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Relationship between CSR Reporting, CSR Indices, and Financial Performance of Hardware and Software Organizations

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Walden University

College of Management and Technology

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Cesar Castellanos

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Walden University
2020

Abstract

Relationship between CSR Reporting, CSR Indices, and Financial Performance of Hardware and Software Organizations

by

Cesar Castellanos

MBA, Interamerican University of Puerto Rico, 2015

BA, Interamerican University of Puerto Rico, 2013

Doctoral Study Submitted in Partial Fulfillment

of the Requirements for the Degree of

Doctor of Business Administration

Walden University

April 2020

Abstract

Organizational leaders around the world spend millions of dollars on ineffective corporate social responsibility (CSR) programs and CSR reporting strategies. Understanding the relationship between CSR reporting, CSR indices (CSRi), and financial performance is necessary to minimize unnecessary expenditures among organizational leaders. The purpose of this quantitative correlational study, grounded in Frederick's CSR theory and Freeman's stakeholder theory, was to examine the relationship between CSR reporting, CSRi, and financial performance of hardware and software organizations. Data were collected from the Security Exchange Commission and the official websites of 25 hardware and software organizations that were part of Fortune 500 between the years 2010-2015. The results of the multiple linear regression indicated that there was no statistically significant relationship between CSR reporting, CSRi, and net income. Similarly, no significant relationship existed between CSR reporting, CSRi, and return on assets. The implications for social change include the development of socially responsible strategies that take into consideration the ethical variables of dignity and respect and the uncertainties faced by individuals within the community.

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Dedication

I dedicate this study to my most significant personal and professional supporter, my beloved soulmate and wife, Christina Soto. Thank you for keeping me focused and for allowing me to grow as a professional. The main reason that steered me to pursue a higher degree was the thought of serving as a role model to my daughters Nangeli, Diana, and Naia, and to be able to look at the eyes of America's sons and daughters who serve in the armed forces and tell them, "If a Dominican boy whose English is his second language was able to obtain doctorate degree, you most definitely can." Finally, special thanks to my mother, Rosa Salazar you are an inspiration. You raised two accomplished, well-educated men. Despite our scarce resources, you worked nonstop to provide us with a decent education and ingrained in us the importance of achieving the highest possible education. The diploma that certifies me as a doctor will be hung on your wall next to the others. I earned the diploma, but you deserve it.

Acknowledgments

I want to confess that it would have been impossible to complete this journey without the support and guidance that I received from Dr. Ify Diala. Dr. Diala molded me into a researcher and a scholar. Special thanks to Dr. Laura Thompson and Dr. Alexandre Lazo for evaluating my multiple submissions, and for providing me with the necessary tools to complete this study. I close this section by praising those who decide to embark on the journey of becoming a doctor. This experience was challenging but rewarding. Just remember, if a Dominican boy whose English is his second language did it, you most definitely can.

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Section 1: Foundation of the Study

Corporate social responsibility (CSR) is a topic of constant debate among scholars and business practitioners (see Jeffrey, Rosenberg, & McCabe, 2019; Smith & Colvin, 2016). Researchers such as Fanti and Buccella (2017) mentioned that conservative scholars and business practitioners tend to associate CSR initiatives with ethics and compliance. In contrast, a more contemporary wave of business professionals and researchers continue to contribute to the business practice by considering a possible significant relationship between CSR reporting and financial performance (Mir & Shah, 2018). Freeman (2010) advocated the view that organizational success is measured by financial performance. Freeman mentioned that substandard social responsibility actions translate to additional disbursement and can hinder a business leader's ability to maximize profit. Frynas and Yamahaki (2016) pointed out that throughout history, CSR strategies were perceived as crisis handling mechanisms. Gürlek, Düzgün, and Meydan-Uygur (2017) maintained that organizational turbulence is associated with (a) ethical, (b) social, (c) environmental dilemmas, and (d) predicaments that tend to be handled by a corporate leader's reactive implementation of CSR reporting strategies. During a crisis management process, organizational leaders try to report their mitigating crisis approaches, hoping to safeguard the already questioned ethical standpoint (see Marples, 2017). Rouanet (2016) understood that CSR reporting strategies are to be used as planning mechanisms and should be included in today's complex business models.

To account for the holistic view that governs our value-maximization business culture, it was necessary to employ a quantitative correlational model to confirm or deny

the level of relationship between CSR reporting, CSRi, and financial performance. Understanding that CSR involvement may decrease information irregularities and potential debts associated with non-socially accepted activities (Svantesson, Silén, & James, 2017), it was essential to target the income-driven business population by examining accounting-based measures such as net income (NI) and return on assets (ROA) as the dependent variables. The sample's annual reports filed to the Security Exchange Commission (SEC) between the years 2010-2015 and the sample's CSR indices (CSRi, as provided by the Reputation Institute), served as critical components of the data gathering process. To facilitate the future reproduction of this study, a relatively easy data analysis model was employed to assess the level of the relationship between the variables. If duplicated in the future, the statistical model will facilitate the scrutiny process of organizational leaders interested in understanding the implications of adequately reporting their CSR actions.

Background of the Problem

Numerous researchers and practitioners advocate the view that CSR strategies encompass the efforts conducted by organizational leaders to achieve social stability (Cho & Lee, 2017; Rahman, Rodríguez-Serrano, & Lambkin, 2017). Researchers such as Zhang and Zhang (2016) explained that organizations and societies are (a) intertwined, (b) rely on each other, and (c) share the duty of stabilizing one another. Attempting to provide a quantifiable argumentation, CSR researchers maintained that engaging in socially responsible activities can translate to positive economic performances (see Agudo, Garcés, & Salvador, 2015). However, in the process of conducting this research, I

retrieved limited professional and academic literature that addressed the relationship between CSR reporting and the financial performance of small- and medium-sized organizations.

Understanding that 77% of consumers in the United States believe that organizational leaders should strive to attain certain levels of social responsibility (Murdiono, 2018), a higher volume of research seeking to address the relationship between CSR reporting, CSRi, and financial performance is needed. Kim, Gopal, and Hoberg (2016) illustrated that 99% of the technological industry in the United States is composed of small- and medium-sized organizations, which encouraged me to utilize the small- and medium-sized executives and business owners of software and hardware organizations in the metropolitan area of Austin, Texas as the targeted population.

By rendering examples such as organizations that experienced an increase in direct investing capital after their implementations of practical CSR reporting tools (Murdiono, 2018), and how socially screened portfolios in the United States increased their value from $162 billion as reported in 1995 to $3.1 trillion in 2010 (Stojanović-Aleksić & Bošković, 2017), I presented an operationally-oriented CSR measuring statistical model that will allow small- and medium-sized executives and business owners to evaluate their current CSR reporting strategies and simultaneously meet their social obligations without compromising their fiduciary duties to shareholders (Kang & Liu, 2015).

It is common for organizational leaders to evade additional expenditures, primarily if striving for financial health (see Abernathy, Stefaniak, Wilkins, & Olson,

2017). However, by analyzing a sample that included 25 of the most prominent software and hardware organizations in the United States, and by providing a quantifiable statistical model capable of confirming or denying the level of relationship between CSR reporting, CSRi, and financial performance, small- and medium-sized executives and business owners can obtain the necessary tools to measure current and future CSR reporting strategies.

Although larger organizations possess a more diverse range of stakeholders, organizational leaders need to comprehend that regardless of the size of the organization, stakeholders are affected by its operations. It is time for small- and medium-sized executives and business owners of software and hardware organizations in the metropolitan area of Austin, Texas, to understand that the demand for organizational leaders to engage in socially responsible actions has spontaneously increased in recent years (Zhang & Zhang, 2016).

Problem Statement

Adverse profitability in the U.S. technology industry is associated with organizational leaders' inability to accurately report their corporate social responsibility strategies (Michelon, Pilonato, & Ricceri, 2015). During the years 2010-2015, 42% of hardware and software organizations listed in the United States experienced a change in their financial performance after employing or modifying their CSR reporting strategies (Bernal, De Nieves, & Briones, 2016). The general business problem was that various organizational leaders in the U.S technology industry do not use the proper reporting tools to address stakeholders, resulting in a negative variation in their financial

performance. The specific business problem was that limited reliable information is available for U.S. executives and business owners of small- and medium-sized hardware and software organizations in the United States to understand the relationship between CSR reporting, CSRi, and financial performance.

Purpose Statement

The purpose of this quantitative correlational study was to examine the relationship between CSR reporting, CSRi, and financial performance. The independent variables were CSR reporting, obtained by coding the sample's annual reports, and CSRi, as provided by the Reputation Institute. The dependent variables were NI and ROA. The targeted population was comprised of executives and business owners of small- and medium-sized software and hardware manufacturing organizations in the metropolitan area of Austin, Texas. This population was suitable for this study because 99% of software and hardware organizations in the United States are led by small- and medium-sized organizational leaders that do not understand the relationship between CSR reporting and financial performance (Kim et al., 2016). The implications for notable social change include the development of socially responsible strategies that take into consideration the ethical variables of dignity and respect, and the uncertainties faced by individuals in their communities.

Nature of the Study

The formulated research question and hypotheses guided the selection of the quantitative research methodology. Bernard and Bernard (2017) mentioned that the utilization of the quantitative methodology guarantees the formulation of practical

quantifiable information. Almalki (2016) advocated the view that the quantitative approach and its associated designs are numeric in nature, facilitate the collection of empirical data, and generate the factual statistical information needed to facilitate the decision-making process of executives at all levels. Three major types of research methodologies exist: (a) qualitative, (b) quantitative, and (c) mixed-methodology (Creswell, 2018). Due to the subjective characteristics that distinguish the qualitative approach, the same became unsuitable for this study. Northouse (2018) explained that the qualitative methodology is exploratory and facilitates the understanding of opinions, reasons, and behaviors. The intended targeted audience required facts derived from empiric data, not the opinions surrounding the data. The mixed-methodology, as the name implies, combines the benefits of the quantitative and qualitative approach (Bernard & Bernard, 2017); however, it leaves room for bias, hence the reason the mixed-methodology was not adequate for this study.

I used the correlational design to confirm or deny the relationship between CSR Reporting, CSRi, and financial performance. Corner (2015) mentioned that within the quantitative methodology, four main research designs are used by quantitative researchers: (a) descriptive, (b) correlational, (c) quasi-experimental, and (d) experimental. The descriptive design is used to describe the current status of a variable without the initial formulation of a hypothesis (Bernard & Bernard, 2017). For the purpose of this study, two different but related hypotheses were presented; the reason the descriptive quantitative design was disqualified. Although the quasi-experimental design offers descriptive information, the same was not appropriate to this study because the

design required a control group and did not permit the manipulation of variables (West, 2015). As observed by Becker et al. (2016), the experimental design requires the selection of random data. The data comprising the independent and dependent variables were not randomly selected, and therefore, it could not be considered experimental. The data encompassing this study were gathered from the SEC's online portal, the sample's official pages, and the Research Institute without the utilization of a randomizing mechanism. The correlational design, on the contrary, allows researchers to manipulate the variables under study and facilitate the delivery of reliable information through the employment of statistical analytical instruments (Perreault, 2015). Zyphur and Pierides (2017) mentioned that practitioners of the quantitative methodology are required to evaluate the quality and normality of the data. Poole and O'Farrell (1971) concluded that quantitative researchers are responsible for the validity of the data and need to test for (a) multicollinearity, (b) outliers, (c) normality, (d) linearity, (e) homoscedasticity, and (f) independence of residuals.

Bakdash and Marusich (2017) advocated the view that quantitative researchers need to gain enough statistical knowledge to dissect and explain the results emerging from a statistical model. Bakdash and Marusich mentioned that researchers need to master the use of statistical software such as IBM SPSS. IBM SPSS linear regression function allowed me to statistically assess the sample's CSR reporting level, CSRi, and financial information to formulate relevant descriptive statistical information. The correlational design was enhanced by the presentation and analysis of the descriptive statistics surrounding the variables. Park and Park (2016) argued that the employment of

descriptive statistics provides reliable explanatory information on the relationship between the variables under study.

Research Question

What is the relationship between CSR reporting, CSRi, and the financial performance of hardware and software organizations listed in the United States?

Hypotheses

$H1_o$: There is no significant relationship between CSR reporting, CSRi and the NI of hardware and software organizations listed in the United States.

$H1_1$: There is a statistically significant relationship between CSR reporting, and the NI of hardware and software organizations listed in the United States.

$H2_o$: There is no significant relationship between CSR reporting, CSRi, and the ROA of hardware and software organizations listed in the United States.

$H2_1$: There is a statistically significant relationship between CSR reporting, CSRi, and the ROA of hardware and software organizations listed in the United States.

Theoretical Framework

The two theories that enhanced the validity of this study were Freeman's (1984) stakeholder theory and Frederick's (1978) CSR theory. Freeman developed the stakeholder theory in 1984. Freeman understood that organizations leaders face the ethical and financial obligation of meeting the needs of stakeholders. Organizational leaders use the stakeholder theory to explain how financial success can be attained when (a) customers, (b) suppliers, (c) employees, (d) communities, and (e) shareholders steer in the same direction (see Freeman & Dmytriyev, 2017). Freeman (2010) argued that

business leaders that develop business models tailored to create value by sacrificing stakeholders tend to experience notable financial losses at the time of a crisis. Agudo et al. (2015) mentioned that the welfare of the communities is not gauged when developing today's value-maximization business models. Key constructs surrounding the stakeholder theory are the financial performance of an organization, social influence, and crisis management. As applied to this study, the stakeholder theory suggests that the independent variables CSR reporting, and CSRi drive a firm's financial performance typically measured by accounting-based concepts such as NI and ROA.

Frederick introduced the CSR theory in 1978. Frederick showed business leaders that organizations and societies are organically linked and that a direct relationship between social awareness and financial performance existed. Frederick argued that organizational leaders are morally obliged to work for social advancement through the employment of CSR initiatives (Harrison, Freeman, & Sá de Abreu, 2015). Frynas and Yamahaki (2016) stated that organizational leaders must provide services beyond profitability without losing aspects of their business models. Harjoto (2017) mentioned that organizational leaders must balance the gap between establishing profit goals and generating social value. Key constructs underlying the CSR theory are financial performance and social awareness. As applied to this study, the CSR theory suggests that a strong correlation between CSR reporting and financial performance exists.

Agudo et al. (2015) mentioned that Frederick's CSR and Freeman's stakeholder theories share many similarities. Frederick (1978) and Freeman (1984) acknowledged that the betterment of a group is accomplished by the economic deprivation of another;

however, to minimize the economic impact of the other, executives, and managers must weigh social costs and benefits against financial cost and benefits. Jones, Harrison, and Felps. (2018) argued that both theorists showed the importance of evaluating key stakeholders. The stakeholder and CSR theories were suitable for this study and portrayed a direct relationship with the general and specific business problems.

Operational Definitions

Corporate social responsibility are the actions taken by organizational leaders to enhance the welfare of their communities without imposing any type of financial burden to its shareholders (Thome, Stephens, & Truant, 2016).

Corporate social responsibility indices (CSRi) are the numeric values assigned by independent entities after evaluating multiple socially responsible and environmental dimensions (Abernathy et al., 2017).

Assumptions, Limitations, and Delimitation

When conducting this study, I encountered three assumptions that were directly related to the research question and purpose of the study, three limitations that can be perceived as weaknesses and should be taken into consideration at the time of replicating this study, and two delimitations that maintained the integrity of this study.

Assumptions

Assumptions are facts considered to be accurate by popular believe but are yet to be confirmed by a research methodology (Almalki, 2016). This study was contingent on three assumptions. The first assumption was that CSR reporting outlined the sample's level of CSR engagement and the organizational commitment to enhancing their

communities. The second assumption was that a higher level of CSR reporting translated to higher profitability. The third and final assumption was that by analyzing two different CSR measuring mechanisms, research bias was reduced significantly.

Limitations

imitations are contemplated as the latent weaknesses surrounding the research process (Becker et al., 2016). To confirm or deny the relationship between CSR reporting, CSRi, and financial performance, three fundamental limitations were encountered. The first limitation was that a sample composed of high-profile organizations posted limited value to organizations incapable of allocating capital to CSR reporting initiatives. The second limitation was that the sample was comprised of organizations that belonged to a single industry. The used sample was comprised of 25 of the top hardware and software organizations listed in the United States. Organizational leaders from other industries in the United States may not find the data analysis models appealing or compatible with their industries. The third and final limitation was that the sample was limited to organizations listed in the United States. The statistical models and results may not be applicable to international organizations that do not share a common organizational culture with the United States, posing a potential weakness to international researchers that decide to replicate this study and opt to evaluate business environments where variables such as language and economic models are present.

Delimitations

Delimitations showcase the scope of a study by establishing the boundaries reached at the time of conducting the research (West, 2015). While conducting this

research, two delimitations were encountered. The first delimitation was that although the intention was to select organizations with comparable market shares and business practices, the sample size, and the selection process limited the extension of the findings. Zyphur and Pierides (2017) mentioned that researchers need to be cognizant and are to evaluate an appropriate sample size. The second delimitation was that the sample was composed of organizations based in the United States. Researchers evaluating industries in a foreign country may encounter different results. It is crucial to outline that different laws and regulations govern organizations based on foreign soil, variables that can dictate organizational culture, and CSR reporting verbiage.

Significance of the Study

The need for additional research on the relationship between CSR reporting, CSRi, and financial performance is a topic of discussion among scholars, executives, and business owners of all industries and backgrounds (see Cullinan, Mahoney, & Roush, 2016). Gürlek et al. (2017) mentioned that CSR-oriented researchers and business leaders tend to focus on the development of business theories that embody a value maximization approach, and target the needs of a revenue-driven population without evaluating the necessities of critical stakeholders such as communities and groups of interest. The employed statistical models deviate from traditional CSR research and deliver significance to the business practice by examining the relationship between CSR reporting, CSRi, and the financial performance of 25 of the most prominent hardware and software organizations listed in the United States. The use of two accounting-based

dependent variables enhanced the validity of this study and addressed the value maximation concerns of the intended audience.

Contribution to Business Practice

I attempted to fill existent theoretical and operational gaps in business practice by providing a different approach to measure the relationship between CSR reporting and financial performance. The findings of this study demonstrate the overarching awareness among executives and business owners that comprehend that CSR initiatives translate to unnecessary expenditures. I provided a statistical model that addressed the lack of CSR measuring tools. It was evident that a model capable of evaluating reporting mechanisms was needed, as well as the adoption of CSR reporting strategies capable of measuring and enhance financial performance. Empirical evidence addressing the impact of CSR reporting and CSRi on the financial performance of hardware and software organizations represented the totality of the data. By analyzing the provided statistical models and findings, business leaders can determine if any economic or social benefits can emerge from the development of suitable CSR reporting programs. Hategan, Sirghi, Curea-Pitorac, and Hategan (2016) discovered that it was essential to establish the requirements for business leaders to understand the benefits of working towards the betterment of their communities while reporting their CSR actions to their key stakeholders.

Implications for Social Change

Small- and medium-sized hardware and software organizational leaders in the United States can evaluate the findings and induce positive social change by participating in additional CSR programs. The descriptive statistics can assist executives and business

leaders in the development of CSR strategies oriented to solve the adversities faced by their communities and citizens in need (see Mir & Shah, 2018). By analyzing the findings, business leaders can comprehend the importance of working towards social change and how essential it is to develop CSR initiatives that exemplify dignity, respect, and self-worth among stakeholders. Although the financial burden associated with the elaboration and preservation of CSR programs will always be considered as a negative variable (Rey-Martí, Ribeiro-Soriano, & Sánchez-García, 2016), authors such as Brown and Zmora (2015) discussed the benefits associated with being a socially responsible entity. Because I introduced a model capable of determining the relationship between CSR reporting, CSRi, and the financial performance of 25 of the most successful hardware and software organizations in the United States, organizational leaders at all levels can understand the value of gauging the necessities of their communities and the early development of effective countermeasures.

Review of the Professional and Academic Literature

This quantitative correlational study was designed to confirm or deny the relationship between CSR reporting, CSRi, and the financial performance of 25 of the most successful hardware and software organizations listed in the United States. Findings offer the practical knowledge required by small- and medium-sized business executives and business owners of the manufacturing area of Austin, Texas, to developed suitable CSR reporting strategies. The central research question was designed to confirm or deny the relationship between CSR reporting, CSRi, and financial performance. The professional and academic literature used to enhance the validity of this research was

grounded on Frederick's (1978) CSR theory and Freeman's (1984, 2010) stakeholder theory.

The stakeholder theory, CSR theory, CSR-related publications, and peer-reviewed articles served as the theoretical and scholarly foundation for this study. The peer-reviewed literature was downloaded from ABI/INFORM Collection, SAGE Journal, and Business Source Complete. The keywords used to navigate the mentioned databases included *corporate social responsibility, social responsibility, economic performance, quantitative research methodology, the CSR theory, the stakeholder theory,* and *the relationship between CSR and the stakeholder theory*. A total of 116 peer-reviewed articles were analyzed to enhance the data collection process, the data analysis model, and the validity of this study. The peer-reviewed articles were randomly selected from the databases and were then carefully analyzed.

Eighty-six percent of the peer-reviewed articles showed a dependence between CSR and financial performance. Within the 86% of the analyzed peer-reviewed articles, 49% exhibited a statistically significant relationship, 44% showed an insignificant or weak relationship, and only 7% of the peer-reviewed articles revealed a negative or non-existent relationship between CSR and financial performance. A detailed evaluation of the reviewed professional and academic literature that eased the shaping process of this quantitative correlational study is provided. The review of the professional and academic literature sections focused on the development and evolution of the stakeholder and CSR theories as presented by Frederick (1978) and Freeman (1984). As creators of these theories, Frederick and Freeman were characterized by their understanding of the

importance of attending the needs of the stakeholders without neglecting the demands of being a socially responsible entity (Yu & Choi, 2016).

To provide a comprehensive review of the professional and academic literature, it was essential to establish a historical overview of the evolution of the CSR and stakeholder theories, as well as to examine the theoretical and practical relationship between the stakeholder and CSR theories. As an essential aspect of the CSR theory, the stakeholder theory has endured significant criticism and has experienced some notable changes (see Witkowskka, 2016). Presenting a historical overview of the evolution of the CSR theory was crucial to establish a chronological synopsis of the development of CSR and its acceptance in the business practice. The historical overviews were enhanced by an extensive chronological synopsis that has been outlined by contemporaneous scholars and practitioners of the stakeholder and CSR theories. Additionally, by providing a historical overview, the intended audience received a well-defined understanding of the various definitions of CSR, the model (as introduced by Frederick in 1978), and how the same relates to Freeman's (1984) stakeholder theory. Addressing the relationship between the stakeholder and CSR theories increased the integrity of this research by clearly outlining their similarities. Brown and William (2013) mentioned that the stakeholder theory is an integral aspect of the CSR theory, the reason a vast amount of CSR literature included and continues to include the stakeholder theory as one of its fundamental theoretical frameworks.

In a subsection of the professional and academic literature review, the need for advanced theoretical and practical skills at the time of developing a sustainable CSR

reporting program was addressed. The employment of CSR strategies can cause financial harm if organizational leaders do not consider the organization's current economic status (Bridoux & Stoelhorst, 2016). By understanding the relationship between CSR reporting, CSRi, and financial performance, organizational leaders can enhance their decision-making process (Michelon et al., 2015). The economic benefits associated with CSR reporting, its ethical value, and the consumer's perception of the topic were covered. As a closing section, an objective discussion that addressed the importance of conducting additional CSR-related quantitative studies and the potential benefits of a well-developed CSR strategy is provided.

The Evolution of the CSR Theory

The 1970s represented an essential transition to the business practice and the scholarly community (Harrison et al., 2015). At the beginning of the 1970s, the CSR practice as a phenomenon of change was unclear and was yet to be defined by researchers and business professionals. However, enough evidence exists to prove that the efforts to elevate businesses by attending the needs of society was primarily presented by Frederick (1978). Frederick introduced the CSR theory accompanied by a comprehensive guide designed to facilitate the understanding of the responsibilities innately inherited by organizations as part of society. Although by the 1930s, business owners and executives showed interest in developing stakeholders such as employees and their communities, the great depression of 1930 forced business leaders to attend more urgent demands (see Brown & William, 2013). By the 1950s, business obligations to society became once again a popular topic among scholars and business practitioners; however, the business

practice changed in 1978. In 1978, Frederick published an article that covered the first stage of the CSR theory. In this article, Frederick mentioned that as an essential part of society, organizational leaders are required to work towards the betterment of their communities.

After undergoing several modifications, supporters of the CSR movement recognized that the implementation of CSR initiatives could translate to positive or negative financial performance and that business leaders needed to employed CSR initiatives voluntarily (Agudo et al., 2015). Regardless of the strategical source or its impact on profit, working towards the betterment of society is the essence of the CSR theory (Frederick, 1986). Frederick perceived organizations as dominant citizens of their communities but also recognized that a gap between organizational goals and attending the needs of their stakeholders existed. Freeman and Dmytriyev (2017) mentioned that organizational leaders need to follow a simplistic standpoint, comply with simple social legislations, and strive to lead an organization capable of inducing social change. Although researchers such as Stojanović-Aleksić and Bošković (2017) comprehended that business leaders are obligated to serve their communities, this notion is often driven or limited by financial stability (see Cheng, Ioannou, & Serafeim, 2014). Husted and Salazar (2015) advocated the view that organizational leaders face the responsibility of enforcing an organizational culture that promotes socially-responsible practices.

Harrison et al. (2105) assessed the CSR theory and mentioned that Frederick (1978) not only covered business ethics but also targeted sustainability and the broad conglomeration of stakeholders. Enlighted by Frederick's work, Jones et al. (2018)

presented two initial inquiries: (a) Are CSR initiatives actions taken by organizations as part of their crisis-mitigating strategies? and (b) Does CSR refers to the voluntary actions derived from organizational leaders who seek to improve customer acceptance? The reason, Dyakiv (2019) mentioned that further evaluation of the definition of CSR was needed.

Re and Giachino (2018) supported the development of a standardized definition for CSR, one capable of addressing cost, profit, social goals, and the effects associated with working towards the betterment of society. Ranängen (2016) stated that valuable strategical theories tend to possess a standardized definition, which is then augmented by an applicable model. Frynas and Yamahaki (2016) explained that the evolutionary process of the CSR theory could potentially be attributed to (a) numerous social changes, (b) events, and (c) financial crises that impacted the economy on a global scale. Frynas and Yamahaki (2016) also commented that the CSR concept is a topic of constant debate among scholars and business practitioners who understand that CSR strategies are unequivocally associated with additional expenditures; however, Kim and Woo (2019) advocated the view that the CSR field will continue to be accepted by the business community and will reach an evolutionary stage were CSR strategies will be required during the development of today's complex business models.

The CSR Theory as a Planning Tool

The concept of the CSR theory shifted the archaic value-maximization model and introduced a notion that focused on the development of stakeholders such as individuals and communities (Yu & Choi, 2016). Pérez and Rodriguéz del Bosque (2016) understood

that practitioners of the CSR theory not only presented a different approach on how to conduct businesses but also streamlined the gap among stakeholders. Witkowskka (2016) argued that business leaders tend to portray shareholders as the sole stakeholders to be satisfied, obviating that revenue emerges from selling products or rendering services to a group of individuals that ultimately form a community. Strugatch (2016) argued that when building business models or setting objectives and projections, business leaders need to evaluate strategies capable of inducing social change or at least provide benefits to their employees. Although business practitioners accepted the CSR theory, several scholars and practitioners, such as Kim and Woo (2019), maintained that CSR strategies are implemented as a reactive mechanism to alleviate social pressure, which then translates to spontaneous and costly reactive measures.

Given today's high levels of (a) cost management activities, (b) business intelligence evaluations, and (c) advanced analytical tools, business leaders can weigh the financial burden of engaging in CSR activities against the social cost of not doing so (Rey-Martí et al., 2016). Although the CSR concept dates to the 1930s, its practice is viewed as a modern approach, an approach that business leaders can take to obtain a role in society (Broner & Ventura, 2016). It is evident that organizational culture and managerial expertise plays a vital role in the implementation of CSR strategies (Ayob, 2017); however, Cantrell, Kyriazis, and Noble (2015) maintained that executives and business owners are required to lead adaptive organizations, adept enough to tackle the needs of their communities.

Fontana (2018) sustained that practitioners of the CSR theory tend to understand that to maintain a good relationship with stakeholders, business leaders must create an organizational culture were stakeholders become familiar with the organization's mission and values. Though Frederick (1978) understood that an organization's financial situation limits its CSR engagement levels, Frederick (1986) maintained that the need for CSR strategies to be incorporated as an operational reality was needed. Organizational leaders experience or execute CSR in numerous ways (see Johnson, Ashoori, & Lee, 2018). Cheng et al. (2014) established that executives and business leaders strive to attain different degrees of CSR involvement; however, Frederick (1978) argued that business leaders should avoid the hasty reaction to society's wishes at any cost. Frynas and Yamahaki (2016) mentioned that organizational leaders are required to set emplace CSR scanning mechanisms capable of detecting social adversities at an early stage. Fanti and Buccella (2017) and Kang, Germann, and Grewal (2016) mentioned that Frederick offered a model that could be considered a static strategical tool and was not designed to evaluate social changes after the implementation of suitable CSR strategies.

While understanding that Frederick set the conditions for today's CSR engagements, Babiak and Kihl (2018) emphasized that Frederick's failed to provide an operationally-oriented model capable of measuring and delivering quantifiable CSR information to leaders at all levels. Bridoux and Stoelhorst (2016) concluded that Frederick introduced the CSR theory as a moral principle that would justify the attempts and efforts made by business leaders that decided to invest in social betterment; the reason, in this quantitative correlational study a clear and concise strategical model that

offer the necessary tools to allow organizational leaders to measure CSR levels at any given time was provided. The importance of treating CSR reporting as a planning mechanism needs to be a topic of constant debate among business leaders.

CSR: Historical Overview

Corner (2015) recommended that researchers provide a historical overview of the theories or concepts under study. Corner mentioned that producing a historical overview allows readers to create a chronological timeframe of the evolution of a theory or a concept. Understanding that scholars and researchers admit that the notions surrounding the CSR theory still face some substantial developmental issues (see Leister & Maclachlan, 2015), providing a historical overview of the evolutionary process of the CSR theory holds significant meaning. By offering a historical overview, readers can understand how business practitioners embraced the CSR theory and how some business experts employed CSR strategies as a crisis mitigation tool (see Cohen, Holder, & Khalil, 2017). In their research Brown and William (2013) attempted to determine the etymology of the CSR theory; however, Husted and Salazar (2015) understood that the CSR theory was introduced as a hybrid terminology by combining already existent notions such as (a) social betterment, (b) social commitment, (c) social reaction, and (d) social responsibility. While conducting their research, Samsonova and Siddiqui (2016) concluded that attempting to pinpoint the origins of the CSR can become a challenging task; however, Michelon et al. (2015) comprehended that a noteworthy challenge resides in the vast amount of professional literature where researchers attempted to define the relationship

between organizations and their societies without addressing the topic of social responsibility and its origins.

Frederick (1978), who is referred to as the researcher who formally coined the CSR concept, maintained that the notion of CSR goes back to the business-society relationship established in the final stages of the 19th century. Frederick mentioned that the 19th century was an epoch where prominent business leaders introduced organizations capable of financially changing the course of a country. To clarify the historical evolution and progress of the CSR concept, Frederick (1978, 1986) offered three transitional and evolutionary stages. In CSR-1, Frederick (1978) covered the most substantial evolutionary period, a period that can be traced to the beginning of the 20th century to the early 1970s. Frederick used the terminology CSR-2 to introduce the ethical concept of business responsibilities. Frederick (1986) understood that the CSR-2 era ranged from the early 1970s to the mid-1980s. Frederick later introduced the CSR-3 era and discussed that this period focused on the practical implementation of CSR strategies, and it was a period were practitioners of the CSR theory addressed the relationship between CSR and financial performance. Frederick understood that the CSR-3 period was the CSR theory's last evolutionary stage and that the same extent from the mid-1980s to the present. Frynas and Yamahaki (2016) reinforced Frederick's CSR evolutionary approach by stating that before the 1950s, the term corporate social responsibility was an unknown approach to business practitioners and that the idea that businesses should strive to enhance their societies was not existent. Retolaza, Aguado, and Alcaniz (2019) mentioned that although the CSR concept was briefly discussed

among business leaders and academics, a limited number of researchers addressed the relationship between organizations and their social environments.

Retolaza et al. (2019) mentioned that the strong religious influence of the 19th century guided business leaders to initiate the majority of the organizational actions towards the betterment of their communities. Ranängen (2016) argued that the 19th century introduced the concept of separation of church and state, a concept that established the division between the church and the state's affair. Bridoux and Stoelhorst (2016) maintained the position that, after the separation of church and state, organizations were not morally compelled to invest in the betterment of their societies; however, business leaders began to invest in socially oriented programs voluntarily. Frederick (1986) recognized that the voluntary actions initiated by business leaders of the early 20th century served as the baseline for today's CSR concept.

Researchers such as Cantrell et al. (2015) and Frynas and Yamahaki (2016) provided a humanistic view to the early introduction of the CSR concept, and understood that societies of the 20th century perceived business leaders as direct representatives of society; the reason, profitable organizations, were expected to allocate a percentage of their earnings toward the progress of their communities. Abernathy et al. (2017) argued that as trustees of their communities, business leaders are expected to participate in projects tailored to the adversities experienced by their societies. Murdiono (2018) concluded that the 20th century experienced a significant change in human rights. According to Murdiono, employee conditions and welfare became a topic of interest among scholars and human rights activists of the 20th century. Stojanović-Aleksić and

Bošković (2017) pointed out that although driven by newly introduced governmental regulations, the enhancement of working conditions could be perceived as the first socially responsible act conducted by business leaders of the era.

The philanthropic notion of business leaders working towards the betterment of their societies continued to be endorsed by a significant amount of business professionals and academics of the era (see Heald, 1970). Heald concluded that during the 20th century, and preceding Freeman's (1984) introduction of the stakeholder theory, business leaders commenced suspecting some levels of relationship between social responsibility, and corporate financial performance, but was yet to be defined by researchers of the scholarly community. Frederick (1978) pointed out that the initial suspicion of a positive relationship between CSR and financial performance ignited a sense of curiosity among researchers of the early 1920s. Cohen et al. (2017) argued that although a great sense of corporate social responsibility emerged during the 1920-1930 period, business leaders maintained that socially responsible actions outside of their operations translated to unnecessary expenditures.

Frederick (1978) mentioned that the misconception of CSR strategies being associated with unnecessary expenditures translated to the next decade. Frederick (1978) explained that before the 1930s, scholars, and business leaders comprehended that a degree of social responsibility existed among business practitioners and that the concept of socially responsible businesses shaped CSR's first evolutionary stage. In his articles, Frederick (1978, 1986) mentioned that three central notions emerged from the first three decades of the 20th century:

- Business leaders began to understand that businesses were part of society and that the success of both was intertwined.
- Religious movements played a significant role in the ethical concept of striving to enhance society by directly injecting capital.
- Business leaders needed to evaluate the needs of all stakeholder, not merely the investors.

Taking a distinctive yet similar stand, Michelon et al. (2015) understood that supporters of the CSR notion extracted the CSR term from approaches such as (a) sustainability, (b) ethics, and (c) social values, hence CSR's typical misguided relationship with ethics. The concept of CSR continued to experience significant evolutionary improvements and began to gain academic acceptance (see Abernathy et al., 2017). Fast-forwarding to today's state of CSR acceptance, European and United States' business schools such as Geneva Business School and Walden University offers graduate programs in corporate social responsibility, strengthening the notion that a clear relationship between businesses and societies exist. It is now the time to learn from CSR's ample history and finally realize that business obligations extend beyond the stockholders.

CSR-1: 1930s to the 1970s

Witkowskka (2016) pointed out that the formal introduction of the broad concept of social responsibility remains under constant debate. Scholars such as Babiak and Kihl (2018) argued that the notion of business responsibility emerged in the early stages of the 20th century with the rise of a significant amount as of socially-oriented business leaders.

Michaelson (2017) understood that the conglomeration of historical events such as (a) World War I, (b) the rise of notorious dictatorships, (c) human rights movements, and (d) the United States' depression, marked the inauguration of the CSR concept. CSR supporters such as Bowen (1953) and Fontana (2018) concurred that through history, business leaders had maintained an ambiguous understanding of business responsibility, but the concept of business social responsibility can be traced to 1937.

To clarify the concept of business responsibility, Heald (1970) referenced an article dated back to 1930. In this article, accounting scholars of the epoch addressed the topic of social responsibility and the economic effects of its practice. By referencing this article, Heald described the ethical responsibilities of the accounting practice of the era, and how scholars of the epoch emphasized on the social impacts of avoiding socially responsible actions. To further allow readers to understand the complexity of CSR's evolutionary process, Frynas and Yamahaki (2016) cited an article published in the 1940s. Frynas and Yamahaki referenced this article to explain how the population of the 1940s viewed the concept of CSR. This article was published in a business magazine of the era, and it is constantly cited as the first scholarly attempt to confirm or deny a relationship between business responsibility and customer acceptance (see Bowen, 1953). Frynas and Yamahaki pointed out that the results showed in this article demonstrated that costumers of the epoch were willing to consume more from organizations that made an effort to improve their communities.

Though Brown and William (2013) tried to determine the roots of the CSR theory by referencing topics such as organizational ethics and social responsibility, without a

doubt, Frederick's (1978, 1986) work has been identified as the theoretical framework of the CSR field. Frederick (1978) argued that the history of CSR could be segmented into three notable evolutionary stages. In his work, Frederick (1978) determined that researchers belonging to the CSR-1 evolutionary stage started to develop the notion that business leaders needed to consider the needs of their societies and that there was a need for business professionals to develop business models that included strategical approaches tailored to the needs of their communities. Frederick (1978) mentioned that the movement lost credibility due to the lack of theoretical and practical information. Business leaders assumed that the Christian credence of sharing wealth was enough to please the masses and that it was the only approach needed to become a socially-responsible leader (see Kang & Liu, 2015). Business leaders of that period also understood that focusing on social obligations could deviate from the value maximation model, notion later refined by Freeman's (1984) stakeholder theory, and that deviating from an operational focus can exhibit a culture of unnecessary expenditures.

Frederick (1978) observed that the CSR-1 period was filled with immense economic turmoil, not only because of the economic effects brought by the great depression of 1930 but also because of the involvement of the United States in World War II. Other scholars such as Abernathy et al. (2017) and Frynas and Yamahaki (2016) comprehended that CSR's evolutionary process stopped as a reaction to the great depression of 1930; however, Frederick (1978) realized that the numerous social movements introduced by the post-World War II period offered a new way of associating businesses and societies.

Frynas and Yamahaki (2016) explained that the first attempt to theorize CSR emerged from a new group of researchers schooled during and after World War II. This group of researchers posted arguments to emphasize that business leaders are obligated to serve their societies (see Heald, 1970). The new wave of business leaders and scholars promoted the need for enhanced business management schooling and the establishment of employee-oriented human resource departments (see Brown & Zmora, 2015). Brown and Zmora indicated that scholars of the CSR-1 era began to discuss the benefits of becoming socially accepted organizational leaders. Frederick (1986) pointed out that business leaders of the postwar era understood the concept of social responsibility; however, a significant percentage of business leaders needed to understand factors such as:

- Businesses and their impact on the well-being of the citizens comprising their communities.
- The importance of not exploiting natural and human resources.
- The rise of a more educated and conscious society.
- The introduction of women to the workforce.
- The relationship between being a socially-responsible organization and customer perception.

Frederick (1978) established that the social effects associated with the post-war led to the introduction of innovative business standards. Business leaders commenced to engage in social contributions and strived to become more socially aware business leaders (see Pérez & Rodriguéz del Bosque, 2016). Although Harjoto (2017) mentioned

that the amount of professional research associated with the CSR-1 era did not generate the desired outcome, Harjoto pointed out that researchers of the CSR-1's evolutionary stage focused on gaining recognition and the development of a standardized definition for CSR. According to Frynas and Yamahaki (2016), the numerous definitions contained code words that focused on steering researchers towards the formalization of a futuristic and innovative socially-oriented field. Researchers and practitioners of the CSR-1 period tended to define CSR as:

- Socially-oriented organizational actions that range outside of the scope of standard business transactions.
- An organization's moral obligation towards society.
- The ethical and moral obligation of attending environmental issues, enhance the workforce, and meet social needs.
- The ability to allocate funds towards social and individual betterment.

To assist scholars in reaching a standardized definition of CSR, scholars such as Cullinan et al. (2016), and Murdiono (2018) continued to provide numerous opinions. Hsu and Cheng (2016) argued that a single terminology could not define CSR because engaging in CSR actions demanded the presence of organizational leaders capable of assessing the needs of their communities and the environmental effects of their operations.

Kang et al. (2016) understood that the level of CSR employed by organizational leaders should match their organization's economic power and constraints. Lastly, Mir and Shah (2018) argued that when seeking to engage in practical CSR activities, CSR

professionals need to align with current and future financial goals. Despite all efforts, a consensus was not met, and the CSR terminology continued to be criticized and neglected by scholarly researchers and business practitioners (see Agudo et al., 2015). Frederick (1978) offered arguments to emphasize that researchers and business professionals of the CSR-1 period failed to (a) recognize the complexity of the business models of the epoch (b) that there was not a precise alignment between organizational goals and CSR goals, and (c) that CSR was still perceived as a moral stand. Frynas and Yamahaki (2016), on the other hand, commented that during the CSR-1 period, a limited amount of business professionals and scholarly researchers tried to confirm or deny the relationship between CSR and financial performance, a topic that could change the course of the CSR field. In his second article, Frederick (1986) addressed the crucial points not discussed by scholars of the CSR-1 era and provided enough evidence to support the view that scholars of the CSR-2 and CSR-3 introduced CSR as a strategical managerial tool.

CSR-2: Early 1970s to Mid-1980s

Frederick (1978) coined CSR's second evolutionary stage as CSR-2. Abernathy et al. (2017) maintained that scholars of the CSR-1 era focused on the development of the necessary tools to facilitate formal research and the expansion of concepts that could fill literature gaps. Freeman and Dmytriyev (2017) affirmed that researchers of the CSR-1 era tried to convince business leaders that engaging in CSR activities was the ethical and moral thing to do; however, the new wave of researchers and business professionals attempted to locate the necessary elements to engage in rewarding CSR activities. Michaelson (2017) noted that it was the first-time researchers of the not-yet introduced

field of CSR made a clear connection with (a) business operations, (b) social goals, and (c) financial performance.

The need for a clear and concise definition of CSR was evident. Business leaders understood that there was a need for organizations to become socially responsible; however, no practical managerial tools had been addressed or introduced (see Samsonova & Siddiqui, 2016). Business leaders of the CSR-2 era struggled to find the answer to several fundamental questions:

- How can organizations develop suitable CSR strategies?
- What amount of resources should be allocated to the development and preservation of CSR programs?
- Is there a positive or negative relationship between CSR strategies and financial performance?

Frederick (1986) mentioned that the CSR-2 period was viewed as CSR's most notable revolutionary phase. Frederick pointed out that researcher of the CSR-2 era evaluated concepts such as (a) financial performance, (b) social involvement, and (c) the newly introduced stakeholder theory. Kang and Liu (2015) advocated the view that researchers of this era began to recognize the numerous stakeholders, without obviating its primary goal, serving their communities through CSR programs and activities.

Porter and Kramer (2007) concluded that the moment business professionals saw an attempt to measure CSR against financial performance was the moment business leaders accepted the CSR theory as a strategical tool. Frederick (1986) clarified that researchers of the CSR-2 era rejected the notion that CSR was a trade-off between

organizational leaders, and societies, and that there was a clear relationship between CSR and financial performance. Frederick also mentioned that within the CSR-2 period, an era of partnerships among business professionals of the same industries was introduced. This macro approach emerged from the collaboration of leaders of multinational organizations who experienced ethical dilemmas on foreign soil and did not possess the ability or the financial capacity to resolve the ethical turmoil (see Ayob, 2017).

According to Frynas and Yamahaki (2016), although researchers of the CSR-1 era were perceived as CSR's introductory living organisms, business professionals and scholars of the CSR-2 epoch embraced the revenue-driven mentality and decided to introduce an executing mechanism. As mentioned by Ranängen (2016), researchers of the CSR-2 epoch further developed an analytical approach to CSR. Harrison et al. (2015) argued that this development allowed researchers to demonstrate that a clear relationship between the CSR and the stakeholder theories existed (see Harrison et al., 2015). The proposed relationship between the CSR and the stakeholder theory served as the fueling apparatus to increase the momentum and the interest of scholars who once showed fascination in examining CSR strategies and its relationship with financial performance (see Freeman & Dmytriyev, 2017). As explained by Yu and Choi (2016), scholars and professionals of the CSR-1 and CSR-2 era, introduced numerous revolutionary movements, but still experienced abundant shortcomings.

Hategan et al. (2016) argued that researchers of the CSR-2 period failed to (a) segregate CSR's ethical approaches (b) failed to provide a model capable of measuring CSR (c) did not address the importance of adequately reporting CSR activities to

stakeholders, and (d) failed to clarify the vague concept of social betterment. Lastly, Freeman and Dmytriyev (2017) commented that business professionals and scholars of the CSR-2 era failed to anticipate and mitigate the 1960's and late 1970's insertion of public awareness movements against businesses that profited from the exploitation of natural resources and human labor. Freeman and Dmytriyev emphasized that because practitioners of the upcoming CSR field did not develop strategies capable of combating the emerging social movements, lawmakers of the era were forced to increase the minimum wage and introduced multiple costly governmental directives that opened the doors of unionized employment movements. Brown and William (2013) argued that legislation was ultimately passed to calm the demands of a population that understood that organizations needed to be recognized as legitimate social citizens.

CSR-3: 1980 to the Present

Frederick (1978) understood that researchers of the CSR field became stagnant after its second evolutionary stage. Frederick (1986) mentioned that during the CSR-3 period, scholars defined the concept of CSR as the economic, legal, and ethical actions taken by organizations in pursuit of social betterment, without compromising the organization's current financial state. The newly adopted definition covered the gaps initially neglected by researchers of the CSR-1 era, and subsequentially semi-covered by scholars of the CSR-2 epoch. Kang et al. (2016) pointed out that the definition presented by intellectuals of the CSR-3 period addressed the ethical, financial, and operational factors needed to gain credibility among business scholars and professionals. Yu and Choi (2016) argued that scholars of the CSR-3 era introduced a strategical operational

model designed to include and safeguard stakeholders such as (a) employees, (b) customers, (c) suppliers, (d) local communities, (e) government, and (f) even international organizations.

Recognizing that during the CSR-1 era business leaders were not capable of understanding the concept of CSR; that through the CSR-2 period, scholars offered a vague understanding of CSR's core existence, academics of the CSR-3 era presented a revolutionary approach that postulated a clear understanding of the CSR concept from a strategical standpoint (see Frederick, 1986). Gürlek et al. (2017) mentioned that Researchers of the CSR-3 period addressed the need for an ethical framework, one capable of aligning societies' needs with business models. Kang and Liu (2015) understood that researchers of the CSR-3 era focused on the development of ethical decision-making business leaders that will one day become capable of formulating socially-oriented strategies. Hsu and Cheng (2016) pointed out that the professional and academic literature presented by contemporary scholars offered a reactive solution to business leaders who tended to work towards the identification and the development of responsive measures that could alleviate any ethical or environmental dilemma.

Smith and Colvin (2018) noted that business leaders and scholars tend to regularly address the benefits of openly reporting current CSR and future CSR strategies to stakeholders. Leister and Maclachlan (2015) argued that business leaders of the CSR-3 period established a pivotal point in CSR history, multinational executives and business leaders demanded the issuing of sustainability reports and decided to include their CSR actions in their letters to shareholders. Shareholders commenced to request

supplementary CSR approaches, and organizational leaders understood that accomplishing or fulfilling those demands had a significant effect on market share value and future investments (see Harjoto, 2017). Yang and Yao (2017) mentioned that a more significant and influential group of shareholders challenged current CSR reporting strategies and required the use of external CSR auditing firms. As a result, prominent CSR auditing firms and independent reports such as (a) MSC KLD 400, (b) MSCI KLD, (c) Fortune Magazine Reputation Index, (d) Dow Jones Sustainability Index, (e) the Reputation Institute and (f) the Vigeo Index were introduced (see Kang & Liu, 2015).

Frederick (1986) stated that scholars and business professionals of the CSR-3 epoch obtained the necessary tools to establish the needed connection between CSR and business strategies. Husted and Salazar (2015) explained that researchers of the CSR-3 era focused on assessing the way businesses incorporated socially responsible strategies in their operations and their intentions of bettering their communities. Freeman and Dmytriyev (2017) commented that professionals and academics of the CSR-3 era induced a shift in focus to somewhat align with Freeman's stakeholder theory. Business professionals and scholars of the CSR-3 period continued their efforts and attempted to determine the relationship between CSR tendencies and financial performance (see Stojanović-Aleksić & Bošković, 2017).

Pérez and Rodriguéz del Bosque (2016) argued that vast theoretical evidence existed to determine that the CSR and the stakeholder theories were closely related. In his stakeholder theory, Freeman (1984) advocated the need for organizational leaders capable of identifying the necessities of their stakeholders and address their needs. On the

other side of the spectrum, Frederick (1978, 1986) maintained the notion that business professionals need to preserve a social focus while attending the needs of key stakeholders.

Historic Overview of the Stakeholder Theory

Pérez and Rodriguéz del Bosque (2016) presented arguments to emphasize that by introducing the stakeholder theory, Freeman's (a) shaped the business world, (b) transformed the scholarly discussion of the stakeholder approach, and (c) established the foundation of today's business practice. Freeman (1984) suggested that the stakeholder terminology was first introduced during the 1960s; however, the stakeholder theory as a strategical approach emerged during the mid-1980s. Freeman (2010) indicated that the archaic stakeholder approach limited the adaptation of organizational leaders, an action that prevented business leaders from reacting to the changes brought by the accelerated technological revolution. Brulhart, Gherra, and Quelin (2019) concluded that researchers in support of the newly introduced stakeholder approach embraced concepts such as ethics and business social responsibility. Miles (2017) argued that the inspiration behind the stakeholder approach was to build a framework capable of answering the concerns of organizational leaders that became stagnant due to the unprecedented changes in their business environments. Bridoux and Stoelhorst (2016) established that business leaders that followed traditional strategical approaches were not capable of developing deliberate business models, nor could they understand the opportunities that emerged from the uninterrupted business environments and social transformations.

As indicated by Freeman (1984, 2010), stakeholder approaches introduced before the 1980s were inconsistent due to the number of disconnected theoretical frameworks presented by previous scholars, and the reactive nature that characterized them. Freeman (1984) identified the need for a new conceptual framework, one capable of addressing the challenges faced by business leaders of the period. Freeman introduced the refined stakeholder approach, and with it, the intention of expanding the concept of strategic management. Freeman introduced the term by defining stakeholders as any group or individuals that can be affected or can affect an organization's financial objective. Yang and Bentley (2017) suggested that Freeman tried to devise a strategic methodology that would allow business leaders to assess the needs of a myriad group of stakeholders and its relationship with organizational performance. Kim (2017) confirmed that although the technological revolution of the 1980s facilitated the introduction of the stakeholder approach as a strategical tool, the idea was not utterly innovative. However, Freeman (1984) was the first scholar to indicate that business leaders needed to comprehend the interests of not only shareholders but also (a) employees, (b) customers, (c) suppliers, (d) lenders, and (e) societies.

Jones et al. (2018) mentioned that by analyzing the needs of the (a) employees, (b) customers, (c) suppliers, (d) lenders, and (e) societies, business leaders would become capable of developing business objectives and strategies that would earn the support of key stakeholders. Weitzner and Deutsch (2019) pointed out that the stakeholder approach earned the respect of business professionals and scholars after Freeman included

strategical frameworks such as (a) corporate planning, (b) the system theory, (c) the organizational theory, and (d) corporate social responsibility.

Freeman's newly introduced list of stakeholders gave the power to internal and external groups that were not traditionally taken into account by business leaders (see Freeman & Dmytriyev, 2017). Harrison et al. (2015) explained that the comprehensive view presented by Freeman (1984, 2010) seamlessly segregated stakeholders and assigned levels of importance to each group. Babiak and Kihl (2018) suggested that business strategies introduced before Freeman's broad definition of stakeholders offered business leaders a limited sense of corporate social responsibility. Guibert and Roloff (2017) pointed out that organizational leaders who understand the influence that groups of interest and entities have on their organization's overall performance are more likely to engage in productive, sustainable CSR practices. Brulhart et al. (2019) presented arguments to emphasize the view that organizational leaders need to demonstrate high levels of stakeholder awareness and include strategical approaches tailored to their needs.

Freeman and his stakeholder theory are targeted by constant criticism (see Miles, 2017). Retolaza et al. (2019) maintained that Freeman's attempt to balance the feedback received after the introductions of his stakeholder theory had created a sense of ambiguity. Weitzner and Deutsch (2019) mentioned that dividing the stakeholders into internal and external groups created a sense of difficulty. Yang and Bentley (2017) argued that stakeholders should be segmented by financial impact, not by an ethical or moral lens. Jones et al. (2018) maintained that not balancing the diverse stakeholders'

interest, demonstrate a sense of ambiguity that can deviate organizational leaders from their original organizational mission and vision.

Weitzner and Deutsch (2019) maintained that Freeman covered the importance of balancing the stakeholder's interest but failed to deliver a comprehensive answer on how business leaders could accomplish so. Ranängen (2016) argued that failing to determine the legitimacy of groups of interest, restricted the usefulness of the stakeholder theory. Guibert and Roloff (2017) observed that while providing a framework to segregate stakeholders, Freeman did not provide the tools to balance the needs of stockholders and stakeholders. Authors such as Bridoux and Stoelhorst (2016) concluded that Freeman's stakeholder theory continues to be criticized for a simple reason, it does not cover the issues that emerge when organizational leaders deal with situations where conflict of interest among stakeholders exists.

Scholars such as Ranängen (2016) and Miles (2017) suggested that Freeman and supporters of the stakeholder theory needed to refocus the theory and converted it into a theory of shared responsibility among business leaders and stakeholders. Guibert and Roloff (2017) explained that Freeman's stakeholder approach does not cover the innate liability shared between stakeholders and business leaders, representing a critical limitation to the stakeholder theory. Brulhart et al. (2019) argued that scholars tend to address the responsibilities held by business leaders and stakeholders; however, minimal academic and professional literature can be found to addresses the opposite. Babiak and Kihl (2018) defended the notion that a sense of (a) reciprocity, (b) interdependence, and (c) accountability is essential to satisfy the relationship between businesses and

stakeholders. Babiak and Kihl defined (a) reciprocity as the shared responsibility between stakeholders and businesses, (b) interdependence as the collective consequences emerged from organizational and stakeholder actions, and (c) accountability as the ability to hold each other accountable for their actions.

Leister and Maclachlan (2015) believed that adding stakeholder's responsibility to Freeman's stakeholder theory delivers a distinguishable structure when discussing CSR from a managerial standpoint. Hsu and Cheng (2016) explained how the dual responsibility methodology could motivate business leaders and stakeholders to collaborate and support CSR initiatives. Following a similar rationale, Cohen et al. (2017) attempted to convince business leaders and stakeholders, that an increase in stakeholder contribution can translate to enhanced CSR performance. Rahman et al. (2017) indicated that CSR performance in relation to the stakeholder theory, equates to social betterment and that the obligation of improving our societies is a combined effort. Strugatch (2016) stated that business leaders and stakeholders are a fundamental part of a society; the reason, enough energy, and capital should be allocated to the betterment of their communities when financially permissible.

By introducing the stakeholder theory, Freeman exemplified the notion of stakeholder management (see Freeman and Dmytriyev, 2017). By embracing the stakeholder management approach, Freeman and Dmytriyev established that (a) organizational leaders need to enhance their ability to categorize and distinguishing stakeholders, (b) determine the organizational impact of each stakeholder and (c) create, nurture, maintain and cherish the professional relationship with stakeholders. Pérez and

Rodriguéz del Bosque (2016) explained that when Freeman introduced the stakeholder theory, he intended to demonstrate that organizational leaders needed to address the interest of stakeholders at the time of making crucial business decisions. The strategical approaches segregated the stakeholder theory from other managerial strategies, rendering a sense of uniqueness (see Agudo et al., 2015) while allowing business leaders to assign a direction to their CSR practices (Marples, 2017). Freeman's stakeholder theory is often associated with Frederick's CSR theory and approach (see Hetze, 2016).

The Stakeholder Theory and its Relationship with CSR

Freeman (2010) maintained that the traditional understanding of stakeholders did not offer the tools needed to address the rapidly changing business world. Freeman (2010) offered his gratitude and commented that scholars of his epoch expanded the definition of stakeholders, and introduced a larger group of interest that organizational leaders needed to attend to survive in today's volatile business environments. As an acceptance gesture, Freeman extended the definition of stakeholder and pointed out that stakeholders are individuals and entities that can be affected by any organizational actions (see Freeman, 2010). Freeman argued that individuals and organizations that can be affected by any organizational actions could be grouped among the following stakeholders (a) employees, (b) customers, (c) suppliers, (d) creditors, (e) communities, (f) governmental institutions, (g) political groups, and (h) competitors.

After additional scrutiny, and seeking to address the received initial scholarly criticism, Freeman (2010) introduced the term *key stakeholders* and mentioned that

organizations should focus on (a) customers, (b) employees, (c) investors, (d) suppliers, (e) communities, and (f) governments.

Freeman continued to improve his stakeholder approach and later recognized the second wave of stakeholder, the external stakeholders (see Freeman & Dmytriyev, 2017). Brown and William (2013) mentioned that after the introduction of external stakeholders, (a) consumer advocates, (b) preservationists, (c) groups of interests, and (d) nonprofit organizations became relevant to business leaders. Freeman (2010) mentioned that the external stakeholders provided a new approach, and with it, the need for organizational leaders capable of addressing their needs. Although external stakeholders represent a crucial and pivotal element for today's business models, scholars such as Hategan et al. (2016) maintained that organizational leaders should solely focus on critical stakeholders because external stakeholders do not pose a threat to an organization's survival.

Scholars such as Jones et al. (2018) argued that supporters of the stakeholder theory tend to focus on value maximization, obviating any external factors or external stakeholders. Jones et al. also mentioned that the reality is that business leaders exist to provide shareholders with their expected return on investment. Harrison et al. (2015) argued that Freeman offered a framework that could be employed to analyze internal and external factors capable of inducing organizational change. Husted and Salazar (2015) mentioned that researchers and business professionals tend to post arguments to establish a clear connection between financial performance and proper stakeholder management. However, Rahman et al. (2017) asserted that business leaders must possess the aptitude to segregate key stakeholders, assess their needs, and maintain an ethical relationship.

Understanding that supporters of the stakeholder theory understood that Freeman's framework was an essential element of today's business environments, CSR scholars such as Steinmeier (2016) and Guibert and Roloff (2017) emphasized the need for attending not only the community but also the rest of stakeholders. Frynas and Yamahaki (2016) explained that the alignment of both theories reinforces the need for practical CSR strategies. Hetze (2016) argued that users of these strategies need to become capable of addressing not only stakeholders, such as employees but also their communities. Frynas and Yamahaki understood that satisfying a community while attending the social demands requested by investors, and governmental agencies can become a harsh task. Jones et al. (2018) mentioned that business leaders who combine the stakeholder and the CSR theories become capable of evaluating key stakeholders and developing CSR strategies tailored to their necessities. Michelon et al. (2015) maintained that organizational leaders tend to face difficulties at the time of quantifying CSR implementation, or at the time of developing operationally compatible CSR strategies. Frynas and Yamahaki argued that by utilizing Freeman's stakeholder theory as a framework, business leaders could become capable of (a) assessing CSR performance, (b) gain stakeholder acceptance, and (c) increase the stakeholder's willingness to maintain the proposed CSR initiatives.

Agudo et al. (2015) mentioned that contemporary theorists tend to relate to Frederick's work with Freeman's stakeholder theory. Freeman (2010) argued that business leaders could become capable of determining and addressing their stakeholders' necessities, but struggle to segment their communities and discuss their current

necessities. Freeman conveyed that communities play a vital role in an organization's lifespan and should not be precluded. Harrison et al. (2015) maintained that researchers could find that the stakeholder theory is an integral aspect of the CSR theory. Jones et al. (2018) emphasized that supporters of the stakeholder theory tend to establish the need for developing business models that encompass the betterment of their communities, and the strong relationship between business leaders and stakeholders.

Researchers such as Zhang and Zhang (2016) endorsed a more modern approach and advocated the view that CSR performance is associated with organizational leaders' ability to identify groups of interest, as well as their proficiency at the time of developing appropriate CSR programs. Smith and Colvin (2016) mentioned that additional literature recognizing the need for engaging in CSR activities is needed to increase CSR awareness among business leaders. Although trying to pinpoint the etymology of the word CSR can be a difficult task, Frynas and Yamahaki (2016) stated that aligning Freeman's stakeholder theory with Frederick's CSR approach facilitated the research process.

When analyzing 116 peer-reviewed articles and books, attempting to assign a chronological line to CSR became a tedious assignment. Mir and Shah (2018) indicated that Frederick's CSR theory and Freeman's stakeholder approach intertwine and can one day become a single methodology; however, this ideology cannot become a reality until scholars develop a CSR-quantifiable model. Recognizing the absence of a standardized CSR-quantifiable tool, Strugatch (2016) argued that at the time of developing suitable CSR programs, business leaders need to analyze their communities or seek professional assistance.

The Development of a Sustainable CSR Program

Adelstein and Clegg (2016) presented arguments to emphasize that CSR actions are the organizational effort employed by business leaders capable of inducing social change. Kang et al. (2016) argued that business professionals that tend to embrace CSR are recognized as individuals seeking social betterment. However, Mir and Shah (2018) maintained that the normative that CSR initiatives can positively benefit the financial performance of a company is a topic of constant debate among scholars and business professionals. Understanding that the employment of CSR is driven by significant economic developments such as globalization and sustainability, Kang et al. presented arguments to emphasize that organizational leaders must evaluate CSR at the time of developing or refining today's complex business models. Cheng et al. (2014) pointed out that CSR initiatives are an underestimated planning tool, and that it requires the same attention organizational leaders give to crucial strategical elements such as (a) price, (b) quality, and (c) demand. It is evident that transforming CSR from a reactive tool to a planning mechanism is essential to develop the CSR field even further (see Zhang & Zhang, 2016). Brown and William (2013) presented arguments to advocate the view that scholars and CRS-practitioners need to present empiric data capable of demonstrating that CSR strategies can transcend and become more than an instrument applied to cushion scandals involving (a) labor abuse, (b) international labor rights, and (c) environmental exploitation.

Harrast and Swaney (2017) recommend a certain degree of CSR experience at the time of elaborating or adding CSR strategies to a business model. Cho and Lee (2017)

attempted to educate business leaders on the development of CSR strategies by presenting a statistical model that showed how CSR programs could negatively impact the financial performance of an organization. Harjoto (2017) recommended the use of CSR consultants or the implementation of a well-elaborated plan of action that includes an assessment of the financial impacts of the program. Rashid (2018) held the position that CSR consultants can provide an outside perspective of the problems experienced by the communities under scrutiny, allowing business leaders to determine a suitable organizational approach. Hsu and Cheng (2016) pointed out that business leaders attempting to develop valuable CSR programs need to assess the available CSR literature, and seek for pertinent external validation.

Smith and Colvin (2016) proposed that today's business practices call for not only environmentally sustainable approaches but also a business environment free of unethical behaviors. West (2015) illustrated that unethical behavior influences share value and damages the company's invaluable reputation. Zyphur and Pierides (2017) presented arguments to emphasize that organizational leaders belonging to the same industry tend to experience similar unfavorable circumstances. Harrison et al. (2015) understood that after analyzing the common ethical trends, and by embracing CSR strategies as a preventive mechanism, business leaders could mitigate the negative impact associated with the previously assessed crisis. Smith and Colvin (2016) recognized that additional occurrences could pose a different set of difficulties, for which CSR preventing tools can serve as the cushion business leaders need at the time of tackling a crisis.

Zyphur and Pierides (2017) mentioned that additional quantitative research is needed to validate the economic effects of inducing social change. Kim (2017) maintained that although qualitative studies are indispensable to cover the ethical and moral aspects of the CSR field, the value-maximation business population requires a quantitative statistical model to determine the acclaimed return on investment. Park and Park (2016) explained that conducting CSR-based qualitative studies can become a difficult task. Agudo et al. (2015) provided an example of utilizing the phenomenological design to research CSR performance. Agudo et al. explained that at the time of answering a questionnaire, business leaders could be influenced by what other business leaders in our societies expect to hear. Brown and Zmora (2015) argued that a greater volume of academic literature would one day allow the CSR field to transcend and become a widely-renown and respected strategical instrument among business leaders. The managerial implementation of CSR will become a requirement among business practitioners at all organizational levels.

Transition

In Section 1, I provided an extensive discussion of the theoretical and practical assumptions surrounding this professional research study. Vital elements such as (a) the background of the problem, (b) the problem statement, (c) the general business problem, (d) the specific business problem, (e) the purpose statement, (f) the nature of the study, (g) the theoretical framework, (h) the significance of the study, and (i) the review of the professional and academic literature were adequately covered. To increase the validity of this study, I included a historical overview of the stakeholder and CSR theories and

decided to explain how the theories intertwined. In Section 2, I cover (a) the roles as the researcher, (b) the research methodology, (c) the chosen research designed, (d) the population, (e) the sample, (f) the data collection instrument, (g) the data collection technique, (h) the data analysis process, and (i) the validity of this study. In Section 3, I offer (a) a detailed explanation of the findings, (b) how these findings apply to the professional business practice, (c) how the findings can ignite social change, (d) recommendations for action, and (e) what future approaches researchers can take to conduct related studies.

Section 2: The Project

In Section 2, I focus on the validity and quality of this study. I decided to elaborate on the validity and reliability of the research process by showcasing my roles as a researcher and by providing a detailed explanation of the adopted research methodology and design. A brief description of other commonly used research methodologies and designs is provided to justify the selected research methodology and design. The characteristics of the sample and my explanation of how research bias can be reduced during the data gathering processes augmented the soundness of this academic research. I describe the statistical test and software used to analyze the sample, how the research question and the hypotheses were derived from the main research question, and the internal and the external validity of the study.

Purpose Statement

The purpose of this quantitative correlational study was to examine the relationship between CSR reporting, CSRi, and financial performance. The independent variables were CSR reporting, obtained by coding the sample's annual reports, and CSRi, as provided by the Reputation Institute. The dependent variables were NI and ROA. The targeted population was comprised of executives and business owners of small- and medium-sized software and hardware manufacturing organizations in the metropolitan area of Austin, Texas. This population was suitable for this study because 99% of software and hardware organizations in the United States are led by small- and medium-sized organizational leaders that do not understand the relationship between CSR reporting and financial performance (Kim et al., 2016). The implications for notable

social change include the development of socially responsible strategies that take into consideration the ethical variables of dignity and respect, and the uncertainties faced by individuals in their communities.

Role of the Researcher

My roles predominantly involved the gathering of secondary data. The secondary data that represented the dependent variable NI and the information that facilitated the recalculation of the dependent variable ROA were gathered from the SEC and the sample's official webpages. Almalki (2016) argued that the collection of secondary information is essential to augment the credibility of a quantitative correlational study. It is necessary to mention that I had no personal relationship with (a) the main topic, (b) the leaders of the organizations comprising the sample, or (c) the research area of CSR. Any unethical implications associated with my roles as a researcher were nullified by the selection of secondary and easily accessible financial information.

For this study, no human subjects were utilized. Therefore, I was not required to abide by the three main characteristics of the Belmont report. Marples (2017) mentioned that the Belmont report (as introduced by Belmont in 1978) encompassed the ethical guidelines researchers are to follow when utilizing human subjects as part of a study. Marples also mentioned that the three core principles discussed in the Belmont report are (a) respect for persons, which states that humans are autonomous agents with the right of self-determination, (b) beneficence, which requires that researchers ensure the well-being of human subjects, and (c) justice, which refers to the equitable distribution of benefits and burdens that can potentially emerge during the research.

Participants

The sample that served as the baseline for this study did not contain any human participants. I presented a sample that was composed of 25 of the most prominent software and hardware organizations in the United States. The sample's financial information was gathered from the SEC and the sample's official websites. The data surrounding the dependent variables NI and ROA derived from the financial statements issued by the organizations comprising the sample. Ghosh and Wu (2012) indicated that organizational leaders portray financial information by utilizing financial statements and accounting ratios that are in accordance with the generally accepted accounting principles. Cho and Lee (2017) recommend the combination of critical elements of the generally accepted financial statements and accounting ratios. For this study, I selected NI and ROA to illustrate financial information. I corroborated the financial information gathered from 25 organizations with the financial data extracted from online portals such as (a) SEC.gov, (b) macrotrends.net, (c) NASDAQ.com, and (d) reuters.com. The independent variable CSR reporting was calculated by coding the sample's annual reports filed to the SEC by utilizing IMB SPSS Modeler Text Analytics. I replicated Kang and Liu's (2015) application of a Likert scale to quantify the independent variable CSR reporting.

Park and Park (2016) provided arguments to defend the posture that 10% of a large population is considered a substantial sample size; however, Gay et al. (2009) argued that if the population is $N = 100$ or less, researchers are encouraged to utilize the entirety of the population as the sample. The initial intention was to use the first column

to place the population in alphabetical order, use Microsoft Excel's RAND function on the second column to assign a random number from 0 to 1, and then drag the formula until each organization received a random number. To obtain a random sample after utilizing the RAND function, researchers tend to sort the numbers in descending or ascending order. Only 51 software and hardware organizations were part of the Fortune 500 between the years 2010-2015. The organizations were selected by their appearance in Fortune 500 between the years 2010-2015 and by their organizational life cycle. Among the 51 organizations, three were acquired by other organizations, 13 were not evaluated by the Research Institute between the years 2010-2015, and 10 were identified as critical outliers. The intended population/sample of 51 was reduced to 25.

Research Method and Design

Bernard and Bernard (2017) understood that researchers tend to perceive research methodologies as the standardized means of conducting scholarly and professional research. Park and park (2016) presented arguments to emphasize that within the academic and professional sphere, three research methodologies comprise most of the academic research. The standard research methodologies are (a) the quantitative, (b) the qualitative, and (c) the mixed-methodology. To satisfy the quantifiable vision and the revenue-driven interest of the chosen targeted population, it was necessary to use the quantitative methodology, enhanced by the correlational design. Perreault (2015) argued that the quantitative methodology is the practical research methodology to use when two or more independent variables are under scrutiny. The rationale for using the quantitative

methodology and the correlational design to confirm or deny the relationship between CSR reporting, CSRi, NI, and ROA is provided in the following sections to come.

Research Method

I used the quantitative methodology to examine the relationship between CSR reporting, CSRi, and the financial performance of 25 hardware and software organizations. West (2015) presented arguments to emphasize that the quantitative approach was introduced to evaluate quantifiable information. Corner (2015) understood that by evaluating measurable information, researchers could (a) reduce and mitigate research bias, (b) increase the integrity and reliability of a study, and (c) examine the relationship between computable variables. The quantitative methodology applied to this study because (a) the gathered data was comprised of quantifiable information, (b) because the data contained a significant amount of financial information, and (c) because the overarching purpose of this quantitative correlational study was to provide reliable statistical evidence on the unknown relationship between CSR reporting, CSRi, and financial performance.

The qualitative methodology did not support the general and specific purpose of this study. The general purpose of this study was to confirm or deny the relationship between CSR reporting, CSRi, and financial performance. The specific purpose of this study was to provide evidence to leaders of small- and medium-size software and hardware organizations who contemplate the implementation of CSR reporting initiatives. The qualitative approach does not support statistically measured findings (see Corner, 2015). Thome et al. (2016) mentioned that researchers who employ the

qualitative approach, base their results in observations and experiences. Bernard and Bernard (2017) argued that the qualitative methodology is used in the development of theories, making it inadequate for a study that was based on quantifiable information.

Although researchers who use the mixed-methodology capitalize on the main characteristics of the quantitative and qualitative approaches (see Creswell, 2018), researchers who attempt to employ the complex elements that surround the employment of the mixed-methodology are required to meet the criteria of the quantitative and qualitative approaches at the time of executing the chosen design. Almalki (2016) mentioned that researchers who decide to embark on the tedious journey of combining two research methodologies tend to spend a considerable amount of time and valuable resources. Almalki also argued that researchers tend to use the mixed-methodology when a study cannot be assessed by either the quantitative or the qualitative methodology, and a combination of designs is needed to substantiate the portrayal of the findings. Creswell mentioned that when conducting mixed-method studies, researchers tend to combine the phenomenology and correlational designs. For this study, measurable independent and dependent variables that are related to the general and specific business problems were used; the reason, a quantitative approach accompanied by a correlational design was enough to test the hypotheses without the assistance of any other research methodology or design.

Research Design

Park and Park (2016) argued that through research designs, researchers gain the ability to evaluate empirical data scientifically. Corner (2015) mentioned that the

quantitative methodology is composed of four main research designs: (a) descriptive, (b) correlational, (c) quasi-experimental, and (d) experimental. The research question and the hypotheses under study guided the selection of the most suitable design. Though the quantitative correlational design was chosen, a brief description of the remaining research models is provided, as well as the reason why they were not selected for this study.

Zyphur and Pierides (2017) discussed that researchers tend to use the descriptive design to illustrate the status of a variable without formulating a hypothesis. I identified two hypotheses, automatically disqualified the descriptive quantitative design. West (2015) mentioned that researchers who use the quasi-experimental design are required to work with control groups and are not allowed to manipulate the variables under study. For this study, I followed the recommendations of Ghosh and Wu (2012) and manipulated the independent and dependent variables by calculating the sample's statistical average for the years 2010-2015. The average of the six periods under scrutiny was calculated in Microsoft Excel and then transferred to SPSS version 26 to conduct the various statistical analysis. Table 1 shows the quantifiable information surrounding the independent variables CRS reporting, CSRi, and the dependent variables NI, and ROA.

This study could not be labeled as experimental because it lacked the utilization of a random sample. The sample's financial and CSR reporting information was gathered from the SEC, the sample's official web pages, and the Research Institute without utilizing a randomizing mechanism. After analyzing the research question and the formulated hypotheses, I decided to apply the quantitative correlational design. The correlational design explicitly correlated with the purpose of this study and met the needs

of the targeted audience. Perreault (2015) mentioned that the correlational design allows researchers to manipulate variables and facilitate the delivery of reliable statistical information.

Population and Sampling

Becker et al. (2016) argued that the population and its relationship with the study are essential elements of well-developed scholarly research. Bernard and Bernard (2017) concluded that the population and the chosen sample size need to reflect the variables under analysis. Park and Park (2016), on the contrary, believed that if a scientific method is used to select a sample size, studies should not be marginalized by the size of their sample. The population initially contained 51 of the most prominent hardware and software organizations listed in the United States. However, due to the acquisition of three organizations, the lack of CSRi information of 13 organizations, and the identification of 10 critical outliers, the sample was reduced to 25 organizations. Although the sample was composed of 49% of the original population, a power analysis was employed to determine the recommended sample size. Faul et al. (2009) mentioned that researchers tend to conduct a power analysis to determine the appropriate sample size in relation to the number of independent variables.

Population

The population for this study was composed of U.S. hardware and software organizations that were part of Fortune 500 between the years 2010-2015. Fortune 500 is an annual list comprised of 500 of the largest corporations in the United States. The Fortune 500 list includes publicly and privately held corporations in the United States. As

of 2019, organizations that are part of the Fortune 500 represent 66% of the United States' gross domestic product (see Koch et al., 2019). This population aligned with the overarching research question and will allow small- and medium-sized organizational leaders to relate to the financial stability of the organizations that encompassed the population.

The population for this study was composed of 51 of the most prominent hardware and software organizations listed in the United States. Fortune 500 ranks companies by total revenue and market share. To delimitate the population to only portray hardware and software organizations, industry filters such as (a)computer office equipment, (b) computer peripherals, (c) computer software, (d) information technology services, (e) electronic and office equipment, (f) network and other communication equipment, (g) semiconductors and (h) other electronic components were applied. After applying the industry filters, 51 software and hardware organizations were part of the Fortune 500 lists during the years 2010-2015.

Sampling

Park and Park (2016) mentioned that the most commonly used sampling techniques are probabilistic and non-probabilistic. Park and Park indicated that the probabilistic approach is used when a random sample is desired, whereas the non-probabilistic methodology is used when a non-random sample is used. Randomizing software such as Randomizer and STATA exist to randomize information. Even commonly used computer programs such as Microsoft Excel offer the randomizing

option RAND. Corner (2015) argued that when a sample is less than 100, the total use of a population as the sample increases the validity and reliability of the research.

The Fortune 500 list contains 500 organizations. The Fortune 500 official website encompasses a library of current and previously issued Fortune 500 lists. Thanks to the significant amount of organizations included in the list, Fortune.com permits that users filter the list by industries. To segregate the hardware and software organizations that appeared between the years 2010-2015, I employed filters such as (a)computer office equipment, (b) computer peripherals, (c) computer software, (d) information technology services, (e) electronic and office equipment, (f) network and other communication equipment, (g) semiconductors and (h) other electronic components. Between the years 2010-2015, 51 hardware and software organizations were part of the Fortune 500. Out of the 51 organizations, three organizations were acquired by larger organizations, 13 organizations were removed due to lack of CSRi information, and 10 organizations were identified as critical outliers in the boxplot (see Figure 3), resulting in a total sample of 25 hardware and software organizations listed in the United States.

Although the refined sample size was considerably large in comparison to the initial population, I conducted a power analysis to determine the appropriate sample size. Following Re and Giachino's (2018) statistical model, an *r2* values between .35 and .60 showed a significant relationship between CSR and financial performance. I used the G*Power version 3.1.9.4 software to calculate the appropriate sample size. By modifying the effect size of *f2* to 0.8181818 (which equates to an *r2* expected value of .35), a power

of .80, and two independent variables, the G*Power analysis recommended the use of a sample size of 16.

Figure 1. Power as a function of sample size.

Ethical Research

Wallace and Sheldon (2015) addressed multiple ethical concerns concerning human-based populations and samples. For this study, I did not request the participation of human subjects. Because no human-based subjects were used as part of the sample, it was not necessary to address any (a) withdrawing processes, (b) incentives provided to the participants, (c) applied ethical steps to protect the identity of the participants comprising the sample, or (d) the mentioning of any non-disclosure agreements. Tene and Polonetsky (2016) indicated that common ethical violations in quantitative studies involve inadequate data protection procedures. To further abide by Walden University's ethical guidelines, I decided to follow the recommendations of Zyphur and Pierides (2017) and saved the gathered data in an external hard drive. A Kingston Digital 8GB

encrypted flash drive was used to retain the sample's consolidated financial information. The flash drive is protected by a unique password, and the data will be deleted five years after the official approval of this study.

The data comprising the sample is readily accessible, and researchers trying to emulate this study will be able to retrieve it from the SEC's official web page, the sample's official sites, and by contacting the Research Institute. It is essential to indicate that the sample did not contain personal, sensitive, or confidential information; the reason, no consent forms were issued. To follow to Walden University's ethical guidelines, I submitted a formal request to the Institutional Review Board (IRB). The IRB approval number for this study was 11-20-19-0610729.

For this study, 25 of the most successful computer hardware and software organizations listed in the United States were used. The 25 organizations are public and belong to exchange commissions based in the United States. The sample's financial information can be easily accessed through the internet or printed reports. The reason, protecting the names of the organizations under study was not required. Organizations included in Fortunes 500 are widely recognized and are used in numerous case studies. However, the financial and CSR reporting information that served as the sample for this study was stored in a Microsoft Excel document inside of a password-protected encrypted flash drive to protect the raw data. Perreault (2015) recommended the employment of research logs and journals. I understood that given the technological advancements of our era, the use of research logs and journals was redundant and unpractical for this type of

study. The practical application of Microsoft Excel as the storing software alleviated the ethical considerations of disposing of research logs and journals.

Instrumentation

To quantify the data associated with the independent variable CSR reporting, I used IBM SPSS Modeler Text Analytics version 18.0 to code the sample's annual reports as issued to the SEC between the years 2010-2015. A five-point Likert scale was used to quantify the CSR reporting levels. I attempted to locate criteria such as (a) environmental (b) sustainability, (c) social responsibility, (d) employee development, (e) safe labor practices, and (f) charity. Following Kang and Liu's (2015) recommendations, a five-point Likert scale was used to assign a numeric value that ranged from 0 to 5. Turker (2008) and Dowling (2016) used a similar approach but created a seven-point scale to measure CSR performance by coding the sample's annual letter to stakeholders. Dincer and Dincer (2012), on the other hand, employed a five-point Likert scale to quantify the results that emerged from a 13-question survey that was issued to a sample size of 8 employees.

The sample's Global CSR RepTrak Scores were received from the Reputation Institute. Authors such as Mir and Shah (2018) used CSR indices reports provided by CSR auditing organization such as the KLD 400, and the Dow Jones Sustainability index report to quantify CSR. Latif and Sajjad (2018) pointed out that the KLD 400 and the Dow Jones Sustainability index report share sustainable dimension such as (a) economic, (b) environmental, and (c) social responsibility. After carefully evaluating the criteria and sub-criteria within the KLD 400 and the Dow Jones Sustainability index reports, I

concluded that the methodology used by the Reputation Institute to calculate their patented Global CSR RepTrak Score covered many of the stakeholder dimensions included in Frederick's (1978) CSR and Freeman's (1984) Stakeholder theories.

Hategan et al. (2016) encountered that the KLD 400 and the Dow Jones Sustainability index report evaluate dependent such as (a) corporate governance, (b) risk and crisis management, (c) codes of conduct/compliance/anti-corruption and bribery, (d) environmental reporting, (e) human capital development, (f) talent attraction and retention, (g) labor practice indicators, (h) corporate citizenship/philanthropy and (i) social reporting. Kang and Liu (2015) encountered that approximately 60% of the KLD 400 and the Dow Jones Sustainability index scores belonged to industry-specific dimensions. The Reputation Institute, on the other hand, evaluates seven general dimensions (Fombrun, 2007). The Reputation Institute evaluates dimensions such as (a) products and services, (b) innovation, (c) workplace, (d) governance, (e) citizenship, (f) leadership, and (g) financial performance. The dimensions constitute a score that ranges from 0-100. Johnson et al. (2018) mentioned that evaluating social and financial dimensions allow business leaders to assess their organization's current social engagements and their relationship with financial health. Kim and Woo (2019) argued that no organization should receive a perfect score. Kim and Woo argued that there is always room for social improvement.

Although the intention was to use the Global CSR RepTrak 100 reports that were issued between the years 2010-2015 to extract the sample's Global CSR RepTrak Score, only 11 of the organizations comprising the sample appeared between the years 2010-

2015. After realizing the data gap, I contacted the Reputation Institute directly, and they provided the rest of the available Global CSR RepTrak Scores. Kang and Liu (2015) argued that utilizing external CSR index reports enhance the validity of a CSR-related study and minimizes research bias. Hetze (2016) and Johnson et al. (2018) mentioned that for over 20 years, CSR rating organizations such as the Reputation Institute are employed to measure thousands of (a) private, (b) public, and (c) government organizations. CSR ratings continue to be enhanced by qualitative and quantitative academic research.

The information comprising the independent variable CSR reporting was gathered by coding the sample's annual reports issued to the SEC between the years 2010-2015 by utilizing IBM SPSS Modeler Text Analytics version 18.0. Ali et al. (2010), and Kim (2017) used a similar concept, which was then augmented by a Likert scale that measured criteria such as (a) environmental sustainability, (b) social responsibility, (c) employee development, (d) safe labor practices, and (e) charity. Kim utilized SPSS Modeler Text Analytics to code the sample's letter to stakeholders by creating a stream that ultimately resulted in a concept map. Kim utilized SPSS Modeler Text Analytics to verify the frequent use of the words (a) environmental sustainability, (b) social responsibility, (c) employee development, (d) safe labor practices, and (e) charity. In Kim's study, if the words or a categorized concept alluded to one of the predetermine terminologies appeared, a value of 1 was assigned next to the terminology. The organizations comprising the sample received a value equal to the appearance of the terms or categorized concepts. After the coding process, a five-point Likert scale was used to

obtain the sample's CSR reporting levels. Organizations received a score that varied from 0-5. Corner (2015) recommended the use of the Likert scale when evaluating non-previously quantifiable variables. The Likert scale considerably enhanced the validity of this study because the same has been widely used since by scholars since 1932 (see Wallace & Sheldon, 2015). I mimicked Ali et al. and Kim's coding process and decided to employ IBM SPSS Modeler Text Analytics version 18.0 to build a stream that resulted in a concept map to code the sample's annual reports issued to the SEC between the years 2010-2015. The chosen five-point Likert scale allowed me to evaluate the concepts of (a) environmental sustainability, (b) social responsibility, (c) employee development, (d) safe labor practices, (e) charity, and (f) categorized concepts.

The numeric values surrounding the dependent variables NI, and ROA, were retrieved from the sample's published financial statements. Because organizations tend to maintain a ten-year database, the entire financial information was extracted from the SEC official web pages. Although most of the financial information was retrieved from the SEC, additional web pages such as (a) macrotrends.net, (b) NASDAQ.com, and (c) reuters.com were used to corroborate the sample's financial information. Kang and Liu (2015) utilized a similar approach in their study. Kang and Liu obtained the sample's financial information and accounting ratios from web-based databases. To maintain clarity, I decided to follow Bloomfield et al. (2016) data analysis recommendations and recalculated the dependent variable ROA. The information encompassing the dependent variable ROA was obtained by dividing the sample's NI by their respective total assets. Adam Cobb (2016) concluded that ROA measures a firm's ability to maximize value in

relation to its current assets. Collins et al. (2016) concluded that ROA is an indicator of how efficient a firm operates in relation to its assets. Collins proved that organizations with a ROA rate of 5% or higher could be considered as excellent investment opportunities.

West (2015) understood that business leaders tend to base their investment decisions on a firm's ability to demonstrate financial performance. West recommended the use of accounting measurements such as NI and ROA to gauge financial performance. NI and ROA were applicable to this study because both accounting measures address performance, and organizational performance is aligned with the targeted audience revenue concerns. West (2015) understood that business leaders tend to base their investment decisions on a firm's ability to demonstrate performance.

Data Collection Technique

Bernal et al. (2016) argued that gathering data from renowned web-based sources accelerate the research process and allows researchers to compare the collected information promptly. Besides the internet, Bloomfield et al. (2016) recommended the use of (a) physical and web-based libraries, (b) surveys, (c) observation logs, and (d) the employment of formal interviews. The sample's financial information was retrieved from (a) the sample's official web pages, (b) the SEC official web page, (c) macrotrends.net, (d) NASDAQ.com, and (e) reuters.com. The dependent variable ROA was re-calculated by gathering the sample's total assets between the years 2010-2015. This information was retrieved from the same web pages. The independent variable CSR reporting was quantified by coding the sample's annual reports filed to the SEC between the years

2010-2015 in IBM SPSS Modeler Text Analytics version 18.0. The independent variable CSRi was extracted from the sample's consolidated Global CSR RepTrak scores as provided by the Reputation Institute. The raw and refined information was saved in a password protected and encrypted flash drive that will be destroyed five years after the official approval of this study.

Data Analysis

The research question: "What is the relationship between CSR reporting, CSRi, and the financial performance of hardware and software organizations listed in the United States?" was designed to ignite curiosity on the possible association between CSR reporting, and financial performance. The independent variables were CSR reporting and CSRi. The dependent variables were NI and ROA. To confirm or deny the relationship between the independent and dependent variables, I exported the sample's (a) financial information, (b) CSR reporting, and (c) CSRi information from Microsoft Excel to IBM SPSS version 26 for a complete the correlational analysis. Thanks to IBM SPSS user-friendly analytical platform, I was able to evaluate the following hypotheses:

$H1_o$: There is no significant relationship between CSR reporting, CSRi and the NI of hardware and software organizations listed in the United States.

$H1_1$: There is a statistically significant relationship between CSR reporting, and the NI of hardware and software organizations listed in the United States.

$H2_o$: There is no significant relationship between CSR reporting, CSRi, and the ROA of hardware and software organizations listed in the United States.

$H2_1$: There is a statistically significant relationship between CSR reporting, CSRi, and the ROA of hardware and software organizations listed in the United States.

Koo and Li (2016) mentioned that researchers tend to utilize the multiple linear regression function in IBM SPSS version 26 to determine the relationship between two independent variables and one dependent variable. Bakdash and Marusich (2017) indicated that the results that emerge from a multiple linear regression model range from -1 (perfect negative correlation) to 1 (perfect positive correlation). Correlational analyses that result in *r2* = .00 or *r2* = 1.00 are uncommon. Becker et al. (2016) mentioned that the multiple linear regression approach is extensively applied by researchers that intend to evaluate a bivariate correlation after the elimination of one or more control variables. For this study, I decided to follow Re and Giachino's (2018) interpretation of correlation levels. The correlation values are interpreted as such (a) *r2* ≤ .34 is weak (b) *r2* between .35 to .60 is significant, and (c) *r2* >.61 is strong.

The information surrounding the dependent and independent variables were exported from Microsoft Excel to IBM SPSS. I organized the financial information surrounding the dependent variables NI, and ROA and the independent variables CSR reporting and CSRi into four different columns. The vertical placement of the variables facilitated the employment of IBM SPSS version 26 to test the assumptions of (a) multicollinearity, (b) outliers, (c) normality, (d) linearity, (e) homoscedasticity, and (f) independence of residuals. When the dependent variables demonstrated a normal distribution (see Figures 4 and 6), I used IBM SPSS correlational analysis function to determine if the model contained a *p*-value < .05 to reject the null hypothesis and

an $r2 \geq .35$ to showcase a significant correlation. The results that emerged from the correlational analysis corroborated or refuted the link between organizations and stakeholders, as mentioned by Frederick (1978), in his CSR theory and supported by Freeman (1984) in his stakeholder theory. Based on the presented level of correlation, business leaders will be able to understand the relationship between CSR reporting, CSRi, and financial performance.

Study Validity

As mentioned by Devlin (2017), threats to the validity of a professional research study often include internal and external threats to the overall validity and quality of the research. Curtis et al. (2016) argued that researchers tend to use the validity portion of a scholarly study to define the extent to which a concept can be accurately measured. Curtis et al. also indicated that verifying for internal validity is not regularly applied to correlational studies such as this one. Wilkinson and Akenhead (2013) mentioned that quantitative researchers reduce internal and external validity by testing the assumptions of (a) multicollinearity, (b) outliers, (c) normality, (d) linearity, (e) homoscedasticity, and (f) independence of residuals.

The external validity, on the other hand, is evaluated by researchers at the time of replicating a study that encompasses a large population or a different conglomeration of variables (see Orcher, 2016). In this section of the study, the reliability of the measuring instrument is addressed. Zyphur and Pierides (2017) mentioned that addressing the reliability of the measuring instrument to be used augments the overall validity of a study and facilitates the future replication of the research.

Internal Validity

Devlin (2017) mentioned that internal validity reflects the relative truth that emerges when researchers emphasize cause and effects. I employed the correlation research design to evaluate the relationship between CSR reporting, CSRi, and financial performance. As mentioned by Tene and Polonetsky (2016), addressing the internal validity of a study is only relevant to researchers who decide to employ an experimental or quasi-experimental design. Almalki (2016) mentioned that the internal validity of a study becomes adequate when researchers attempt to measure the outcome of studies that evaluate variables such as health programs, or the results emerged from focus groups or interventions. Curtis et al. (2016) indicated that the eight common threats to internal validity are (a) selection, (b) selection by maturation, (c) instrumentation, (d) testing, (e) statistical regression, (f) mortality, (g) maturation, and (h) history.

Becker et al. (2016) indicated that threats to a statistical conclusion could occur when a statistical model has the potential of rejecting a true null hypothesis. Becker et al. mentioned that this phenomenon is also referred to as a Type I error. On the contrary, Becker et al. explained that the non-rejection of a false null hypothesis is commonly referred to as Type II statistical error. As mentioned by Koo and Li (2016), Type I and II errors are an essential and unavoidable aspect of statistically-driven studies. Poole and O'Farrell (1971) proved that the occurrence of these errors is mitigated by testing for (a) multicollinearity, (b) outliers, (c) normality, (d) linearity, (e) homoscedasticity, and (f) independence of residuals. Bakdash and Marusich (2017) recommended normality among the dependent variables and linearity between dependent and independent variables. As

shown in Figures 4 through 5, the dependent variables showed normality, and there was a linear relationship between the independent and the dependent variables. Curtis et al. (2016) observed that grouping mutually related variables reduces the occurrence of Type I and Type II statistical errors.

Becker et al. (2016) concluded that internal reliability confirmation is only required when a researcher evaluates information gathered from surveys and interviews. Devlin (2017) presented arguments to emphasize that researchers tend to evaluate internal consistency by calculating the coefficient alpha, also referred to as Cronbach's alpha (a). Researchers such as Curtis et al. (2016) presented arguments to emphasize the view that (a) $a \geq .7$ is good, (b) $a \geq .8$ is better, and (c) $a \geq .9$ is best. Becker et al. (2016) do not recommend the use of internal reliability confirmation tests when evaluating a causal relationship.

Because the elimination of the 10 critical outliers that were part of the dependent variable NI produced a normal distribution, a multiple linear regression model was used to evaluate the relationship between the independent variables CSR reporting, CSRi, and the dependent variables NI, and ROA. A power analysis prior to the data collection process was not necessary to determine the sample size because 49% of the population was used as the sample; however, to enhance the validity of this study, a power analysis was conducted to determine the appropriate sample size (see Figure 1). The results that emerged from the power analysis, as measured by the computer software G*Power version 3.1.9.4, recommended a sample equal to or greater than 16. Tene and Polonetsky (2016) recommend a sample equal to or greater than 100; however, Gay et al. (2009)

argued that utilizing 50%-75% of the population as the sample reduces the likelihood of encountering a Type II statistical error. Wallace and Sheldon (2015) pointed out that researchers who utilize at least 50% of the population as the sample can undoubtedly achieve less than a .05 level of significance.

External Validity

Yang and Yao (2017) explained that when addressing the external validity of a study, researchers need to evaluate the macro effects of their research. A sample composed of 25 of the most prominent hardware and software organizations listed in the United States enhanced the external validity of this study. The financial information that served as the base for the dependent variables NI and ROA is in accordance with the generally accepted accounting principles (GAAP). Internationally-based organizations that follow the international financial reporting standards (IFRS), as issued by the international accounting standard board (IASB), may not relate to the proposed research model and measuring technique. CSR indices are generally accepted in the international community; however, the verbiage used by international organizations to address their shareholders may differ from the annual reports emitted by organizations listed in the United States.

Transition and Summary

In Section 2 of this study, I restated the purpose statement and provided additional information on my roles as the researcher. It was confirmed that the sample did not contain any human participants. It was mentioned that the sample's financial information and the annual reports were gathered from the SEC's and the sample's official web

pages. Arguments to defend the use of the quantitative research methodology and correlational design were provided. I described (a) the population, (b) the sampling mechanism described, (c) the data analysis model was discussed, and (d) the study validity was addressed. In Section 3, I present elements such as (a) the presentation of the findings, (b) the application to the professional business practice, (c) implications for social change, (d) recommendations for action, and (e) recommendations for further research.

Section 3: Application to Professional Practice and Implications for Change

Introduction

The purpose of this quantitative correlational study was to examine the relationship between CSR reporting, CSRi, and financial performance. Attempting to obtain a significance level of $p \leq .05$ or a $r2 > .35$, multiple linear regression model showed that there was no statistically significant relationship among the independent variables, CSR reporting, CSRi, and the dependent variable financial performance as measured by NI (F (2, 22) = .389, p = .682, $r2$ = .034) and ROA (F (2, 22) = .552, p = .584, $r2$ = .048). The provided data analysis model was designed to ignite further CSR scrutiny among scholars and business practitioners. Organizational leaders tend to associate CSR initiatives with unnecessary disbursements (see Frederick, 1978); however, by evaluating and applying the provided CSR analytical model, business leaders can adopt statistically measured CSR reporting models. Microsoft Excel, IBM's SPSS version 26, and IBM SPSS Modeler Text Analytics version 18.0 were the primary data analysis tools used to shape this study. IBM SPSS Modeler Text Analytics version 18.0 was used to code the sample's annual reports issued to the SEC between 2010-2015. IBM SPSS Statistics version 26 was used to (a) align the variables, (b) verify the quality of the gathered data, (c) create the numerous tables and figures, and (c) confirm or deny the level of the relationship among the variables under study.

I meticulously designed Section 3 to present (a) the gathered data, (b) the quality of the data encompassing the dependent variables, (c) the relationship levels among the variables, (d) the results that emerged from the multiple linear regression model, (e) the

findings, (f) the application to the professional practice, (g) the implications for social change, (h) recommendations for action, and (i) the recommendations for future research. The recommendations for future research may significantly influence current and future CSR academic literature by covering the gaps encountered at the time of completing this study. In Section 3, I also share the personal and academic reflections that were encountered at the time of completing this process.

Presentation of the Findings

The presentation of the findings was progressively displayed through multiple subheadings. A critical element of the presentation of findings is the exhibition of the statistical model used to produce the results. The multiple linear regression analysis was the statistical test used to determine the relationship between the independent variables CSR reporting, CSRi, and the dependent variables NI and ROA. The descriptive statistics showed in Table 8, display the fundamental statistical measures needed to assess the integrity of a well-developed statistical model. Following the recommendations of Poole and O'Farrell (1971), the quality of the gathered information was verified by testing the assumption of multicollinearity (see Table 2), by determining the presence of outliers (see Tables 3 to 4 and Figures 2 to 6), by visually portraying the normality of the dependent variables (see Tables 5 to 6 and Figures 8 to 9), by testing the linearity among the independent and dependent variables (see Figure 10 to 13), by searching for homoscedasticity, and the independence among residuals (see Figures 14 and 15). In the inferential results subsection, I describe the statistical test, the variables, and how the same related to the hypothesis. Understanding that the null hypotheses were going to be

rejected if the statistical significance level resulted to be less than .05 ($p < .05$) (see Curtis et al., 2016), the independent variables CSR reporting, and CSRi showed a positive but weak relationship when measured against financial performance (NI (F (2, 22) = .389, p = .682, $r2$ = .034, ROA (F (2, 22) = .552, p = .584, $r2$ = .048). I used a combination of tables and figures to describe the quality of the gathered data as well as to portray the validity of the used statistical model. The employment of a simple statistical model will facilitate the replication of this study. Researchers attempting to duplicate this study can (a) easily corroborate the secondary data, (b) assess the measuring mechanisms and (c) evaluate the results that emerged from the used statistical model.

Table 1

Consolidated Independent and Dependent Variables

Company name	CSR reporting	CSRi	NI (In millions)	ROA %
Advanced Micro Devices Inc.	2.0	73	-228	-.06
Arrow Electronics, Inc	1.0	67	497	.05
Avaya	2.0	65	-479	-.06
Avnet, Inc.	1.0	66	536	.05
Broadcom Corporation	3.0	68	618	.14
CA Technologies	0.0	67	877	.07
CDW Corporation	2.0	63	148	.02
Cognizant Technology Solutions	2.0	71	1160	.15
Computer Sciences Corporation	1.0	67	-154	.01
Dell Inc.	2.0	69	1183	.03
Electronic Arts	0.0	66	17	-.03
Harris Corporation	3.0	66	360	.08
Ingram Micro Inc.	1.0	63	277	.03
Jabil Circuit, Inc.	1.0	69	307	.04
Motorola Solutions, Inc.	2.0	68	947	.03
NetApp, Inc.	2.0	74	564	.06
Pitney Bowes Inc.	0.0	64	373	.05
Salesforce, Inc.	2.0	70	-105	-.01
SanDisk Corporation	4.0	69	917	.10
Symantec Corporation	0.0	70	838	.06
Tech Data Corporation	1.0	66	185	.03
Unisys	0.0	63	85	.04
United Stationers Inc.	1.0	68	89	.05
Western Digital Corporation	1.0	64	1297	.11
Xerox Corporation	1.0	69	945	.04

[a] Independent Variables: CSR reporting and CSRi
[b] Dependent Variables: NI and ROA

Test of Assumptions

The assumptions of (a) multicollinearity, (b) outliers, (c) normality, (d) linearity, (e) homoscedasticity, and (f) independence of residuals were evaluated by employing

SPSS, version 26. The statistical tests, tables, and figures are presented to outline the decision-making process. I was forced to eliminate 26 organizations due to the following:

- Three organizations were acquired by larger organizations during the period of the study,
- No CSRi information was available for 10 organizations,
- When testing the assumption of outliers, I identified 13 critical outliers (see Figure 2)

The combinations of tables and graphical representations are included in this section to facilitate the data comprehension process.

Multicollinearity. I evaluated the multicollinearity of the sample by analyzing the variance inflation factor (VIF) among the independent variables. The multicollinearity test determined the extent of the linear relationship between the independent variables. Craney and Surles (2002) pointed out that the most commonly used diagnostic test for multicollinearity is VIF. Craney and Surles also mentioned that a VIF higher than 2.50 represents a significant correlation among the independent variables, and increases the likelihood of obtaining unreliable estimates of regression coefficients. Craney and Surles recommend the employment of linear regression analysis between the independent variables to obtain an *r2.*

As explained by Stine (1995), VIF is simply 1 / (1- *r2*). As mentioned by Craney and Surles (2002), a VIF of 2.50 or higher represent an *r2* of .60. As shown in Table 2, there was a VIF of 1.119 among the independent variables. A VIF of 1.119 portrayed an insignificant linear relationship among the independent variables, confirming that it was

adequate to apply a multiple linear regression model. Zyphur and Pierides (2017) explained that multiple linear regression models are used to determine the level of correlation between two independent variables and a dependent variable.

Table 2

Evaluation of Variance Inflation Factor

		Collinearity statistics	
Model		Tolerance	VIF
1	CSRi	.89	1.12
2	CSR reporting	.89	1.12

[1] Dependent Variable: CSRi
[2] Dependent Variable: CSR reporting

Outliers. Mosteller and Tukey (1977) defined outliers as values that reside far from the median. Hoaglin et al. (1986) explained that the most efficient way of determining the presence of outliers is by graphically depicting the data in a boxplot or a histogram. Cramer (2003) argued that adding histograms not only shows the normality of a variable by allowing the targeted audience to identify skewness and kurtosis visually, but it also portrays the manifestation of outliers. To test for outliers, I identified the first and third quantiles of the dependent variables. After the identification of the quantiles, Mosteller and Tukey's formula was applied to identify the outlier's upper and lower boundaries. To determine the dependent variables' upper boundaries for outliers, the formula Upper = Q3 + (2.2*(Q3 – Q1) was used. In this formula, Q1 = quantile 1, and Q3 = quantile 3. To determine the lower boundaries, the formula Lower = Q1 + (2.2*(Q3 – Q1) was used. Though Mosteller and Tukey recommended the use of a 1.5 multiplier,

Hoaglin et al. determined that the utilization of a multiplier of 2.2 enhanced Mosteller and Tukey's original model by maintaining a greater amount of reliable information.

I decided to commence the identification of outliers by evaluating the data set with the highest suspected number of outliers, the dependent variable NI. After utilizing SPSS version 26 to determine the variable's Q1 and Q3, and by employing Mosteller and Tukey's (1977) model with Hoaglin et al. (1986) multiplier of 2.2, an upper boundary of $7,593 (2500 + (2.2 * (2500- 185) and a lower boundary of $-4,908 (185- (2.2*(2500-185) was identified for the dependent variable NI. Following Comrey's (1985) recommendations, the identified critical outliers were removed to prevent the alteration of the intended regression model. Comrey defined outliers as data points that significantly differ from the overall pattern of distribution. Due to the presence of critical outliers, as shown in Figure 3, 10 organizations were removed from the sample. Table 3 shows the percentiles attributed to the dependent variable NI, and Figure 2 and Figure 3 visually depict the identification of extreme outliers and the reason behind their removal. Figure 4 and Figure 5 show the status of the dependent variable NI after removing the outliers.

Table 3

Upper and Lower Boundaries for Dependent Variable NI

		Percentiles		
		Q1	Q2	Q3
Tukey's Hinges	NI	185.00	618.00	2500.00

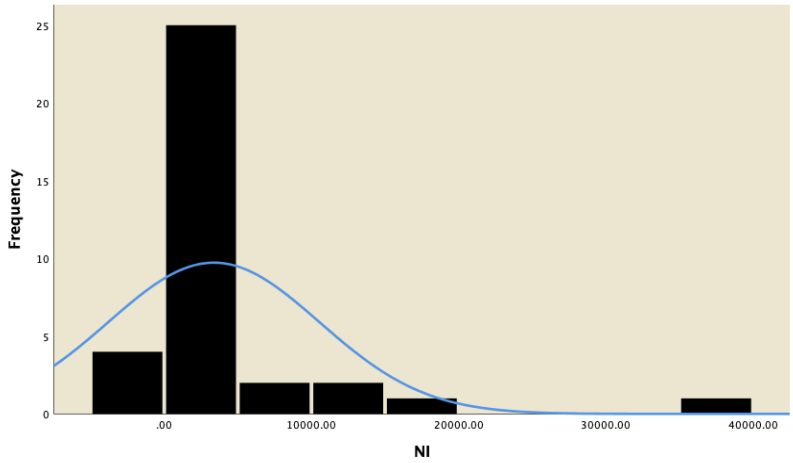

Figure 2. Distribution of NI (including outliers).

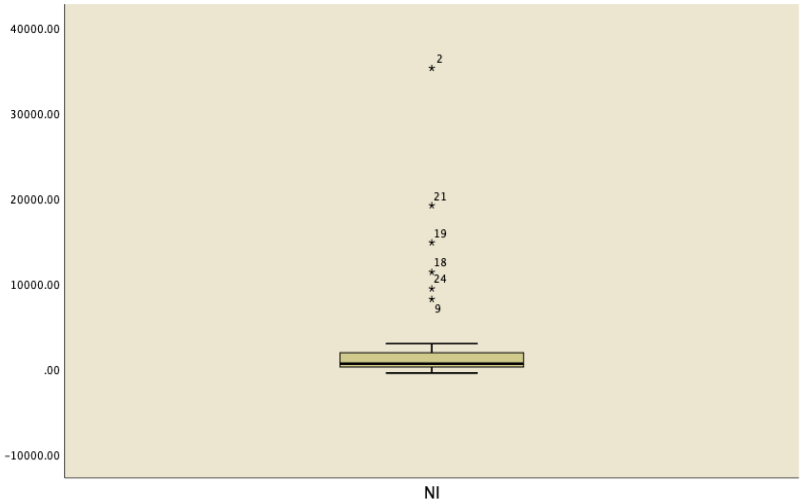

Figure 3. Boxplot of NI (including outliers).

Once the upper boundaries that exceeded $7,593 and lower boundaries that were less than $-4,908 were removed, the distribution and the graphic representation of the dependent variable NI changed drastically. Figure 4 illustrates the normality of the dependent variable NI after reducing the sample from 35 to 25 hardware and software organizations that were part of Fortune 500 between the years 2010-2015.

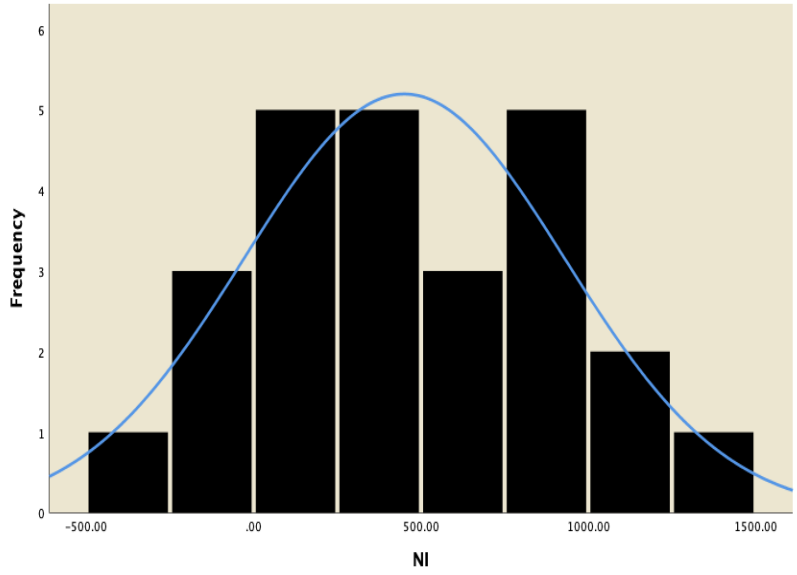

Figure 4. Distribution of NI (no outliers).

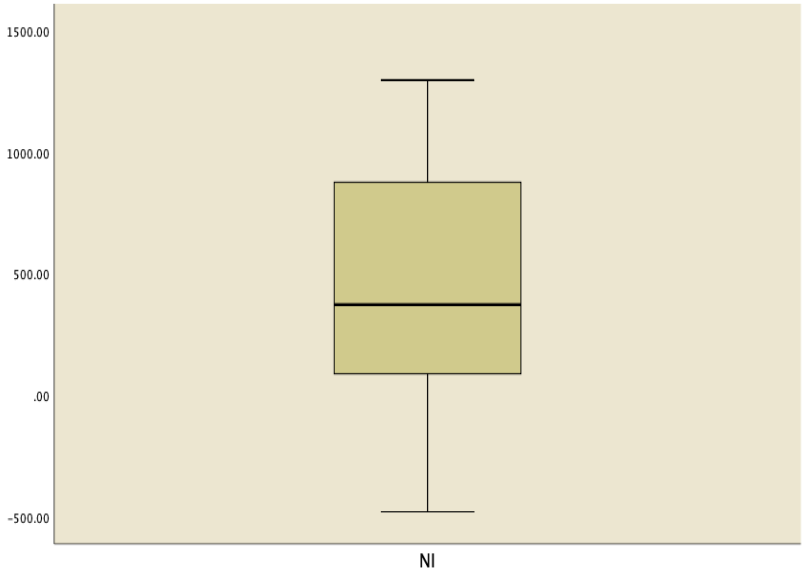

Figure 5. Boxplot of NI (no outliers).

Table 4 shows the percentiles attributed to the dependent variable ROA, and Figure 6 depicts the identified outliers. Though Figure 6 shows the presence of outliers, after the employment of Mosteller and Tukey's (1977) model with Hoaglin et al. (1986)

2.2 multiplier, an upper boundary of 15.3%, and a lower boundary of -6.3% was identified for the dependent variable ROA. No outliers were removed, which allowed me to maintain the sample's integrity and normal distribution.

Table 4

Upper and Lower Boundaries for Dependent Variable ROA

		Percentiles		
		Q1	Q2	Q3
Tukey's Hinges	ROA	.0250	.0400	.0650

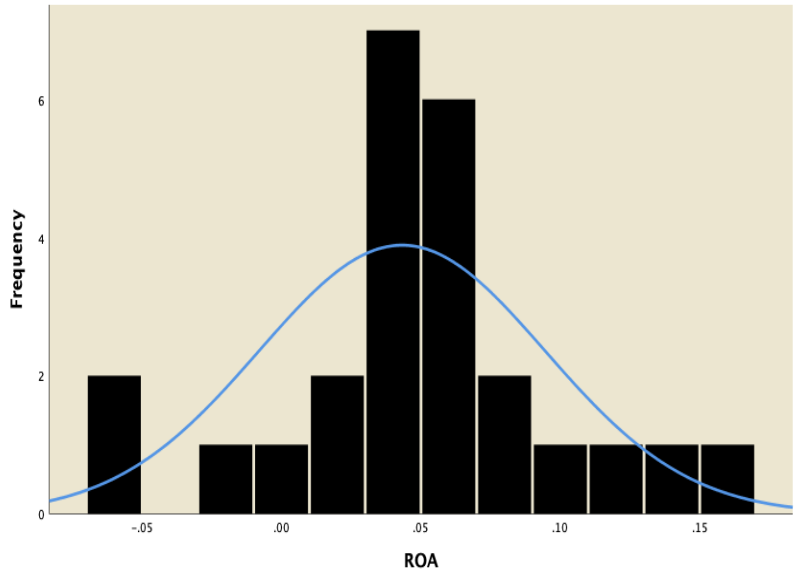

Figure 6. Distribution of ROA.

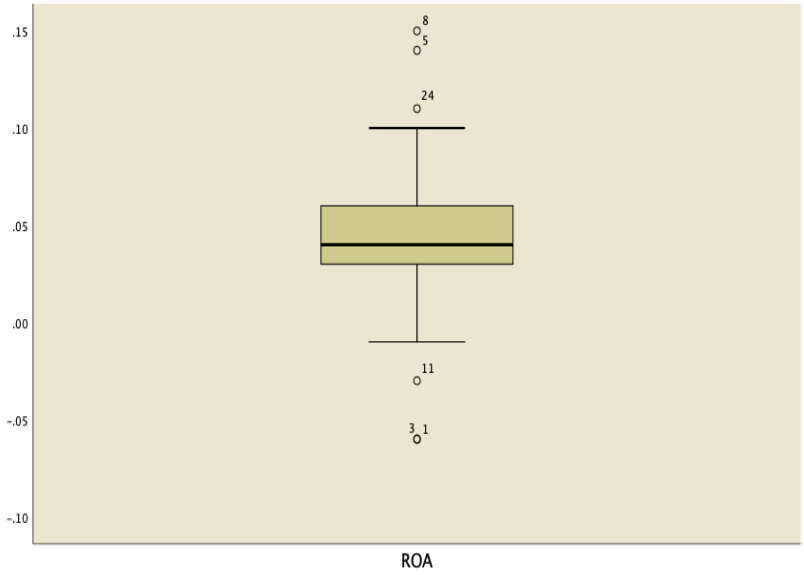

Figure 7. Boxplot of ROA.

Normality. Almalki (2016) mentioned that to employ parametric statistical methods such as ANOVA and correlational, the dependent variable needs to be approximately normally distributed. Hanusz and Tarasińska (2015) recommend (a) the utilization of histograms, (b) the calculation of *Z*-values, and (c) the employment of Shapiro-Wilk's test to verify the normal distribution of a sample. Table 5 and Table 6 show the skewness and kurtosis values for the dependent variables NI and ROA. Figure 8 and Figure 9 show the approximately normal distribution of the dependent variables NI and ROA.

Table 5

Skewness and Kurtosis for NI

		Value	Std. Error	*Z*-values
NI	Skewness	.045	.464	.097
	Kurtosis	-.838	.902	-.929

Table 6

Skewness and Kurtosis for ROA

		Value	Std. Error	*Z*-values
ROA	Skewness	-.038	.464	-.082
	Kurtosis	.574	.902	.636

By following Doane and Seward's (2011) recommendations, the skewness and the kurtosis *Z*-values of the dependent variables NI and ROA were determined by dividing their respective skewness and the kurtosis values by their respective standard errors. Shapiro and Wilk (1965) stated that to categorize variables as approximately normally distributed, the *Z*-value scores cannot exceed 1.96 or -1.96. As shown in Table 5 and Table 6, none of the *Z*-values were greater than 1.96 or less than -1.96.

To further demonstrate the normality and the quality of the study, I decided to conduct a normal P-P plot analysis. Hanusz and Tarasińska (2015) pointed out that researchers tend to rely on the normal P-P plot analysis to provide a clear and concise representation of the approximately normal distribution of the variables. Although early signs of normality were demonstrated by adding a distribution curve to Figure 4 and Figure 6, Figure 8 and Figure 9 confirmed that the dependent variables NI and ROA were approximately normally distributed.

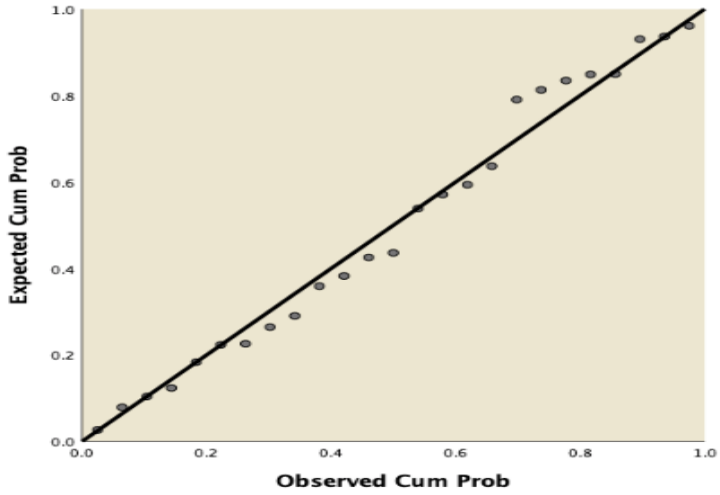

Figure 8. Normal P-P plot analysis of NI.

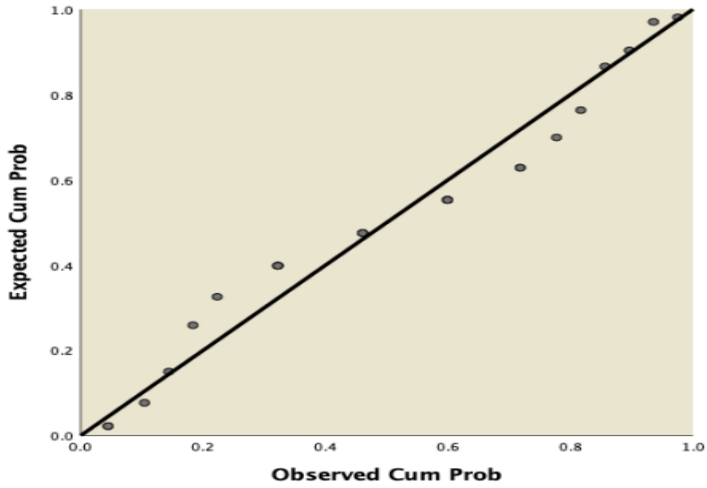

Figure 9. Normal P-P plot analysis of ROA.

Shapiro-Wilk's test was used to further attest to the normality of the chosen dependent variables. Shapiro and Wilk (1965) recommended a *p*-value greater than .05 for approximately normally distributed variables. Table 7 shows that the *p*-values for the dependent variables NI and ROA are higher than .05, proving that the dependent variables are approximately normally distributed.

Table 7

Shapiro-Wilk Test for NI and ROA

	Statistic	df	Sig. (P-value)
NI	.975	25	.760
ROA	.952	25	.280

The pattern of the distribution curve shown in Figure 4 and Figure 6, the alignment of the points in Figure 8 and Figure 9, and the information displayed on Tables 3 through 7, provide the necessary evidence to confirm that (a) the assumption of normality was not violated, (b) that a linear relationship existed among the dependent variables, and (c) no significant outliers were present.

Linearity. Poole and O'Farrell (1971) mentioned that linearity occurs when researchers encounter a linear relationship between an independent and a dependent variable. As portrayed in Figure 10 and Figure 13, the data points are relatively close to the line, demonstrating linearity among the independent and dependent variables.

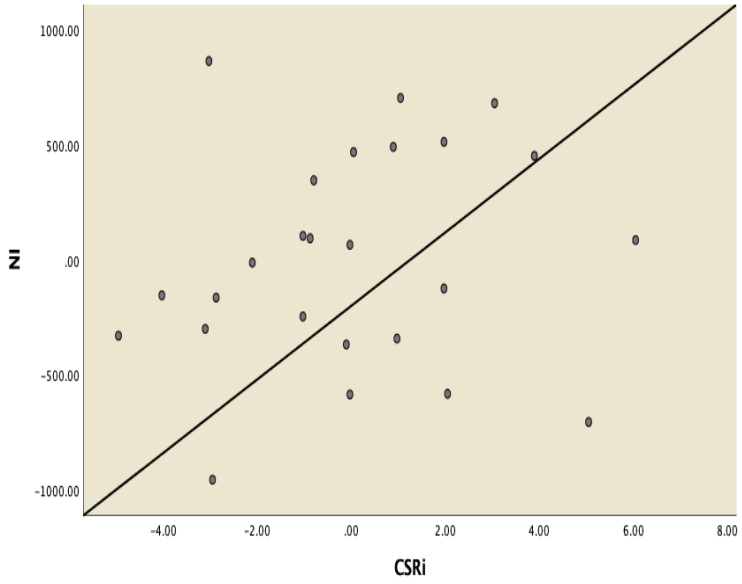

Figure 10. Partial regression plot of CSRi and NI.

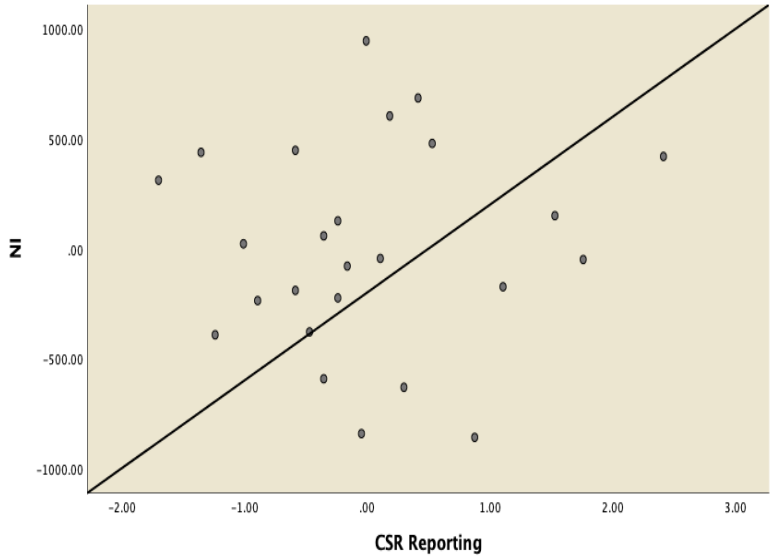

Figure 11. Partial regression plot of CSR reporting and NI.

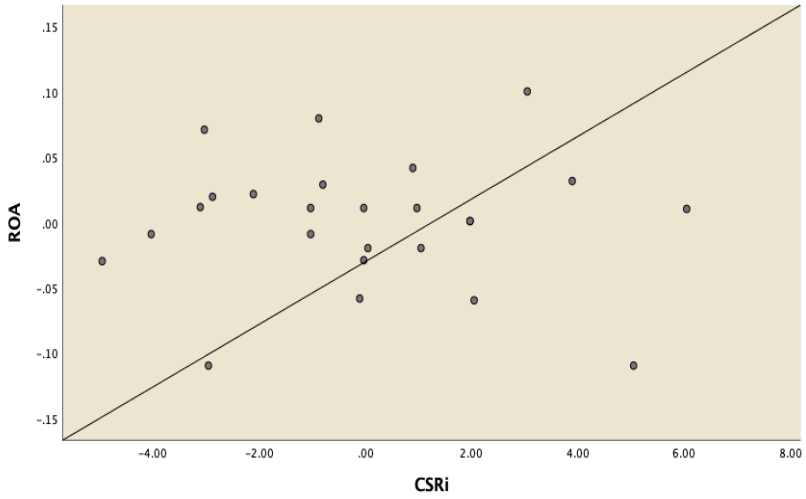

Figure 12. Partial regression plot of CSRi and ROA.

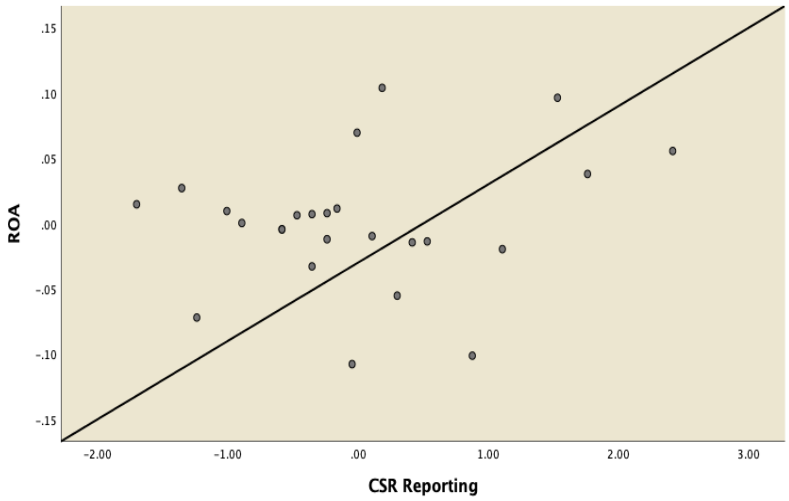

Figure 13. Partial regression plot of CSR reporting and ROA.

Homoscedasticity and independence of residuals. Wilkinson and Akenhead (2013) argued that researchers tend to use scatterplots to visually test the assumptions of homoscedasticity, and independence of residuals. As depicted in Figures 14 and 15, the

sample showed no pattern, proving that the model did not violate the assumptions of homoscedasticity and independence of residuals.

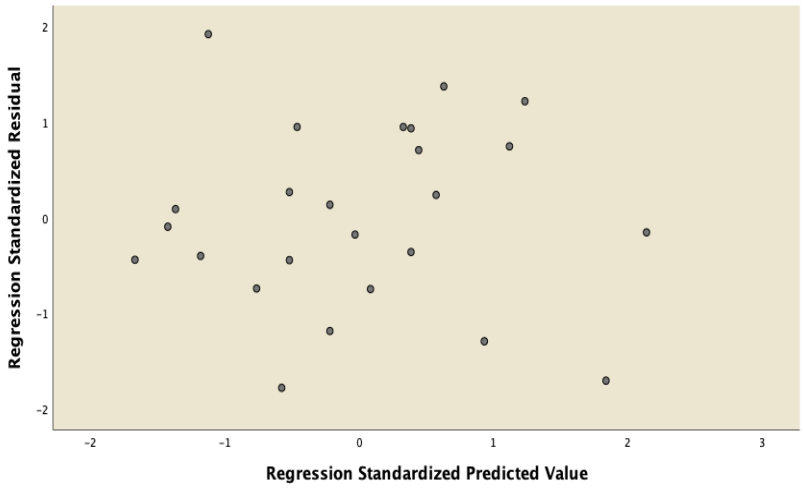

Figure 14. Scatter plot of NI.

Figure 15. Scatter plot of ROA.

Descriptive Statistics

The initial intention was to utilize the entire population as the sample. After applying industry filters such as (a) computer office equipment, (b) computer peripherals, (c) computer software, (d) information technology services, (e) electronic and office equipment, (f) network, and other communication equipment, (g) semiconductors, and (h) other electronic components to the Fortune 500 lists between the years 2010-2015, a total of 51 organizations emerged. Out of the 51 hardware and software organizations, (a) three were acquired by larger corporations, (b) 13 were discarded due to a lack of CSRi information, and (c) 10 were identified as critical outliers. The sample was reduced to 25. Table 8 shows the descriptive statistics surrounding the sample. The critical outliers emerged from the organizations that showed significantly large NIs. As shown in Table 8, the distribution of the data contained skewness and kurtosis *Z*-values that were not less than -1.96 or greater than 1.96. As mentioned by Collins et al. (2016), organizations with a ROA of 5% or higher are considered great investment opportunities. The statistical mean of the data surrounding ROA was 4.3%, proving that the gathered information was suitable for this study. CSR reporting displayed a statistical mean of 1.4, revealing low CSR reporting values among the sample. CSRi, on the other hand, showed a moderate level of CSR by displaying a statistical mean of 67.4.

Table 8

Descriptive Statistics of Variables

Variable	Min.	Max.	Mean	SD	Skewness	Kurtosis	Z-Skew.	Z-Kurt.
CSR reporting	0	4	1.4	1.04	.53	.20	1.14	.22
CSRi	63	74	67.4	2.94	.36	-.13	.78	-.15
NI	-479	1297	450.2	479.80	.05	-.84	.10	-.93
ROA	-.06	.15	.043	.05	-.04	.57	-.08	.64

Inferential Results

For the purpose of this quantitative correlational study, I used a multiple linear regression model to examine the relationship between CSR reporting, CSRi, and the financial performance of 25 hardware and software organizations. As mentioned by Koo and Li (2016), the multiple linear regression analysis is typically used to determine the relationship between two independent variables and one dependent variable. The independent variables were CSR reporting and CSRi. The dependent variables were NI and ROA. The null hypothesis was that CSR reporting and CSRi were not significantly correlated with the financial performance of 25 hardware and software organizations. Following the recommendations of Poole and O'Farrell (1971), the occurrence of Type I and Type II errors were mitigated by testing the assumptions of (a) multicollinearity, (b) outliers, (c) normality, (d) linearity, (e) homoscedasticity, and (f) independence of residuals; no significant violations were encountered.

A multiple linear regression model was used to statistically assess the independent variables CSR reporting, and CSRi against the dependent variable NI. The model showed

a positive but weak relationship between the independent variables CSR reporting, CSRi and the dependent variable NI, F (2, 22) = .389, p = .682, *r2* = .03. Since $p > .05$, the null hypothesis stating that there is no significant relationship between CSR reporting, CSRi, and NI was accepted. The *r2* value of .034 demonstrates that when measured against CSR reporting and CSRi, ROA has no significant relationship.

Table 9

Model Summary (NI)

Model	R	R^2	Adjusted R^2	SD Error of the Estimate	Change statistics				
					R^2	F Change	df1	df2	Sig. F Change
1	.185[a]	.034	-.054	492.49	.034	.389	2	22	.682

[a] Independent Variables: CSRi and CSR reporting
[b] Dependent Variable: NI

Table 10

Regression Analysis Summary for NI

Model		Unstandardized coefficients		Standardized coefficients	t	Sig.	Correlations		
		B	Std. Error	Beta			Zero-order	Partial	Part
1	(Constant)	-1383.60	2394		-.58	.57			
	CSRi	26.76	36.13	.16	.74	.47	.18	.16	.16
	CSR reporting	21.66	102.2	.05	.21	.83	.10	.05	.04

[a] Dependent Variable: NI

Utilizing the same multiple linear regression model, I attempted to obtain a significance level of $p \leq .05$ or a $r2 > .35$ to confirm or deny the relationship between the

independent variables CSR reporting, CSRi, and the dependent variable ROA. The model showed a positive but weak relationship between CSR reporting, CSRi, and ROA, F (2, 22) = .552, p = .584, *r2* = .048. Since $p > .05$, the null hypothesis stating that there is no significant relationship between CSR reporting, CSRi, and ROA was accepted. The *r2* value of .034 demonstrated that when measured against CSR reporting and CSRi, ROA has no significant relationship.

Table 11

Model Summary (ROA)

Model	R	R^2	Adjusted R^2	SD Error of the Estimate	Change statistics				
					R^2	F Change	df1	df2	Sig. F Change
1	.219[a]	.048	-.039	.052	.048	.552	2	22	.584

[a] Independent Variables: CSRi and CSR reporting
[b] Dependent Variable: ROA

Table 12

Regression Analysis Summary for ROA

Model		Unstandardized coefficients		Standardized coefficients	t	Sig.	Correlations		
		B	Std. Error	Beta			Zero-order	Partial	Part
1	(Constant)	.06	.25		.24	.82			
	CSRi	.00	.00	-.03	-.12	.90	.05	-.03	-.03
	CSR reporting	.011	.01	.23	1.03	.32	.22	.21	.21

[a] Dependent Variable: ROA

As presented in Table 8 and Table 9, the statistical models showed a positive but weak relationship between the dependent variable financial performance, as measured by NI and ROA and the independent variables CSR reporting and CSRi. As mentioned by Re and Giachino (2018), statistical models capable of producing an *r2* between .35 and .60 showcase a significant level of relationship between CSR and financial performance. As shown in Tables 8 and 9, the *r2* for NI was .034, and for ROA was .048. Though two different accounting measures measured the dependent variable financial performance, the statistical model showed that there is no significant relationship between CSR reporting and financial performance.

Analysis Summary

The purpose of this quantitative correlational study was to confirm or deny the relationship between CSR reporting and financial performance. A multiple linear regression model demonstrated that implementing higher levels of CSR reporting does not necessarily equate to an increase or decrease in financial performance. To verify the validity of the chosen statistical model, I decided to test the assumptions of (a) multicollinearity, (b) outliers, (c) normality, (d) linearity, (e) homoscedasticity, and (f) independence of residuals. No major violations were encountered. The model showed that there was no significant relationship between the dependent variable NI and the independent variables CSR reporting, and CSRi, F (2, 22) = .389, p = .682, *r2* = .034. The model also showed that the dependent variable ROA is not significantly correlated with the independent variables CSR reporting, and CSRi, F (2, 22) = .552, p = .584, *r2* = .048.

Theoretical Conversation on Findings

Freeman's (1984) stakeholder and Frederick's (1978) CSR theories served as the theoretical framework for this study. As applied to this study, the stakeholder theory suggested that the independent variables CSR reporting, and CSRi drive financial performance. As applied to this study, the CSR theory suggested that a strong correlation between CSR reporting and financial performance existed. The statistical models did not support the notion that higher levels of CSR reporting translated to enhanced financial performance.

Kang and Liu (2015) conducted a similar study and encountered an *r2* = .157. Kang and Liu used the ratings provided by the Dow Jones Sustainability Group index, and measured it against the dependent variables ROA and return on equity. Abernathy et al. (2017) recommended the use of the KLD 400 as a key independent variable; however, Hetze (2016) utilized the KLD 400 ratings and proved that a negative relationship between CSR and financial performance existed (*r2* = -.001). The constant apparitions of weak but positive relationships between CSR and financial performance further enhance Brown and William's (2013) argument that organizational leaders and investors need to visualize CSR as a responsible act, not as an income-driven strategy.

Application to Professional Practice

Cantrell et al. (2015) mentioned that the stakeholder and CSR approaches were designed to satisfy the necessities of our current value-maximation business culture. Although no significant relationship between CSR reporting, CSRi, and financial performance was found, a positive but weak relationship emerged from the statistical

models. As far as the applicability to the professional practice of business, small- and medium-sized executives and business owners of software and hardware organizations in the metropolitan area of Austin, Texas, can still take the initiative to invest in CSR practices and reporting strategies. Fanti and Buccella (2017) found that the lack of a significant relationship between CSR and financial performance can eliminate the sense of competition among business leaders. The appearance of a positive but insignificant relationship between CSR reporting, CSRi, and financial performance promotes genuine socially-responsible actions among small- and medium-sized organizational leaders.

Gürlek et al. (2017) observed an increment in sustainable CSR programs across the top global manufacturing organizations. Harjoto (2017) understood that business leaders face the challenge of maximizing profit while attending the shareholders' socially responsible demands. Brown and Zmora (2015) mentioned that organizational leaders prefer not to engage in CSR activities. After the implementation of the multiple linear models, it is safe to assume that organizational leaders at all levels can adopt CSR programs and CSR reporting strategies without the misconception that CSR initiatives and reporting programs translate to unnecessary disbursements. As discussed by Hsu and Cheng (2016), organizational leaders can obtain approval for additional expenses only if the additional disbursements can be translated to tangible or intangible benefits such as customer loyalty and corporate reputation.

Implications for Social Change

The implications for notable social change include the development of socially responsible strategies capable of taking into consideration the ethical variables of (a)

dignity, (b) respect, and (c) the uncertainties faced by individuals in their communities. Kang et al. (2016) advocated the view that organizational leaders tend to evaluate their CSR initiatives from a macro perspective. Murdiono (2018) mentioned that leaders at all levels are encouraged to physically assess the effects of their implemented CSR programs and reporting strategies. Though a significant relationship between CSR reporting, CSRi, and financial performance was not found, organizational leaders need to understand that shareholders will continue to request the implementation of socially-responsible programs. Business leaders need to take the challenge of relying on CSR professionals or consultants to adequately address the development and sustainability of the CSR programs to come.

Recommendations for Action

The positive but insignificant relationship discovered in this study supports three recommendations for action. The first recommendation for action is that leaders of small- and medium-sized organizations need to pay attention to the repetitive appearance of a positive relationship between CSR and financial performance. Kim and Woo (2019) argued that sufficient empiric information is available to suggest that a certain level of relationship between CSR and financial performance exists. The second recommendation for action is that organizational leaders at all levels can safely adopt CSR strategies. The lack of a significant relationship does not support the reduction of current CSR initiatives and reporting levels, confirming that no adverse effects are associated with the implementation of CSR programs and reporting strategies (see Hetze, 2016). The third and final recommendation for action is that stakeholders such as (a) communities, (b)

governance, (c) customers, (d) employees, and (e) investors need to maintain the demand for suitable CSR programs. Fusch et al. (2016) and Rey-Martí et al. (2016) argued that organizational culture starts at the top, business owners and executives need to abide by today's numerous sustainability movements and comprehend that direct investment is driven by organizational reputation. The statistical models that showed a positive but insignificant relationship between CSR reporting, CSRi, and financial performance will be disseminated with the CSR community via seminars, workshops, conferences, and by developing an executive summary.

Recommendations for Further Research

Three recommendations for further research emerged from the data collection and data analysis process. The first recommendation is that the sample was composed of 25 high-profile organizations. Organizational leaders with limited resources may not be able to allocate capital to the development of suitable CSR reporting tools. Researchers aiming to replicate this study should only focus on medium-sized organizations. The sample used for this study targeted a single industry issue that shed light on the second recommendation for further research.

Further research on the relationship between CSR and financial performance between organizations that belong to different industries will significantly enhance current CSR literature by creating a more diversified data set. The third and final recommendation for further research resides on the fact that the sample was composed of organizations listed in the United States. I recommend that researchers use a sample comprised of international organizations with distinctive organizational cultures. The use

of a sample comprised of international organizations is bound to cover variables such as language and different economic models.

Bloomfield et al. (2016) mentioned that research bias is reduced when researchers decide to use secondary data. The recommendations for further research should be analyzed by collecting and examining secondary data. Future researchers that aim to evaluate a sample composed of medium-sized organizations, that belong to a mix of developed and non-developed international countries with different languages and organizational cultures will not only enhance current CSR literature, but it would also show the international community that CSR initiatives do not translate to unnecessary expenses.

Reflections

The determination to pursue a doctoral degree was to fulfill two personal goals. First and foremost, I wanted to serve as the inspirational engine to my three daughters and the Soldiers that I have and will continue to directly and indirectly oversee. The United States Army has introduced me to incredible human beings that continue to make countless sacrifices to maintain our way of life. Finally, I wanted to enhance CSR literature by utilizing the combination of a value-maximization theory (the stakeholder theory), and a pure CSR-oriented theory (the CSR theory). I commenced this study in 2015, between (a) rotations to the Middle East, (b) numerous training exercises, and (c) the nomadic culture that surrounds the United States Armed Forces, I was able to consolidate a significant amount of peer-review articles that served as the foundation and validation for this study.

I created a preconceived idea during the data gathering and analysis process. I was confident that the statistical model was bound to provide a significant relationship between CSR reporting, CSRi, and financial performance. Although the findings showed an insignificant but positive correlation between CSR reporting, CSRi, and financial performance, the degree of the encountered relationship was somewhat unexpected. Unconsciously, my understanding of a socially responsible organization, lead me to believe that the evaluation of 25 of the most prominent hardware, and software organizations listed in the United States was guaranteed to produce a significant relationship between CSR reporting, and financial performance.

Conclusion

Though limited empiric data exist to determine the impact CSR initiatives have on small- and medium-sized organizations, it is evident that shareholders continue to demand more CSR participation. The professional and academic literature that I used to shape this study helped to contribute to current CSR literature. I used two dependent variables to ignite critical thinking among professionals and scholars. Based on the encountered positive but insignificant relationship, it is safe to assume that if CSR-enthusiasts decide to evaluate additional variables to create a different statistical model, the model could reveal a higher level of correlation.

Understanding that organizational actions need to be justified, in this study, I aimed to confirm or deny the relationship between CSR reporting, CSRi, and financial performance by employing a multiple linear regression model. The statistical models were designed to convey quantifiable data and to satisfy the value-maximation needs of

the targeted audience. Small- and medium-sized organizational leaders could replicate this study by measuring CSR variables such as customer and employee satisfaction against dependent variables such as NI, and market share. Regardless of organizational size, NI, or social reputation, social responsibility is a collective obligation that requires a shared contribution.

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