International Journal of Modern Agriculture, Volume 9, No.4, 2020
ISSN: 2305 -7246

CAUSALITY OF CORPORATE SOCIAL RESPONSIBILITY AND FINANCIAL PERFORMANCE: A STUDY OF BSE LISTED COMPANIES

[1] Om Prakash Agrawal, [2] Prateek Kumar Bansal

[1]Assistant Professor, Institute of Business Management, GLA University, Mathura

[2]Assistant Professor, Institute of Business Management, GLA University, Mathura

Abstract:

Present study tries to examine the relationship of corporate social responsibility and financial performance of the BSE Listed 30 companies of India. Usually companies in CSR integrate social and environmental concerns in their business activities and also addresses the expectations of shareholders. Financial performance can be measured by the ratios of different accounting components. Data of CSR expenditure from 2014-15 to 2017-18 of the 30 companies of BSE India have been collected through the website of Ministry of Corporate Affairs and measures of financial performance such as Net Sales, earning per share, Earning Yield, Net profit ratio, Current ratio and Return on capital employed has been taken to study the relationship. Statistical tools such as Correlation and regression has been used with the help of econometrics. Results shows the positive impact of financial performance on CSR because the expenditure on CSR usually dependent upon the financial performance.

Keywords: Financial Performance, CSR, ROA, ROI, NPR

Introduction:

CSR policy came into existence from 1st April 2014 when government of India made a rule regarding CSR under the companies act 2013 (18 of 2013) which made it mandatory to those companies which fulfil the requirement under sub section 1 of section 135. The term CSR can be referred to corporate initiatives to take the responsibility for company's effect over environment and social welfare. CSR or corporate citizenship involves cost and do not provide any financial benefits to the company, but promotes the environmental and social change. "The companies having Net worth of INR 500 crore or more; or Turnover of INR 1000 crore or more; or Net Profit of INR 5 crore or more during any financial year shall be required to constitute a Corporate Social Responsibility Committee of the Board "hereinafter CSR Committee" with effect from 1st April, 2014. The pictorial representation below gives the representation of Section 135 (1)".

Fig. 1 Condition of CSR

Source: CSR Rules

Need for analysing the relationship of corporate social responsibility arises due to the growing interest of stakeholders in the CSR activities. European Commission (2001) defined "CSR as a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on the voluntary basis". According to Carroll, 1983 "corporate social responsibility involves the conduct of a business so that it is economically profitable, law-abiding, ethical and socially supportive". Hundreds of the studies have been conducted to analyse the relationship of CSR and financial performance with various different method (Margolis and Walsh, 2003). A study was conducted by Montabon *et al.* (2007) to check the relationship between environment management practices and financial performance and they found positive relationship. McWilliams and Siegel, 2001; Balabanis et al., (1998) argued that CSR is inconsistent with the shareholders' interest of profit maximization.

CSR became mandatory to all the corporates who fulfil the above mentioned criteria, we must understand what is CSR policy. Below mentioned are the few example of the CSR activities:

i. Eliminating poverty, promotion of preventive healthcare, availability of safe drinking water and sanitation

ii. Promotion of employment based education, education promotion, projects related to the livelihood enhancement.

iii. Reducing gender inequality, setting up housing facility for the women, orphans and senior citizens, also promoting equality among the socially and economic backward people.

iv. Projects related to improvement of maternal health by providing hospital facilities and medicines on low cost.

v. Availability of hospital and dispensary to reduce the diseases or focus upon sanitation to reduce the infections and viruses.

vi. Project to ensure the balance in ecosystem, welfare of animals, protection of forest, improving and maintaining the quality of soil, air and water, maintaining and conservation of natural resources.

vii. Increasing employment using vocational knowledge and skills.

viii. Protection of Indian culture, building of historical importance & arts, promotion of traditional art and handicrafts.

ix. Setting up of various measures and projects for the benefits of war widows and other people of armed forces.

x. Promoting the sports culture throughout the country in rural regions, training for national and international sports.

Review of Literature:

CSR policy always remains controversial due to the interest of the various parties associated with the organisation. It is assumed that the company focusing on social responsibility in place of profit maximization will reduce the efficiency in the market and allocation of resources. People also favour that companies must share the available resources with the society for their betterment.

Davis, (1973) argued that undertaking the social responsibility is in self-interest of the company because it improves the brand image, create good relation with the society and government which can help to explore the new market. Nelling and Webb (2009) concluded no relation between CSR and financial performance.

(Margolis et al.,2009 and Friend et al., 1988;) found positive relation between CSR and Corporate financial performance but the effect is very less. Peloza (2009) analysed 128 studies and in 58% studies he found the positive relation between CSR and financial performance. Baron *et al.* (2009) found positive association between CSR and consumer industries while negative association with industrial industries. CSR helps the company to boost the goodwill, morale of the employee, provide more competitive advantages and also improves the reputation (Godfrey, 2005; McGuire et al., 1990; Grow et al., 2005; McGuire *et al.* 1988; Houston and Johnson, 2000). CSR and sustainability identified as important driver of reputation and financial performance also pushing companies proactive CSR

(Dawkins, 2004; Rozeff, 1982; Nielsen and Thomsen, 2009).

CSR is in tradition in India from Nineteenth century (Chaudhri and Wang, 2007) and various scholars also concluded that companies are started to realize the importance of involving themselves in the activities of sustainability, social development and nation building (Chahoud et al., 2007; Dhanesh, 2012; Kim et al., 1996; Mitra, 2011). Khan, Muttakin and Siddiqui (2013) conducted a study in Bangladesh, concluded that high ownership concentration lead to the low involvement in social welfare activities. Manchiraju and Rajgopal (2017) concluded that mandatory CSR does not increase the shareholder's value but instead increase the burden of expenses.

Weber (2008) identified five possible benefits of CSR 1. Positive impact on image and reputation of the company. 2. Positive impact on employee's morale, recruitment and retention. 3. Cost reduction. 4. Increment in revenue due to high sales and market share. 5. Reduction in risk. Su et al., (2016) suggested that CSR can increase the CFP (Corporate financial performance) by showing the capabilities also shows the organization commitment for current & potential employees. (Albinger and Freeman, 2000; Schooley et al., 1994; Chong and Tan, 2010). Firm's profitability can be enhanced by favourable CSR towards the customers (Mishra and Suar, 2010). Lawrence and Weber (2008) concluded that more socially responsible firms had sound financial position.

Based on the above literature review (Davis 1973; Nelling and Webb 2009; Margolis *et al.* 2009; Peloza 2009; Baron *et al.* 2009; Godfrey, 2005; McGuire et al., 1990; Grow et al., 2005; McGuire *et al.* 1988; Houston and Johnson, 2000; Dawkins, 2004; Nielsen and Thomsen 2009; Chaudhri and Wang 2007; Chahoud et al., 2007; Dhanesh, 2012; Mitra 2011; Khan, Muttakin and Siddiqui 2013;) following null hypothesis have been established to examine the relationship of CSR and financial performance:

H_{o1}: NPR has no significant impact on CSR

H_{o2}: CR has no significant impact on CSR

H_{o3}: ROCE has no significant impact on CSR

H_{o4}: EPS has no significant impact on CSR

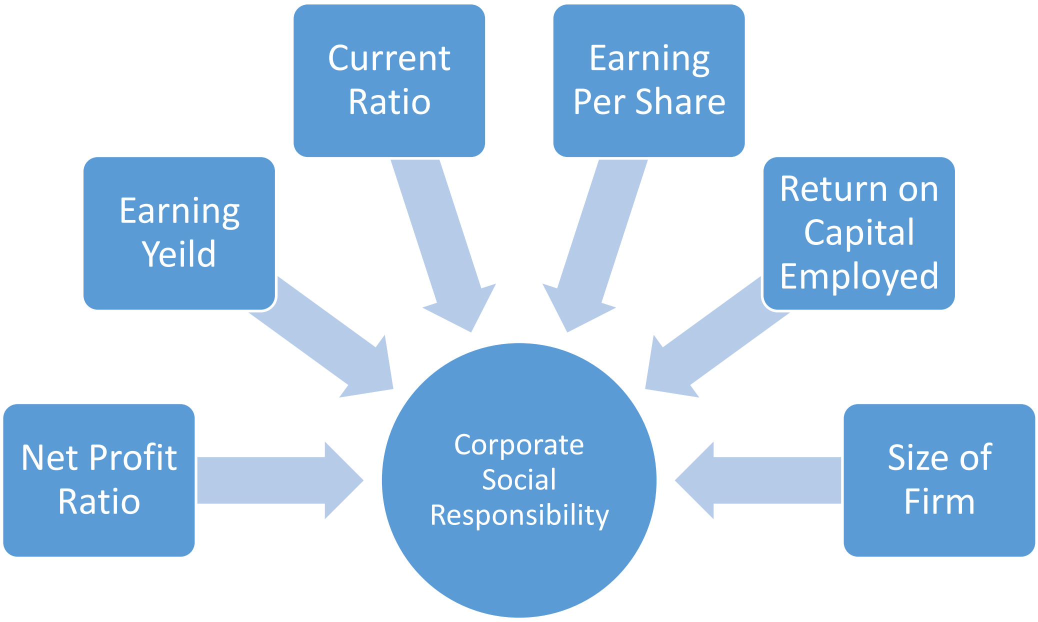
H_{o5}: EY has no significant impact on CSR

H_{o6}: SIZE OF FIRM has no significant impact on CSR

Theoretical Framework:

Analysis of CSR and financial performance of the Indian companies is based on various arguments. Some researcher suggested the negative relationship argued that high responsibility may results high cost and put them at economic disadvantage in comparison to the less responsible companies (Bragdon & Marlin, 1985 and Vance, 1975). Other researchers investigated the positive relationship argued that higher the responsibility can reduce the risk of the companies by increasing the goodwill and good relation with labour (Davis, 1975 and Soloman & Hansen, 1985). For example, companies prone to the high responsibility may not face the problem of labour and can maintain the good relation with bankers, investors and government officials. Investors may perceive low responsible firms as high risky investment (Alexander & Bucholtz, 1978 and Spicer, 1978). Studies were conducted to analyse the relationship of CSR and profitability. We are considering profitability, liquidity and solvency ratios to check the relationship.

Fig. 2 Theoretical Framework



Source: Figure made by Author

Variables: it is an attempt to examine the impact of financial performance on CSR of the BSE listed companies. CSR is taken as independent variable while the measures of financial performance are taken as dependent variables. Measures of financial performance are as follow:

Firm's size: Review of prior literature shows the positive relationship between CSR and size of the firm (Eriotis, 2005; Jiraporn et al., 2006; Leal, et al., 2007; Ali et al.,2017). Size of the firm has been defined as the value of total assets. We selected large capital firms listed in BSE. Large firms are more socially responsible than others.

Profitability: It can be checked through the net profit ratio and earning per share. The higher ratio shows the higher profitability and profitable firms are in a position to do high expenditure on social welfare related to its stakeholders (Kumar and Sujit, 2018).

Availability of cash: It is the ratio which explains the relationship of current assets to current liabilities and it also shows the capability of a firm to pay their liabilities. Companies having an adequate amount of cash are more focused on the expenditure of social welfare (Labhane and Mahakud, 2016)

Return on capital employed: (Chen and Dhiensiri, 2009 and Kumar and Sujit, 2018) argues that growth potential also determines expenditure of the companies on the project of social welfare. ROCE is used to measure the operational efficiency of the firm and thereby the future growth potential.

Earning Yield: it explains the relationship of EPS and stock price of the company. It shows how much EPS a company gained by investment.

Methodology:

Sample size and data collection: 30 companies listed in BSE have been selected for the purpose of study. Data regarding the expenditure on the project and activities related to the social welfare has been collected through the website of government of India. Information regarding the financial performance has been collected in the form of various ratios namely, NPR, ROCE, CR, EY, EPS and net sales from the site of Bombay Stock Exchange. Time period of the study is from 2014-15 to 2017-18.

Data analysis: Eviews 9.0 version has been used to analyze the data. Specifically, Panel Regression analysis, carried out (Oyedeko and Adeneye 2017; Elmagrhi *et al.* 2017; Agrawal *et al.* 2019). To check the relationship correlation applied. Preliminarily, descriptive statistics and unit root test also used with help of Eviews.

The model used for the study is as follow:

$CSR_{it} = \alpha+\beta_1 NPRit + \beta_2 CRit + \beta_3 EYit + \beta_4 EPSit + \beta_5 ROCEit + \beta_6 SIZEit + \mu_{it}$

Where,

NPR = Net Profit Ratio

CR = Current Ratio

EY = Earning Yield

ROCE = Return on Capital Employed

EPS = Earnings Per Share

SIZE = Size of the firm

CSR = Corporate Social Responsibility

α, is intercept and β_1, β_2, β_3, β_4, β_5, and β_6, are the coefficient of the regression model.

μ_i = error term, follow a normal Distribution

Descriptive Statistics: it is very useful to describe, summarize and interpret the data in a meaningful way. Helps to understand the frequency distribution and Mean, Median, SD are calculated.

Table 1. Descriptive Statistics of variables influencing CSR in India

	CR	CSR	EARNING_YEILD	NET_SALES	EPS	NPR	ROCE
Mean	1.237	123.761	0.0445	51416.92	44.622	191.380	22.497
Median	1.050	70.620	0.050	38945.42	24.200	14.420	14.180
Maximum	6.570	745.040	0.210	329076.0	255.620	10024.16	103.730
Minimum	0.020	0.000	-0.070	165.530	-24.840	-18.380	-5.610
Std. Dev.	1.087	152.605	0.033	58736.52	50.487	1087.815	20.861
Skewness	1.590	1.873	0.737	2.676	1.874	7.333	1.847
Kurtosis	7.124	6.365	8.481	10.849	6.850	61.203	6.749
Jarque-Bera	134.528	125.758	159.778	447.627	143.174	17863.66	137.408
Probability	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Sum	147.320	14727.610	5.300	6118613.	5310.050	22774.33	2677.260
Observations	119	119	119	119	119	119	119

(Source: Computed data)

In the above table the probability of CSR, CR, NPR, ROCE, NET SALES, EPS, EY is less than .05 (at 5% significance level) which shows that the data is normally distributed.

Unit Root Test:

Table 2. Panel unit root test: Common unit root process by Levin, Lin & Chu t

Method	Statistic	Prob.	Cross- sections
CSR	78.832	0.035*	30
CR	167.092	0.000*	30
EPS	121.559	0.000*	30
NPR	113.011	0.000*	30
EY	77.562	0.038*	30
ROCE	69.050	0.151	30
SIZE	85.376	0.017*	30

(Source: Computed data)
**** Significant level at 5%***

Table 2 shows that all the variables have been checked for stationarity with the help of panel common unit root test by Levin, Lin & Chu t. In the above table, the null hypothesis assumed that the data have unit root and found probability value >0.05 except ROCE which means rest of data is stationary and null hypothesis has been rejected in this case.

Correlation Analysis: It is a very useful statistical tool which defines the relationship of two variables.

Table 3. showing the results of correlation analysis

	CSR	CR	EARNING YEILD	EPS	NET SALES	NPR	ROCE
CSR	1.000						
CR	-0.019	1.000					
EARNING YEILD	0.450	0.026	1.000				
EPS	0.064	0.192	0.089	1.000			
NET SALES	0.779	-0.242	0.177	0.164	1.000		
NPR	-0.229	0.094	0.232	-0.150	-0.676	1.000	
ROCE	-0.157	0.509	-0.242	0.288	-0.366	0.357	1.000

(Source: Computed data)

Above table reports correlation among the various variable. Among the above variables EY 0.45, EPS 0.06 and Net Sales 0.78 have highly positive relationship with CSR while others have negative relation with CSR.

Regression Analysis:

It is a technique to find the impact of one or more variable on the other variable. Regression also used to measure the changes in the dependent variable due to or based upon changes in the independent variable. Based on above review literature (Friend et al., 1988; Kim et al., 1996; Rozeff, 1982; Schooley et al., 1994; McGuire et al., 1990; Grow et al., 2005; McGuire *et al.* 1988; Houston and Johnson, 2000; Dawkins, 2004) Ordinary least square regression model, Fixed and Random effect model have been used to check the impact of net profit ratio (NPR), current ratio (CR), return on capital employed (ROCE), firm size (Net Sales), EPS (Earning per share), EY (Earning yield) on CSR (Corporate social responsibility) of the 30 companies selected listed at BSE India.

Table 4 Results of Regression Analysis (OLS, Fixed and Random Effect)

	OLS			Fixed Effect			Random Effect		
Variable	**Coefficient**	**t-Statistic**	**Prob.**	**Coefficient**	**t-Statistic**	**Prob.**	**Coefficient**	**t-Statistic**	**Prob.**
C	-4.866	-4.990	0.000*	-10.593	-2.716	0.008*	-5.606	-4.539	0.000*
CR	0.154	3.503	0.000*	0.167	1.440	0.154	0.160	2.894	0.004*
EY	0.371	3.075	0.002*	-0.382	-1.407	0.164	0.233	1.597	0.113
EPS	-0.167	-2.818	0.006*	0.073	0.278	0.781	-0.153	-1.920	0.058
SIZE	0.938	16.383	0.000*	1.145	3.330	0.001*	0.954	12.750	0.000*
NPR	0.402	5.547	0.000*	0.401	1.189	0.238	0.422	4.583	0.000*
ROCE	0.133	1.439	0.153	0.273	1.345	0.183	0.141	1.246	0.216
R^2	0.84			0.93			0.72		
Ad. R^2	0.83			0.89			0.70		
F-stat (Prob.)	76.40 (0.000*)			25.76 (0.000*)			36.6 (0.000*)		
DWS	1.05			2.40			0.98		

(Source: Computed data)

* ***Significant level at 5%***

Results of OLS: Results of OLS indicates the impact of financial measures on CSR by 84% (R^2 0.84 & adjusted R^2 0.83) and DWS (Durbin-Watson Statistics) 1.05. results also indicates that all the measure except ROCE have significant effect on CSR at 5% significance level (>0.05).

Results of Cross-Section Fixed Effect: Results shows size of the firm (net sales) has significant effect on CSR at 5% significance level (>0.05) and overall effect of all measure by 93% (R^2 0.93 & adjusted R^2 0.89), DWS 2.40.

Results of Cross-Section Random Effect: Use of Cross-Section Random Effect shows that except ROCE, EPS & EY all measures are effecting CSR at 5% significance level (>0.05). factors have effect by around 70% 93% (R^2 0.72 & adjusted R^2 0.70), DWS 0.98.

Above results of various regression model indicates that cross-section fixed effect model is appropriate model (R^2 0.93 & adjusted R^2 0.89) to judge the effect of financial measure on CSR of the BSE listed companies in India. Hence, Ho6 is rejected (Size of the firm) while other are not rejected. On the other hand, it indicates that only size of the firm is influencing the CSR policy of the companies.

Size of the firm can be measured with the help of net sales of the company and large size of the firm provoke the company spend more and to take initiative for the betterment of the society and its stakeholders. Results are also supported by McGuire et al., 1990; Grow et al., 2005; McGuire *et al.* 1988; Houston and Johnson, 2000 and Dawkins, 2004.

Conclusion:

Study examined the factors influencing CSR spending of company in India using the financial data and CSR spending during four years of BSE listed companies. It has been derived through this study that the size of the firm is major component among the financial measure which influences spending of company on social projects. Larger the size of company has large expenditure over CSR.

Study is very useful to the government to analyse the expenditure of the companies or to enforce as per the CSR Act 2014 under the Companies Act 2013. It is also useful to the companies to increase and decrease their spending over CSR & social project and create goodwill of the companies among their stakeholders.

Study may have some limitation. Present study includes the data of 30 companies which may be increased to know more proper information regarding the CSR spending or the data of some other stock exchanges of India may also be examined.

Reference:

Agrawal, O.P. Bansal, N. and Bansal, P.K. (2019), "Determinants of Capital Structure: A Study of Indian Companies", *Siddhant - A Journal of Decision Making, Volume 19,* Issue 2, April-June, 2019, pp- 65-72

Albinger, H.S. and Freeman, S.J. (2000), "Corporate social performance and attractiveness as an employer to different job seeking populations", *Journal of Business Ethics*, *Vol. 28* No. 3, pp. 243-253.

Alexander, G., & Bucholtz, R. 1978. Corporate social responsibility and stock market performance. *Academy of Management Journal*, *21*: 479-4

Ali, I., Gohar, A. and Meharzi, O. (2017), "Why do firms change their dividend policy?", *International Journal of Economics and Financial Issues*, *Vol. 7* No. 3, pp. 411-422

Baron, D.P., Harjoto, M.A. and Jo, H. (2009), "The economics and politics of corporate social performance", Stanford University Graduate School of Business Research Paper No. 1993, Stanford, CA, available at: http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1202390 (accessed October 18, 2017).

Bradgon, J. H., & Marlin, J. 1972. Is pollution profitable? Risk Management, *19*(4): 9-18.

Carroll, A. B. (1983). Corporate social responsibility: Will industry respond to cutbacks in social program funding. Vital Speeches of the Day, *49* (19), 604–608

Chahoud, T., Emmerling, J., Kolb, D., Kubina, I., Repinski, G. and Schlager, C. (2007), "Corporate social and environmental responsibility in India: assessing the UN global compact's role", available at: http://edoc.vifapol.de/opus/volltexte/2013/4369/pdf/Studies_26.pdf (accessed January 14, 2014).

Chaudhri, V. and Wang, J. (2007), "Communicating corporate social responsibility on the internet: a case study of the top 100 information technology companies in India", *Management Communication Quarterly*, *Vol. 21* No. 2, pp. 232-247.

Chen, J. and Dhiensiri, N. (2009), "Determinants of dividend policy: the evidence from New Zealand", *International Research Journal of Finance and Economics*, *Vol. 34*, December, pp. 18-28

Davidson, W. N., Worrell, D. L., & Gilberton, D. 1986. The appropriateness of using accounting data in studies relating corporate social responsibility to firm financial performance. Paper presented at the Academy of Management annual meeting, Chicago.

Davis, K. (1973), ''The case for and against business assumption of social responsibilities'', *Academy of Management Journal*, *Vol. 16*, pp. 312-22.

Dawkins, J. (2004), "Corporate responsibility: the communication challenge", *Journal of Communication Management*, *Vol. 9* No. 2, pp. 108-119.

Dhanesh, G.S. (2014), "CSR as organization-employee relationship management strategy: a case study of socially responsible information technology companies in India", *Management Communication Quarterly*, *Vol. 28* No. 1, pp. 130-149.

Elmagrhi, M.H., Ntim, C.G., Crossley, R.M., Malagila, J.K., Fosu, S. and Vu, T.V. (2017), "Corporate governance and dividend payout policy in UK listed SMEs: the effects of corporate board characteristics", *International Journal of Accounting & Information Management*, *Vol. 25* No. 4, pp. 459-483.

Eriotis, N. (2005), "The effect of distributed earnings and size of the firm to its dividend policy: some Greek data", *International Business and Economic Research Journal*, *Vol. 4* No. 1, pp. 67-74.

European Commission (2001). Directorate-General for Employment. Promoting a European Framework for Corporate Social Responsibility: Green Paper. Office for Official Publications of the European Communities.

Friend, I., and L. Lang. (1988), An empirical test of the impact of managerial self-interest on corporate capital structure. *Journal of Finance 43* (June): 271–281

Godfrey, P.C. (2005), "The relationship between corporate philanthropy and shareholder wealth: a risk management perspective", *Academy of Management Review*, *Vol. 30* No. 4, pp. 777-798.

Grow, B., Hamm, S. and Lee, L. (2005), "The debate over doing good", BusinessWeek, August 15, pp. 76-78.

Houston, M. and Johnson, S. (2000), "Buyer-supplier contracts versus joint ventures: determinants and consequences of transaction structure", *Journal of Marketing Research, Vol. 37* No. 1, pp. 1-15.

http://finance.bih.nic.in/Documents/CSR-Policy.pdf

Jiraporn, P. and Ning, Y. (2006), ''Dividend policy, shareholder rights, and corporate governance'', *Journal of Applied Finance, Vol. 16* No. 2, pp. 24-36

Khan, A., Muttakin, M.B. and Siddiqui, J. (2013), "Corporate governance and corporate social responsibility disclosures: evidence from an emerging economy", *Journal of Business Ethics*, *Vol. 114* No. 2, pp. 207-220.

Kim, Y., G. Lee, J. Rhim, and J. Kang. 2006. The causality among South Korean firms' earnings, dividend policies and investment decisions. Global Business and Finance Review 11 (Fall): 21–30.

Kumar, R. and Sujit, K.S. (2018), "Determinants of dividends among Indian firms – an empirical study", *Cognet Economics and Finance*, *Vol. 6* No. 1, pp. 1-18.

Labhane, N.B. and Mahakud, J. (2016), "Determinants of dividend policy of Indian companies: a panel data analysis", *Paradigm, Vol. 20* No. 1, pp. 36-55.

Lawrence, A.T. and Weber, J. (2008), Business and Society: Stakeholders, Ethics, Public Policy, 12th ed., McGraw-Hill, New York, NY.

Leal, R.P. and Carvarhal-dal-silva, A.L. (2007), ''Corporate governance and value in Brasil (and Chile)'', in Chong, A. and Lopez-des-Silanes, F. (Eds), Investor Protection and Corporate Governance: Firm-level Evidence Across Latin America, The Inter-American Development Bank, Washington, DC, pp. 213-287

Manchiraju, H. and Rajgopal, S. (2017), "Does corporate social responsibility (CSR) create shareholder value? evidence from the Indian companies act 2013", *Journal of Accounting Research, Vol. 55* No. 5, pp. 1257-1259

Margolis, J.D. and Walsh, J.P. (2003), "Misery loves companies: rethinking social initiatives by business", *Administrative Science Quarterly*, *Vol. 48* No. 2, pp. 268-305

Margolis, J.D., Elfenbein, H.A. and Walsh, J.P. (2009), "Does it pay to be good…and does it matter? A meta-analysis of the relationship between corporate social and financial performance", available at: http://dx.doi.org/10.2139/ssrn.1866371 (accessed October 18, 2017).

McGuire, J., Schneeweis, T. and Branch, B. (1990), "Perceptions of firm quality: a cause or result of firm performance", *Journal of Management, Vol. 16* No. 1, pp. 167-180.

McGuire, J., Sundgren, A. and Schneeweis, T. (1988), "Corporate social responsibility and firm financial performance", *Academy of Management Journal, Vol. 31* No. 4, pp. 854-872

McWilliams, A. and Siegel, D.S. (2001), "Corporate social responsibility: a theory of the firm perspective", *Academy of Management Review, Vol. 26* No. 1, pp. 117-27

Mishra, S. and Suar, D. (2010), "Does corporate social responsibility influence firm performance of Indian companies?", *Journal of Business Ethics, Vol. 95* No. 4, pp. 571-588.

Mitra, R. (2011), "Framing the corporate responsibility-reputation linkage: the case of Tata Motors in India", *Public Relations Review, Vol. 37* No. 4, pp. 392-398.

Montabon, F., Sroufe, R. and Narasimhan, R. (2007), "An examination of corporate reporting, environmental management practices and firm performance", *Journal of Operations Management, Vol. 45*, pp. 998-1014

Nelling, E. and Webb, E. (2009), "Corporate social responsibility and financial performance: the 'virtuous circle' revisited", *Review of Quantitative Finance and Accounting, Vol. 32*, pp. 197-209.

Oyedeko, Y.O. and Adeneye, Y.B. (2017), "Determinants of dividend policy: controlling for political stability in pre-crisis, crisis and post-crisis periods", *American Journal of Business, Economics and Management, Vol. 5* No. 5, pp. 58-67

Peloza, J. (2009), "The challenge of measuring financial impacts from investments in corporate social performance", *Journal of Management, Vol. 35* No. 6, pp. 1518-1541.

Rozeff, M. (1982). Growth, beta and agency costs as determinants of dividend pay-out ratios. Journal of Financial Research 5 (Fall): 249–259

Schooley, D., and D. Barney. (1994). Using dividend policy and managerial ownership to reduce agency costs. Journal of Financial Research 17 (Fall): 363–373

Su, W., Peng, M.W., Tan, W. and Cheung, Y. (2016), "The signalling effect of corporate social responsibility in emerging economies", *Journal of Business Ethics, Vol. 134* No. 3, pp. 479-491

Weber, M. (2008). The business case for corporate social responsibility: A company level measurement approach for CSR. European Management Journal, 26, 247–261. doi: 10.1016/j.emj.2008.01.006