an unexpected return on investments. Zhang, Ping, Zhu, Li, and Xiong (2016) emphasized investor expectations, reactions, and overreaction of the public that may affect the market. Bacidore et al. (1997) explained an abnormal return as the return gained which is more than shareholder's expectation. When abnormal return is positive, investors earn more than the cost of capital and expected risk exposure; conversely, when the return is negative, investors realize lower returns that they should for the level of risk exposure (Sun et al., 2016). Thus, financial measures may have a direct link with abnormal stock earnings.

Since the stock price as a financial measurement is very complex and subject to constant volatility (Zhang et al., 2016), for this study, the accounting-based financial measurement is appropriate. There are multiple accounting-based financial metrics available to measure financial performance, including earning per share, profit margin, return on equity, and return on assets (Waddock & Graves, 1997). ROE reflects the profitability of the firm by measuring the stockholder's return. This variable measured by the mean net income divided by shareholder's equity is on financial statements, specifically, income statements and balance sheets (Mohammadzadeh, Aarabi, & Salamzadeh, 2013).

ROE is one of the most important financial ratios and profitability measurements (Zeitun & Tian, 2014). ROE computed by taking a year's worth of earnings and dividing them by the average shareholder's equity for that year and expressed as a percentage. Typically, the average ROE has been around 10% to 12%. ROE greater than 12-15% is desirable, as the higher the ratio, the better reflection of how business leaders use financial strategies to maintain a healthy ROE (Mohammadzadeh et al., 2013). Growing financial leverage and stock buybacks using excess cash facilitate to maintain healthy ROE ratio even during economic downturns. ROE as a financial performance metrics applied to a number of prior studies as a variable to evaluate the relationship between financial performance and corporate social performance (Besso et al., 2013; Brower & Mahajan, 2013; Cornett et al., 2013; Delmas et al., 2013; Deng et al., 2013; Ioannou & Serafeim, 2014; Jayachandran et al., 2013; Kang, 2013; Luoet al., 2013). ROE indicates

operating profit for the assets invested in real business activities, calculated by profit made from sales, which is the ratio of total assets to total sales (Oh & Park, 2015).

ROA is another important metric, frequently used by researchers to measure financial performance and a company's profitability relative to its total assets (Islam, Alam, &Hossain, 2014). As the company's assets exclusively used to produce income, and increase profitability, the ROA ratio is useful for managers and investors to see how well the company can convert its investable resources into profits. ROA, sometimes considered as a return on investments because the capital assets, is one of the indicators of investments (Selling & Stickney, 1989).

Both net income and total assets are data obtained in the financial statements, particularly income statements and balance sheets (Mohammadzadeh et al., 2013). When using this formula, average total assets usually applied because total assets can vary throughout the year. The return on assets ratio measures how effectively a company can earn a return on its invested assets. A higher ratio is more favorable to investors because it indicates that the firm is more efficient in managing its assets to generate a greater amount of net income (Nuryaman, 2013). A positive ROA usually indicates an increase in profitability; however, the ratio should compare to companies from the same industry or sector to avoid distorted results obtained from comparisons of different sectors (Oh & Park, 2015). Different financial strategies may apply in different sectors (Mohammadzadeh et al., 2013). For example, asset-heavy construction businesses may use more expensive equipment than a firm may in the finance industry; asset-heavy

companies that need a higher level of net income to support their profitability relative to asset-light companies.

Relationship Between Financial Performance and CSR

Despite numerious studies by scholars, the relationship between financial performance and CSR remains questionable (Lu, Chau, Wang, &Pan, 2014). The empirical study authored by Bidhari, Salim, and Aisjah (2013) involved the effects of CSR information disclosure on financial performance and firm value in banking. Bidhari et al. selected 15 banking firms listed at ISE, based on population criteria with observation of secondary data obtained from annual reports and financial statements from 2008 to 2011. Bidhari et al. applied path analysis method to analyze the data that revealed CSR information disclosure affects all financial performance measurements, namely return on assets, return on equity, and return on sales. This empirical research was relevant to this doctoral study in its examination of the potential link between CSR and financial performance. The study's findings indicated compelling argument as to which variables are appropriate to examine the relationship between CSR and financial performance.

Similarly, Ofori, Nyuur, and Darko (2014) reviewed the impact of CSR on financial performance based on empirical evidence from the Ghanaian banking sector. The study included a sample of 22 banks and a structured questionnaire to obtain primary data and used secondary sources for additional numerical data (Ofori et al., 2014). The research findings revealed that banks in Ghana consider CSR practice as a strategic tool and Ofori et al. concluded there could be a positive relationship between CSR and

financial performance. However, the financial performance of banks in Ghana depends significantly on other control variables such as growth, debt ratio, origin, and size (Ofori et al., 2014). This reserach also has relevance to the primary research question of my study, which is an inquiry about a relationship between CSR and financial performance. The possible relationship between CSR and financial performance is the subject of the first hypothesis of this study.

In another study, Santos and Feliana (2014) examined the association between CSR and financial performance. Santos and Feliana posited that the implementation of CSR increases financial performance because corporate social performance can bring sustainable growth to the firm. Opponents of this proposition, however, argued that firms should have better financial performance records before commitment to CSR initiatives. Unlike the single-sector study by Nuryaman (2013), Santos and Feliana studied a sample of 800 companies from all economic sectors over a period from 2010-2012. Santos and Feliana measured financial performance using both accounting-based and stock market-based approaches. The accounting based approach included ROA and ROE, whereas the stock-market-based approach included stock market price as proxies to measure financial performance. To measure CSR practices, Santos and Feliana applied corporate social disclosure index. Multivariate linear regression revealed that CSR activities led to a positive impact on the company's financial performance for the short-term. The authors' empirical study had financial measurement metrics similar to this doctoral study. In their study, Santos and Feliana also included CSR and financial performance indicators, which are central factors in this study.

Another study conducted by Adewale and Rahmon (2014) examined the relationship between CSR and financial performance. Adewale and Rahmon reviewed the impact of CSR on the financial performance of two big banks in Nigeria, using secondary data sources, such as financial statements of the banks under study, from 1990-2010. Ordinary least square analysis techniques indicated a positive relationship between corporate social responsible cost and profit after tax. The major limitation with this study was that the sample size from the banking sector was too small to generalize the results to other firms. Similarly, Saeidi, Sofian, Saeidi, Saeidi, & Saeidi (2015) examined the relationship between CSR and financial performance. According to Saeidi et al., CSR and financial performance in some way influenced competitive advantage, reputation, and customer satisfaction. For this reason, Saeidi et al. considered a sustainable competitive advantage, reputation, and customer satisfaction as three possible mediators in the relationship between CSR and financial performance. Saeidi et al. stated that the relationship between CSR and financial performance is a complex concept influenced by several factors. To measure CSR, Saeidi et al. used annual reports and KLD ratings; financial performance measures stemmed from accounting-based approaches, including return on assets, return on equity, return on investments, return on sales and net profit margin. Data collected from 205 Iranian manufacturing and consumer product firms subjected to multivariate regression analysis revealed that CSR might have a role in promoting financial performance through increased reputation and competitive advantage while improving customer satisfaction. Saeidi et al. included a mediating factor which

was not considered in this study. Saeidi et al.'s research has relevance to support the hypothesis that CSR has positive relationship with financial performance.

In another study, Ni, Egri, Lo, and Lin (2015) examined the patterns of CSR with high financial performance. Ni et al. proposed that corporate social practice relates to high financial performance, customer, employee, and investor corporate responsibility practices. The study included cross-sectional samples of 1000 firms with 50 or more employees randomly selected from China, Hong Kong, and Taiwan listings in the Don and Brad Street Global Million Dollar database (Ni et al., 2015). Ni et al. distributed the surveys to the most senior executives named in the database; of the 1000 surveys, 98 from China, 193 from Hong Kong and 175 from Taiwan companies replied. To measure corporate responsibility practice, Ni et al. developed customer, employee, investor, and community corporate responsibility practice items relating to proactive environmental management. To measure financial performance, Li et al. used accounting-based performance measurements such as return on assets, return on equities, market share, sales growth, and profit growth. Multi-group confirmatory factor analysis applied to assess the convergent and discriminatory validity of the five corporate responsibility practices and financial performance (Ni et al., 2015). The findings indicated that CSR was a positive factor for financial performance for firms in China and Hong Kong but a negative factor for firms in Taiwan. Ni et al. attributed the mixed results to the possibility of differing cultural factors. Ni el al.'s study has relevance to this study in its focus in CSR and the application of the accounting-based performance measurements as a financial performance metrics to measure financial performance.

Wang, Dou, and Jia (2016) examined the relationship between CSR and financial performance using meta-analytic framework. Wang et al. studied 42 empirical studies to examine the link between CSR and corporate financial performance, concluding that corporate financial performance may have a positive relationship with previous social responsibility activities of firms. Wang et al.'s study was relevant in supporting the instrumental stakeholder theory, which suggested that firms can do well by doing good. However, the reverse direction was unconfirmed in Wang et al.'s study.

In a similar study, Persic and Markik (2013) examined the impact and purpose of reporting socially responsible conduct on corporate operation success. The data were from prepared questionnaires distributed to 759 organizations and their top leaders. More than 100 participants completed and returned the questionnaires with highest number of participants from the fields of commerce, insurance, and banking (Persic & Markik, 2013). The study's findings indicated corporate operational success stemmed partly from employees socially vital activities to (a) protect the environment, (b) provide safe and healthy work environment, (c) respect values and codes of conduct, (d) communicate effectively, (e) improve teamwork, and (f) increase operating results.

Similarly, Hogan, Olson, and Sharma (2014) examined the relationship between a firm's community spending and the scores received from organizations that rate a company's CSR. Hogan et al. also discussed whether community spending and these scores relate to shareholder return. The research's findings revealed differences in the relationship between corporate philanthropy and a firm's scores on various measures of CSR (Hogan et al., 2014). The researchers also found that excess returns positively

related to a company's governance disclosure score and negatively related to its social exposure score (Hogan et al., 2014).

Oh and Park (2015) examined the relationship between CSR and corporate financial performance in Korea between 2004 and 2010. Oh and Park utilized ROE as a proxy for financial performance and the KEJI index, known for being the best CSR measurement index in Korea to measure corporate social performance. Oh and Park collected data from 295 companies that have a complete financial information. Statistical analysis indicated that CSR has a positive impact on financial performance in Korea. The research has significance to answer the overarching research question pertinent to this study.

Although the majority of the empirical studies reviewed support a positive relationship between CSR and financial performance, some studies showed insignificant correlations. Hasan (2014) explored the impact of CSR expenditure on the performance of Islamic banks in Bangladesh. Hasan collected data on the financial performance and CSR spending from seven Islamic banks in Bangladesh for the period 2007-2011. The empirical study results indicated no significant impact of CSR spending on Islamic banks' financial performance in Bangladesh. One of the reasons to explain this outcome is that the banks may have been unable to enforce CSR policies. This research indicated that practical execution of CSR policies might be important to achieve tangible financial performance gains.

Madorran and Garcia (2016) examined the relationship between CSR and financial performance using data from a panel of IBEX 35 firms, from 2003 to 2010.

Research findings suggested no relationship between CSR and financial performance, which could be attributable to cultural, sector, or other factors (Madorran & Garcia, 2016). This research has relevance to my study in its application of the accounting-based performance measurements as a financial performance metrics as well as addressing the mixed results of prior rigorous research on the relationship among CSR and financial performance indicators.

Peng and Yang (2014) examined the effects of ownership concentration on CSR and financial performance. Peng and Yang used hand collected pollution control data to measure corporate social performance of companies on the Taiwan Stock Market from1996-2006. The results of the empirical analysis revealed that the difference between control rights and cash-flow rights of owners negatively moderated the link between CSR and financial performance (Peng & Yang, 2014). The study is relevant by emphasize the fact that increased focus on CSR made it critical for investors to understand how agency problems may achieve or prevent financial performance.

Table 1 illustrates the results of previous empirical studies conducted on the relationship between CSR and financial performance. For illustration purpose, I selected15 empirical studies published between 2010 and 2013, with the majority of studies conducted in 2013. As shown in Table 1, data stemmed from periods between 1991 and 2012. Each of the empirical studies encompassed several ESG issues pertinent to corporate social responsibilities. Many of the studies measured CSR using three important CSR dimensions: environment, social, and governance. From the 15 empirical studies, a significant majority (about 10 journal studies) indicate a positive relationship

between CSR and financial performance, whereas the remaining five indicated either mixed or no relationship. These empirical results are crucial evidence to suggest that a potential relationship may exist between CSR and financial performance. The mixed results of these previous studies represent justification for the ongoing study of CSR and financial performance of companies in different sectors, industries, and locations.

Firm Size Measurements

Firm size is the second predictor variable proposed for this study. Firm size is an important variable because large companies may promote CSR strategies more often than small firms. Inclusion of the concept of firm size may lead to additional insights about a relationship that may exist between firm size and CSR. As detailed in previous sections, financial performance and CSR were the subjects of previous research. However, relatively few researchers examined the possibility of a relationship between firm size and CSR. According to Udayasankar (2008), small and medium-sized firms consist of 90 percent of the global number of companies; unlike large firms, small firms have limited capital and operational capacities (Udayasanka, 2008) that may limit CSR activities.

Table 1

Empirical Studies on the Relationships Between CSR and Financial Performance

Authors	Year	Period	ESG issue	ESG factor	Relationship
Albuquerque, Durnev and Koskinen	2013	2003-2012	Composite CSR index	ESG	Positive
Wang, Dou and Jia	2016	42 studies conducted between 2004-2011	Aggregate CSR and financial performance concern	ESG	Positive
Borgers, Derwall, Koedijk and ter Horst	2013	1992-2009	Stakeholder relations index	S	Positive
Skouloudis, Isacc andEvaggelinos	2016	-	Aggregate CSR index	ESG	No effect
Cornett, Erhemjamts, and Tehranian	2013	2003-2011	Overall ESG Index	ESG	No effect
Garcia-Castro andAguilera	2015	-	Aggregate stakeholder relations measure	ESG	No effect
Hawn and Ioannou	2013	2002-2008	Symbolic CSR actions	ESG	Positive
Jayachandran, Kalaignanam and Eilert	2013	-	Corporate environmental performance, product social performance	ES	Mixed
Koh, Qian and Wang	2013	1991-2007	Aggregate CSR score	ESG	Positive
Servaes and Tamayo	2013	1991-2005	Aggregate CSR index	ESG	Positive
Wu and Shen	2013	2003-2009	Aggregate CSR index	ESG	Positive

Note. Period = data collection period; ESG issue = environmental, social and governance factors used to measure sustainability and ethical impact; ESG factor = factor used as variable; Relationship = outcome of the study's finding about the relationships between financial performance and corporate social resposnbility.

There are two critical theories relevant to firm size: technological theories and organizational theories (Dang & Lee, 2013). According to technological theories, firm size equates with the amount of resource investments into technology (Dang & Lee, 2013). According to technological theories, large firms with a stream of income and excess cash may be more capable of additional investments, but large firms often form as a corporation or legal entity (Dang & Lee, 2013). Most corporations are public firms whose stocks traded in the capital markets (Sun et al., 2016). Unlike large companies, the ownership structure for small companies is either private limited partnership or sole proprietorship (Kitching, Hart, & Wilson, 2015). Technological theorists focus on the allocation of productive inputs such as investment in R&D and the effect it has on the size of the firm, while organizational theorists may emphasize ownership structure of the company as the defining factors for the size of a firm.

Several metrics are available to measure firm size, with revenues and assets associated with the study of CSR in the peer-reviewed literature (Kim & Kim, 2016). Total assets and total revenue are the two commonly used measurements (Mohammadzadeh et al., 2013). Total assets indicate the total amounts of assets or investments owned by a company; total assets are resources with economic value to generate future benefits. The financial definition of total revenue is the amount of money that a firm receives over a period because of sales transactions, with revenue computed by multiplying the prices of goods and services with the total quantity of goods and services (Loring, Neil, Gillim-Ross, Bashore, & Shah, 2013). Total revenue is an increase or decrease of a company's sales when compared to previous period. The two types of

revenue are operational revenue and nonoperational revenue (Bell, 2012). Operational revenue is the results of selling goods and services during the main line of business (Loring et al., 2013). Nonoperating revenue refers to revenue obtained from activities outside of the main line of operations. In addition to assets and revenues, market capitalization is useful to measure the market value of a company's outstanding shares (Ivanov, Yuen, & Perakakis, 2014). In this study, I used total revenue (operational) as the appropriate metric to measure firm size. Given the importance of CSR in business decision-making, the relationship between firm size and CSR is an important topic that was worthy of examination in this study.

Relationship Between Firm Size and CSR

Firm size is an element applied to explain economies of scale in production, advertising, capital market, and profitability applied (Shalit & Sankar, 1977). Some factors determine firm size; according to Dang and Lee (2013), the two most popular theories applied to determine firm size are technological theories and organizational theories. The size of a firm tends to be large when longer chains of production process organized within the boundaries of the company. Technological theorists postulate that as technology grows fast, the size of a firm declines. A practical example of this theory observed in the manufacturing sector. Continuous investments in technology may reduce the need for hiring more workers because, as the company transitions from labor-intensive to capitalintensive practices, leaders begin to hire only small and highly skilled number of employees (Mohamad & Ismail, 2013). Sun (2015) examined the Chinese manufacturing sectors to determine the relationship between firm size and factor

intensity. The study's findings indicated that firms in more capital-intensive industries are larger than those industries that are more labor-intensive. Technological theories focus on the production process and emphasize physical capital and economies of scale and scope as variables that determine the optimal firm size and ultimately profitability.

Organizational theorists have linked size and profitability with organization structure, agency cost, and span of control. Organizational theorists noted that most small businesses are sole proprietorships or partnerships, while large firms are corporations or public companies managed by managers (Kirkland, 2015). In a corporate business structure, an elected board of directors oversees the firm with the appointment of executive staff to manage the company (Eesley et al., 2015). The executives manage the daily activities of the company and directly responsible for implementing corporate strategies, although market demand tends to drive managerial activities as well as technology-innovation achievements (Zou, Guo, & Guo, 2016).

Orlitzky (2001) conducted a meta-analysis of the relationship between firm size and corporate social performance, as well as CSR and financial performance. The study's results indicated that meta-analysis indicated a weak correlation between firm size and corporate social performance, whereas CSR and financial performance may have a stronger positive relationship (Orlitzky, 2001). A limitation of the study was the meta-analytical approach, but the study is relevant to the research question and provides an insight to support the ongoing study of CSR and firm size.

Understanding the configuration of firm characteristics in studying CSR findings is also important. Udayasankar (2008) examined the relationship between CSR and firm

size, including the different economic motivations of businesses with varying combination of visibility, resource access, and scale of operations included in the examination. Udayasankar's results indicated that visibility, resource access, operating scale, and firm size lead to active social responsibility participation. The research outcome, however, revealed a U-shaped relationship between firm size and CSR, implicating other factors that may lead to active CSR, in addition to the size of a firm.

Similarly, Lepoutrue and Heene (2006) examined firm size and CSR. Lepoutrue and Heene reviewed the impact of firm size on four major antecedents of business characteristics: (a) issue characteristics, (b) personal characteristics, (c) organization characteristics, and (d) context characteristics. Lepoutrue and Heene revealed that size does not impose barriers on CSR activities. However, smaller firm CSR activity depended on conditions such as (a) availability of resources, (b) the influence of external stakeholders, (c) negotiation power, and (d) socio-economic conditions (Lepoutrue & Heene, 2006). Scholars such as Wang et al. (2016) suggested continuing the study of CSR in light of previous research that filled the peer-reviewed literature but that may not be as relevant to the changing contexts of businesses in society due to the passage of time.

A logistic regression analysis in a more recent study by Ozcelik, Ozturk, and Gursakal (2014) revealed no relationship between CSR and financial performance, but indicated the possibility of a positive relationship between CSR and company size. In this study, Ozcelik et al. selected a sample from the top 100 firms from Istanbul Stock Index, who adopted CSR between 2010 and 2012. CSR was the dependent variable and financial

performance, firm size, risk, and type of ownership were independent variables (Ozcelik et al., 2014). Although there was a significant relationship between company size and CSR for the sample in Istanbul, analysis did not indicate any relationship between financial performance, risk, type of ownership, and CSR. The application of the accounting-based financial measurement metrics to measure financial performance and the data analysis methodology used make it relevant to this study. Additionally, research results might differ among industries, sectors, and operating locations based on differences in regulatory, cultural, and political climates, which are limitations to the generalizability of Ozcelik et al.'s findings.

Leverage and Leverage Metrics

Leverage is the third predictor variable in this study. Leverage in finance is the use of debt to increase the potential return on investments (Zhu, Yang, An, & Huang, 2014). Although there are several types of research conducted to study the relationship between financial performance and CSR, only a few researchers carried out on the relationship between leverage and CSR. For example, leverage, defined as the degree that a company borrows money to finance investment, was the subject of research by Zhu et al. (2014) and Di Giuli and Kostovetsky (2014) revealing that firms that are heavy on the level of leverage may be at risk of bankruptcy, especially during market downturns. The highly leveragedfirm often fails to pay their creditors and may have trouble with financing in the future (Zhu et al., 2014).

There are three types of leverage: balance sheet, economic and embedded (Gupta, 2012). Balance sheet leverage occurs when a firm's assets exceed its equity base. Balance

sheet leverage is the most widely used term. Most companies like banks exercise leverage by borrowing money to increase investments with the aim of increasing return on equity (Gupta, 2012). Financial leverage may expose a firm to high risks due to market volatility and embedded leverage refers to a position with an exposure greater than the underlying market factor (Gupta, 2012). Financial leverage strategies may be complex and highly risky but may generate significant profit if executed with prudence (Zhu et al., 2014).

One of the most widely used measures of leverage is the leverage ratio, expressed as total debt to total equity ratio (Gupta, 2012). For investment and decision-making purposes, the high leverage ratio may be unfavorable compared to low leverage ratios (Zhu et al., 2014). Similar to the two-predictor variables in this study, specifically financial performance and firm size, the leverage ratio is an accounting-based measurement. Given the importance of CSR in corporate decision-making, the relationship between a company's leverage level and its CSR activities is an important topic worthy of examination in this study. It is possible that higher leverage ratios may deter companies from actively participating in socially responsible initiatives. The leverage of a firm is an important variable because a company with substantial debt level may refrain from corporate social activities. Zhut et al. (2014) recommended the ongoing rigorous study of the concept of leverage and leverage ratios in the marketplace.

Relationship Between Leverage and CSR

Leverage in finance refers to the use of debt to finance or fund investments (Zhu et al., 2014). The use of debt to fund their operations is a common practice by most business companies and can be a good business strategy if managers use it efficiently.

Understanding the implication of leverage can help investors and the company (Zhu et al., 2014). The prudent use of debts by a manager may increase profitability; however, if companies use too much debt to finance operations, and the investment did not go well, the company may face significant risks, as leverage affects future funding opportunities (Serrano-Cinca, Gutiérrez-Nieto, & López-Palacios, 2015). The risks include substantial interest expense and default risk may reduce shareholders' value. In this study, leverage is one of the three predictor variables, which represent a new model for the view of CSR activities.

Orlitzky and Benjamin (2001) studied the relationship between CSR and financial risks. Orlitzky and Benjamin examined the relationship between corporate social performance and financial performance and hypothesized that strong corporate social performance could reduce financial risks. Orlitzky and Benjamin distributed a survey to the top-level managers of 655 corporations and applied descriptive statistics and regression to analyze the responses. Orlitzky and Benjamin reported a relationship between corporate social performance and risk that appeared to be one of reciprocal causality. Implication of the study by Orlitzky and Benjamin included the idea that a higher corporate social performance may lead to lower financial risks.

In another study, Maskun (2013) explored the impact of leverage, company size, and profitability on disclosure of CSR of 15 LQ-45 companies in the Indonesian Stock Exchange from 2009 through 2011. Maskun applied multiple linear regression models to measure the impact of leverage, company size, and profitability on CSR disclosure. Results reported by Maskun indicated companies with significant profit size maintained

CSR disclosures. In regard to company size and leverage, the results indicated large companies tended to have better CSR disclosures and high leverage levels had a significant positive impact on CSR disclosures of the Indonesian companies (Mskun, 2013).

Summary of Findings From Literature Review

Business leaders started to incorporate CSR into their business strategies over previous decades (Wang et al., 2016). Managers who engage in CSR activities strive for a proper balance among economic, social, and ecological objectives (George et al., 2016). For business leaders, CSR related activities can include involve (a) maintaining and expanding economic growth, (b) increasing profitability, (c) building company image, (d) providing better customer service, and (e) maintaining the quality of products and services (Wang et al., 2016). Business leaders also strive to adopt ethical business practices, motivate employees, fuel job creation, and build value for all stakeholders to generate sustainable financial growth (Metcalf & Benn, 2013). In the absence of financial growth, business leaders may not be able to implement or expand CSR initiatives.

In this literature review, I discussed several scholarly articles pertinent to CSR and financial performance, firm size, and leverage. Regarding the relationship between financial performance, firm size, leverage and CSR, the majority of the findings from foreign-based studies indicated positive correlations. However, there were also researchers whose studies indicated either a negative relationship or no relationship, with differences in results attributable to possible socio-cultural, political, and regulatory differences among companies operating in different geographical locations. The need to

understand the relationships among proposed variables in American companies operating in a contemporary marketplace with growing concern for societal impacts of corporations led to the question posed in this research.

Summary and Transition

Section 1 included discussion of (a) the foundation of the research, (b) background of the problem, (c) problem statement, (d) purpose statement, (e) nature of the study, (f) research question,and (g) hypothesis. Section 1 also contains discussions of my : (a)theoretical framework, (b) thedefinition of terms, (c) assumptions, limitations and definitions, (d) thesignificance of the study and (e) the review of theprofessional and academic literature.

In Section 2, I cover the following topics: the role of the researcher, research method and design, population and sampling, the importance of ethical research, data collection and analysis, and validity and reliability. In Section 3 I discuss the research findings, application to business practice, the implications for social change, recommendations for action and further reserach, and conclusions.

Section 2: The Project

Introduction

Section 2 included a restatement of the purpose statement followed by a description of the role of the researcher in this study. A discussion of the research participants led to explanations of the selected research method and design, followed by the details about the study population and proposed sampling strategy. The section include description of the adherence to ethical research standards. The proposed data collection, instruments, and data analysis plans with related explanations of how I intended to assure the reliability and validity in this study.

Purpose Statement

The purpose of this quantitative correlational study was to examine the relationships between financial performance, firm size, leverage, and CSR. The predictor variables were financial performance, firm size, and leverage. The criterion variable was environmental, social and governance (ESG) activity scores. The population for this study comprised American publicly traded corporate firms listed in the Russell 1000 Index. The implications for positive social change included the need for government policy makers to investigate the potential need and means to implement regulations and financial incentives to increase the scale and prominence of CSR activities that may benefit employees, customers, the environment, and members of society.

Role of the Researcher

In this quantitative study, my role as the researcher included determining the method and design, aligned with the purpose of the study and the research questions.

Almalki (2016), Akhtar et al. (2016) and Hughes (2016) are among the scholars who explained the significance of the researcher's role in justifying methodological choices and in obtaining an appropriate sample from the research population. Akhtar et al. discussed the researcher's role in data collection and the statistical analysis of numerical data, leading to the discussion of findings. To fulfill those roles, I was solely responsible for data collection, organization, analysis, verification, interpretation, along with reporting of the findings' alignment with the theoretical framework and previous research that framed this study. Part of performing those roles included collection of numerical data for each variable, followed by the utilization of statistical software for analysis, leading to the interpretations of the results. To ensure appropriate inferences and generalization that could stem from this research, my role also included justifying an appropriate sample size using G*Power3 statistical software.

According to Fraenkel, Wallen, and Hyun (1993), researcher bias occurs when a researcher's expectations of the research influence findings, which creates a threat to the study's validity. I performed data collection and analysis, free from personal biases. To avoid bias, I transfered the data directly from secondary sources into a Microsoft Excel spreadsheet, organized the data methodically, and used SPSS Version 21 for analysis. The interpretation phase of this process involved explaining the findings and discussing the generalizability of results.

Insider research can introduce bias into a rigorous research study (Greene, 2014; Unluer, 2012). Wang et al. (2016) recommended careful scholarly examination of practices and biases. I worked in the field of investment, which required rigorous

research and analysis of financial performance for various companies listed in the Russell 3000 index, the source for secondary data for this study. My background in investment research and analysis as well as knowledge of ESG activities and investors' requirements were relevant to the research topic. I learned that many investment management firms started shifting attention towards ESG activities. These managers used ESG as one of the criteria in the stock selection process, which could indicate that a company's commitment to CSR has significant effect on stock selection decisions. My responsibilities in ESG activities compliance analysis included evaluation of companies' governance policies and proxy voting statistics.

Ethical standards detailed in the Belmont Report pertain to research involving humans as research subjects (U. S. Department of Health, 2014). The exclusive reliance on publicly available secondary data for this study exempted this research from the direct involvement of human subjects. However, I maintained proper documentation of the steps followed throughout the entire research process, adhering to Walden's Institutional Review Board's (IRBs) ethical standards, including protecting data through storage in a safe secure place for 5 years, and then delete the files. Although this study did not involve human subjects, I applied the fundamental ethical principles and guidelines for a researcher to prevent or resolve ethical problems that may occur throughout the study. These ethical guidelines included (a) honesty, (b) objectivity, (c) integrity, (d) confidentiality, (e) respect for intellectual property, and (f) responsible publication (Beskow, Check, & Ammarell, 2014; Check, Wolf, Dame, & Beskow, 2014; Hiriscau, Stingelin-Giles, Stadler, Schmeck, & Reiter-Theil, 2014; Tam et al., 2015). Although the

publicly available secondary data are freely available through the Internet, I took practical security measures to maintain the confidential identities of the companies involved in this study and omitted the names of the companies from the study, using alphanumerical codes, such as C1 for Company 1, sequentially numbered in the order I recorded the secondary data into the spreadsheet. Additional data security measures included were (a) securing electronic devices containing restricted data; (b) maintaining antivirus firewall software to protect the database and (c) encrypting files to prevent deletion, modification, or loss.

Participants

In this study, I used secondary archival data sources and did not involve human subjects. Although government sources are among the most reliable of all sources, the Bloomberg database, widely used by researchers and investors since the 1980s, is one of the most trusted sources of financial and historical data (Scotti et al., 2016). The use of secondary data from the Bloomberg database for this study involved searching the well-publicized, publicly available, free financial database. Cowton (1998) stated that researchers collect secondary data, purposely to answer research questions. Obtaining relevant corporate financial information from the Bloomberg database assisted to address the overarching research question in this study. The specific sample data for this research came from the Russell 3000 index, composed of the largest 3000 U.S. public companies (Malenko & Shen, 2016). I used SPSS Version 21 software to facilitate analysis of large datasets. Hayduck (2016) and Zapf, Castell, Morawietz, and Karch (2016) are among the scholars who applied and recommended the use of SPSS for quantitative data analysis.

The richness of these data had a constructive effect on the interpretation of the research's findings (Thelwall & Delgado, 2015). The results from my using the data answered the overarching research question.

Research Method and Design

The objective of this quantitative study was to determine whether a significant relationship exists between financial performance, firm size, leverage, and CSR. The appropriate way to examine the relationship was the use of a quantitative methodology and multiple regression analysis using secondary datasets. The next subheadings included discussions and justifications of selection of the quantitative and correlational design for this study.

Research Method

A quantitative research method involves logical formation and examination of research questions, hypothesis testing, and determination of relationships among known variables. According to Babbie (2010) and Muijs (2010), the quantitative approach involves practical measurements of variables in the form of numerical data, collected from primary or secondary data sources, subjected to statistical tests. My justification for using the quantitative method over qualitative and mixed research methods follows. As opposed to a qualitative approach that can entail the generation of prolific data to discover and explore textual themes, this quantitative study involved examination of the possible relationships among known measurable variables. Symonds and Gorard (2010) indicated that researchers should apply the quantitative approach if the research objective is to test hypotheses pertaining to relationships among numeric variables. In this research,

I used the quantitative research method with the application of statistics to test hypotheses, using numerical data for all variables. Babbie (2010) and Muijis (2010) posited that quantitative studies are useful to generalize concepts, predict future results, and investigate potential causal relationships among variables. Although the investigation of causal relationships is beyond the scope of this research, I focused on predictor and criterion variables that can lead to generalizable results.

Although employing qualitative research typically requires a relatively small sample, qualitative research may involve a significant investment of time and money and is rarely generalizable or transferable to broader populations (Guetterman, 2015). The application of qualitative research methods involves subjective interpretations of in-depth data collected from a relatively small sample responding to open-ended data collection tools (Merriam & Tisdell, 2015). The open-ended nature of qualitative research was inappropriate for the established scope of this study. According to Waidi (2015), a qualitative study involves the collection and analysis of qualitative data with subjective qualities. However, a quantitative study requires the gathering and analysis of data derived from objective sources. In this study, I did not use human subjects and the generation of prolific, indepth, subjective data from a few participants was not relevant. Instead, data collection for this study excluded the direct participation of human subjects or the use of interviews or survey techniques. I used secondary data collection to minimize the investment of data collection time and expenses, such as incentives or travel.

Mixed method research was not a preferred research method for this study because of its complexity, which is beyond the scope of this study. The mixed method is suitable when the research objective is to explore and examine human or social problems using a combination of qualitative and quantitative analysis (Hughes, 2016). Using the mixed method requires combining qualitative and quantitative approaches, which could require additional time, data sources, and other resources that were not available for this research study. According to Venkatesh, Brown, and Bala (2013), although researchers can use the mixed method to address critical questions, the mixed method approach may be overly complex for some research endeavors or research questions. Thus, a mixed research method was not as ideal as a quantitative approach for answering the overarching research question for my study.

Research Design

The research design for this study was correlational. The correlational design was suitable for the study of possible relationships among known quantifiable variables. In this study, financial performance, firm size, and leverage were the predictor variables and ESG activity scores was the criterion variable. I used the correlation design to examine the strength and direction of the relationship between the criterion and predictor variables. I used a correlational design to determine if, and if so, to what extent relationships exist between financial performance, firm size, leverage, and ESG scores. The existence of a relationship is not an indication of causality (Agbedeyi & Igweze, 2014). When two variables correlate, a researcher can determine the strength and direction of the correlation and predict the value of a variable (Torchim, 2006). In

statistics, the correlation coefficient and the p-value indicate the strength, direction, and significance of a relationship among variables (Agbedeyi & Igweze, 2014).

Other quantitative research designs include casual-comparative and experimental. These two designs were not suitable for this study. Both the causal-comparative and experimental designs are useful to examine potential cause-and-effect relationships, with the casual-comparative design applied to the evaluation of observed differences that already exist among groups of individuals (Antwi & Hamza, 2015). In experimental designs, the researcher controls the values of the independent variable for determining potential causal relationships (Hayduck, 2016). Using a true experimental design would require random assignment of participants to groups, which is impractical for this study of large U. S. corporations. My study did not include experiments or control variables. As a result, both casual-comparative and experimental designs did not meet the needs of this study.

Population and Sampling

The population consisted of companies in the top five Russell Global Sectors that include financial, technology, health care, consumer discretionary, and producer durables. According to Mertens (2014), sampling of the population is the extraction of subsets from the general frame to examine characteristics. The sample from the population in quantitative studies leads to an opportunity to infer characteristics to the entire population (Greenbaum, Templeton, & Bar-David, 2009).

Sample Method

Random sampling was a probabilistic sampling method suitable for selecting firms from the general population. The general population was U. S. publicly traded companies listed in the Russell index by the end of 2015. A random sampling technique was suitable for quantitative research, resulting in a high level of inferential precision without studying every element of the population (Bryman & Bell, 2015). In this study, there was an assumption that a random sample of the population is generalizable to the larger population with a predefined confidence level.

In random sampling, every element in the population has an equal chance of selection (Zikmund, Babin, Carr, & Griffin, 2010). Random sampling is the most common sampling strategy quantitative researchers use to produce unbiased and reliable findings (Bryman & Bell, 2015). Random sampling is easy and affordable. However a major weakness of using random sampling is the potential for not obtaining specific characteristics of subgroups within a sample (Levy & Lemeshow, 2013). However, random sampling was appropriate for this study and occurred by applying a calculated systematic random sampling technique. In a systematic random sampling technique, the companies in the population received a number. I determined the sample interval size (*k*) by dividing the number in the population (*N*) by the number in the sample (*n*), predetermined by using G*Power3 statistical software. According to Zikmund et al. (2010), the interval size denoted as *k* defined as the expected value of a random sample. Finally, I selected the first company in the sample by randomly choosing a number between 1 and *k*. From the starting point, I included each company in the database in sequence that was k units apart from the previous selection.

Sample Size

Determining sample size was a crucial step because the sensitivity and usefulness of statistical tests depends on the sample size (Hayduk, 2016). Large samples can require a significant amount of cost and time whereas small samples can produce erroneous results; therefore, sample power estimation was necessary to calculate and determine the appropriate sample size (Kelly, 2015). G*Power 3 is a statistical software package I used to perform a priori sample size analysis. Quantitative researchers utilize G*Power3 software to determine the sample size for a research study (Lakens, 2013). According to Faul, Erdfelder, Lang, and Buchner (2007), there are five types of power analysis: (a) a priori analysis, (b) compromise analysis, (c) criterion analysis, (d) posthoc analysis, and (e) sensitivity analysis. In this study, I used a priori analysis technique, discussed by Lakens (2013) to compute the necessary sample size, with further justification and description of the choice described below.

The three essential components for determining an appropriate sample size are the power level, the alpha level, and the effect size (Lakens, 2013). Sample size estimation was relevant for calculating and determining the precision and confidence in the results from a sample (Kelly, 2015). According to Barlett, Kotrlik, and Higgins (2001), inadequate, insufficient, or disproportionate sample size will adversely influence the quality and accuracy of research. By definition, the alpha level indicates the probability of rejecting the null hypothesis when it is, in fact, true. In most educational studies, the alpha levels used to determine sample size are commonly .10, .05, or .01 (Barlett et al., 2001). The second important parameter to determine the required sample size is the effect

size or a measurement of the magnitude of a treatment effect (Cohen, Cohen, West, & Aiken, 2013). According to Cohen et al. (2013), effect size determination is one of the most challenging steps for a sample size calculation. Researchers measure effect sizes in two ways: (a) the standardized difference between two means or (b) the correlation between the independent variable classification and the individual scores on the dependent variable (Cohen et al, 2013). Cohen's *f*, the ratio of explained variance and error variance, serves as the effect size measure (Cohen, 1988).

For this study, I used G*Power's F-test regression for linear multiple regression. The F-test regression test requires selecting and justifying an established effect size of .02, .15, and .35 for small, medium, and large, respectively (Faul et al., 2007; Sullivan & Feinn, 2012). According to Jones, Carley, and Harrison (2003), there is less consensus for the accepted value of power but the use of figures between .80 and .99 is common. The use of a medium effect size ($f = 0.15$) was appropriate for this study. The medium effect size was based on the analysis of Kelly (2015) and Faul et al. (2009) articles, where predictor variables in this study financial performance, firm size and leverage were the outcome measurements. A power analysis, using G*Power3 Version 3.1.9 software conducted to determine the appropriate sample size for the study. A priori power analysis which contained three predictor variables using a medium effect size ($f = .15$), $\alpha = .05$, and F-test linear multiple regression indicated a minimum sample size of 77 firms was sufficient to achieve a power of .80, and a maximum sample size of 119 firms to achieve a power of .95. Therefore, in this study, I obtained a total sample size of 119 firms.

Figure 2 illustrates the relationship between power level and the sample size required for F tests linear multiple regression.

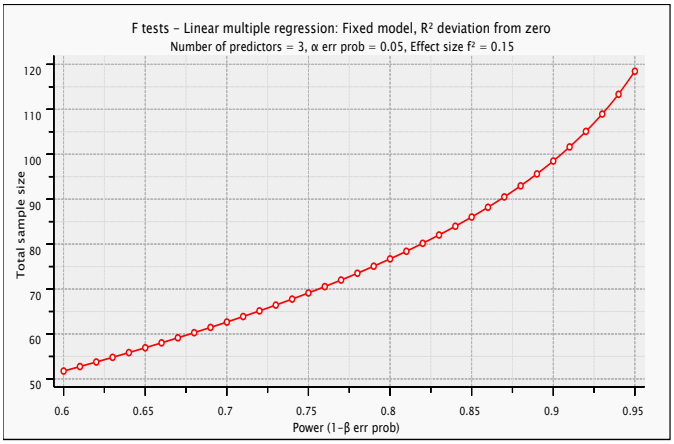

Figure 1. Power as a function of sample size for F-tests linear multiple regression. Number of predictors = 3, alpha (α) = 0.05, Effect size f^2 = 0.15

Ethical Research

In this study, I used secondary archival data. The data for predictor and criterion variables came from a publicly available secondary electronic data source. As a result of the use of secondary data, I did not involve humans as subjects in the population of sample for this study. The ethical principles in the Belmont Report, maintained by the U. S. Department of Health (2014), are pertinent to humans as research subjects, which did not occur in this study. However, I complied with other essential ethical principles defined by the Belmont Report and per Check et al. (2014), Beskow et al. (2014), and Tam et al. (2015) discussed the need for researchers to employ ethical research standards.

The most commonly applied and straightforward ethical principles applied in this study included (a) honesty, (b) objectivity, (c) integrity, (d) confidentiality, (e) respect for intellectual property, and (f) responsible publication. I assured confidentiality by not including any company names in any electronic files by assigning each randomly selected company a numerical code (such a C1 for the first company in the sample). I maintained objectivity by identifying and setting aside any sources of bias and will maintain the integrity of the research process through attention to the accuracy of data collection and analysis procedures. I avoided sampling bias, fabrication, and falsification of research findings, which according to Rasmussen (2014) lead to unethical and biased reports.

I did not begin the data collection process until I obtained the IRB approval on April 6, 2017 with approval number 04-06-17-0411976. The IRB governs compliance of ethical applications in research (Ghooi, 2014) and ensures research studys meet the criteria of applicable laws, regulations, and professional conduct (Musoba, Jacob, & Robinson, 2014). In this study, submission of consent forms, confidentiality agreements, and letters of cooperations were not necessary because the reseach did not involve human subjects. I utilized electronic files for all data collection, organization, and analysis processes, in a password protected personal computer and I was the only person who knew the password. I will maintain the electronic files for 5 years in the password-protected computer, then destroy data by permanent deletion of all related electronic files.

Data Collection Instruments

I obtained the data from a publicly available archival electronic source using the Bloomberg terminal (2015), which Scotti et al. (2016) described as a leading and

trustworthy source of financial information. Investment professionals use the Bloomberg terminal to access financial information to make prudent investment decsions (Scott et al., 2016). Bloomberg terminal (2015) provides real-time and historical pricing, economic data, and analytics on the capital markets.

The measurement scale for all variables in this study was the ratio scale of measurement, with unique and nonarbitrary values, representing meaningful quantifications for data analyses. Measurement at the ratio level was desirable for this research because I can apply complex statistical functions to the data. Lakens (2013) claimed that the analysis of ratio data from accessible data is useful for addressing quantitative research questions for correlational studies.

ESG Scores

The ESG score was the selected variable for the CSR criterion variable. Although previous authors such as Turban and Greening (1997) discussed the difficult of measuring CSR, Kinder, Lydenburg, and Domini (KLD) developed an initial combined social rating score in 1988 to address the concerns of Turban and Greening. The KLD rating is a social index score derived from evidence of a company's social behaviors and actions (Blodgett, Hoitash, & Markelevich, 2014). The KLD corporate social index score represents one of the most reliable corporate social measurement scales, based on 6,000 companies (Ioannou & Serafeim, 2014; Ruf, Muralidhar, &Paul, 1998). Bloomberg (2015) later developed a KLD analogue, the ESG disclosure score, to measure companies' social responsibility activities. Using ESG scores enables Bloomberg to address a broad coverage of CSR activities. Bloomberg analysts compile the ESG data

based on companies' publicly available information, verified and approved by an independent auditor. In addition, the Bloomberg financial analysts verify information or data provided by a company before releasing the data for public use for 10,000 companies globally. Due to its extensive coverage, Bloomberg's ESG score was the appropriate CSR measurement scale for this study.

The ESG disclosure scores compiled by Bloomberg (2015) represent CSR ratings of companies based on ESG data reported by companies for each fiscal year. The composite Bloomberg ESG score consists of three major dimensions: environmental, social, and governance dimensions derived from filings such as CSR reports, annual reports, company websites, and Bloomberg surveys. The Bloomberg ESG disclosure scores involve 219 indicators from each of the three ESG categories collected and weighted to highlight the most commonly reported indicators. The calculated weighted scores of the three ESG dimensions are in the form of ratios, normalized to range from 0 (for a company that does not disclose ESG data) to 100 (for a company that discloses ESG data for each of three dimensions, ranging from 1 to 100). High ESG scores indicate a firm's active participation in corporate social programs while low ESG scores indicate minimal participation in corporate social activities.

The prominent indicators in the environmental dimension of the Bloomberg ESG score pertain to (a) total greenhouse gas emissions, (b) total energy consumption, (c) water consumption, (d) hazardous waste, (e) total waste, the total number of environmental fines and (f) environmental penalties in USD. The social dimension of Bloomberg's ESG stems from indicators such as (a) the number of employees, (b) the

percentage of women in the workforce, (c) the proportion of women in management, (d) the percentage of minorities in the workforce, and (e) the percentage of minorities in management. The governance dimensions of Bloomberg's ESG score includes(a) the size of the board, (b) the percentage of independent directors, (c) board duration in years, (d) the number of board meetings in a year, (e) board meeting attendance, and (f) political donations.

Multiple previous researchers have utilized the Bloomberg ESG score to measure CSR activities of firms represented (Cheng, Ioannou, & Serafeim, 2014; Utz & Wimmer, 2014; Wang & Sarkis, 2013). For example, using a sample of 500 U. S. firms' ESG scores, Wang and Sarkis (2013) studied the relationship between a firm's environmental and social supply chain activities with its financial performance. Ioannou and Serafeim (2014) and Utz and Wimmer (2014) applied Bloomberg ESG scores and the three sub-scores for each dimension to quantify a firm's transparency in reporting ESG information.

Turban and Greening (1997) confirmed the reliability of using the instrument in the study to measure corporate social performance, emphasizing the utility of the following components: (a) community relations, (b) treatment of women and minorities,(c) employee relations, (d) treatment of the environment, and (e) quality of services and productsthat are universal and applied to every firm they study. Similarly, Cheng, Ioannou, and Serafeim (2014) confirmed the reliability of the Bloomberg ESG scores for measuring CSR in their study of environmental performance, social performance, economic performance, and corporate governance.

Strategies useful to enhance the trustworthiness of qualitative studies, such as member checking, transcript review, and field-testing were not applicable to this quantitative study. Unlike other studies that include interviews or survey instruments, I used Bloomberg's ESG score that does not require data compilation. I ensured that, after approval of the completed research, the data analysis findings are available to the public and the data for the study will remain accessible in a password-protected personal computer for 5 years before destruction.

Return on Equity (ROE)

ROE was a ratio scale of measurement for the predictor variable of financial performance. ROE is the ratio of a company's total equity to total assets, and is computable from the Bloomberg (2015) data. Bloomberg maintains the financial statements of the reported total equity and total assets of companies in the database, verified through independent auditing firms and Bloomberg's financial experts. Similar to the ESG activity scores, the ROE data are precalculated data from the Bloomberg database. The ROE is one of the most reliable measurements of financial performance because the financial report remains official after verified by an independent auditor (Bloomberg, 2015). Scholars such as Orlitzky, Schmidt, and Rynes (2003), Uadiale and Fagbemi (2012), and Wang and Sarkis (2013) used ROE as a reliable financial measurement of the financial performance of companies in rigorous peer-reviewed research studies.

Total Revenue

Total revenue refers to the amount of money earned by a firm within a given year. Total revenue reflects a firm's size (Gugong & Bala, 2015), is the second predictor variable proposed for this study. Total revenue is useful to measure sales of goods and services and is calculated by multiplying the price of goods by the quantity of goods. Total revenue is a percentage base figure reported by individual companies and verified by independent auditors as well as Bloomberg's analysts (2015) database experts (Lewis-Beck & Lewis-Beck, 2015; Pett, 2015). For this study, I obtained the total revenue data for each firm directly from the Bloomberg database. In their studies, Daunfeldt and Elert (2013) and Zadeh and Eskandari (2012) applied total revenue as the measurement of firm size in their quantitative studies involving firm size and financial performance.

Leverage

Leverage is an additional predictor variable in this study derived from a ratio measurement scale to reflect debt level. According to Maskun (2013), leverage level is a ratio of long-term debt to book value of equity; highly leveraged firms have more debt than equity, associated with greater financial risks. Maskun explained that a higher debt to equity ratio indicates the firm is highly leveraged. Leverage ratio data are readily available from the database maintained by Bloomberg (2015), representing the verified and independently audited secondary data source. Previous reserachers who utilized leverage include Reverte (2009), Bowman (1980), and Dhaliwal (1986), whose studied leverage from firms' disclosures along with agency costs, capital, and the pressures of creditors experienced by managers.

Data Collection Technique

A publicly available online database was the data source for this study. The Bloomberg terminal is one of the most widely used financial information available for investment professionals, consultants, investors, and researchers (Scotti et al., 2016). There were several advantages to using the Bloomberg terminal to obtain data for this study. The first advantage was that Bloomberg (2015) is an easy tool to use and includes an online tutorial and systematic training guidelines for retrieving information. The second advantage was that independent auditors of the firms and Bloomberg experts verify the data reported for inclusion in the Bloomberg database. The third advantage was that transferring data from the Bloomberg terminal to other software programs, such as Microsoft Excel and SPSS for computational purposes is both easy and convenient. There was no need for collecting, maintaining, and storing any of data in any other written form and use of the secondary data did not involve human participants in this research.

Although there were advantages to the use of secondary data, there were also some disadvantages discussed by Cheng and Phillips (2014). One disadvantage the authors noted was the possibility that incomplete data or misaligned variables could result in failures to answer the research question. To overcome the disadvantage, I verified alignment of the research question with the hypotheses, purpose, method, design, variables in this study, with the associated data available from the Bloomberg database. Another possible disadvantage was a lack of opportunity to consider all possible confounding variables or to manipulate variables (Cheng & Phillips, 2014). I did not intend to manipulate or change the variables. The selection of known variables for this

study followed a comprehensive review of the literature and a discussion of the limitations before and after data analysis. According to Cheng and Phillips, secondary data sources may also omit some members of the population, while at the same time; some complex, larger-scale databases include a voluminous amount of data that may overwhelm researchers. I used systematic random sampling to address these possible disadvantages of relying on secondary data.

Data Analysis

The study research question was: *What relationships exist between financial performance, firm size, leverage, and CSR?* In this study, I employed multiple regression analysis applied to answer the research question by examining the significance and nature of the predictor variables relationships with criterion variable. The predictor variables were financial performance measured by ROE, firm size measured by total revenue, and financial leverage measured using the ratio of debt to total assets. The criterion variable was CSR, which I measured using companies' ESG activity scores.

Hypotheses

In this study, I examined the following null and alternative hypotheses to address the research question:

H1o. There is no statistically significant relationship between financial performance and CSR.

H1a. There is a statistically significant relationship between financial performance and CSR.

H2o. There is no statistically significant relationship between firm size and CSR.

H2a. There is statistically significant relationship between firm size and CSR.

H3o. There is no statistically significant relationship between leverage and CSR.

H3a. There is a statistically significant relationship between leverage and CSR.

Multiple Linear Regression

The statistical data analysis suitable for this study was multiple linear regression. Multiple regression analysis was useful because of the technique's suitability for analysis of the quantitative variables relevant to the overarching research question in this study. Multiple linear regression is a data analysis procedure for examining the relationships between predictor variables and a criterion variable (Montgomery, Peck, & Vining, 2015). Study of specific statistical tests used to examine correlations, associations, and relationships are in increasing in peer-reviewed research (Akhtar et al., 2016). The first reason for using multiple linear regression analysis was the opportunity to determine measure, examine, and understand relationships between two or more variables. According to Cohen et al. (2013), multiple regression is the appropriate statistical means to analyze data in the examination of the possible relationships between multiple variables. The second reason for choosing multiple regression analysis instead of simple/bivariate linear regression analysis was that, according to Cohen et al., including more than two variables might help to predict the existence, and nature of relationships more accurately (Cohen et al., 2013).

Simple/bivariate linear regression analysis was not appropriate because this study involved more than one predictor variable. According to Harrell (2015), linear regression analysis is appropriate when a researcher seeks to examine the linear relationship

between predictor and criterion variables. Simple linear regression was not practical for this study analysis because the outcome variable may not relate to a simgle predictor variable that is the focus in bivariate models (Cohen et al., 2013).

I performed multiple linear regression analysis using IBM's SPSS Software Version 21. According to Zikmund et al. (2010), multiple regression analysis can lead to the regression equation: $\hat{Y} = b_0 + b_1X_1 + b_2X_2 + b_3X_3$. In the equation, $\hat{Y}$ is the predicted value of the dependent variable, X_1 through X_3 are the predictor variables, b_0 is the value of Y when all predictor variables (X_1 through X_3) are equal to zero, and b_1 through b_3 are the estimated regression coefficients.

According to Zikmund et al. (2010), interpreting the regression output in multiple linear regression is a simple process involving the F-test useful to decide if the model as a whole is adequate to significantly predict the dependent variable. The first step was to explain the overall significance level of the model and the second step was to interpret the individual regression coefficients (Zikmund et al., 2010). The chosen alpha or level of significance for this research was .05, based on the procedures and choices that Lakens (2013) described as typical in scholarly research. If the p-value was below the significance level (α =.05), I rejected the null hypothesis, and conlcuded that the relationship between the associated predictor variable and the dependent variable was statistically significant. The next step was to examine the coefficient of determination, R^2, to identify the proportion of variance explained by the regression model (Zikmund et al., 2010). R^2 is a statistical measure of how close the data are to the fitted regression line.

Data Cleaning and Screening

With the use of secondary data, data cleaning is the process of reviewing the dataset for potential abnormal or missing observations prior to conducting the analysis (Cheng & Phillips, 2014). Because there were multiple reasons why errors or omissions might be present in the secondary data, I inspected, reviewed, and cleaned the data prior to analysis. Among the multiple reasons for missing data in the secondary datasets were intentionally or unintentionally omitting items, incorrectly reporting items, and data entry errors (Cheng & Phillips, 2014). Correctly performed multiple regression analysis requires the inclusion of the value of every variable identified as the predictor and criterion variables from the entire sample (Van den Broeck, Cunningham, Eeckels, & Herbst, 2005). Therefore, I addressed all incomplete or erroneous data by excluding such data from the subsequent analysis steps.

A researcher may use SPSS software to perform data cleaning to locate incorrect or missing values in the dataset, and then fix the errors or excludeincomplete or erroneous data from the study (Van den Broeck et al, 2005). If the error was a result of my own mistakes when transferring data from the Bloomberg database to MS- Excel and SPSS programs, I identifed and corrected the error. Erroneous data may be noticable if data were outside the possible range of numbers for variables or if figures were inconsistent with other data reported for the same source. If I excluded data based on the discovery of erroneous or incomplete data derived from random sampling, then I added companies to the sample through similar systematic random sampling methods to maintain the minimum sample size of 119 companies for this study. Following data cleaning steps, Van den Broeck et al. (2005) suggested additional data screening steps to

identify outliers and to check for normality. SPSS was the statistical software utilized to clean, screen, and analyze data through descriptive and inferential software applications.

A benefit of using regression analysis was that one can account for significant systematic variations in the criterion variable. There were three phases of data analysis in this study, as described in detail below. The first phase was the generation and reporting of descriptive results. The second phase was the application of multiple linear regression analysis. The third phase was the determination of statistical significance, which I assessed through testing the hypotheses, which enabled me to make decisions about the appropriateness of rejecting or failing to reject the null hypotheses in this study.

Data Analysis Phases

The generation of descriptive information from analysis of the data followed data cleaning and screening. I used SPSS software to summarize the dataset by using descriptive statistical procedures to obtain the mean and standard deviation and skewness of the sample. This first phase involved the generation of descriptive data to reflect upon the data and to test assumptions (Williams, Grajales, & Kurkiewicz, 2013). The multiple linear regression data analysis phase required completing two steps: (a) addressing any violations of the assumptions associated with the application of multiple linear regression analysis and (b) the execution of the multiple linear regression techniques (Williams et al., 2013). In the final phase, I used the results obtained from the previous analyses phases to decide whether to reject or to fail to reject the null hypotheses.

Hypothesis testing is a procedure based on sample evidence and probability theory (Zikmund et al., 2010). The null hypotheses are statements that there are no

statistically significant relationships among or between variables, while the alternative hypotheses are statements that there are statistically significant relationships among or between variables (Martinez-Camblor & Corral, 2012). Null hypothesis significance testing requires a decision to reject, or not reject, a null hypothesis considering the level of significance (Lakens, 2013).

Testing a hypothesis involved several important steps. The first step was to state the null and alternative hypotheses, followed by selection of the appropriate test statistic and level of significance (Lakens, 2013). The t-distribution is treated as equal to normal distribution when sample sizes are greater than 30. In other words, as sample size grows, the t-distribution gets closer and closer to a normal distribution (Ciolino et al., 2015). Lakens (2013) reported that the .05 significance criterion is typical in peer-reviewed research studies. As stated in the sample size subheading, the chosen significance level for this study was 5% ($\alpha = 0.05$). The next step was to state the decision rule based on the chosen significance level (5%) and *p*-value of each of the predictor variable. If the p-value of a predictor variable was greater than or equal to the 5% significance level, I accepted the null hypothesis, and rejected the alternative hypothesis, similarly, if the p-value was less than the 5% significance level, I rejected the null hypothesis and accepted the alternative hypothesis.

Data analysis results may support or refute the stakeholder theory and the premise that CSR strategies can have a positive impact on all stakeholders while also increasing financial performance of a firm. Based on the correlational study analysis, research findings of a positive or significant relation between financial performance and CSR may

support the stakeholder theory. While a negative and insignificant relationship may contradict the principles of stakeholder theory which may signal business leaders to make informed decsion regarding CSR strategies. Similarly, research findings of a positive or significant relation between firm size and CSR may support the premise that as opposed to small firms, large firms have economic and resource capacity to implement CSR. Whereas, a negaive relationship between firm size and CSR may validate the concept that size have no relevance to CSR. Research findings indicating a positive or significant relationship between leverage and CSR, may support the premise that CSR participation reduce financial risks. While a negative or insignificant relationship would not support the premise that high leverage discourages business leaders' from embracing CSR initiatives.

Testing the Assumptions

According to Cohen et al. (2013), there are five key assumptions applicable to multiple regression analysis: (a) multicollinearity, (b) normality, (c) linearity, (d) homoscedasticity, and (e) independence of residuals. The following subheadings included explanations of each of the five key assumptions. In the following subheadings, I discuss each assumption and explain the strategies I used to address any violations of the associated assumption.

Assumption of multicollinearity. Multicollinearity is a condition where two or more predictor variables are highly correlated (Williams et al., 2013). The application of linear multiple regression analysis assumes that there is no multicollinearity among the predictor variables (Shou & Smithson, 2015). When multicollinearity is too high, the

individual parameter estimates become difficult to interpret accurately (Zikmund et al., 2010). One useful way to address violations of multicollinearity assumption was to combine overlapping variables in the analysis and avoid including multiple measures of the same construct in a regression. Sample size, R^2, and magnitude of the coefficients are useful to evaluate the effects of a given level of multicollinearity. According to the multicollinearity assumption, when a predictor variable has a strong linear association with other predictor variables, the associated variance inflation factor (VIF) is large and is evidence of multicollinearity. Thus, small value for tolerance and large VIF indicate the presence of multicollinearity.

Assumption of normality. Objective multiple regression depends on the assumption that all variables' data have a normal distribution, indicated by measures such as skewness and kurtosis (Williams et al., 2013). According to Liu and Guo (2016), a normal distribution is a symmetric bell-shaped curve. Normality verified by inspecting the normal probability plot (P-P) of the regression standardized residuals and the scatter plot. The examination of the P-P and scatter plot ensured that there were no major violations of this assumption. The P-P plot explained the tendency of the points to lie in a reasonably straightline diagonal from the bottom left to the top right, which provided supportive evidence that the assumption of normality has not been grossly violated (Pallant, 2010). The absence of clear or systematic pattern in the scatter plot of the standardized residuals supported the tenability that the normality assumption was met. When the normality assumption was violated, I computed 1,000 bootstrapping samples using SPSS to address the possible influence of the normality assumption violations and

developed 95% confidence interval based upon the bootstrapped samples (Schützenmeister, Jensen, and Piepho, 2012).

Assumption of linearity. A multiple linear regression model can only accurately estimate the relationship between variables if the relationships are linear in nature. The violation of the linearity assumption may result in biased estimates of the regression coefficients and incorrect predictions (Williams et al., 2013). Similar to normality, I checked the linearity assumption by inspecting the P-P of the regression standardized residuals and the scatter plot. The examination of the P-P and the scatter plot ensured that there were no major violations of the assumption of linearity. The P-P plot reflected the tendency of the points to lie in a reasonably straight line diagonal from the bottom left to the top right, provides supportive evidence that the assumption of linearity was not grossly violated (Pallant, 2010). The absence of clear or systematic pattern in the scatter plot of the standardized residuals supported the tenability of the linearity assumption was met. When the assumption of linearity was violated, I computed 1,000 bootstrapping samples using SPSS to address possible influence of assumption violations and developed 95% confidence interval based upon the bootstrapped samples reported where appropriate (Schützenmeister, Jensen, and Piepho ,2012).

Assumption of homoscedasticity. The assumption of homoscedasticity is the assumption that the variance of the criterion variable does not change across the range of values for the predictor variables (Williams et al., 2013). The various causes of extreme scores in a data set may include data recording or entry errors, motivated misreporting, sampling errors and legitimate sampling (Osborne & Overbay, 2008). I tested the

homoscedasticity assumption through the inspection of the normal probability plot of the regression standardized residuals and the scatter plot. The examination of the P-P and scatter plot ensured that there were no major violations of the homoscedasticity assumption. The P-P plot reflected the tendency of the points to lie in a reasonably straight line diagonal from the bottom left to the top right, which provided supportive evidence that the assumption of homoscedasticity was not violated (Pallant, 2010). The absence of a clear or systematic pattern in the scatter plot of the standardized residuals supported that the homoscedasticity assumption was met. When there was evidence that the homoscedasticity assumption was violated, I computed 1,000 bootstrapping samples on SPSS to address possible influence of assumption violations and constructed derivative 95% bootstrapped confidence intervals (Schützenmeister, Jensen, and Piepho, 2012).

Assumption of independence of residuals (errors). Independence of residuals refers to the assumption that errors are independent of one another (Lewis-Beck & Lewis-Beck, 2015). The major consequences of violating the assumption of independence of residuals include the potential to obtain biased estimates of the regression coefficient and draw inaccurate conclusions (Williams et al., 2013). The assumption of independence of residuals verified by inspecting the P-P of the regression standardized residuals and the scatter plot. The examination of the P-P and scatter plot ensured that there were no major violations of the assumption of independence of residuals. The P-P plot provided the basis for determining the tendency of the points to lie in a reasonably straight line diagonal from the bottom left to the top right, and provided

supportive evidence that the assumption of independence of errors was not grossly violated (Pallant, 2016). The absence of clear or systematic pattern in the scatter plot of the standardized residuals supported the assumption of independence of residuals was met. When there was evidence that the assumption of independence of residuals was violated, I computed 1,000 bootstrapping samples on SPSS to address possible violations, and developed derivative 95% bootstrapped confidence intervals (Schützenmeister, Jensen, and Piepho, 2012).

Study Validity

Validity refers to the degree to which a quantitative study's findings measure what it intends to measure accurately (Becker, Rai, Ringle, & Volckner, 2013). According to Csikszentmihalyi and Larson (2014), the validity of the quantitative study is a matter of consistency among the measurements, analysis, findings, conclusions, and the intent of the study. Since this study did not involve conducting an experiment, threats to internal validity were not applicable. However, threats to statistical conclusion validity were a concern that Ciolinoi et al. (2015) identified and discussed. Threats to statistical conclusion validity are conditions that inflate the Type I error rates, which leads to rejection of the null hypothesis when it is in fact, true. There are three approaches for assuring studies' statistical conclusion validity: (a) reliability of the instrument; (b) data assumptions, and (c) using a sufficient sample size.

Reliability of the instrument is the assurance of an instrument's measures what it should measure accurately. The Bloomberg ESG score scale was one of the most reliable instruments available to determine which companies are actively participating in the three

broad dimensions of socially responsible activities (Bloomberg, 2015). ESG activity scores have been one of the best available metrics for scholars to measure CSR (Chatterji, Levine & Toffel, 2009; Cheng, Ioannou & Serafeim, 2014). As previously noted, the principal dimensions of CSR are (a) environment, (b) social, and (c) governance. Financial analysis and investment experts apply the Bloomberg ESG score to evaluate the corporate social activities of a company. Several scholars used Bloomberg's ESG disclosure scores to measure CSR. Wang and Sarkis (2013) examined whether companies' environmental and social supply chain activities relate to financial performance using a sample of 500 U.S. companies. Wang and Sarkis used ESG data from Bloomberg and financial data from COMPUSTAT for empirical analysis of the relationships. Similarly, Fernandez-Feijoo, Romero, and Ruiz (2014) examined whether transparency is a quality of CSR communication that increases the relationship between investors and management. Fernandez-Feijoo et al. used Bloomberg ESG disclosure scores as well as Thompson Reuters ESG score to measure CSR.

Data assumptions refer to the appropriateness of the chosen data for examining the relationship between predictor variables and dependent variable. The assumptions about statistical populations are important because inaccurate assumptions can produce incorrect conclusions. Most statistical tests rely on certain assumptions about the variables for the analysis (Cohen et al., 2013). As discussed in the *Data Analysis subheading*, neglecting the regression assumptions may lead to invalid estimates and conclusions. Meaningful data analysis relies on the researcher's understanding and

testing of the assumptions and the consequence of violations. When assumptions not met, the results can lead to inflated Type I or Type II errors.

According to Cohen et al., (2013), violations of assumptions may result from (a) problems in the data set, (b) the use of an incorrect regression model, (c) or both (Cohen et al., 2013). As discussed in the *Data Analysis Heading*, there are several tests applicable for examining parametric assumptions and addressing any violations for multiple regression analysis. According to Cohen et al. (2005), the five multiple regression assumptions that a researcher should check are multicollinearity, normality, linearity, homoscedasticity, and independence of residuals. The respective tests that I applied in this study to verify multiple regression assumptions were variance inflation factor (VIF) to test multicollinearity assumption and normal probability plots (P-P) and the scatter plots to test assumptions of normality, linearity, homoscedasticity, and independence of residuals. I discussed the corresponding strategies and findings related to testing each of these assumptions as well as the steps to address any violations in the *Data Analysis* subheading.

As discussed in the Population *and Sampling Subheading Heading*, I determined the sample size using G*Power software. Based on the G*Power analysis results, I collected data from 119 firms. A high statistical power improved assured the reliability of this study's outcome (Faul et al., 2009). During the data analysis phase, I included all the data collected from the 119 firms for this study.

External validity addresses the extent to which the results of a study can apply to other populations (Rooney et al., 2016). Probability sampling strategy enhances external

validity. In this study, the research question relates to whether the results obtained from the probability, sampling procedures were applicable to other firms not included in the sample. The random sampling procedure allowed each firm to have an equal chance for selection and expected to yield a representative sample (McBride, 2016). Thus, the random sampling procedure was relevant to ensure external validity because the study's results would also be applicable to firms that were not included in the sample. All firms in the sample are incorporated by the U.S. Securities and Exchange Commission (SEC). This characteristic may support the study's external validity. However, the strategies of firms' management style may differ; therefore, not all firms are equally active in CSR participation and implementation activities which may lessen the external validity.

Companies in the Bloomberg database are all public companies. Public companies have limited liability and can offer stock, bonds, or loans to the public. The Boards of Directors head public companies. Stocks and bonds are securities available to the public for purchase via a centralized market exchange system or a broker-dealer network. The main characteristics of a public company are that shareholders are not responsible over a set of amounts for their investment in the company. The Bloomberg database did not include sole proprietorships. According to Cooper, Pearce, Sullivan, Yagan & Zwick (2016) sole proprietorships are the simplest form of business structure. Sole proprietorships have low start-up cost and work well for small to medium sized businesses. Unlike publicly traded firms, sole proprietors have full control over operations and business decisions. As such, this sample data from the Bloomberg

database excluded small and medium sized proprietorships. Therefore, findings in this study are irrelevant to small and medium size sole proprietorship companies.

Transition and Summary

Section 2 of the study included (a) a restatement of the purpose statement, (b) the role of the researcher, and(c) justification of the research method and design. Also discussed in this section were (a) explanations of the population and sample size, (b) data collection instrument, (c) data analysis techniques, and (d) assuring study validity. In Section 3, I discuss in what way the findings confirm, disconfirm or extend knowledge of the theoretical framework and relationships among variables by comparing the results with other peer-reviewed studies from the literature review. I also provide a detailed discussion on the applicability of the results on the professional business practice specifically how the findings became relevant to improved business practice. I also discuss the study's implications to social change regarding tangible improvements to individuals, communities, organizations, institutions, cultures, or societies, and finally present my overall conclusions.

Section 3: Application to Professional Practice and Implications for Change

Introduction

The purpose of this quantitative correlational study was to examine the relationships between financial performance, firm size, leverage, and CSR. The independent or predictor variables were financial performance, firm size, and leverage. The dependent or criterion variable was CSR. I did not reject the null hypotheses for predictor variables ROE and leverage (Ho1 and Ho3). I did reject the null hypothesis for the predictor variable total revenue (Ho2). Total revenue significantly predicted ESG activity scores.

Presentation of the Findings

In this subsection, I discuss the testing of the assumptions and present descriptive statistics, followed by inferential statistic results. I also provide a theoretical discussion of the findings. Using multiple regression analysis provided the means for examining the relationship between the predictor variables (financial performance, firm size, and leverage) and the dependent variable (CSR). I used SPSS software to conduct multiple regression analysis and test the relationships between the predictor variables (ROE, total revenue, and leverage) and the dependent variable (ESG activity scores). Based on the results of the beta weights, only one of the three predictor variables (total revenue) showed statistical significance as a predictor variable for CSR scores. The other two predictor variables (ROE and leverage) did not show statistical significance.

Descriptive Statistics

Descriptive statistics are useful to explain the basic features of the data in the study. They provide simple summaries of the samples and the measures of central tendency—which include mean, median, and mode—and measures of variability, which include standard deviation and variance. For this study, I collected variables' values for the 2015 data from a random sample of 119 large U.S. companies listed in the Russell 1000 index. Table 2 contains descriptive statistics of the study's variables with their 95% bootstrapped confidence intervals. The findings stemmed from data analysis I performed with bootstrapping, using 1000 samples to address the possible influence of assumption violations.

Table 2

*Means (*M*) and Standard Deviations (SD) of the Variables (*N*=119) with 95% Bootstrapped Confidence Intervals for the Means*

Variable	*M*	*SD*	Bootstrapped 95% CI (*M*)
ESG activity scores	33.65	2.34	29.08 – 38.04
ROE	.06	.09	-.12 – .22
Total Revenue	-.56	.18	- .90 – -.22
Leverage	-.01	.02	-.04 – .04

Tests of Assumptions

Conducting the multiple linear regression required completing two steps: (a) addressing any violations of the assumptions associated with the application of regression analysis and (b) examining the value and significance of the variables' coefficients, and the multiple correlation coefficient. In this study, testing the assumptions involved testing for multicollinearity, outliers, normality, linearity, homoscedasticity, and the independence of residuals. Violations of these assumptions can affect the conclusions'

and the interpretation of the results, and the conclusions' validity. The following subsections include the details from those results summarized in Table 2.

Multicollinearity. In statistics, multicollinearity exists when two or more of the predictor variables in regression model are highly correlated. In this study, I evaluated multicollinearity by viewing the correlation coefficients among the predictor variables (financial performance measured by ESG activity scores and firm size measured by total revenue rate and leverage). The collinearity statistics for all the predictor variables were within the acceptable values and the bivariate correlations were small to medium. A VIF of 1 means that there is no correlation between one predictor and the remaining predictor variables indicating the variance was not inflated as seen in Table 3 and Table 4. The general rule of thumb is that VIF values exceeding 4 require further investigation, while VIF values exceeding 10 suggest serious multicollinearity requiring correction (Huang, Jou & Cho, 2017).

Table 3

*Multicollinearity and Collinearity Coefficients for the Independent Variables (*N*=119)*

Variable	Collinearity Statistics	
	Tolerance	VIF
ROE	.900	1.11
Total Revenue	.995	1.00
Leverage	.900	1.11

Table 4

*Correlation Coefficients Between Independent Variables (*N*=119)*

Variable	ROE	Total revenue	Leverage
ROE	1	.04	.311
Total Revenue	.04	1	-.04
Leverage	.311	-.04	1

Outliers, normality, linearity, homoscedasticity, and independence of residuals. In statistics, an outlier is a condition when a data point departs significantly from other observations. Outliers can change the meaning of the data. A researcher evaluates the effects of outliers during the data screening process and takes necessary steps to address the effects of outliers. Scatter plots are useful to identify outliers during the data screening process. The normal probability (P-P) plot is useful to check on normality and the plotted points should approximately align with a straight line. Serious departures from the straight line indicate violation of normality assumption. Linearity can only accurately estimate the relationship between variables if the relationships are linear in nature**.** Residuals are the differences between the observed value of the dependent variable and its predicted value. The assumption of homoscedasticity is that the residuals' variation is the same across all values of the independent variables. The independence of residuals assumption implies that prediction errors are independent of one another. A residual plot shows the residual values on the vertical axis and the independent variables' values on the horizontal axis. The examination of the normal P-P plot as well as scatter plot is crucial to verify that there were no major violations of assumptions of outliers, normality, linearity, and homoscedasticity.

Prior to conducting the regression analysis, data review was necessary to identify potential abnormal or missing observations from the dataset. To ascertain the accuracy of the data for this study, I screened the data for outliers prior to data analysis. I generated the P-P plot of the regression standardized residual (Figure 2) and the scatter plot of the standardized residuals (Figure 3) to assesss the assumptions of normality, linearity, homoscedasticity, and independence of residuals in this study. The examinations indicated there were no apparent violations of the assumptions of normality, linearity, homoscedasticity, and independence of residuals. The tendency of the points to lie in a reasonably straight line (Figure 2), diagonal from the bottom left to the top right provided supportive evidence that there was no violation of assumptions of outliers, normality, linearity, homoscedasticity, and independence of residuals. The lack of clear or systematic pattern in the scatter plot of the standardized residuals (Figure 3) also supported the assumptions of normality, linearity, homoscedasticity, and independence of residuals held.

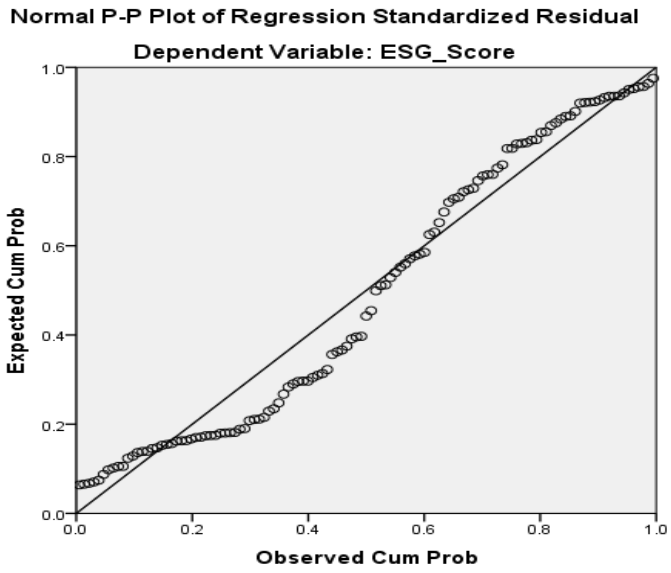

Figure 2. Normal probability plot (P-P) of the regression standardized residuals.

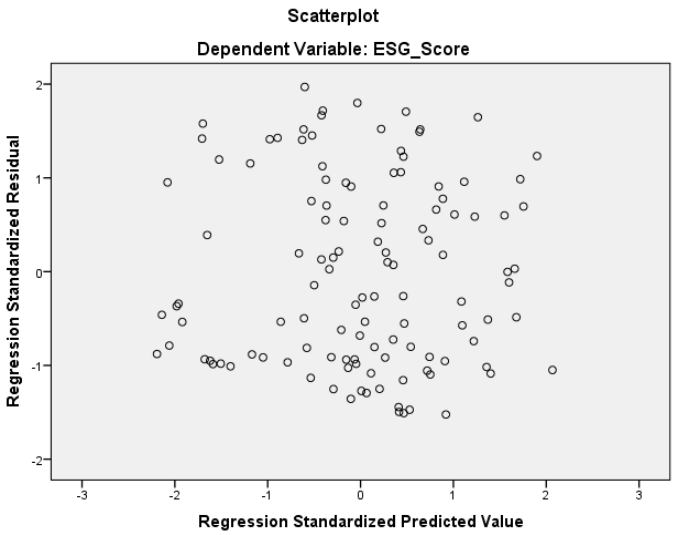

Figure 3. Scatter plot of the standardized residuals.

Inferential Statistical Results

The regression analysis summary table for predictor variables (Table 5) contains the standardized regression equation coefficients for the relationships between financial

performance, firm size, leverage and CSR. The standardized β coefficients indicate by how much the dependent variable is expected to increase or decrease for a unit change in the independent variable in comparison with standardized coefficients of the other predictor variables.

Table 5

Regression Analysis Summary for Predictor Variables

Variable	B	SE *B*	*β*	*t*	*p*	Bootstrap 95% CI (M)
ROE	.06	-09	.06	.67	.50	-.12 – .22
Total Revenue	-.56	.12	-.26	-2.87	.01	-.90 – -.22
Leverage	-.01	.02	-.04	-.40	.69	-.04 – .04

Note. $N = 119$; B = unstandardized coefficient; β = standardized coefficient

I used standard multiple linear regression, $\alpha = .05$ (two-tailed), to examine the relationship between financial performance, firm size, leverage, and corporate social responsibility. The predictor variables were financial performance, firm size, and leverage. The criterion variable was CSR ESG activity scores. The central research question pertained to the significance of the relationship between financial performance, firm size, leverage, and corporate social responsibility. The following research hypotheses reflected the research question:

H1o. There is no statistically significant relationship between financial performance and CSR.

H1a. There is a statistically significant relationship between financial performance and CSR.

H2o. There is no statistically significant relationship between firm size and CSR.

H2a. There is statistically significant relationship between firm size and CSR.

H3o. There is no statistically significant relationship between leverage and CSR.

H3a. There is a statistically significant relationship between leverage and CSR.

The model was adequate to significantly predict ESG activity scores, F (3, 115) = 2.83, p <.04, R^2 = .07. The low R^2 (.07) value indicated that the linear combination of the predictor variables (ROE, total revenue and leverage) was an explanation for approximately 7% of the variations in ESG activity scores. In the final analysis, the predictor variable total revenue was statistically significant to explain the variation in ESG activity scores with (β = -.26, t = -2.87, p <.01). The other predictor variables ROE (β = .06, t = .67, p >.50) and leverage (β = -.04, t = -.40, p >.69) did not explain any significant variations in ESG activity scores. Based on the statistical significance of the predictor variable (total revenue), I could reject the respective null hypothesis. Based on the statistical insignificance of the other two predictor variables (ROE and leverage), I could not reject their respective null hypotheses. The final predictive equation was:

ESG Activity Score = 33.65 + .06 ROE -.56 Total Revenue - .01 Leverage (1)

Total Revenue. There is a statistically significant negative relationship between firm size and corporate social responsibility. The negative slope for total revenue (-.56) as a predictor variable of ESG activity scores indicated that there was about a .56 decrease in ESG activity scores for each 1-point increase in total revenue. The squared semipartial coefficient (sr^2) that is an estimate of how much variance in ESG activity scores was uniquely predictable from total revenue was .07, indicating that total revenue accounts for 7% of the variance in ESG activity scores, after controlling for the effects of ROE and leverage.

ROE. There is no statistically significant relationship between financial performance and corporate social responsibility. The positive slope for ROE (.06) as a predictor variable of ESG activity scores indicated that there was about a .06 increase in ESG activity scores for each 1-point increase in ROE. The squared semipartial coefficient (sr^2) that estimated how much variance in ESG activity scores was uniquely predictable from ROE was less than .01, indicating that ROE accounts for less than .10% of the variance in ESG activity when controlling for total revenue and leverage are controlled.

Leverage. There is no statistically significant relationship between leverage and corporate social responsibility. The negative slope for leverage (-.01) as a predictor variable of ESG activity scores indicated that there was about a .01 decrease in ESG activity scores for each 1-point increase in leverage. The squared semipartial coefficient (sr^2) that was an estimate of how much variance in ESG activity scores was uniquely predictable from leverage was less than .01, indicating that leverage accounts for less than .1% of the variance in ESG activity scores when controlling for ROE and total revenue.

The following conclusions pertain to the results of the null and alternative hypotheses. First, financial performance measured by ROE does not have a significant relationship with corporate social responsibility measured by ESG activity scores and does not support the stakeholder theory. Second, firm size measured by total revenue has a significant statistical negative relationship with corporate social responsibility, measured by ESG activity scores. Third, leverage does not have a significant relationship with corporate social responsibility, measured by ESG activity scores.

Analysis summary. The purpose of this quantitative study was to examine the relationship between financial performance, firm size, leverage, and corporate social responsibility. I used standard multiple linear regression to examine financial performance, firm size, and leverage as predictors of ESG activity scores. Assessments of the assumptions surrounding multiple regression analysis revealed no apparent violations. The regression model was a statistically significant, yet a relatively poor predictor of ESG activity scores, F (3, 115) = 2.83, p <.04, R^2 = .07. The predictor variable total revenue provided useful predictive information about ESG activity scores whereas there was no statistically significant evidence that ROE and leverage predict ESG activity scores. The conclusion from this analysis is that total revenue has a statistical significant association with ESG activity scores, whereas ROE and Leverage have no statistically significant relationship (at the .05 level) with ESG activity scores.

Relationship between the study's findings and the Large Body of Literature

The findings in this study compared with a study conducted by Conway (2017) who examined the relationship between corporate social responsibility scores, corporate financial performance, and risk in the U.S. mid-cap companies. Conway collected data from a sample of 365 large-cap companies, 279 mid-cap companies, and 356 small-cap companies listed in the U.S. Standard & Poor's Stock Index. Conway proposed two hypotheses. The first hypothesis was that firms with higher CSR scores exhibit higher financial performance. The second hypothesis was that firms with higher CSR scores exhibit low risk. The author used ROE to measure the dependent variable financial performance and used a weighted average cost of capital to measure risk (leverage). CSR

score was the independent variable. With regard to the effects of CSR on financial performance, unlike the findings in my study, there was a significant and negative relationship between financial performance and CSR scores in both large and small-capitalized companies. As with the findings in my study, no statistical significant relationship between financial performance and CSR for mid-cap firms. Regarding the effects of CSR scores on risk, unlike the findings in my study, the results suggested a statistical significance relationship between risk and CSR for large-cap companies but like the findings in my study, no statistical significance relationship between risk and CSR for small and mid-caps companies. A low R^2 for a regression model suggests that a review of the variables could improve the explanatory power of the regression. Conway concluded that there was a significant relationship between financial performance and CSR for the large cap and small-cap firms, although there was little evidence of any such relationship for mid-cap firms.

Similarly, the findings in this study contrasted with a study conducted by Ongore and Kusa (2013), who found that financial performance of commercial banks in Kenya was the result of board and management decisions with insignificant contributions of macroeconomic factors. Major financial performance indicators, such as dependent variables, included ROE, ROA, and net interest margin (NIM). The major independent variables were capital adequacy, asset quality, management efficiency, and liquidity status. Ongore and Kusa (2013) indicated that a high R^2 value is a reliable statistical measure applied to understand how close the data are to the fitted regression line.

The outcome from the regression model for this study resulted in a low $R^2 = .07$ (7%) that was less than expected. In this study, the R^2 value was low, but with leverage as a statistically significant predictor. The model was able to significantly predict ESG activity scores at the .05 significance level, F (3, 115) = 2.83, $p < .04$, $R^2 = .07$. However, when looking at each predictor variable, the outcome of this study has mixed results. Of the three predictor variables, only total revenue had a statistically significant relationship with ESG activity scores. The predictor variables ROE and leverage had no statistically significant relationship to ESG activity scores.

The outcome of this study contrasted with a study conducted by Garcia-Castro, Arinon, and Canela (2010). Garcia-Castro et al. examined the relationship between a firm's social performance and financial performance, reporting a positive relationship between corporate social performance and financial performance. In contrast, ROE is one of the predictor variables in this study, which had a statistically insignificant relationship with ESG activity scores.

The findings in my study as they relate to the relationship between financial performance and CSR are similar to the results reported by Fabac, Calopa, & Sestanj-Peric (2016) who examined the relationship between financial performance and corporate social responsibility of companies included in Zagreb Stock Exchange. Fabac et al. research was based on the hypothesis that there is no relationship between financial performance and corporate social responsibility. Fabac et al. used ROA and ROE to measure financial performance and the relationship with the CSR indicator was evaluated by using content analysis. The study's findings revealed that there were no statistically

significant correlations between CSR and the financial indicators ROE and ROA. I utilized ROE as a financial performance measurement reached the same conclusion.

The findings in this study are similar to the results reported by Ozcelik, Ozturk, & Gursakal (2014). Ozcelik et al. examined the relationship between corporate social responsibility and financial performance in Istanbul100 index companies from 2010 to 2012. The research hypothesis of the Ozcelik et al. study stated that companies issuing corporate social responsibility reports indicate superior financial performance. Ozcelik et al. applied a logistic regression analysis, and employed financial performance and firm size as the independent variables and CSR as dependent variable. The authors' findings revealed that there was a significant positive relationship between firm size and corporate social responsibility. However, there was no relationship between corporate social responsibility and financial performance.

The findings of my study are also similar to the research outcomes reported by Saeidi et al. (2015) who examined the relationship between corporate social responsibility and firm performance. Saeidi et al. considered competitive advantage, reputation, and customer satisfaction as probable mediators between corporate social responsibility and financial performance. The reported findings from data obtained from 205 manufacturing and consumer products firms were that the positive relationship between CSR and financial performance was due to the effect of CSR on competitive advantage, reputation, and customer satisfaction. My study did not consider moderating variables such as competitive advantage, reputation, and customer satisfaction but indicated no significant relationship between financial performance and firm size.

Similarly, Revelli and Viviani (2015) examined the relationship between socially responsible investing and financial performance to determine whether including corporate social responsibility and ethical concerns in portfolio management is more profitable than conventional investment policies. The results form Revelli and Viviani (2015) revealed a low level of R^2 that was statistically inadequate, consistent with the findings in this study. However, unlike my study's findings of the relationship between financial performance and CSR, Revelli and Viviani indicated the independent variable financial performance had significant and unique effect on the dependent variable socially responsible investing.

In another study, Nuryaman (2013) examined the effects of corporate social responsibility activities on profitability and stock prices. Nuryaman hypothesized that CSR influences the profitability of companies. A sample of 100 industrial companies considered from the list in the Indonesia Stock Exchange. The independent variable was CSR measured by indicators of global reporting initiatives (GRI); the dependent variables were profitability and stock prices measured by return on assets, net profit margin, and stock prices (Nuryaman, 2013). Besides these variables, Nuryaman included control variables such as growth opportunity and firm size. Unlike the findings of my study pertinent to relationship between ROE and ESG activity scores, the regression output indicated a positive relationship of CSR with ROA at a significance level of 5% and a significant relationship between firm size and ROA at a 10% significant level. Similarly, there was a positive relationship of net profit margin as a proxy of profitability and CSR at a significance level of 5% (Nuryaman, 2013). A key observation of Nuryaman's study

is that the researcher utilized control variables unlike this study, which did not consider control or moderating variables.

In 2017, Liu and Liu examined the relationship between corporate social responsibility and firm financial performance. Employee satisfaction was applied to measure corporate social responsibility. Corporate operating performance was the independent variable and employee's satisfaction (CSR) was the dependent variable. The authors distributed a questionnaire to 200 employees, which resulted in 176 (88%) valid responses. Liu & Liu performed data analysis using both qualitative and quantitative techniques. The study's findings indicated there was a statistically significant positive correlation between CSR and financial performance at the $p < .0001$ level. Liu and Liu concluded that CSR initiatives were useful to influence employees' behavior and thereby increase corporate operating performance.

The second predictor variable in my study was firm size measured by total revenue. My study's findings indicated a significant negative relationship between firm size and CSR scores (at the .05 level.) The findings of my study are similar to the results reported by Udayasankar (2008) who examined the relationship between CSR and firm size, including the different economic motivations of businesses with varying combinations of visibility, resource access, and scale of operations. The study's findings revealed a significant negative relationship between firm size and corporate social responsibility. In addition, the findings indicated that visibility, resource access, operating scale, and firm size relate to active social responsibility participation. Orlitzky (2001) conducted a meta-analysis of the relationship between firm size and corporate social

performance. Similar to my study's findings, Orlitzky indicated statistically significant negative relationship between firm size and corporate social performance.

The findings in this study are also similar to the results presented by Lepoutrue and Heene (2006). Lepoutrue and Heene examined the relationship between firm size and corporate social performance. Similar to the findings in this study Lepoutrue & Heene reported a statistically significant negative relationship between firm size and CSR activities. However, according to Lepoutrue & Heene, small firms CSR activity depend on conditions such as (a) availability of resources, (b) the influence of external stakeholders, (c) negotiation power, and (d) socioeconomic conditions. Ozçelik et al. selected a sample from the top 100 firms from Istanbul Stock Index who adopted CSR between 2010 and 2012. CSR was the dependent variable and financial performance, firm size, risk, and type of ownership were predictor variables. Similar to this study's findings, there was a statistically significant negative relationship between company size and CSR. However, the same sample analysis did not indicate any relationship between financial performance, risk, type of ownership, and CSR (Ozçelik et al., 2014).

The third predictor variable in my study was leverage and the findings indicate that there is no statistically significant relationship between leverage and corporate social responsibility scores. The findings of my study are similar to the results reported by Jo & Na (2012). Jo and Na examined the relationship between firm risk and CSR for a comprehensive sample of U.S. firms in controversial industries such as tobacco, alcohol, gambling, and firearms. Although the data for my study were obtained from all business

types, similar to the findings from my study, Jo and Na reported that there was no statistically significant relationship between leverage and CSR in controversial industries.

Similarly, Orlitzky and Benjamin (2001) examined the relationship between CSR and financial risks (leverage). Orlitzky and Benjamin hypothesized that strong corporate social performance could reduce financial risks. A total of 655 top-level corporate leaders participated by completing the survey. Using the responses obtained from the top-level corporate leaders, descriptive statistics and regression analyses conducted. Similar to my study's finding, Orlitzky and Benjamin reported statistically no relationship between corporate social performance and firm risk. Similarly, Maskun (2013) examined the relationship between leverage, company size, profitability and disclosure of CSR of 15 LQ-45 companies in the Indonesian Stock Exchange from 2009 through 2011. Maskun applied multiple linear regression analysis to measure the impact of leverage, company size, and profitability on CSR disclosure. Unlike the findings in my study, Maskun reported statistical significant relationships for all the study's predictor variables. Regarding the relationship between financial performance and CSR, Maskun reported companies with sustainable profits maintain CSR disclosures that indicate a statistically significant positive relationship between financial performance and CSR. Regarding the relationship between firm size and CSR, the results indicated that large firms have better CSR disclosure than small firms which represents a statistically significant positive impact on CSR. In regard to the relationship between leverage and CSR, firms with high risk levels also had a statistically significant positive relationship with CSR disclosures for the subject Indonesian companies (Maskun, 2013).

The findings from this study are consistent with existing literature that included reports of no relationship between financial performance and CSR. Consistent with some of the studies discussed in the literature review subheading, this study's findings provide inconclusive evidence regarding the relationship between financial performance and CSR at .05 significance level. However, many scholars agreed that while not significant, financial performance has a positive and weak relationship with CSR (Aras, Aybers, & Kutlu, 2010; Baron, Harjoto, & Jo, 2011; Robinson, Kleffner, & Bertels, 2011) which is consistent with this study's findings.

There are several explanations why the findings of this study were not aligned with the stakeholder theory. In this study, I selected ROE as proxy to measure financial performance ignoring other financial performance measurements. As opposed to a study by Nuryaman (2013), I did not consider other profitability measurements such as return on assets and profit margin. In addition, different statistical and methodologies applied in a research may provide a different outcome. Numerous studies' findings in the literature review subheading also provided inconsistent conclusions of the relationship between financial performance and CSR.

Applications to Professional Practice

The findings in this study are that the first predictor variable (ROE) has no statistically significant relationship with ESG activity scores, whereas the second predictor variable (total revenue) has a statistically significant negative relationship with ESG activity scores. The third predictor variable (leverage), has an insignificant relationship with ESG activity scores. The results from this study did not provide a clear

resolution to the lengthy continuing debate on whether corporate social responsibility relates to financial performance.

In general, the findings from this study did not provide adequate support for stakeholder theory with respect to corporate social responsibility and financial performance. The stakeholder theory has been advanced and justified in several business literatures based on its descriptive accuracy, instrumental power, and normative validity (Donaldson & Preston, 1995). This study's findings did not represent support for the proposition that business leaders' engagement in corporate social responsibility activities increase the profit value of their companies. Freeman (1984) proposed that business leaders engage all constituents to create shared values not just shareholders. Freidman (1962) stated that the social responsibility of a business is to increase its profits. However, this conclusion stemmed from results from a single variable applied to measure financial performance, despite the existence of multiple profitability measurement variables. Thus, the statistically insignificant relationship between ROE and ESG activity scores may not be sufficient to dispute the concept of stakeholder theory. The findings in this study did not imply that business leaders should not continue to promote corporate social initiatives. Business leaders can engage in specific CSR initiatives if they can justify that investments in CSR initiatives provide better financial performance.

Implications for Social Change

The findings of this study did not represent enough support for the proposition that business leaders' engagement in corporate social responsibility activities enhance the profit value of their companies. This conclusion stemmed from results from a single

variable applied to measure financial performance, though there are multiple variables that are useful to measure financial performance. For this reason, the statistically insignificant relationship between ROE and ESG activity scores may not be sufficient to challenge the stakeholder theory. Despite of the outcome of this study, business leaders may need to consider implementation of policies other than CSR that would support the community, natural environment and the next generation. Business leaders may use their own judgment if they are able to justify that investment in corporate social responsibility initiatives lead to better social benefit. Alternatively, business leaders may need to shift social responsibility initiatives mainly pertinent to the environment and the community to government agencies. In some European countries, government policy makers either directly participate in social programs or enforce policies that promote CSR programs. Knudsen, Moon, & Slager (2015) argued that European governments propose policies targeting corporate social programs through regulatory instruments and building partnerships with various stakeholders. Rahman (2017) indicated that Bangladesh government promotes CSR through regulatory mechanisms, which help to reduce unemployment, alleviate poverty, and improve education and healthcare. Hamid, Atan & Saleh (2014) favored nongovernment institutions intervention in the absence of CSR initiatives led by corporations. Hamid et al. posited that since 2000, the nongovernment organizations in Malaysia have promoted CSR initiatives, which led to better financial returns for business companies.

Recommendations for Action

The findings from this study did not provide enough evidence to support the stakeholder theory in relation to corporate social responsibility. The findings included an insignificant relationship between ROE and ESG activity scores, significant negative relationship between total revenue and ESG activity scores, and an insignificant relationship between leverage and ESG activity scores. Due to the mixed results obtained from this study, I do not have a valid evidence to recommend to business leaders to take actions pertinent to CSR. However, corporate social responsibility may still be a valid concept because some of the corporate social initiatives are useful to promote social and environmental welfare, which may increase financial performance. I suggest that business leaders need to justify corporate social initiatives program expenses similar to other regular business program expenses. The findings in this study do not support business leaders invest in CSR activities to financially benefit their organizations' *financial* performance. However, government agencies and public policy makers may consider implementing corporate social programs or activities if they have sufficient evidence to warrant that doing so would benefit society.

The distribution of the findings of this study is still important for business leaders and researchers to consider further examination of the variables involved to study the relationships between financial performance, firm size, leverage, and corporate social responsibility. Business leaders, scholars, financial analysts, and researchers may benefit from my publishing the findings of this study in journals of academic institutes,

professional organizations, conferences, and seminar papers to expand their research by considering other variables not considered in this study.

Recommendations for Further Research

The findings in this study suggest that further research is required on the generalizability of the relationship between financial performance, firm size, leverage and corporate social responsibility to provide guidance for business leaders to make informed decisions on CSR initiatives which are supported by evidence-based management. While this study's findings did not provide evidence for the significance of the relationship between financial performance and corporate social responsibility using the 2015 data for the U.S. companies in the study, I suggest exploring the same relationships over different or longer time periods Numerous moderating and mediating variables that were excluded from this study may directly or indirectly influence financial performance or profitability measurements (Ivanov, Yuen, & Perakakis, 2014; Saeidi, Sofian, Saeidi, Saeidi, & Saeidi, 2015). Therefore, I may have omitted variables that would have demonstrated a significant relationship between financial performance and corporate social responsibility. Examples of other financial measurement metrics omitted from this study include ROA and profit margin which researches should consider for inclusion in future studies. While examining individual variables, the insignificant predictor variables in this study (ROE and leverage) together with the low R^2 showed the model to be inadequate to predict ESG activity scores. Thus, my study's outcomes entail justifies including other variables useful to understand the relationship.

At the beginning of this research, I identified three major limitations. The first limitation related to ESG activity scores. ESG activity scores of CSR stemmed from records prepared and reported by each company. The Bloomberg ESG activity score is a weighted average score prepared with the same criteria for all firms, in spite of the difference in economic sectors to which each company belongs. For example, companies in the manufacturing sector tend to have significant environmental compliance issues when compared with companies involved in the service sector which may have substantial social compliance issues. As a result, the Bloomberg ESG activity scores may provide different findings if the ESG scores were prepared using other issues such as economic or political factors.

The second limitation related to the absence of a universal financial performance measure. The two prominent accounting based financial performance measurements most researchers employ are ROA and ROE. In this study, I considered ROE as a financial measurement metrics. The study findings may be different if ROA or profit margin is a measure of performance. The third limitation was pertinent to the data. The data for this study were from large companies listed in the Russell 1000 index, excluding those not listed in the index, are family-owned or relatively small and medium-sized firms. Thus, the outcome of this study may be different if researchers conducted analogous studies of smaller companies. Finally, I recommend repeating this study using other variables or increasing the number of variables to understand the relationship between financial performance, firm size leverage, and corporate social responsibility.

Reflections

I enrolled in the Walden University DBA program at the beginning of 2013. In May 2013, I was in Atlanta, GA to attend my first DBA residency. During my residency, the faculty member who was the moderator of the residency session challenged all students to share their research topic. At that time, I had several topics in mind but did not settle on any of them. That very same evening, I went to my residency hotel room and while browsing YouTube, I came across with an interesting video clip about *corporate business ethics and corporate social responsibility* that caught my attention. After I watched this video clip, I became more interested in the CSR concept. I realized this particular area has been a very important topic in business organizations, including my career. Subsequently, I started searching for articles relevant to this topic. Once I grasped enough information on the concept of corporate social responsibility in business management and its importance to business leaders, I decided to consider this area for my doctoral study.

My initial research topic was titled *the relationship between corporate social responsibility and financial performance.* My initial research topic only has a single predictor variable and a single dependent variable. When I returned for my second residency in April 2015 in San Diego, CA, I had a well-written research topic with a problem statement that includes three predictor variables and a dependent variable. During my attendance of the 8100 classes, I had the opportunity to work closely with my mentor Dr. Ify Diala, who later became my doctoral study committee chair. Throughout the course of this program, I researched, reviewed, and read hundreds of scholarly articles

pertinent to corporate social responsibility, stakeholder theory, responsible investing, and business ethics. Now that I am concluding my doctoral study journey, I recognize that my knowledge of the concept of corporate social responsibility, as it relates to the stakeholder theory, has increased extensively.

Conclusion

Over the past four decades, researchers devoted significant time to understand the relationship between financial performance and corporate social responsibilities. Similar to prior researches' outcomes, the findings in my study did not provide definite answer. In comparing the findings of this study to scholarly views on the adoption of CSR into corporate business practices, I examined several scholarly studies that both supported and contradicted the findings of this study. I believe that incorporating additional variables may provide different study findings. Thus, I do not suggest that business leaders stop engaging in CSR initiatives. I suggest that business leaders continue to invest in CSR programs and initiatives as long as they are able to justify the nonfinancial benefits from engaging in those activities. The findings in this study have two vital implications. First, in spite of the findings of this study, business leaders should continue to integrate corporate social programs as long as business leaders justify that investing in these programs could yield positive results to various stakeholders of the company. Secondly, corporate social responsibility should not be the sole responsibility of business leaders. Government institutions should continue to have active roles in promoting CSR initiatives as long as they find these CSR initiatives relevant to promoting the wellbeing of the society. Beyond the debate on the relationship between financial performance and

corporate social responsibility, researchers need to understand how corporate social program modify the behavior of stakeholders including business leaders, investors, suppliers, customers, employees and the community. Business leaders need to understand that socially responsible investment is efficient and sufficient to achieve the objective of greater ethical and social responsibility in an organization.

References

Adewale, M. T., & Rahmon, T. A. (2014). Does CSR improve an organization's financial performance? Evidence from Nigerian banking sector. *Journal of Corporate Governance, 13*(4), 52-60. Retrieved from https://www.researchgate.com

Agbedeyi, O., & Igweze, A. (2014). Robust method for testing the significance of bivariate correlation of ordinal data. *Mathematical Theory and Modeling, 4*(11), 169-174. Retrieved from http://www.iiste.org

Akbar, S., & Ahsan, K. (2014). Analysis of corporate social disclosure practices of Australian retail firms. *International Journal of Managerial and Financial Accounting, 6,* 375-396. doi:10.1504/IJMFA.2014.066409

Akhtar, S., Shah, S. W. A., Rafiq, M., & Khan, A. (2016). Research design and statistical methods in Pakistan. *Pakistan Journal of Medical Sciences*, *32*(1), 151-154. doi:10.12669/pjms.321.9033

Albuquerque, R., Durnev, A., & Koskinen, Y. (2013). CSR and firm risk: Theory and empirical evidence. *Social Science Research Network, 1*(1), 1-68. Retrieved from http://www.cepr.org

Almalki, S. (2016). Integrating quantitative and qualitative data in mixed methods research: Challenges and benefits. *Journal of Education and Learning*, 5, 288-296. doi:10.5539/jel. v5n3p288

Athanasopoulou, P. (2014). *CSR as a people caring concept*. Athens, Greece: University of Peloponnese.

Baker, M. (2004). CSR: What does it mean? Retrieved from http://www.mallenbaker.net

Barlett, J. E., Kotrlik, J. W., & Higgins, C. C. (2001). Organizational research: Determining appropriate sample size in survey research. *Information Technology, Learning, and Performance Journal, 19*(1), 43-50. Retrieved from http://www.osra.org

Basera, H. C. (2013). Internal CSR: A key tool for competitiveness in the retail small to medium enterprise sector in Masvingo, Zimbabwe. *International Journal of Management Science and Business Research, 2*(10), 72-80. Retrieved from http://www.ijmsbr.com

Bashir, N. S., & Sattar, W. (2014). CSR and its possible impact on firm's financial performance in banking sector of Pakistan. *Arabian Journal of Business and Management Review, 3*(12), 150-155. Retrieved from http://www.arabianjbmr.com

Beck, T., Demirguc-Kunt, A., Laeven, L., & Levine, R. (2008). Finance, firm size, and growth. *Journal of Money, Credit and Banking, 40*, 1379-1405. doi: 10.1111/j.1538-4616.2008.00164.x

Becker, J., Rai, A., Ringle, C. M., & Volckner, F. (2013). Discovering unobserved heterogeneity in structural equation models to avert validity threats. *MIS Quarterly, 37*, 665-694. Retrieved from http://www.misq.org

Bell, P. C. (2012). The concepts of revenue management: A tutorial. *International Transactions in Operations Research, 19*, 23-37. doi:10.1111/j.1475-3995.2010.00787.x

Beskow, L. M., Check, D. K., & Ammarell, N. (2014). Research participants' understanding of and reactions to certificates of confidentiality. *AJOB Primary Research, 5,* 12-22. doi:10.1080/21507716.2013.813596

Besso, G., Kumar, K., & Michelon, G. (2013). Descriptive, instrumental, and strategic approaches to CSR *Accounting Auditing and Accountability Journal, 26,* 399-422. doi:10.1108/09513571311311874

Bidhari, S. C., Salim, U., & Aisjah, S. (2013). Effect of CSR information disclosure on financial performance and firm value in banking industry listed at Indonesia stock exchange. *European Journal of Business and Management, 5*(18), 39-46. Retrieved from http://www.iiste.org

Blackman, D., Kennedy, M., & Quazi, A. (2013). Corporate social responsibility and individual resistance: Learning as the missing link in implementation. *Management Learning, 44,* 317-324. doi:10.2139/ssrn.2202174

Blodgett, M. S., Hoitash, R., & Markelevich, A. (2014). Sustaining the financial value of global CSR: Reconciling corporate and stakeholder interests in a less regulated environment. *Business and Society Review, 119,* 95-124. doi:10.1111/basr.12026

Bloomberg Finance. (2015). Bloomberg the company and its products. Retrieved from http://www.Bloomberg.com

Bolton, L. E., & Mattila, A. S. (2015). How does CSR affect consumer response to service failure in buyer–seller relationships? *Journal of Retailing, 91,* 140-153. doi:10.1016/j. jretai.2014.10.001

Borgers, A., Derwall, J., Koedijk, K., & Ter Horst, J. (2013). Stakeholder relations and stock returns: On errors in investors' expectations and learning. *Journal of Empirical Finance, 22*(1), 159-175. doi:10.1016/j.jempfin.2013.04.003

Boston College. (2014). *Knowledge and research*. Boston, MA: Center for Corporate Citizenship. Retrieved from http://www.ccc.bc.edu/index

Bowman, R. G. (1980). The importance of a market-value measurement of debt in assessing leverage. *Journal of Accounting Research*, *18*(1), 242-254. Retrieved from http://www.jstor.org

Brower, J., & Mahajan, V. (2013). Driven to be good: A stakeholder theory perspective on the drivers of corporate social performance. *Journal of Business Ethics, 117*, 313-331. doi:10.1007/s10551-012-1523-z

Bryman, A., & Bell, E. (2015). *Business research methods*. Oxford, UK: University Press.

Canary, J. D., Blizzard, L., Barry, R. P., Hosmer, D. W., & Quinn, S. J. (2015). Summary goodness-of-fit statistics for binary generalized linear models with non-canonical link functions. *Biometrical Journal*,*58*, 674-690. doi:10.1002/bimj.201400079

Carroll, A. B., & Buchholtz, A. (2014). *Business and society*: *Ethics, sustainability, and stakeholder management*. Stamford, CT: Cengage Learning.

Carroll, A. B., & Shabana, K. M. (2010). The business case for CSR: A review of concepts, research, and practice. *International Journal of Management Reviews, 12*, 85-105. doi:10.1111/j.1468-2370.2009. 00275.x

Cavaco, S., & Crifo, P. (2014). CSR and financial performance: Complementarities between environmental, social, and business behaviors. *Applied Economics, 46*, 3323-3338. doi:10.1080/00036846.2014.927572

Chandler, D. B., & Werther, W. B. (2013). *Strategic CSR: Stakeholders, globalization, and sustainable value creation*. Thousand Oaks, CA: Sage Publications.

Chatterji, A. K., Levine, D. I., & Toffel, M. W. (2009). How well do social ratings actually, measure corporate social responsibility? *Journal of Economics & Management Strategy, 18*, 125-169. doi: 10.1111/j.1530-9134.2009. 00210.x

Check, D. K., Wolf, L. E., Dame, L. A., & Beskow, L. M. (2014). Certificates of confidentiality and informed consent: Perspectives of IRB chairs and institutional legal counsel. *Institutional Review Board, 36*(1), 1-8. Retrieved from http://www.ncbinlm.nih.gov

Chen, N. F., Roll, R., & Ross, S. A. (1986). Economic forces and the stock market. *Journal of Business, 59*, 383-403. Retrieved from http://www.jstor.org

Chen, S. C. (2015). Customer value and customer loyalty: Is competition a missing link? *Journal of Retailing and Consumer Services, 22*, 107-116. doi:10.1016/j. jretconser.2014.10.007

Cheng, B., Ioannou, I., & Serafeim, G. (2014). CSR and access to finance. *Strategic Management Journal, 35*, 1-130. doi:10.1002/smj.2131

Cheng, H., & Phillips, M. (2014). Secondary analysis of existing data: Opportunities and implementation. *Shanghai Archives of Psychiatry, 26*, 371-375. doi:10.11919/j. issn.1002-0829.214171

Ciolino, J. D., Martin, R. H., Zhao, W., Hill, M. D., Jauch, E. C., & Palesch, Y. Y. (2015). Measuring continuous baseline covariate imbalances in clinical trial data. *Statistical Methods in Medical Research, 24*, 255-272. doi:10.1177/0962280211416038

Cohen, J. (1992). A power primer. *Psychological Bulletin, 112*(1), 155-159. doi:10.1037/0033-2909.112.1.155

Cohen, J., Cohen, P., West, S. G., & Aiken, L. S. (2013). *Applied multiple regression/ correlation analysis for the behavioral sciences.* Mahwah, NJ: Lawrence Erlbaum Associates.

Conway, E. (2017). Corporate social responsibility, financial performance, and risk: Does it add up for mid-caps? *Proceedings of the British Academy of Management Conference*, 1-22 retrieved from http://hdl.handle.net/10545/621834

Cooper, M., McClelland, J., Pearce, J., Prisinzano, R., Sullivan, J., Yagan, D., ... Zwick, E. (2016). Business in the United States: Who owns it, and how much tax do they pay? *Tax Policy and the Economy, 30*(1), 91-128. doi:10.1086/685594

Corbin, J., & Strauss, A. (2014). *Basics of qualitative research: Techniques and procedures for developing grounded theory*. Thousand Oaks, CA: Sage Publications.

Cornett, M. M., Erhemjamts, O., & Tehranian, H. (2014). CSR and its impact on financial performance: Investigation of the U. S. commercial banks. *SSRN Electronic Journal 1*(1), 1-53. doi:10.2139/ssrn.2333878

Cowton, C. J. (1998). The use of secondary data in business ethics research. *Journal of Business Ethics*, *17*, 423-434. doi:10.1023/A:1005730825103

Csikszentmihalyi, M., & Larson, R. (2014). Validity and reliability of the experience sampling method. In *flow and the foundations of positive psychology*. Dordrecht, Netherlands: Springer.

Da Cruz, N. F., Simões, P., & Marques, R. C. (2014). Costs and benefits of packaging waste recycling systems. *Resources, Conservation, and Recycling, 85*(1), 1-4. doi:10.1016/j. resconrec.2014.01.006

Dandago, K. I., & Arugu, L. O. (2014). CSR and environmental concerns in Nigeria: A critical focus on oil producing communities. *Issues in Social and Environmental Accounting, 8* (2), 104-115. Retrieved from http://www.isea icseard.uns.ac.id

Daunfeldt, S. O., & Elert, N. (2013). When is Gibrat's law a law? *Small Business Economics, 41*(1), 133-147. doi:10.1007/s11187-011-9404-x

Delgado-Ceballos, J., Montiel, I., & Antolin-Lopez, R. (2014). What falls under the corporate sustainability umbrella? Definitions and measures. *International Association for Business and Society, 25*(1), 226-237. doi:10.5840/iabsproc20142525

Delmas, M. A., Etzion, D., & Nairn-Birch, N. (2013). Triangulating environmental performance: What do CSR ratings really capture? *Academy of Management Perspectives, 27*(3), 255-267. doi:10.5465/amp.2012.0123

Deng, X., Kang, J. K., & Low, B. S. (2013). CSR and stakeholder value maximization: Evidence from mergers. *Journal of Financial Economics, 110*(1), 87-109. doi:10.1016/j. jfineco.2013.04.014

Deng, X., & Xu, Y. (2015). Consumers' responses to CSR initiatives: The mediating role of consumer-company identification. *Journal of Business Ethics, 1*(1), 1-12. doi:10.1007/s10551-015-2742-x

Department of Health. (2014). The Belmont Report: Ethical principles and guidelines for the protection of human subjects of research. *Journal of the American College of Dentists, 81*(3), 26-66. Retrieved from http://www.ncbi.nlm.nih.gov

Destercke, S., & Strauss, O. (2014). *Kolmogorov-Smirnov test for interval data. Information processing and management of uncertainty in knowledge-based systems*. Montpellier, France: Springer International Publishing.

Dhaliwal, D. S. (1986). Measurement of financial leverage in the presence of unfunded pension obligations. *Accounting Review*, *61*, 651-661. Retrieved from http://www.jstor.org

Di Giuli, A., & Kostovetsky, L. (2014). Are red or blue companies more likely to go green? Politics and CSR. *Journal of Financial Economics, 111*(1), 158-180. doi:10.1016/j. jfineco.2013.10.002

Donaldson, T., & Preston, L. E. (1995). The stakeholder theory of the corporation: Concepts, evidence, and implications. *Academy of Management Review*, *20*(1), 65-91. doi:10.5465/AMR.1995.9503271992

Dovonon, P., Goncalves, S., & Meddahi, N. (2013). Bootstrapping realized multivariate volatility measures. *Journal of Econometrics, 172*(1), 49-65. doi:10.1016/j.jeconom.2012.08.003

Eberechukwu, A., & Chukwuma, A. (2016). Integrated marketing communication in building customer-based equity. *International Journal of Management and Economics Intervention, 2,* 573-582. doi:10.18535/ijmei/v2i3.02

Eesley, C. E., DeCelles, K., & Lenox, M. (2015). Through the mud or in the boardroom: Activist types and their coercive strategies in targeting firms for social change. *Social Science Research Network, 1*(1), 1-28. doi:10.2139/ssrn.2574046

Elliot, W. B., Jackson, K. E., & Peecher, M. E. (2014). The unintended effect of CSR performance on investors' estimates of fundamental value. *The Accounting Review, 89,* 275-302. doi:10.2308/accr-50577

Ellis, T. J., & Levy, Y. (2009). Towards a guide for novice researchers on research methodology: Review and proposed methods. *Issues in Informing Science & Information Technology, 6,* 323-337. Retrieved from http://www.informingscience.org

Fabac, R., Calopa, M. K., & Sestanj-Peric, T. (2016). Relationship between CSR and financial performance-companies within ZSE CROBEX10 index. *European Journal of Economic Management, 3,* 281-294. Retrieved from http://www.researchgate.net

Faul, F., Erdfelder, E., Lang, A. G., & Buchner, A. (2007). G* Power 3: A flexible statistical power analysis program for the social, behavioral, and biomedical sciences. *Behavior Research Methods, 39*(2), 175-191. doi:10.3758/BF03193146

Faul, F., Erdfelder, E., Buchner, A., & Lang, A. G. (2009). Statistical power analyses using G* Power 3.1: Tests for correlation and regression analyses. *Behavior Research Methods, 41*, 1149-1160. doi:10.3758/BRM.41.4.1149

Ferrero, I., Michael Hoffman, W., & McNulty, R. E. (2014). Must Milton Friedman embrace stakeholder theory? *Business and Society Review, 119*(1), 37-59. doi:10.1111/basr.12024

Fernandez-Feijoo, B., Romero, S., & Ruiz, S. (2014). Effect of stakeholders' pressure on transparency of sustainability reports within the GRI framework. *Journal of Business Ethics, 122*, 53-63. doi:10.1007/s10551-013-1748-5

Filatotchev, I., & Nakajima, C. (2014). Corporate governance, responsible managerial behavior, and CSR: Organizational efficiency versus organizational legitimacy? *Academy of Management Perspectives, 28*, 289-306. doi:10.5465/amp.2014.0014

Flammer, C. (2013). Corporate social responsibility and shareholder reaction: The environmental awareness of investors. *Academy of Management Journal, 56,* 758-781. doi:10.5465/amj.2011.0744

Flammer, C. (2015). Does product market competition foster CSR? Evidence from trade liberalization. *Strategic Management Journal, 36,* 1469-1485. doi:10.1002/smj.2307

Freeman, R. E. (1984). *Strategic management: A stakeholder approach*. New York, NY: Cambridge University Press.

Gallego-Álvarez, I., García-Sánchez, I. M., & Silva Vieira, C. (2014). Climate change and financial performance in times of crisis. *Business Strategy and the Environment, 23,* 361-374. doi:10.1002/bse.1786

Gao, J., & Bansal, P. (2013). Instrumental and integrative logics in business sustainability. *Journal of Business Ethics, 112*(2), 241-255. doi:10.1007/s10551-012-1245-2

George, G., Dahlander, L., Graffin, S., & Sim, S. (2016). Reputation and status: Expanding the role of social evaluation in management research. *Academy of Management Journal, 59,* 1-13. doi:10.5465/amj.2016.4001

Ghooi, R. B. (2014). Institutional review boards: Challenges and opportunities. *Perspectives in Clinical Research, 5*(2), 60-65. doi:10.4103/2229-3485.128020

Girerd-Potin, I., Jimenez-Garces, S., & Louvet, P. (2012). Which dimensions of social responsibility concern financial investors? *Journal of Business Ethics, 121,* 559-576. doi:10.1007/s10551-013-1731-1

Glac, K. (2014). The influence of shareholders on CSR. *Economics, Management, and Financial Markets, 9* (3), 34-79. Retrieved from http://www.ceelo.com

Glavas, A., & Kelley, K. (2014). The effects of perceived CSR on employee attitudes. *Business Ethics Quarterly, 24*(2), 165-202. doi:10.5840/beq20143206

Gomulya, D., & Boeker, W. (2014). How firms respond to financial restatement: CEO successors and external reactions. *Academy of Management Journal, 57*, 1759-1785. doi:10.5465/amj.2012.0491

Gravetter, F., & Forzano, L. A. (2015). *Research methods for the behavioral sciences*. Stamford, CT: Cengage Learning.

Greenbaum, G., Templeton, A. R., & Bar-David, S. (2016). Inference and analysis of population structure using genetic data and network theory. *Genetics*, *202*, 1299-1312. doi:10.1534/genetics.115.182626

Greene, M. (2014). On the inside looking in: methodological insights and challenges in conduction qualitative insider research. *Qualitative Report, 19,* 1-13. Retrieved from http://www.nova.edu

Guetterman, T. C., Fetters, M. D., & Creswell, J. W. (2015). Integrating quantitative and qualitative results in health science mixed methods research through joint displays. *The Annals of Family Medicine, 13,* 554-561. doi:10.1370/afm.1865

Gupta, S. (2012). Analysis of leverage ratio in selected Indian public sector and private sector banks. *Asian Journal of Management Research, 3*(1).12-19. Retrieved from http://www.ipublishing.com

Gupta, S., Malhotra, N., Czinkota, M., & Foroudi, P. (2016). Marketing innovation: A consequence of competitiveness. *Journal of Business Research, 69,* 5671–5681. doi:10.1016/j. jbusres.2016.02.042

Hamid, F. Z. A., Atan, R., & Saleh, M. S. M. (2014). A case study of corporate social responsibility by Malaysian government link company. *Procedia-Social and Behavioral Sciences, 164*, 600-605. doi:10.1016/j.sbspro.2014.11.152

Harrell, F. (2015). *Regression modeling strategies: With applications to linear models, logistic and ordinal regression, and survival analysis*. New York, NY: Springer International Publishing.

Harrison, J. S., & Wicks, A. C. (2013). Stakeholder theory, value, and firm performance. *Business Ethics Quarterly, 23*, 97-124. doi:10.5840/beq20132314

Havlicek, L. L., & Peterson, N. L. (1977). Effect of the violation of assumptions upon significance levels of the pearson r. *Psychological Bulletin, 84*, 373-377. doi:10.1037/0033-2909.84.2.373

Hawn, O., & Ioannou, I. (2015). Mind the gap: The interplay between external and internal actions in the case of CSR. *Strategic Management Journal, 36*(13), 1-4. doi:10.1002/smj.2464

Hayduk, L. (2016). Improving measurement-invariance assessments: Correcting entrenched testing deficiencies. *BMC Medical Research, 16*, 130-146. doi:10.1186/s12874-016-0230-3

Hicks, R., & McCracken, J. (2010). Challenging assumptions. *Physician Executive Journal, 36*(2), 71-73. Retrieved from http://www.physicianleaders.org

Hiriscau, I. E., Stingelin-Giles, N., Stadler, C., Schmeck, K., & Reiter-Theil, S. (2014). A right to confidentiality or a duty to disclose ethical guidance for conducting prevention research with children and adolescents. *European Child & Adolescent Psychiatry, 23,* 409-416. doi:10.1007/s00787-014-0526-y

Hogan, K., Olson, G. T., & Sharma, R. (2014). The role of corporate philanthropy on ratings of CSR and shareholder return. *Journal of Leadership, Accountability, and Ethics, 11* (3), 108-125. Retrieved from http://www.na-businesspress.com

Hollensbe, E., Wookey, C., Loughlin, H., George, G., & Nichols, V. (2014). Organizations with purpose. *Academy of Management Journal, 57,* 1227-1234.

Hori, S., Shinozaki, M., Nogata, D., & Fujita, T. (2014). The role of corporate social responsibility in promoting companies' energy-saving actions in two Asian cities. *Energy Policy, 69*(1), 116-121. doi:10.1016/j.enpol.2014.01.030

Huang, C. C. L., Jou, Y. J., & Cho, H. J. (2017). VIF-based adaptive matrix perturbation method for heteroskedasticity-robust covariance estimators in the presence of multicollinearity. *Communications in Statistics Theory and Methods*, *46*, 3255-3263. doi:10.1080/03610926.2015.1060340

Hughes, A. (2016). Mixed methods research. *Observer, 29*(5), 5-6. Retrieved from http://www.psychologicalscience.org/issue/may-june-16

Intriligator, M. D. (1978). *Econometric models, techniques, and applications.* Englewood Cliffs, NJ: Prentice-Hall.

Inyang, J. B. (2013). Defining the role engagement of small and medium-sized enterprises in CSR. *International Business Research, 6*(5), 123-132. doi:10.5539/ibr.v6n5p123

Ioannou, I., & Serafeim, G. (2014). The consequences of mandatory corporate sustainability reporting: Evidence from four countries. *Harvard Business School Research, 1*(1), 11-100. doi:10.2139/ssrn.1799589

Ioannou, I., & Serafeim, G. (2015). The impact of CSR on investment recommendations: Analysts' perceptions and shifting institutional logics. *Strategic Management Journal, 36*, 1053-1081. doi:10.1002/smj.2268

Iqbal, N., Ahmad, N., Hamad, N., Bashir, S., & Sattar, W. (2014). CSR and its possible impact on firm's financial performance in banking sector of Pakistan. *Arabian Journal of Business and Management Review, 3*(12), 150-155. Retrieved from http://www.arabianjbmr.com

Islam, K. A., Alam, I., & Hossain, S. A. (2014). Examination of profitability between Islamic banks and conventional banks in Bangladesh: A comparative study. *Research in Business and Management, 1*(1), 1-78. doi:10.5296/rbm.v1i1.4894

Ivanov, P. C., Yuen, A., & Perakakis, P. (2014). Impact of stock market structure on inter-trade time and price dynamics. *PLoS ONE*, *9*(4), 1-24. doi:10.1371/journal.pone.0092885

Jamali, D. R., El Dirani, A. M., & Harwood, I. A. (2015). Exploring human resource management roles in CSR: The CSR-HRM co-creation model. *A European Review, 24* (2), 125-143. doi:10.1111/beer.12085

Javaid L. E., Ali, A., & Khan, I. (2016). Corporate governance and CSR disclosure: evidence from Pakistan. *The International Journal of Business in Society*, *16*, 785-797. doi:10.1108/CG-05-2016-0100

Jayachandran, S., Kalaignanam, K., & Eilert, M. (2013). Product and environmental social performance: Varying effect on firm performance. *Strategic Management Journal, 34*, 1255-1264. doi:10.1002/smj.2054

Jensen, M. C. (2001). Value maximization, stakeholder theory, and the corporate objective function. *Journal of Applied Corporate Finance*, *14*(3), 8-21. doi:10.1111/j.1745-6622.2001.tb00434.x

Jeon, J. H., & Yom, Y. H. (2014). Roles of empowerment and emotional intelligence in the relationship between job embeddedness and turnover intension among general hospital nurses. *Journal of Korean Academy of Nursing Administration, 20*, 302-312. doi:10.11111/jkana.2014.20.3.302

John, A. G. (2014). Market orientation, organizational learning capabilities and strategic competitiveness: An inquiry into the causes of sustaining competitive success. *International Business Research, 7*, 179-186. doi:10.5539/ibr.v7n10p179

Jones C., L., Mackey, A., & Whetten, D. (2014). Taking responsibility for CSR: The role of leaders in creating, implementing, sustaining, or avoiding socially responsible firm behaviors. *Academy of Management Perspectives*, *28*(2), 164-178. doi:10.5465/amp.2012.0047

Jones, S., Carley, S., & Harrison, M. (2003). An introduction to power and sample size estimation. *Emergency Medicine Journal, 20*, 453-458. doi:10.1136/emj.20.5.453

Jones, T. M., & Felps, W. (2013). Shareholder wealth maximization and social welfare: A utilitarian critique. *Business Ethics Quarterly, 23*(2), 207-238. doi:10.5840/beq201323215

Kang, J. (2013). The relationship between corporate diversification and corporate social performance. *Strategic Management Journal, 34*(1), 94-109. doi:10.1002/smj.200

Kelly, D. (2015). Statistical power analysis for sample size estimation in information retrieval experiments with users. *Lecture Notes in Computer Science, 9022*, 822-825. doi:10.1007/978-3-319-16354-3_94

Kiecolt, K. J., & Nathan, L. E. (1985). *Secondary analysis of survey data*. Newbury Park, CA: Sage Publications.

Kim, S. B., & Kim, D. -Y. (2016). The influence of corporate social responsibility, ability, reputation, and transparency on hotel customer loyalty in the U. S. :A gender-based approach. *SpringerPlus, 5*, 1537-1546. doi:10.1186/s40064-016-3220-3

Kim, C. H., & Scullion, H. (2011). Exploring the links between CSR and global talent management: A comparative study of the UK and Korea. *European Journal of International Management, 5*, 501-523. doi:10.1504/ejim.2011.042176

Kirat, M. (2015). CSR in the oil and gas industry in Qatar perceptions and practices. *Public Relations Review, 41*, 438-446. doi:10.1016/j. pubrev.2015.07.001

Kirkland, S. (2015). Helping S corporations avoid unreasonable compensation audits. *Journal of Accountancy*. Retrieved from http://journalofaccountancy.com

Kitching, J., Hart, M., & Wilson, N. (2015). Burden or benefit? Regulation as a dynamic influence on small business performance. *International Small Business Journal, 33,* 130-147. doi:10.1177/0266242613493454

Klaassen, P., & Van Eeghen, I. (2014). Analyzing bank performance: Linking ROE, ROA, and RAROC. *Social Science Research Network, 1*(1), 1-10. doi:10.2139/ssrn.2389443

Klettner, A., Clarke, T., & Boersma, M. (2014). The governance of corporate sustainability: Empirical insights into the development, leadership, and implementation of responsible business strategy. *Journal of Business Ethics, 122,* 145-165. doi:10.1007/s10551-013-1750-y

Knudsen, J. S., Moon, J., & Slager, R. (2015). Government policies for corporate social responsibility in Europe: A comparative analysis of institutionalization. *Policy & Politics, 3,* 81-99. doi:10.1332/030557312X656016

Koh, P. S., Qian, C., & Wang, H. (2014). Firm litigation risk and the insurance value of corporate social performance. *Strategic Management Journal, 35,* 1464-1482. doi:10.1002/smj.2171

Korschun, D., Bhattacharya, C. B., & Swain, S. D. (2014). CSR, customer orientation and the job performance of frontline employees. *Journal of Marketing, 78*(3), 20-37. doi:10.1509/jm.11.0245

Koschate-Fischer, N., Stefan, I., & Hoyer, W. (2012). Willingness to pay for cause-related marketing: The donation amount and moderating effects. *Journal of Marketing Research, 49,* 910-927. doi:10.1509/jmr.10.0511

Lai, C. S., Chiu, C. J., Yang, C. F., & Pai, D. C. (2010). The effects of CSR on brand performance: The mediating effect of industrial brand equity and corporate reputation. *Journal of Business Ethics, 95*, 457-469. doi:10.1007/s10551-010-0433-1

Lai, A., Melloni, G., & Stacchezzini, R. (2014). Corporate sustainable development: Is integrated reporting a legitimate strategy? *Business Strategy and the Environment*. *25*(3), 165-177. doi:10.1002/bse.1863

Lakens, D. (2013). Calculating and reporting effect sizes to facilitate cumulative science: a practical primer for *t*-tests and ANOVAs. *Frontiers in Psychology*, *4*, 863-876. doi:10.3389/fpsyg.2013.00863

Leedy, P. D. & Ormrod, J. E. (2010). *Practical research planning and design*. New York, NY: Merrill.

Levy, P. S., & Lemeshow, S. (2013). *Sampling of populations: Methods and applications*. Hoboken, NJ: John Wiley & Sons.

Lewis-Beck, C., & Lewis-Beck, M. (2015). *Applied regression: An introduction*. Newbury Park, CA: Sage Publications.

Lietz, C. A., Langer, C. L., & Furman, R. (2006). Establishing trustworthiness in qualitative research in social work. *Qualitative Social Work*, *5*, 441-458. doi:10.1177/1473325006070288

Lindgreen, A., Xu, Y., Maon, F., & Wilcock, J. (2012). Corporate social responsibility brand leadership: A multiple case study. *European Journal of Marketing*, *46*, 965-993. doi.10.1108/03090561211230142

Liu, G., & Guo, Z. (2016). A clustering-based differential evolution with random-based sampling and gaussian sampling. *An International Journal, 205,* 229-246. doi:10.1016/j. neucom.2016.04.040

Liu, S. & Liu, H., (2017). A study on the relationship between corporate social responsibility to employee and corporate operating performance in China: Evidence from New Era Health Industry Group Ltd. *Economics, 5*(1), 1-8. doi:10.17265/2328-7144/2017.01.001

Loring, C., Neil, R. B., Gillim-Ross, L., Bashore, M., & Shah, S. (2013). Using fee-for-service testing to generate revenue for the 21st century public health laboratory. *Public Health Reports, 128,* 97-104. doi:10.1177/00333549131280S214

Lu, W., Chau, K. W., Wang, H., & Pan, W. (2014). A decade's debate on the nexus between corporate social and corporate financial performance: A critical review of empirical studies 2002–2011. *Journal of Cleaner Production, 79,* 195-206. doi:10.1016/j. jclepro.2014.04.072

Luu, T. T. (2013). Corporate social responsibility, leadership, and brand equity in healthcare service. *Social Responsibility Journal, 8,* 347-362. doi:10.1108/17471111211247929

Maas, S., & Reniers, G. (2014). Development of a CSR model for practice: Connecting five inherent areas of sustainable business. *Journal of Cleaner Production, 64,* 104-114. doi:10.1016/j.jclepro.2013.07.039

Madorran, C., & Garcia, T. (2016). CSR and financial performance: The Spanish case. *Revista De Administração De Empresas, 56*(1), 20-28. doi:10.1590/S0034-759020160103

Mair, J., & Hehenberger, L. (2014). Front-stage and backstage convening: The transition from opposition to mutualistic coexistence in organizational philanthropy. *Academy of Management Journal, 57*, 1174-1200. doi:10.5465/amj.2012.0305

Malenko, N., & Shen, Y. (2016). *The role of proxy advisory firms: Evidence from a regression-discontinuity design.* Oxford, England: Oxford University Press. doi:10.1093/rfs/hhw070

Mangal, S. K., & Mangal, S. (2013). *Research methodology in behavioral sciences*. Delhi, India: PHI Learning Pvt. Ltd.

Marshall, C., & Rossman, G. B. (2014). *Designing qualitative research*: Newbury Park, CA: Sage Publications

Martinez-Camblor, P., & Corral, N. (2012). A general bootstrap algorithm for hypothesis testing. *Journal of Statistical Planning and Inference, 142*, 589-600. doi:10.1016/j/jspi.2011.09.003

Maskun, A. (2013). Leverage level, company size, profitability toward the disclosure of CSR of LQ-45 companies in Indonesia stock exchange. *International Journal of Academic Research, 5*, 140-144. doi:10.7813/2075- 4124.2013/5-2/B.21

Mason, C., & Simmons, J. (2014). Embedding CSR in corporate governance: A stakeholder systems approach. *Journal of Business Ethics, 119*, 77-86. doi:10.1007/s10551-612-1615-9

Masulis, R. W., & Reza, S. W. (2015). Agency problems of corporate philanthropy. *Review of Financial Studies, 28,* 592-636. doi:10.1093/rfs/hhu082

McBride, N. (2016). The assessment phase of the intervention research framework: Selecting a study sample. *Intervention Research, 8,* 101-113. doi:10.1007/978-981-10-1011-8_8

McCusker, K., & Gunaydin, S. (2015)**.** Research using qualitative, quantitative or mixed methods and choice based on the research. *Perfusion, 30, 537*-542. doi:10.1177/0267659114559116

McGuire, J. B., Sundgren, A., & Schneeweis, T. (1988). CSR and firm financial performance. *Academy of Management Journal, 31,* 854-872. doi:10.2307/256342

Merriam, S. B. (2014). *Qualitative research: A guide to design and implementation*. San Francisco, CA: Jossey-Bass.

Merriam, S. B., & Tisdell, E. J. (2015). *Qualitative research: A guide to design and implementation.* San Francisco, CA: John Wiley & Sons.

Mertens, D. M. (2014). *Research and evaluation in education and psychology: Integrating diversity with quantitative, qualitative, and mixed methods*. Thousand Oaks, CA: Sage Publications.

Metcalf, L., & Benn, S. (2013). Leadership for sustainability: An evolution of leadership ability. *Journal of Business Ethics, 112,* 369-384. doi:10.1007/s10551-012-1278-6

Michelon, G., Boesso, G., & Kumar, K. (2013). Examining the link between strategic CSR and company performance: An analysis of the best corporate citizens. *CSR and Environmental Management, 20*(2), 81-94. doi:10.1002/CSR.1278

Mishra, D. R. (2015). Post-innovation CSR performance and firm value. *Journal of Business Ethics, 1(1),* 1-22. doi:10.1007/s10551-015-2676-3

Mitchell, T. R. (1985). An evaluation of the validity of correlational research conducted in organizations. *Academy of Management Review*, *10*(2), 192-205. doi:10.5465/AMR.1985.4277939

Mohamad, R., & Ismail, N. A. (2013). The extent of E-business usage and perceived cumulative benefits: A survey on small and medium-sized enterprises. *Information Management and Business Review, 5*, 13-19. Retrieved from http://www.ifrnd.org

Mohammadzadeh, M., Aarabi, S. M., & Salamzadeh, J. (2013). Organizational performance, marketing strategy, and financial strategic alignment: An empirical study on Iranian pharmaceutical firms. *DARU Journal of Pharmaceutical Sciences, 21*, 65-72. doi:10.1186/2008-2231-21-65

Montgomery, D. C., Peck, E. A., & Vining, G. G. (2015). *Introduction to linear regression analysis*. Hoboken, NJ: John Wiley & Sons.

MSCI ESG Research. (2014). *ESG Integration*. Retrieved from https://www.msci.com

Nadeem, M., & Malik, M. S. (2014). Impact of CSR on the financial performance of banks in Pakistan. *International Letters of Social and Humanistic Sciences, 10*, 9-19. Retrieved from http://www.ceeol.com

Nagurney, A., & Li, D. (2014). A dynamic network oligopoly model with transportation costs, product differentiation, and quality competition. *Computational Economics, 44*, 201-229. doi:10.1007/s10614-013-9387-6

Ni, N., Egri, C., Lo, C., & Lin, C. (2015). Patterns of corporate responsibility practices for high financial performance: Evidence from three Chinese societies. *Journal of Business Ethics, 26,* 169-183. doi:10.1007/s10551-013-1947-0

Ofori, D. F., Nyuur, R. B., & Darko, M. D. (2014). CSR and financial performance: Fact or fiction? A look at Ghanaian Banks. *Acta Commercii, 4*(1), 1-11. doi:10.4102/ac. v14i1.18

Oh, W., & Park, S. (2015). The relationship between CSR and corporate financial performance in Korea. *Emerging Markets Finance and Trade, 51,* 85-94. doi:10.1080/1540496X.2015.1039903

Orlitzky, M. (2001). Does firm size confound the relationship between corporate social performance and firm financial performance? *Journal of Business Ethics, 33,* 167-180. doi:10.1023/A:1017516826427

Orlitzky, M., & Benjamin, J. D. (2001). Corporate social performance and firm risk: Ameta-analytic review. *Business and Society, 40,* 369-396. doi:10.1177/000765030104000402

Orlitzky, M., Schmidt, F. L., & Rynes, S. L. (2003). Corporate social and financial performance: A meta-analysis. *Organization Studies, 24,* 403-441. doi:10.1177/0170840603024003910

Ortas, E., Álvarez, I., & Garayar, A. (2015). The environmental, social, governance and financial performance effects on companies that adopt the United Nations global compact. *Sustainability, 7,* 1932-1956. doi:10.3390/su7021932

Osborne, J. W., & Overbay, A. (2004). The power of outliers and why researchers should always check for them. *Practical Assessment, Research & Evaluation, 9*(6), 1-12. Retrieved from http://www.pareonline.net

Owazuaka, W., & Obinna, I. (2014). CSR: The marketing implications. *International Journal of Academic Research, 6*, 221-226. doi:10.7813/2075-4124.2014/6-4/B.34

Ozçelik, F., Avci Oztürk, B., & Gürsakal, S. (2014). Investigating the relationship between CSR and financial performance in Turkey. *Ataturk University Journal of Economics and Administrative Sciences, 28,* 189-203. Retrieved from http://www.e-dergi.atauni.edu.tr

Pallant, J. (2010). *SPSS survivor manual.* Berkshire, England: McGraw-Hill

Peng, C., & Yang, M. (2014). The effect of corporate social performance on financial performance: The moderating effect of ownership concentration. *Journal of Business Ethics, 123,* 171-182. doi:10.1007/s10551-013-1809-9

Persic, A. & Markic, M (2013). The impact of socially responsible reporting on successful corporate operations. *Organizacija, 46,* 47-54. doi:10.2478/orga-2013-0007

Pérez, A., & del Bosque, I. R. (2014). An integrative framework to understand how CSR affects customer loyalty through identification, emotions, and satisfaction. *Journal of Business Ethics, 129,* 571-584. doi:10.1007/s10551-014-2177-9

Pett, M. A. (2015). *Nonparametric statistics for health care research: Statistics for small samples and unusual distributions*. Thousand Oaks, CA: Sage Publications.

Pickering B., A., Epstein, S., Richter, P., Shine, D., E. Sorkin, J., & Weinstein, G. (2014). Shareholder activism spreads globally. *Journal of Investment Compliance, 15,* 33-35. doi:10.1108/JOIC-05-2014-0017

Porter, M. E., & Kramer, M. R. (2011). Creating shared value. *Harvard Business Review, 89,* 62-77. Retrieved from http://www.hbr.org

Ragin, C. C. (2014). *The comparative method: Moving beyond qualitative and quantitative strategies*. Oakland, CA: University of California Press.

Rahman, S. (2017). Role of government in the promotion of corporate social responsibility: The case of Bangladesh banking sector. *Australian Academy of Accounting and Finance Review*, *1*(1), 44-68. Retrieved from http://www.aaafr.com.au

Rasmussen, L. M. (2014). The case of Vipul Bhrigu and the federal definition of research misconduct. *Science and Engineering Ethics, 20,* 411-421. doi:10.1007/s11948-013-9459-y

Reputation Institute. (2014). *CSR RepTrack 100 Study and Results*. Retrieved from http://www.reputationinstitute.com

Revelli, C., & Viviani, J. L. (2015). Financial performance of socially responsible Investing: What have we learned? *European Review*, *24*(2), 158-185. doi: 10.1111/beer.12076

Reverte, C. (2009). Determinants of CSR disclosure ratings by Spanish listed firms. *Journal of Business Ethics, 88,* 351-366. doi:10.1007/s10551-008-9968-9

Reynolds, S. J., Schultz, F. C., & Hekman, D. R. (2006). Stakeholder theory and managerial decision-making: Constraints and implications of balancing stakeholder interests. *Journal of Business Ethics, 64*, 285-301. doi:10.1007/s10551-005-5493-2

Rodgers, W., Choy, H. L., & Guiral, A. (2013). Do investors value a firm's commitment to social activities? *Journal of Business Ethics, 114*, 607-623. doi:10.1007/s10551-013-1707-1

Rodriguez Bolívar, M. P., Garde Sánchez, R., & López Hernández, A. M. (2015). Managers as drivers of CSR in state-owned enterprises. *Journal of Environmental Planning and Management, 58*, 777-801. doi:10.1080/09640568.2014.892478

Rooney, A. A., Cooper, G. S., Jahnke, G. D., Lam, J., Morgan, R. L., Boyles, A. L., … Walker, T. D. (2016). How credible are the study results? Evaluating and applying internal validity tools to literature-based assessments of environmental health hazards. *Environment International*, *92*, 617-629. doi:10.1016/j. envint.2016.01.005

Ruf, B. M., Muralidhar, K., & Paul, K. (1998). The development of a systematic, aggregate measure of corporate social performance. *Journal of Management, 24*, 119-133. doi:10.1177/01492639802400101

Rumrill Jr., P. D. (2004). Non-manipulation quantitative designs. *IOS Press*, *22*, 255-260. Retrieved from http://www.ncbi. nlm.nih.gov

Saeidi, S. P., Sofian, S., Saeidi, P., Saeidi, S. P., & Saaeidi, S. A. (2015). How does CSR contribute to firm financial performance? The mediating role of competitive advantage, reputation, and customer satisfaction. *Journal of Business Research, 68,* 341-350. doi:10.1016/j. jbusres.2014.06.024

Sahota, A. (2013). CSR and philanthropy. *Sustainability: How the cosmetics industry is greening up*. Chichester, United Kingdom: John Wiley & Sons Ltd.

Santhosh, J., & Varghese, A. (2014). Social sustainability is beyond CSR. *Journal of Commerce and Management*, *1*(10), 63-65. Retrieved from http://www.saiompublications.com

Santoso, A. H., & Feliana, Y. K. (2014). The association between CSR and corporate financial performance. *Issues in Social and Environmental Accounting*, *8*, 82-103. Doi:10.22164/isea.v8i2.86

Schmeltz, L. (2014). Identical or just compatible? The utility of corporate identity values in communicating CSR. *Journal of Business Communication, 51,* 234-258. doi:10.1177/2329488414525439

Schützenmeister, A. A., Jensen, U. U., & Piepho, H. P. (2012). Checking normality and homoscedasticity in the general linear model using diagnostic plots.com*munications in Statistics: Simulation & Computation*, *41*, 141-154. doi:10.1080/03610918.2011.582560

Scotti, A., Hannum, M. Ponomarenko, M., Hogea, D., Sikarwar, A., Khullar, M., … Deng, L. (2016). Bloomberg's highly available relational database system.

Journal Proceedings of the VLDB Endowment, 9, 1377-1388. doi:10.14778/3007263.3007275

Sedlmeier, P., & Gigerenzer, G. (1989). Do studies of statistical power have an effect on the power of studies? *Psychological Bulletin, 105,* 309-316. Retrieved from http://www.researchgate.net

Selling, T. I., & Stickney, C. P. (1989). The effects of business environment and strategy in a firm's rate of return on assets. *Financial Analysts Journal, 45*(1), 43-52. doi:10.2469/faj.v45.n1.43

Serrano-Cinca, C., Gutiérrez-Nieto, B., & López-Palacios, L. (2015). Determinants of Default in P2P Lending. *PLoS ONE, 10*(10), 1-22. doi:10.1371/journal. pone.0139427

Servaes, H., & Tamayo, A. (2013). The impact of CSR on firm value: The role of customer awareness. *Management Science, 59,* 1045-1061. doi:10.1287/mnsc.1120.1630

Sen, S., & Bhattacharya, C. B. (2001). Does doing good always lead to doing better? Consumer reactions to CSR. *Journal of Marketing Research, 38,* 225-243. doi:10.1509/jmkr.38.2.225.18838

Shalit, S. S., & Sankar, U. (1977). The measurement of firm size. *Review of Economics and Statistics, 59,* 290-298. Retrieved from http://www.jstor.org

Sharif, M. M., & Scandura, T. A. (2014). Do perceptions of ethical conduct matter during organizational change? Ethical leadership and employee involvement. *Journal of Business Ethics, 124,* 185-196. doi:10.1007/s10551-013-1869-x

Sharma, J. P., & Khanna, S. (2014). CSR, corporate governance, and sustainability synergies and inter-relationships. *Indian Journal of Corporate Governance, 71*, 14-38. Retrieved from http://www.ipeindia. org

Shou, Y., & Smithson, M. (2015). Evaluating predictors of dispersion: A comparison of dominance analysis and bayesian model averaging. *Psychometrika, 80*(1), 236-256. doi:10.1007/s11336-013-9375-8

Silvestre, B. S. (2014). Capability accumulation, innovation, and technology diffusion: Lessons from a base of the pyramid cluster. *Technovation, 34*(5), 270-283. doi:10.1016/j. technovation.2013.09.007

Skouloudis, A., Isaac, D., & Evaggelinos, K. (2016). Revisiting the national CSR index. *International Journal of Sustainable Development & World Ecology*, *23*(1), 61-70. doi:10.1080/13504509.2015.1099121

Sodhi, M. S.(2015). Conceptualizing social responsibility in operations via stakeholder resource-based view. *Production and Operations Management, 24*(9), 1-31. doi:10.1111/poms.

Solomon, R. C., & Hanson, K. R. (1985). *It's good business*. New York, NY: Atheneum.

Solow, R. (2013). Why is there no Milton Friedman today? *Economic Journal Watch, 10* (2), 214-216. Retrieved from http://www.journaltalk.net/

Stangor, C. (2014). *Research methods for the behavioral sciences*. Stamford, CT: Cengage Learning.

Stevens, S. S. (1946). On the theory of scales of measurement. *American Association for the Advancement of Science, 103,* 677-680. Retrieved from http://www.jstor. org

Stewart, G. B, III. (1991). *The quest for value*. New York, NY: Harper Business.

Sullivan, G. M., & Feinn, R. (2012). Using effect size, or why the *p* value is not enough. *Journal of Graduate Medical Education, 4*(3), 279-282. doi:10.4300/jgme-d-12-00156.1

Sun, X., Shen, H., Cheng, X., & Zhang, Y. (2016). Market confidence predicts stock price: Beyond supply and demand. *PLoS ONE*, *11* (7), 1-10. doi: 10.1371/journal.pone.0158742

Sundaram, A. K., & Inkpen, A. C. (2004). Stakeholder theory and the corporate objective revisited a reply. *Organization Science, 3,* 370-371. doi:10.1287/orsc.1040.0067

Swaminathan, V., Groening, C., Mittal, V., & Thomas, F. (2014). 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,* 182-194. doi:10.1177/1094670513510196

Symonds, J. E., & Gorard, S. (2010). Death of mixed methods or the rebirth of research as a craft. *Evaluation and Research in Education*, *23*(2), 121-136. doi:10.1080/09500790.2010.483514

Szekely, F., & Knirsch, M. (2005). Responsible leadership and CSR: Metrics for sustainable performance. *European Management Journal*, *23,* 628-647. doi:10.1016/j. emj.2005.10.009

Tam, N., Huy, N., Thoa, L., Long, N., Trang, N., Hirayama, K., & Karbwang, J. (2015). Participants' understanding of informed consent in clinical trials over three decades: Systematic review and meta-analysis. *Bulletin of the World Health Organization, 93*(3), 186-198. doi:10.2471/BLT.14.141390

Tang, J., Tang, Z., & Katz, J. A. (2014). Pro-activeness, stakeholder-firm power difference, and product safety and quality of Chinese SMEs. *Entrepreneurship Theory and Practice, 38,* 1129-1157. doi:10.1111/etap.12029

Tantalo, C., & Priem, R. L. (2014). Value creation through stakeholder synergy. *Strategic Management Journal, 35,* 1411-1568. doi:10.1002/smj.2337

Teh, P. L., Adebanjo, D., & Ahmed, P. K. (2014). Factors affecting product quality and reliability: A comparison of developed and developing countries. *Industrial Engineering and Engineering Management, 1*, 1481-1485. doi:10.1109/IEEM.2014.7058885

Thelwall, M., & Delgado, M. M. (2015). Arts and humanities research evaluation: No metrics please, just data. *Journal of Documentation, 71*, 817-833. doi:10.1108/JD-02-2015-0028

Thompson. (2015). *Environmental, Social and Governance Indices*. Retrieved from http://www.thomsonreuters.com

Tilcsik, A., & Marquis, C. (2013). Punctuated generosity: How mega-events and natural disasters affect corporate philanthropy in U.S. communities. *Administrative Science Quarterly, 58,* 111-148. Retrieved from http://www.hdl.handle.net

Tilt, C. (2016). Corporate social responsibility research: The importance of context. *International Journal of Corporate Social Responsibility, 1*, 2-7. doi:10.1186/s40991-016-0003-7

Tobias, B. (2014). Rational socially responsible investment. *Corporate Governance, 14*, 699-713. doi:10.1108/CG-08-2014-0089

Torchim, W. M. (2006). Correlation. *Web center for social research methods: Selecting Statistics.* Retrieved from http://www.socialreserachmethods.net

Tribó, J. A., Torres, A., Bijmolt, T. H., & Verhoef, P. (2013). Generating global brand equity through corporate social responsibility to key stakeholders. *International Journal of Research in Marketing, 29*, 13-24. doi:10.1016/j.ijresmar.2011.10.002

Turban, D. B., & Greening, D. W. (1997). Corporate social performance and organizational attractiveness to prospective employees. *Academy of Management Journal, 40,* 658-672. doi:10.2307/257057

Turyakira, P., Venter, E., & Smith, E. (2014). The impact of CSR factors on the competitiveness of small and medium-sized enterprises. *South African Journal of Economic and Management Sciences, 17*(2), 157-172. Retrieved from http://www.sajems.org

Udayasankar, K. (2008). CSR and firm size. *Journal of Business Ethics, 83*(2), 167-175. doi:10.1007/s10551-007-9609-8

Unluer, S. (2012). Being an insider researcher while conducting case study. *Qualitative Report, 17,* 1-14. doi:10.13175/swjpcc076-15

Utz, S., & Wimmer, M. (2014). Are they any good at all? A financial and ethical analysis of socially responsible mutual funds. *Journal of Asset Management, 15,* 72-82. doi:10.1057/jam.2014.8

Vallaster, C., Lindgreen, A., & Maon, F. (2012). Strategically leveraging corporate social responsibility: A corporate branding perspective. *California Management Review, 54,* 34-60. doi:10.1525/cmr.2012.54.3.34

Van den Broeck, J., Cunningham, S. A., Eeckels, R., & Herbst, K. (2005). Data cleaning: Detecting, diagnosing, and editing data abnormalities. *PLoS Medicine*, *2*(10), 1-5. doi:10.1371/journal.pmed.0020267

Van Limburg, M., Wentzel, J., Sanderman, R., & Van Gemert-Pijnen, L. (2015). Business modeling to implement an eHealth portal for infection control: A reflection on co-creation with stakeholders. *JMIR Research Protocols*, *4*(3), 104-119. doi:10.2196/resprot.4519

Venkatesh, V., Brown, S. A., & Bala, H. (2013). Bridging the qualitative-quantitative divide: Guidelines for conducting mixed methods research in information systems. *MIS Quarterly, 37,* 21-54. Retrieved from http://www.aisel.aisnet.org

Waddock, S. A., & Graves, S. B. (1997). The corporate social performance-financial performance link. *Strategic Management Journal, 18,* 303-319. Retrieved from http://www.jstor.org/

Waidi, A. A. (2016). Employment of questionnaire as tool for effective business research outcome: Problems and challenges. *Global Economic Observer, 4*(1), 54-62. Retrieved from http://www.globeco.ro

Wang, H., Tong, L., Takeuchi, R., & George, G. (2016). CSR: An overview and new research directions. *Academy of Management Journal, 59*, 534-544. doi:10.5465/amj.2016.5001

Wang, Q., Dou, J., & Jia, S. (2016). A meta-analytic review of CSR and corporate financial performance. *Business and Society, 55,* 1083-1121. doi:10.1177/0007650315584317

Wang, Z., & Sarkis, J. (2013). Investigating the relationship of sustainable supply chain management with corporate financial performance. *International Journal of Productivity and Performance Management, 62,* 871-888. doi:10.1108/ijppm-03-2013-0033

Warner, R. M. (2008). *Applied statistics: From bivariate through multivariate techniques*. Thousand Oaks, CA: Sage Publications.

Weigelt, C., & Shittu, E. (2016). Competition, regulatory policy, and firms' resource investments: The case of renewable energy technologies. *Academy of Management Journal, 59,* 678-704. doi:10.5465/amj.2013.0661

White, M. J., & Higgins, K. (2014).*2014 trends report submitted for disclosure effectiveness review (Report #10).* Washington, DC: U. S. SIF.

Wilder, K. M., Collier, J. E., & Barnes, D. C. (2014). Tailoring to customers' needs understanding how to promote an adaptive service experience with frontline employees. *Journal of Service Research, 17,* 446-459. doi:10.1177/1094670514530043

Williams, M., Grajales, C., & Kurkiewicz, D. (2013). Assumptions in multipleregression: Correcting two misconceptions. *Practical Assessment, Research and Evaluation, 18* (9), 1-14. Retrieved from http://www.pareonline.net

Wilson, K. E. (2014). *New investment approaches for addressing social and economic challenges (Report #15).* Paris, France: OECD Publications.

Wu, M. W., & Shen, C. H. (2013). CSR in the banking industry: Motives and financial performance. *Journal of Banking & Finance, 37,* 3529-3547. doi:10.1016/j. jbankfin.2013.04.023

Yin, J., & Jamali, D. (2016). Strategic CSR of multinational companies' subsidiaries in emerging markets: Evidence from China. *Long Range Planning*.4*9,* 541-556. doi:10.1016/j.lrp.2015.12.024

Yu, W., Ramanathan, R., & Nath, P. (2014). The impacts of marketing and operations capabilities on financial performance in the UK retail sector: A resource-based perspective. *Industrial Marketing Management, 43*, 25-31. doi:10.1016/j. indmarman.2013.07.014

Yusof, M., & Ismail, H. (2015). Destination branding identity from the stakeholders' perspectives. *International Journal of Built Environment and Sustainability, 1,* 12-20. Retrieved from http://www.ijbes.utm.my/index.php

Yusoff, H., Dalila A., Jamal, A., & Darus, F. (2016). Corporate governance and corporate social responsibility disclosures: An emphasis on the CSR key dimensions. *Journal of Accounting and Auditing, 2016,* 476-550. doi:10.5171/2016.476550

Zadeh, F. O., & Eskandari, A. (2012). Firm size as company's characteristic and level of risk disclosure: Review on theories and literatures. *International Journal of Business and Social Science*, *3*(17), 9-17. Retrieved from http://www.reserachgate.net

Zou, B., Guo, F., & Guo, J. (2016). Absorptive capacity, technological innovation, and product life cycle: A system dynamics model. *SpringerPlus*, *5*, 1662-1675. doi:10.1186/s40064-016-3328-5

Zapf, A., Castell, S., Morawietz, L., & Karch, A. (2016). Measuring inter-rater reliability for nominal data: Which coefficients and confidence intervals are appropriate? *BMC Medical Research Methodology, 16*, 93-97. doi:10.1186/s12874-016-0200-9

Zeitun, R., & Tian, G. G. (2014). Capital structure and corporate performance: Evidence from Jordan. *Australasian Accounting Business and Finance Journal, 1*(4), 1-16. doi:10.2139/ssrn.2496174

Zhang, X., Ping, J., Zhu, T., Li, Y., & Xiong, X. (2016). Are price limits effective? An examination of an artificial stock market. *PLoS ONE*, *11*(8). 1-21 doi:10.1371/journal. pone.0160406

Zhu, C., Yang, G., An, K., & Huang, J. (2014). The leverage effect on wealth distribution in a controllable laboratory stock market. *PLoS ONE*, *9*(6), 1-10. doi:10.1371/journal.pone.0100681

Zikmund, W. G., Babin, J. B., Carr, J. C., & Griffin M. (2010). *Business research methods*. Mason, OH: Cengage.