REVIEWED JOURNAL INTERNATIONAL of BUSINESS MANAGEMENT

*Vol. 1, Iss. 1 (2019), pp 1 - 19, January 7, 2019. www.reviewedjournals.com, ©Reviewed Journals*

# IMPACT OF STRATEGIC CORPORATE SOCIAL RESPONSIBILITY ON FINANCIAL PERFORMANCE: THE MEDIATING ROLE OF SUSTAINABILITY BALANCED SCORECARD EMPIRICAL ANALYSIS ON EGYPTIAN TOP 30 EGX-ESG, INDEX

**Giham, A. O.**
Assistant Professor, Misr University for Science and Technology [MUST], Egypt

**Accepted: January 1, 2019**

***Abstract***

*This paper aims to substantiate the mechanism through which strategic corporate social responsibility (SCSR) based on (social commitment, operational excellence, and social formalization) affects directly and indirectly on financial performance (FP). Specifically, this paper focuses on the mediating effect of sustainability balanced scorecard in the relationship. The paper investigates Egyptian top 30 enterprises that have been listed in the Egyptian EGX-ESG, index according to their compliance with new EGX regulations regarding social responsibility, corporate governance and sustainability governance. Data have been collected through closed questionnaires from a sample of top managers. The hypotheses have been tested using the path analysis technique .The statistical results initially demonstrate that SBSC mediate the relation between SCSR and financial performance. SCSR based on social commitment, social operational excellence, and social formalization has positive indirect effect on the FP through SBSC. Also based on the statistical results, only one dimension of SCSR (social formalization) has direct effect on financial performance, whereas the direct effect of the other two dimensions (social commitment and operational excellence is rejected. The paper argues for the importance of SBSC in enhancing the effects of SCSR on firm performance and particularly on financial performance.*

***Keywords**: Strategic Corporate Social Responsibility, Social Commitment, Social Operational Excellence, Social Formalization, Sustainability Balanced Scorecard, Financial Performance.*

## Introduction

Following a global tendency, corporations are currently more concerned with corporate social responsibility (Halme, Roome, & Dobers, 2009). Both companies and researchers permanently seek ways to approach corporate social initiatives with the strategic perspective (eg.Husted & Allen,2001, McWilliams & Siegel 2001, Porter & Kramer 2006), Pearce & Doh 2005, Husted & Salazar, 2006) . integration of CSR into corporate strategy represents a major challenge for managers. Scholars have widely investigated the topic and have proposed several frameworks for the integration process such as formalization of CSR activities which introduced by (Porter and Kramer, 2006) and introduction of external accountability tools which presented by (eg.Dentchev, 2005, Waddock & Bowell, 2007). Also a well-structured communication of CSR initiatives and adoption of certified management systems have been described as key steps in the integration process (eg.Sharp & Zaidman, 2009, Perrini & Minoja, 2008). in this context Burke and Logsdon (1996 ) introduce “strategic CSR” concept as the CSR that "yields substantial business-related benefits to firms, particularly by supporting core business activities". the authors argue that, only some specific aspects of CSR could enhance firm’s FP. Porter and Kramer (2006) suggest that companies should evolve from the cosmetic' approach to CSR that is characterized by a high level of formalization, but totally isolated from a firm core business towards The strategic approach that is characterized by a higher implementation of few CSR initiatives that strictly correlated to core business .The strategic approach focuses only on CSR initiatives that are able to differentiate the firm from competitors and delivering benefits to both company and the broader society.

On the other hand, there has been vigorous debate over the components of SCSR that could enhance firm value and financial performance (Carroll & Shabana, 2010). Also the correlation between SCSR and FP have been studied deeply from different perspectives. Some scholars (eg.Orlitzky et al., 2003; Kang and Liu, 2013, Oeyono et al., 2011) find the correlation to be positive, while others negative (eg.Wagner et al., 2002; Cordeiro & Sarkis, 1997) or no correlation (Teoh et al., 1999; McWilliams & Siegel, 2000, Aras et al., 2010). many mediating variables are extracted in SCSR–FP relationship such as reputation, customer satisfaction, productivity and employee motivation (eg.Pivato et al., 2008, Surroca et al., 2010, Flanagan & O’Shaughnessy, 2005). Galbreath and Shum (2012) call for a significant expansion of study of moderating and mediating variables in the SCSR–FP relationship. Recently sustainability balanced scorecard (SBSC) has been emphasized as a strategic tool that can bridge the gap between financial perspective and strategic social responsibility perspective (eg. Bieker &Waxenberger,2002, Woerd & Brink, 2004).

Drawing on the literature on the concept and the attributes of SCSR, social commitment, operational excellence and social formalization extrapolated as the most important dimensions of SCSR .The three key dimensions could affect directly on financial performance and indirectly through SBSC (eg. Burke & Logsdon 1996, Husted & Allen 2007, 2009, 2011, Porter & Kramer, 2006)

.

Drawing on the literature on the mediating variables to the SCSR–FP relationship, sustainability balanced scorecard is especially highlighted due to its importance as a strategic tool that can ensure the successful integration of social initiatives in corporate strategy (eg.Figgeet al., 2002, Bieker,at.al,2002, Krause, O, 2003).

Furthermore, this research has built on the literature that conducted on CSR practices in the Egyptian context (eg. Mohn & Eissemblatter 2007, Obalola et al, 2009, El Hebeishy, 2011, Darrag,& Crowther,2017). According to these literature, CRS’ practices in Egypt is characterized with high level of vagueness and discrepancy .Also absence of strategic approach is significantly observed. Darrag and Crowther (2017) call for urgent need to adopt strategic perspective in practicing CSR rather than religious and philanthropic perspective. The strategic perspective is largely based on a clear identification of CSR concept and practices and a clear understanding of CSR strategic goals. Communications with stakeholders and disclosure practices also have been identified as critical components to strategic approach to CSR. The authors also enhanced the importance of CSR’ assessment on firm performance.

This research is conducted in the setting of the Egyptian top 30 EGX-ESG index according to Egyptian Capital Market (EGX). This listing is selected as all large-sized enterprises (LEs) since 2006 have to comply with the new EGX regulations stipulating corporate governance, transparency and disclosure as well as environmental sustainability-adherence. It provides a viable base for these corporations to undertake CSR by turn EGX Enlisting Requirements. Critical case sampling was used for identifying managers who actually run the CSR operations, be they CSR and/or PR and/or marketing (MRKT) and/or senior managers and/or entrepreneurs.

This study initially presents the positive correlation between SCSR based on, social commitment, operational excellence, and social formalization and sustainability balanced scorecard. This paper further demonstrates how SCSR's dimensions (social commitment, social operational excellence and social formalization) could indirectly enhance financial performance through sustainability balanced scorecard. Also the study results show the direct effect of social formalization on financial performance, while the direct effect of the other two dimensions ( social commitment-operational excellence) is rejected. This result primarily sheds light on the importance of sustainability balanced scorecard as a mediating variable in SCSR–FP relationship, and also explicating the mechanism through which SCSR affects FP. Such findings also have several implications in both SCSR–FP and sustainability balanced scorecard-FP literature in the developing countries context.

## Literature Review and Hypotheses:

### The Strategic Corporate Social Responsibility Components

Burke and Logsdon (1996) introduced the "strategic CSR" concept as the CSR that "yields substantial business-related benefits to firm, particularly by supporting core business activities. The authors subdivide CSR into five components to argue that only some specific aspects of CSR could enhance firm's FP. First, Centrality which refers to the ability of firm to improve product innovation based on social initiatives. Second, proactivity which is emphasized by the ability to Anticipate changes in social context that could present market opportunities. Third, voluntarism which includes the level of Participation in social actions beyond that demanded by law. Fourth, appropriability that is defined as the ability to leverage the CSR initiatives which could generate significant economic benefits .fifth, visibility that is concerned with raising the stakeholders awareness of CSR value added . Porter and Kramer (2006) suggest that companies should evolve from the 'cosmetic' approach to CSR that is characterized by a high level of formalization towards the operational approach that is characterized by a higher integration of CSR into corporate strategy. The operational approach in two steps: responsive and strategic. A responsive approach to CSR implies reducing the negative impacts of the company's value chain activities on the broader society environment. The strategic approach emphasizes the implementation of few CSR initiatives which strictly correlated to core business and having ability to differentiate the firm from competitors, delivering benefits to both the company and the broader society.

On this conceptual ground, There has been a great deal of studies over the concept and components of strategic corporate social responsibility (SCSR) . Husted and Allen (2001) argue that, SCSR is basically depends on higher synergy between strategy, leadership and excellence. According to the authors, at the top there is business strategy that embraces corporate responsibility at its heart. In the middle, learning about different stakeholders should be considered. At the bottom left leadership that drives innovation which based on corporate responsibility and company's core strategy. On the right is operational excellence. Lubin and Esty (2010) considers five key areas in which companies must change in order to reach the 'winner' state of the 'ecopremium' of an integrated CSR strategy: first, leadership that links sustainability strategy with initiatives and outcomes, and develops shared goals with all stakeholders. Second, systematizing methods and modes based on specialized tools (e.g., scenario planning, reporting, new certifications and standards. third, alignment between strategy and core business. fourth, an integrated management system which based on the Shared accountability .finally, performance evaluation and communications.
Drawing on the literature above, three key components of SCSR can be extrapolated are :
1- Social commitment
2-operational excellence
3-social formalization:
And they were discussed based on relevant literature as following:

### Social Commitment

Social commitment as a significant component of SCSR refers to clearly stated explicit and assessable goals for each CSR area which derived from stakeholders needs (Husted & Allen 2006, Maon et al, 2008). To enhance social commitment, Social corporate strategy needs to be associated to firm's internal resources and ideologies. In addition, the sense of Voluntarism in practicing CSR is considered as important element. Lubin and Esty (2010) highlights the role of leadership that relate sustainability strategy with strategic initiatives and outcomes. Furthermore, top management's values which embrace CSR practices could work as a powerful motive to act socially responsibly changes (Pearce & Doh 2005). In this line,“socio efficiency approach suggested as mean of learning and development perspective through which The employees could be provided with consciousness and feeling for the relevance of ethical aspects . Also the training programs and internal forum discussions work as leading indicators in this area ( Bieker & Waxenberge,2002).

**Operational Excellence**

Husted and Allen, (2001) define Operational excellence as "the closeness of CSR initiatives to company's core business". Lubin and Esty, (2010) argue that organization should relate corporate strategy to social initiatives and make efficient redeployment of resources in order to maximize Operational excellence. The alignment between social initiatives and firm capabilities and resources is highly consistent with the concept of centrality which introduced by Burke and Logsdon (1996), as the firm’s ability to provide a coherent social focus to a portfolio of resources and assets. In this context, Porter and Kramer (2006) divide social issues into three categories: generic social issues, value chain social impact and the social dimension of competitive context. Generic social issues are important to society, but do not significantly affect competitiveness in the long run. Value chain social impact includes social issues that are significantly affected by company activities in the regular course of business. The social dimension of competitive context includes the social initiatives that significantly affect direction and competitiveness of company in the location it operates. Operational excellence component emphasizes the higher integration between social initiatives and firm competitiveness. (Dyllick et al. 1997,Gminder et al.2002) suggested five basic types of social and sustainability strategies regarding competitiveness context. First, Strategy “safe” aims at reducing and managing risks in order to secure existing markets in areas such as climate change, poverty, mobility, bio-technology.second, Strategy credible” is tackling issues of image and reputation as a valuable non-tangible asset. It prevents businesses from conflicts with stakeholders and allows to attract suitable employees and to satisfy customers. (Dyllick et al. 1997; Gminder &Bieker,2002) Third, Strategy "efficient" “eco-effiency”. it has successfully helped to reduce costs by achieving material-efficiency and increase productivity of employees ( Wackernagel & Rees 1996, (Dyllick & Hockerts, 2002, Schmidheiny & Zorraquin 1992) .fourth, Strategy "innovative" it implies Environmental and social impacts that frequently offer an opportunity for differentiating companies’ products in the market place. it approaches innovation through developing sustainable advantages in the production . finally, Strategy "transformative" , it calls for institutional changes within human needs, politics as means of transformation of existing or creating of new markets (Gminder et. Al,2002).

**Social Formalization**

Social formalization as a basic component of SCSR is highly reflected in level of formalization of social initiatives in a company. Many tools and standards suggested in this area such as existence of a committee or of a permanent organizational unit responsible of CSR activities (Maon et al, 2009), adoption of ethical codes, value statements and policies and the inclusion of a social aspect in the company mission statement (Perrini & Minoja 2008). Also the number of international social/environmental certifications obtained by company such As ISO14001 and EMAS for the environmental management, ISO9001 for quality management and SA8000 for HR related issues viewed as a significant proxy for social formalization (eg.Waddock & Bodwell, 2007,Russo &Tencati, 2009). In addition, publication of social reports, rank on the most relevant ethical rankings and membership to the national/international/industry institutions should be considered as social formalization standards (eg.Perrini &Minoja, 2008, Perrini at.al, 2006, Porter & Kramer, 2006, Fowler & Hope, 2007). (Figge et al, 2002) suggests Sustainability Balanced Scorecard (SBSC) as critical strategic tool for integrating social responsibility in corporate strategy and avoiding more traditional corporate reactions.

**Sustainability Balanced Score Card**

The first generation of the balanced score card was developed by Kaplan and Norton (1992) to evaluate an effectiveness of financial and non-financial dimensions of strategies. In addition to financial dimension, customer satisfaction, internal processes, and learning perspectives support the successful execution of corporate strategies. Balanced scorecard was further developed, with additional perspectives added that attempted to address different issues (Wisner, 2001, Figgeet al., 2002, Wagner, 2001.). Sustainability was one of such recommended areas as a critical element of firm's strategy and competitive advantage (Epstein, 1996, Kaplan & Norton, 1996). Corporate sustainability encompasses three dimensions: ecological, social and economic. (Biekeret al. 2001, León Munoz, & Chalmeta, 2010). Incorporating environmental and social goals into original balanced scorecard resulted in creating sustainability balanced scorecard (Figgeet al., 2002; Wagner, 2010) or green balanced scorecard (Lansiluoto & Jarvenpaa, 2008). There have been three possibilities in integrating environmental and social aspects into the existing dimensions of balanced scorecard proposed by (Figge,at.al, 2001,Epstein, 1996).First, both environmental and social aspects can be integrated in the four basic dimensions. Second, an additional dimension dealing with environmental and social aspects can be added (non-market perspective. Third, a specific environmental and social scorecard can be developed. According to (Bieker, 2001) the method of integration depends on type of strategy pursued by organization in sustainability area. The relevance of market perspective as a fifth component to SBSC depends on the influence of environmental or social aspects in business unit’s success. The strategic aspects of the non-market perspective have to be linked directly or indirectly to financial perspective as well. In this context Kramer (2009) suggest that, six-perspective BSCSD model is more Transformative type of sustainability. It pays significant attention to employees and their satisfaction with job and operations. Increasing sales is primarily influenced by employees with higher level of satisfaction. Inclusion of employees perspective into BSCSD could significantly leads to successful implementation of sustainable development within organization. In In order to develop well-designed SBSC, critical elements should be addressed including: Corporate vision/mission/ objectives, sustainability strategies, Identification of causal relationships, Integration of sustainability into the key perspectives,(financial, customer, processes, learning-non-market-employees), Definition of indicators, targets and measures, and Integration into core management system) (Bieker 2001). SBSC enhances transparency of the potential actions which enable firms to improve economic success and highlight the causalities between economical, ecological and social dimensions (Bieker & Waxenberger, 2002). To determine the key perspectives of SBSC, strategic relevance of stakeholders needs have to be checked. (Figgeet al., 2002) argued that , sustainability balanced scorecard is best developed through a three-step process, First, is choosing business unit, which has an opportunity to impact sustainability outcomes .Second, is identifying the environmental and social issues of the business unit. Third, is deciding the specific linkages of these issues to business unit‘s strategy. Figure 1 below gives an overview of the whole process.

Process of Formulating a Sustainability Balanced Scorecard

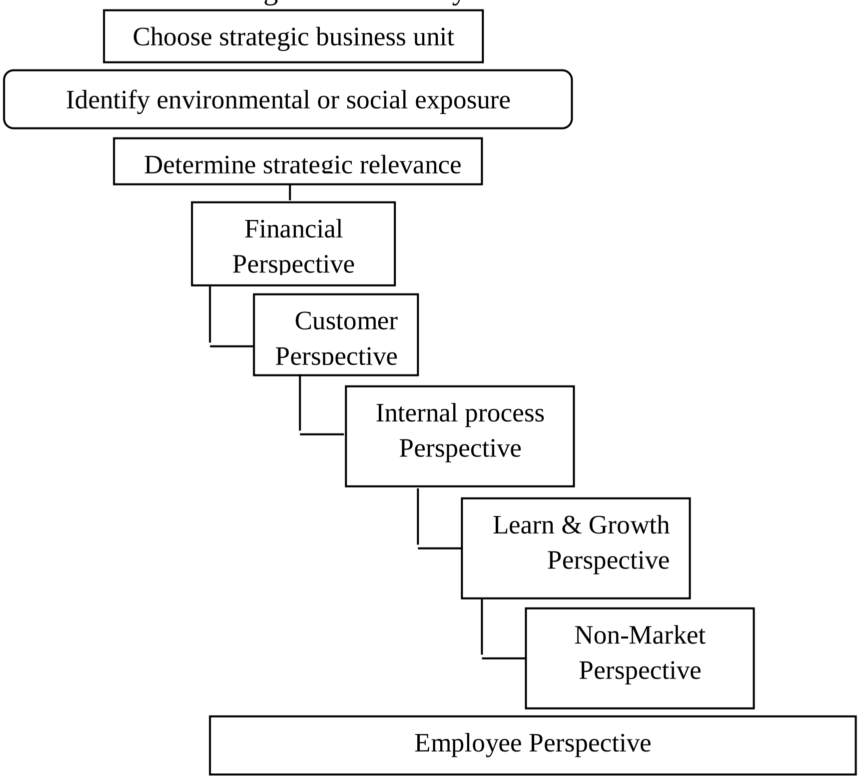


**Figure 1: Adapted from Three-step Process of Formulating a Sustainability Balanced Scorecard**

**Source:** Figge*et al.*(2002), Schaltegger (2004):

**Financial Performance**:

There have been two difference measures of performance, financial and non-financial performance. Financial performance can be measured by growth in profitability, production capacity, sales growth and utilization of the capital and financial resources (Matar& Eneizan, 2018). Pava and Krausz, (1996) categories financial variables into four major sections, namely accounting-based measures, market-based measures, measures of risk, and other firms specific characteristics confirming that most frequently used appear to be accounting-based and market-based measures. Accounting-based measures are different key ratios calculated based on financial statements, while market-based performance measures are based on market data, such as the stock price.

in tracing the relation between social initiatives and financial measures There has been several measures could be considered such as (Brand Value, Sales, Cost Efficiency, Costs of capital, Reducing company's , risk exposure , Reducing of capital cost , Reducing of insurance costs (Figge et al., 2001). Kamatra, and Kartikaningdya (2015 ) use profitability ratios consisting of ROA, ROE, NPM and the EPS to measure the influence of CSR to the financial performance . (Bird, et.al, 2007) state the market-to book ratio (MTBV) and the price to- earnings ratio (PE) while Guidry and Patten (2010) apply the Stock Price returns, as key measure to financial performance. In addition Net income, Book value of equity and stock returns suggested by (Hassel at.al,2005) and Market value of the firm introduced by (Mackey,at.al, 2007).

**Strategic Corporate Social Responsibility Components And Sustainability Balanced Score Card :**

Social commitment is an important precondition for internal acceptance of SBSC (Bieker 2003). Henriques and Sadorsky (1999) classify company level of environmental commitment according to four characteristics: support or involvement of top management, the significance of environmental management, environmental reporting (internal and external), and employees environmental training and involvement. They also assert the importance of having social and environmental plans and communicating them to all stakeholders. Social commitment enable firms to develop well designed Sustainability Balanced Scorecard (SBSC) by identifying the strategically relevant concerns that link operational aspects and non-economic actions to strategy (Bieker& Waxenberger, 2002). It ensures that the main perspectives (learning - operational- customer- financial, non-market, employees) of SBSC are highly aligned with organization's objectives and strategies (Kanga.al 2013). Social commitment as reflection to the stakeholders' needs helps in translating sustainability and social initiatives to strategic themes. The Social Strategic themes are best viewed as "pillars" of SBSC that directly support the achievement of strategic goals .On the other hand, the key performance indicators included in SBSC visualize the causal relationships between the strategic goals and define key success factors which in turn improve top management involvement. Social commitment guarantees higher strategic fit between social strategic goals, key performance indicators and performance measures. Bieker and Waxenberger (2002) suggest that, Participating in SBSC development with involved departments and employees could significantly enhance social commitment .also Cultural analysis approach regarding corporate sustainability context may provide top management with valuable data over the relation between social commitment and SBSC development. As a consequence, the following hypothesis can be formulated:

H1: social commitment has a positive effect on sustainability balanced scorecard.

In addition to social commitment, Operational excellence has also introduced as a fundamental component of SCSR. It implies the closeness of CSR initiatives to company's core business. Operation excellence can improve the firm competitiveness taking into account the strategically relevant social aspects. Operational excellence seems to provide companies with the necessary frame to develop more reflective SBSC. It enables firms to bridge the strategic gap which derive from disconnection between organization visions, strategies and social objectives (Wagner, 2010 ). In this context, (Liebl, 1996, Figge et al., 2001a) suggest a comprehensive framework of strategically relevant environmental and social aspects which derived from stakeholders' concerns. By considering Social relevance, firms could be able to relate operational excellence with SBSC and ensure environmental and social exposure. According to operational excellence's products and activities, categories of lagging, leading and hygienic indicators are derived and included in SBSC. Lagging indicators indicate whether the strategic objectives in each perspective were achieved. Lagging indicators includes many examples such as Productivity growth for Financial Perspective, Customer satisfaction for Customer

perspective, innovation for Process perspective, Employee retention for Learning perspective and Freedom of Action for Non-market Perspective( Kaplan&Norton,1997) .leading indicators are very firm specific and significantly contribute to strategic core activities such as Product attributes for Customer perspective, Quality indicators for operation perspective and Climate for action for growth perspective. while hygienic factors do not have strategic or competitive advantage ( Kaplan and Norton, 1997, Figgeet al.2002). in conclusion, the Operational excellence highlights the relations between strategically relevant social aspects and firm core's business and that is reflected in hierarchic cause-and-effect chains between the main perspectives of SBSC. The above discussion leads us to present the following hypothesis:
H2: operational excellence has a positive effect on sustainability balanced scorecard.

Social formalization is another component of SCSR as discussed above. Sustainability Balanced Scorecard (SBSC) is best viewed as a critical practice for social formalization. Schaltegger and Wagner (2006) suggest that, as a part of social formalization, companies should integrate environmental and social information with economic business information and sustainability reporting. Social formalization tools help in effective building of SBSC as both a visual reporting tool and classification technique. Formalization tools can legitimize SBSC practices and help organization to increase the level of compliance with the planned standards.
In the same context several studies have indicated that disclosing firms that integrate incorporate sustainability strategies/perspective/measures/target as part of their performance measures, and formalization system have more ability to develop more standardized and legitimized SBSC. (eg, Figge et al. 2002; Bieker 2003, Schaltegger &Wagner (2006). Clarkson et al. (2008) find a positive association between level of disclosures in environmental and social reports as part of social formalization and SBSC practices. In summary Social formalization serves to maintain legitimization and standardization of sustainability results achieved by organizations which captured as key determinants for the successful implementation of SBSC.
so the following hypotheses can be formulated:
H3: social formalization has a positive has positive effect on sustainability balanced score card.

**Strategic Corporate Social Responsibility Components and Financial Performance**
Husted and Allen (2007) define appropriability in SCSR context as the ability of a firm to extract economic benefits from a social project. They confirmed that, only the strategic components of CSR have positive correlation with firm’s value creation Such as product differentiation.
In this line, there has been vigorous debate over the relation between SCSR and financial performance. This not only refers to the correlation between SCSR and FP but also encompasses other aspects in the relationship such as the components of SCSR that relate to FP, and the mechanism through which SCSR affects FP. results over this relation remains inconclusive (Carroll & Shabana, 2010). Some scholars (eg.Orlitzky et al., 2003; Kang & Liu, 2014, Oeyono et al., 2011) find the correlation to be positive, while others find it negative (eg.Wagner et al., 2002; Cordeiro & Sarkis, 1997) or no correlation (eg.Teoh et al., 1999; McWilliams & Siegel, 2000, Aras et al., 2010). Several literature argue that the CSR–FP relationship is indirect than direct. Many mediating variables are extracted such as (reputation (eg.Pivato et al., 2008, Surroca et al., 2010, Flanagan and O’Shaughnessy, 2005), Consumer satisfaction(Pivato et al.,2008), cost efficiency (Schaltegger and Sturm, 1992), risk management (Bebbington et al., 2008) and competitive advantage (Saeidi et al., 2015).

Based on stakeholder's theory and several literatures over the relation between strategic corporate social responsibility and financial performance, social commitment as a key component of SCSR could improve financial performance depending on stakeholder influence capacity. Stakeholder's theory call for comprehensive examination of groups to whom a firm reacts responsibly (Moir, 2001,). According to Pesqueux and Damak, (2003) and Cummings and Patel (2009) stakeholders could be classified in categories including: internal stakeholders (employees), operational partners (customers, suppliers) and social community (state authorities, non-governmental organizations, civil society) as they represent sources of income (i.e. customers) and expenses (i.e. suppliers, lenders and non-earning social responsibilities. In general, we can say that social commitment as reflection to the ability of a firm to identify its stakeholders and satisfy their relevant needs activities could improve profitability and reduce costs, so the following hypotheses can be formulated:
H4. Social commitment has a positive impact on financial performance.

In addition, the relation between operational excellence as strategic component of SCSR and financial performance has been investigated from different perspectives. In this context Husted and Salazar (2006) identified three types of social investment (altruistic, selfish and strategic), they argued that, only the strategic investment which emphasizes operational excellence could achieve maximization of both profit and social performance .operational excellence concept is basically built on the relation between social initiatives and company competitiveness which directly affects financial performance. According to sustainability competitive strategies: enhanced reputation, better and more qualified labor, differentiating products will affect directly on financial performance by increasing sales and reducing costs( Dyllick 1999, Gminder et al.2002). Weber (2008) proposes five areas of beneficial impacts of social initiates regarding operational excellence perspective, they are: Company image & reputation, Employee motivation, Cost savings by improving materials efficiency, time savings, energy consumption, Revenue increases from higher sales and market share. These benefits could be achieved indirectly through improving brand image or directly through a CSR specific product or service. Furthermore, productivity as a key determinant of operational excellence also positively affects financial performance (eg.Agell,at.al ,1996, Fehr & Schmidt, 1999, Fehr & Falk, 2002, Sobel, 2002). Becchetti et al. (2008) found that social responsibility implies decisions that may lead to higher labor costs but may enhance involvement, motivation of the workforce which has positive effect on productivity. So we can state that, in terms of profitability operational excellence can be evaluated through its effects on costs, sales growth and assets investments. From the cost point of view, operational excellence activities might be seen as expenses that are reported in income statements but will offset by customer's appreciation to company's social contribution that reflected in growth of sales revenues.
As a result:
H.5. Operational excellence has a positive impact on financial performance.

As discussed above, social formalization based on (Corporate disclosures, standardization of social practices, legitimization and reporting) provide firms with the opportunity to spread value information mainly to financial stakeholders as stock analysts, capital markets and institutional investors and there as get evaluated on its financial measures (Karagiorgos, 2010). Social formalization practices can be used to legitimize the profits generated through use of corporate resources acquired without any contractual capacity (Woodward et al. ,1996). Several studies have investigated the association of risk and social formalization based on corporate Social responsibility disclosure (CSRD) (eg.Purushothaman et al., 2000, Khlif & Souissi, 2010, Parsa, & Kouhy, 2008). They found that corporations with higher debt to equity ratio (DER) tend to make higher CSRD. Andrikopoulos et al (2014) confirm the positive relationship between leverage and CSR disclosure. They argued that greater DER means greater risk for creditors and investors and also greater level of systematic risk for the financial industry, which ultimately leads to a greater demand from stakeholders for information. In general, social formalization tools could provide higher transparency and trust in firms social investment and legitimize firm profits and costs.
The above discussion leads us to present the following hypothesis
H.6. social formalization has a positive impact on financial performance.

**Sustainabliliy Balanced Score Card and Financial Performance:**
Based on literatures on the relation between CSR and financial performance and external factors that can mediate this relation, sustainability balanced scorecard (SBSC) is extrapolated as a strategic tool that could relate financial goals with social and environmentaldimension(eg.Bieker&Waxenberger,2002,&Woerd&Brink,2004).Sustainability balanced scorecard(SBSC) highlights the relationship between long-term resources, sustainability practices and financial outcomes. The cause-and-effect chains regarding sustainability perspective should not comprise only environmentally indicated costs, but rather all direct and indirect financial effects (Lindorff, at.al 2012). SBSC is viewed as critical tool in ensuring the balance between financial- hard facts, and non-financial soft facts (Frigo, 2002 ).according to (Bartolomeo et al., 2000, Wagner, 2010) integrating environmental and social dimensions in balanced scorecard may yield financial benefits from pollution prevention measures. Epstein and Wisner (2005) state that, sustainability balanced scorecard make organization more able to improve profitability and environmental and social accountability simultaneously .Furthermore, several studies((eg.Palmer,& Harmony,2012, Bieker 2003, Wagner, 2010) argue that SBSC practices are highly associated with lower operational costs, increasing employee satisfaction, improving productivity, increasing market opportunities and better shareholder relationship. As a consequence, it can be hypothesized

that:
H7:"Sustainability balanced scorecard has a positive effect on financial performance"

**Research Variables and Framework**

The researcher identifies and measures the independent Variable (strategic corporate social responsibility based on its three basic components (social commitment-operational excellence-social formalization ) through literature review based on (Burke &Logsdon (1996, Husted & Allen 2001, Porter & Kramer 2006, Perrini & Minoja, 2008, Maon et al, 2008 ). As well as the mediating variable (sustainability balanced score card) identified and measured based on (eg.Kaplan & Norton, 1996. Wisner, 2001, Figgeet al., 2002, Smith et al., 2009, Epstein, 2008).to identify and measure the dependent Variable (financial performance) the researcher adopted the proposed ideas from (eg.Carroll & Shabana, 2010, Orlitzky et al., 2003, Kang & Liu, 2014, Oeyono et al, 2011, Orlitzky ,2008).thus A conceptual framework has been developed (Figure 2)

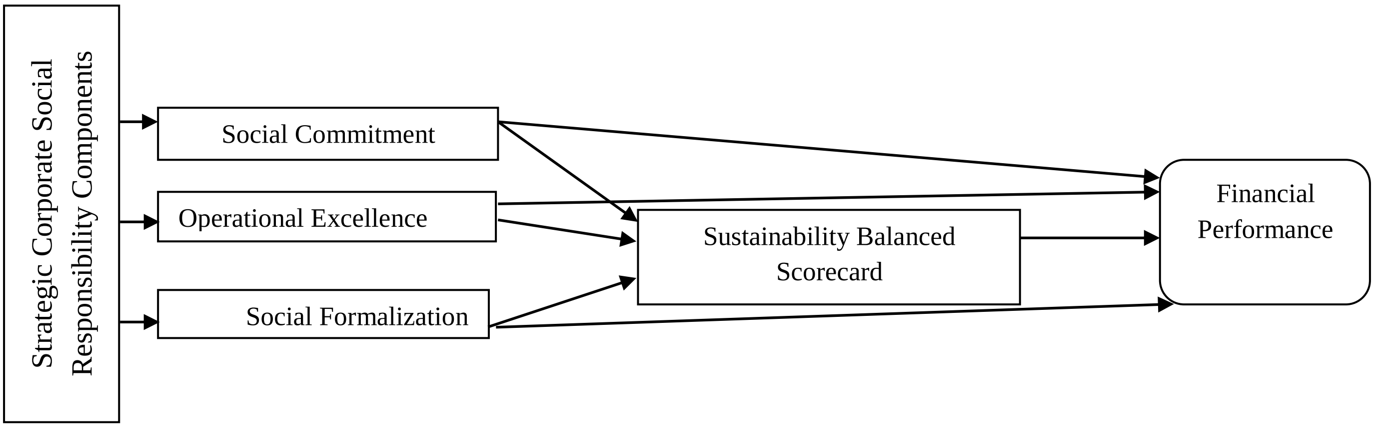


**Figure 2: Conceptual Framework:**

**Research methodology**

Our aim was to present a conceptual framework of strategic corporate social responsibility based on social commitment, operational excellence and social formalization to improve financial performance directly and indirectly through sustainability balanced score card. Our literatures review enabled us to design such frame work. An empirical study has been designed to test the relations of study framework in the setting of the top 30 EGX-ESG, index according to Egyptian Capital Market (EGX). This listing was selected as all large-sized enterprises (LEs) enlisted since 2006 have to comply with the new EGX regulations stipulating corporate governance, transparency and disclosure as well as environmental sustainability-adherence and thus provides a viable base for these corporations to undertake SCSR by turn (EGX Enlisting Requirements.

Data collection was based on a survey. A questionnaire was designed based on the theoretical framework variables (Appendix). A non-probability sampling is favored. Critical case sampling was used for identifying managers who actually run the CSR operations, be they CSR and/or PR and/or marketing (MRKT) and/or senior managers and/or entrepreneurs. Critical case sampling is defined as “choosing settings, groups, /or individuals based on specific characteristic(s) because their inclusion provides the researcher with compelling insight about a phenomenon of interest” (Onwuegbuzie & Collins, 2007, p. 285). About 145 managers were relevant to participate in our study as they participated in social initiatives in different ways. The researcher emailed the survey directly to participating managers after ensuring their agreement by telephone calls or organized meetings. Managers also had the option to return the questionnaire by e-mail.
The questionnaire instrumental sections were as follows: Section one Occupational Characteristics. (Position) Title, Section Two: included the measures of variables of the study. The independent variable (strategic corporate social responsibility) was measured based on (3) main dimensions (social commitment, operational excellence, and social formalization) through (18) items, the mediating variable (sustainability balanced scorecard measured through (10) items and the dependent variable (financial performance measured through (5) items. Answers were organized according to 5 points likert scales ranging from 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, 5 = strongly agree. Data was collected between (September and October

2017). Data were then analyzed through SPSS-Statistics software 17.0 version and AMOS application. Path analysis is an extension of the regression model in which regression is done for each variable in the model as a dependent on others; it has been widely applied to test conceptual models in different disciplines and among them the managerial one (Olobatuyi, 2006)

## Results:

### Descriptive Analysis

A descriptive statistical analysis has been conducted with regard to the variables considered in the study: social commitment, operational excellence, social formalization, sustainability balanced scorecard, and financial performance. Mean value, standard deviation, skewness and kurtosis were calculated. The results were summarized in Table 1.

**Table 1: Descriptive Statistics**

| | N | Minimum | Maximum | Mean | Std. Deviation | Skewness | | Kurtosis | |
|---|---|---|---|---|---|---|---|---|---|
| | Statistic | Statistic | Statistic | Statistic | Statistic | Statistic | Std. Error | Statistic | Std. Error |
| Social commitment | 145 | 2.00 | 5.00 | 3.5103 | .65571 | .083 | .201 | .187 | .400 |
| Operational excellence | 145 | 2.00 | 5.00 | 3.7563 | .42764 | -.607- | .201 | 2.385 | .400 |
| Formalization | 145 | 2.00 | 5.00 | 3.3021 | .71691 | .048 | .201 | -.594- | .400 |
| Sustainability | 145 | 2.20 | 4.90 | 3.4752 | .51038 | .063 | .201 | .374 | .400 |
| Financial performance | 145 | 1.00 | 5.00 | 3.5356 | .59938 | -.899- | .201 | 1.667 | .400 |
| Valid N (listwise) | 145 | | | | | | | | |

The score of each variable was obtained considering the average of the questionnaire items related to the variable. To analyze whether univariate normality exists, the distribution of each observed variable for skewness and kurtosis was examined. For the skewness index, absolute values greater than 3.0 are extreme (Chou *et al.*, 1995), whereas for the kurtosis index, absolute values higher than 10.0 suggest a problem; values higher than 20.0 are considered to be extreme (Kline, 2005).The values of skewness and kurtosis for all variables considered are in the acceptable range as suggested above. Thus, the univariate normality of the variables reasonably exists. This assumption is required for the optimality of parameter estimation method used in the path model.

### Reliability Analysis and Hypothesis Testing:

To examine the reliability of the constructs that used in the study, Cronbach's alpha reliability was computed. This tests whether it may be assumed that a single common factor underlies a set of variables. The acceptable Cronbach's alpha reliability is (0.70) The Cronbach's alpha for all variables is (.89). The reliability of all scales is proved to be at a moderate to good level for all variables (alpha > 0.70). All the variables in the model had been normalized.

Kaiser–Mayer–Olkin (KMO) and Bartlett tests were conducted:
-KMO presented a value of 0.792, proving the data set size adequacy; and
-Bartlett test presented a value of 0.000 showing significance for further analysis
Then, a path analysis was conducted to explain the relations among the variables and test
The theoretical model.
Conducting the path analysis, the $\chi^2$ test, showing 3 degree of freedom gave the value 11.99, with a probability .007. The probability level showed the fitting of the model with the conceptual one at the level of significance of $p \leq 0.01$.figure 3 presents the model that be tested through path analysis and table V presents the regression weights for the variables considered in the model .

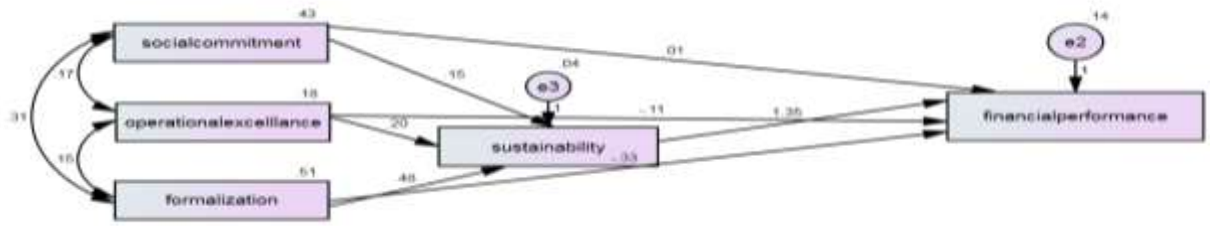


**Figure 3: Model to be Tested Through Path Analysis**

**Table 2: results of path analysis**

| | | | Estimate | S.E. | C.R. | P |
|---|---|---|---|---|---|---|
| sustainability | <--- | Social commitment | .151 | .038 | 4.008 | *** |
| sustainability | <--- | Operational excellence | .202 | .050 | 4.089 | *** |
| sustainability | <--- | formalization | .481 | .031 | 15.421 | *** |
| Financial performance | <--- | Social commitment | .009 | .074 | .126 | .900 |
| Financial performance | <--- | Operational excellence | -.113 | .098 | -1.147 | .251 |
| financial performance | <--- | formalization | -.332 | .095 | -3.486 | *** |
| Financial performance | <--- | sustainability | 1.353 | .156 | 8.656 | *** |

The goodness of fit index has been calculated; its value results to be 1, thus, it allows us at considering the acceptability of the model. GFI Goodness of Fit Index must Proximity to One .CFI Comparative Fit Index must Proximity to One. RMSEA Root Mean Square Error of Approximation must Proximity to Zero According to previous results ,The model of study achieve high degree of fit , GFI value is , 0.969, it is a value that get close to 1, thus, it allows us at considering the acceptability of the model.

**Discussion and conclusions:**

A model to build strategic corporate social responsibility based on social commitment, operational excellence and social formalization was proposed and tested its direct and indirect relation with financial performance through sustainability balanced scorecard.

The statistical analysis allows us to achieve a general result regarding the relationship between the variables of the model. First, the impact of social commitment on sustainability balanced scorecard card is confirmed. This result indicated that social commitment based on well identified stakeholders concerns ensure the strategic fit between social goals, and corporate strategies which lead to well-designed SBSC. Second, it was confirmed the relation between operational excellence and sustainability balanced scorecard; this suggests that operational excellence is important to relate social concerns with the firm's core activates with regard to the firm's competitiveness. In addition, the lagging, leading and hygienic indicators as fundamental measures in SBSC are basically derived from operational excellence activities. Third, the results allowed to confirming the relation between social formalization and sustainability balanced scorecard. Based on this result, we can state that social formalization practices can be viewed as basic sources for the relevant information that is required for developing more standardized and legitimized sustainability balanced scorecard. Social formalization helps organizations to appear more compliance with the planned standards, and emphasize the legitimization of sustainability results. Fourth, the model tested did not allow at confirming the impact of social commitment on financial performance. Social commitment is not relevant to directly improve financial performance, mediating variables can be considered to enhance this relation, and thus the hypothesis relating to positive effect of social commitment on financial performance is rejected. Also the relation between operational excellence and sustainability balanced scorecard is rejected. As a consequence, it can be argued that operational excellence is not relevant to improve financial performance in direct manner.

Furthermore, the relation between social formalization and financial performance was proved. Corporate disclosure based on Social formalization tools (social / sustainability reports and certified management systems) could affect directly on financial performance by increasing profit and reducing risk.

The analysis, then, allowed at showing the impact of sustainability balanced score card on financial performance. Thus, the mediating role of sustainability balanced score card in strengthening the relation between strategic corporate social responsibility and financial performance is proved.

Based on the results presented above, the final model in Figure 4 can be presented as a means to explain how EGX firms in Egypt can build strategic corporate social responsibility and develop sustainability balance scorecard and how they can utilize the relation between them to improve financial performance.

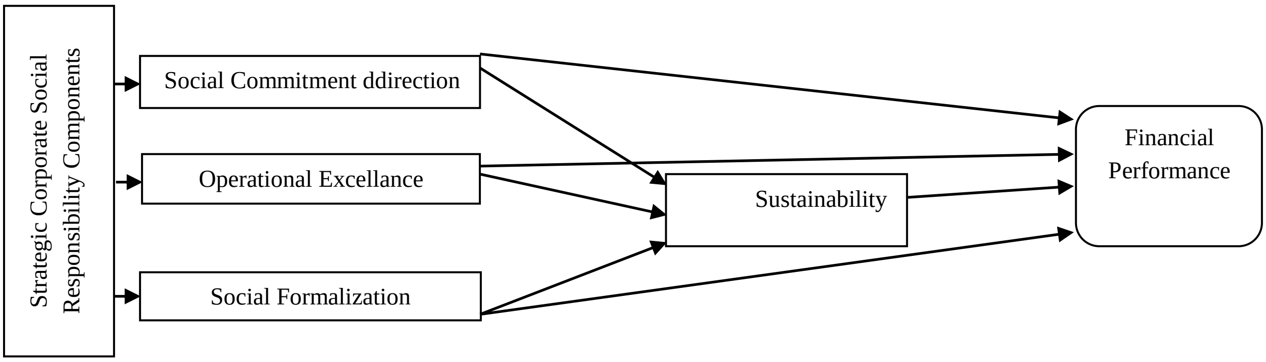


**Figure 4: Final Research Model**

Based on the results presented above, the model confirmed the relations expressed by the literature; as argued by (Figgeet al., 2002, Bieker and Waxenberger, 2002) social commitment is relevant to build sustainability balanced scorecard. Operational excellence results to be relevant to for sustainability balanced scorecard, too. The closeness of CSR initiatives to company's core business Regarding firm 's competitiveness is a significant antecedent for building a well-designed sustainability balanced scorecard as proved by (eg,Burke and Logsdon (Zadek , 2006., Schaltegger and Lukede, 2011, Wagner, 2007). As concluded by (eg.Maon et al, 2009, Perrini and Minoja 2008, , Figgeet al., 2002) social formalization seems to be an appropriate to develop the sustainability balanced score card depending on standardization and legitimation.

As mentioned above social commitment and operational excellence are not relevant to directly improve financial performance. Mediating variables may allow to leverage the impact of the both dimensions on financial performance such as (stakeholders influence, Company image, reputation, Employee motivation) which suggested by Weber (2008), and Consumer satisfaction which introduced by (Pivato et al.,2008), sustainability balanced scorecard presented by(eg.Bartolomeo et al., 2000; Wagner, 2007, Bieker and Waxenberger, 2002).
As concluded by (Karagiorgos,2010, Andrikopoulos et al. 2014), social formalizations tools affects directly on financial performance by increasing profits and reducing risk.

Finally, the study confirmed the positive effect of sustainability balanced scorecard on financial performance in Egypt as argued by (eg.Butler et al., 2011, Wagner, 2007, Lansiluto and Jarvenpaa 2008, Epstein and Wisner 2007).

Defining and testing the conceptualized model as discussed above, allowed us to draw some practical implications.
The primary implication is that, to enhance the firm's financial performance and ensure stakeholder's commitment we suggest that CSR must be approached with the strategic perspective rather than the traditional perspective. because the relations between SCSR components and sustainability balanced scorecard have been confirmed ,we suggest that organizations should recognize the importance of sustainability balanced scorecard as a strategic management tool that helps in ensuring social commitment, enhancing operational excellence and supporting social formalization which captured as the basic components of SCSR. SBSC enables firms to evaluate social investments with different perspectives (financial, customer, process, learning, non-market, employees) and highlights the cause-effect relation between all aspects of strategy. it also helps in improving financial implications of SCSR .

Based on this research managers can measure their progress toward SCSR practices and track its direct and indirect impact on financial performance through SBSC. top management commitment captured as a key element, particularly in aligning corporate strategy with social initiatives and performance outcomes .

This study suggested that, managers should pay significant attention to successfully communicate their firm's social involvements to all stake holders. Culture analysis and social awareness should be emphasized in the communication process.

Another implication was that, sustainability balanced scorecard can enhance top management engagement in SCSR practices. This is because the financial benefit from SBSC is amplified. Also The general results of this study provide evidence of the usefulness of financial measures to examine the economic implications of the strategic corporate social activities .Many useful ratios can be used in this area.

Moreover, most of the past researches only focused on the relation between SCSR and financial performance directly or indirectly by mediating variables such as reputation, exposure, and customer satisfaction, in this study, we suggest sustainability balanced scorecard as a mediating variable in strengthening the impact of strategic social initiatives on financial performance.
In the meantime, there are a few ways this paper could be extended. First, the mediating effect of sustainability balanced scorecard on the correlation between SCSR and financial performance can be sophisticated. Although this paper substantiates the mediating effect of sustainability balanced scorecard, it does not identify the degree to which different types of sustainability balanced scorecard is relevant. The effect of sustainability balanced scorecard on financial performance may vary according to the approach by which firms develop SBSC. Therefore, there is a need for deep investigation in the different approaches that can be used in developing sustainability balanced scorecard in the context of SCSR in the developing countries.

**Limitations and Future Research:**
Although some limitations can be associated to the study based on that this study examines only top 30 EGX-ESG index according to Egyptian Capital Market (EGX). This is an inevitable limitation as the index includes only 30 companies. Therefore, the results may not be generalized to the awareness of the entire Egyptian market.
Also considering the ability to conduct further analysis, this is the first study that investigates strategic corporate social responsibility and its direct effect on financial performance and indirect through SBSC in the Egyptian setting. The paper contributes to the literature related to how strategic corporate social responsibility is developed in firms and how SBSC as strategic tool can be utilized to increase the financial Implications of SCSR. Also it presents practical implication for the firms’ management.

***References:***

Andrikopoulos ,A., Samitas,A., , Bekiaris.,M.,2014., Corporate social responsibility reporting in financial institutions: Evidence from Euronext,. *Research in International Business and Finance*,32,p27-32

Agell J., Englund P., &Södersten J. (1996): Tax Reform of the Century – the Swedish Experiment. „*National Tax Journal*”, Vol. 49/4

Archie B. Carroll ,A.B,& . Shabana,K,.M,. 2010,The Business Case for Corporate Social Responsibility: A Review of Concepts, Research and Practice, *international journal of management reviews,* DOI: 10.1111/j.1468-2370.2009.00275

Aras, G., Aybars, A. and Kutlu, O., 2010, “Managing corporate performance Investigating the relationship between corporate social responsibility and financial performance in emerging markets”, *International Journal of Productivity and Performance Management* 59(3), 229-254

Bartolomeo ,M,Bennett,M,Bouma,J,J,Wolters,T, 2000,Environmental Management Accounting in Europe: Current Practice and Future Potential, *European Accounting Review* 9(1):31-52

Bebbington, A., M. Scurrah and C. Bielich. 2008c. Mapeo de Movimientos Sociales en el Perú Actual. Centro Peruano de Estudios Sociales, Lima

Becchetti,L.Giacomo,S.D.,Pinnacchio, D, (2008) Corporate social responsibility and corporate performance: evidence from a panel of US listed companies, *Journal applied economics*,Vol,40,issue 5, pp-541-567

Bieker, T, Waxenberger, B, (2002): "Sustainability Balanced Scorecard and Business Ethics – using the BSC for integrity management", Paper presented at the "10th *International Conference of the Greening of Industry Network*", Göteborg/Sweden,2002

Bieker, T,,2003, The key role of corporate culture in greening the innovation process. 2003. - Proceedings der 11th *Greening of Industry Network Conference*. - San Francisco

Bieker, T,2003, Sustainability Management with the Balanced Scorecard.. - Summer Academy on Technology Studies

Bird, R., Hall, A. D., Momente, F.,& Reggiani, F. (2007), "What corporate social responsibility activities are valued by the market?", *Journal of Business Ethics*, Vol. 76 No. 2, pp. 189-206

Burke, L. and Logsdon, J.M. (1996) How Corporate Social Responsibility Pays Off. *Long Range Planning*, 29, 495-502

Carroll ,A.B,&Shabana,K.M, 2010, The Business Case for Corporate Social Responsibility: A Review of

Concepts, Research and Practice, *international journal of management reviews*, volume 12,issue.pp-85-105

Chou HY, Huang CY, Wang CH, Chiang HC,& Lo CF (1995) Pathogenicity of a baculovirus infection causing white spot syndrome in cultured penaeid shrimp in Taiwan. Dis Aquat Org 23:165–173

Clarkson P, Li Y, Richardson G, &Vasvari F. 2008. Revisiting the relation between environmental performance and environmental disclosure: An empirical analysis. *Accounting, Organizations and Society* 33: 303–327.

Cordeiro,J, & Sarkis,J,1997, Environmental Proactivism and Firm Performance: Evidence from Security Analyst Earnings Forecasts, *Business Strategy and the Environment* 6 (2):104 - 114 · DOI: 10.1002/(SICI)1099-0836

Cummings,L,S & Patel,C, 2009, Chapter 2 Stakeholder literature review , Studies in Managerial and Financial Accounting 19:17-51 ·

Darrag,M& Crowther,D,2017, 2017) "Reflections on CSR: the case of Egypt", *Society and Business Review*, Vol. 12 Issue: 1, pp.94-116, https://doi.org/10.1108/SBR-01-2016-0010

Dentchev, N. A. 2005, , "Integrating Corporate Social Responsibility In Business Models," Working Papers of Faculty of Economics and Business Administration, Ghent University, Belgium 05/284, Ghent University, Faculty of Economics and Business Administration.

Dyllick, T, Belz,F, & Schneidewind,U, 1997: Ökologie und Wettbewerbsfähigkeit. Munich: Hanser

Dyllick T. 1999. Environment and competitiveness of companies. In *International Environmental Management Benchmarks*, Hitchens D, Clausen J, Fichter K (eds). Springer: Berlin; 55–69

Dyllick ,T& Hockerts,K., 2002, Beyond the business case for corporate sustainability, Business Strategy and the Environment; Mar/Apr 2002; 11, 2; ABI/INFORM Global pg. 130-144

Epstein MJ. 1996. Measuring Corporate Environmental Performance: Best Practices for Costing and Managing an Effective Environmental Strategy. Irwin: Chicago,LL

El Hebeishy, M. (2011), "Flags, custard and CSRs: entrepreneurship in the egyptian revolution", in Al Haram (Ed.), available at:http://english.ahram.

Epstein, M. and Wisner P. (2005). Managing and controlling for environmental performance: Evidence from Mexico. Advances in Accounting 14, 115- 136

Fehr ,N,&Schmidt,K.M, 1999, A Theory of Fairness, Competition, and Cooperation, *The Quarterly Journal of* Economics, Volume 114, Issue 3, 1 August 1999, Pages 817–868

Figge,F Hahn,T, Schaltegger,S &Wagner,M,2002, the sustainability balanced scorecard-linking sustainability management to business strategy, *Business Strategy and the Environment Bus. Strat. Env*. 11, 269–284 (

Flanagan,D.J, & O'Shaughnessy,K,C, 2005, The Effect of Layoffs on Firm Reputation, *Journal of Management* 31(3):445-463 · DOI: 10.1177/0149206304272186

Fowler ,S.J& Hope,C, 2007, A Critical Review of Sustainable Business Indices and their Impact, *Journal of Business Ethics* (2007) 76:243–252 Springer 2007 DOI 10.1007/s10551-007-9590-2

Frigo, M,L.,Nonfinancial performance measures and strategy execution Strategic Finance, 84 (2) (2002), pp. 6-8

Galbreath, J., & Shum, P. (2012). Do customer satisfaction and reputation mediate the C SR–FP Link? Evidence from Australia. *Australian Journal of Management*,37(2), 211–229.

Gminder , C.U.,&Bieker,T,2002, Managing Corporate Social Responsibility by using the "Sustainability-Balanced Scorecard, To be presented at the 10th international Conference of the Greening of Industry NetworK, June 23-26,

Gminder, C. U.; Bieker, T.; Dyllick, T. and K. Hockerts (2002) 'Nachhaltigkeitsstrategien umsetzen mit einer Sustainability Balanced Scorecard', in Schaltegger, S. and T. Dyllick (eds.), Nachhaltig managen mit derBalanced Scorecard (Wiesbaden: Gabler): 95-148

Guidry, R.P., &Patten, D.M., 2010. Market reactions to the first-time issuance of corporate

sustainability reports: Evidence that quality matters. *Sustainability Accounting, Management and Policy Journal 1*, 33-50

Halme,M., Roome,N., & Dobers, P.,2009,. Corporate responsibility: Reflections on context and consequences, *Scandinavian Journal of Management*, Elsevier, vol. 25(1), pages 1-9

Hassel,L.,Nilsson,H,&Nyquist,S,2005, The value relevance of environmental performance, E*uropeon journal review*,vol,14-issue1,pp-41-61

Henriques ,I,&Sadorsky,P, (1999), The Relationship between Environmental Commitment and Managerial Perceptions of Stakeholder Importance, *The Academy of Management Journal* Vol. 42, No. 1 (Feb., 1999), pp. 87-99

Husted, B. W., & Allen, D. B. (2001, August). Toward a model of corporate social strategy formulation. *Proceedings of the Social Issues in Management Division at Academy of Management Conference*, Washington D.C., Washington, Estados Unidos, 61. Husted, B. W., & Salazar, J. J. (2005). Un estudio exploratorio

Kang, H. H., and S. B. Liu. 2013.“Corporate Social Responsibility and Corporate Performance: A Quantile Regression Approach.” *Quality & Quantity* 48 (6): 3311−3325.

Kanga.M, Bernoussi,A, Mollinedo, C,2013, Rebublic of equatorialGuinea country strategy paper-African development bank

Kamatra, N., & Kartikaningdyah, E. (2015). Effect of corporate social responsibility on financial per-formance. International Journal of Economics And Financial Issues, (5), 157-164. Kaplan R, Norton D. 1992. The Balanced Scorecard – measures that drive performance. *Harvard Business Review* Jan-Feb: 71–79

Kaplan R, Norton D. 1996. The Balanced Scorecard: Translating Strategies into Action. *Harvard Business School Press*: Boston, MA

Karagiorgos,T,2010, "Corporate Social Responsibility and Financial Performance: An Empirical Analysis on Greek Companies," *European Research Studies Journal*, *European Research Studies Journal*, vol. 0(4), pages 85-108.

Khlif, H., & Souissi, M. (2010). The determinants of corporate disclosure: A meta-analysis. *International Journal of Accounting and Information Management*, 18(3), 198–219

Kline, R. B. (2005). Principles and Practice of Structural Equation Modeling (2nd ed.). New York: Guilford. 366 pp., , ISBN 978-1-57230-690-5

Krause, O. (2003). Beyond BSC: A process based approach to performance management. Meas BUS,Excell 7(3):4-14

Lansiluoto,A, & Jarvenpaa, M,2008, Greening the balanced scorecard, *Business Horizons* (2010) 53, 385—395

León-R.S, Muñoz-S,M, Chalmeta,T,R, (2010),"Methodology for sustainability strategic planning and management", *Industrial Management & Data Systems*, Vol. 110 Iss 2pp. 249 - 268

Liebl, F,1996, Strategische Frühaufklärung Trends - Issues Stakeholders (German Edition, De Gruyter Oldenbourg

Lindorff, M., Jonson, E. P., & McGuire, L. (2012). Strategic corporate social responsibility in controversial industry sectors: The social value of harm minimization. *Journal of Business Ethics, 110*(4), 457–467

Lubin, D. and Esty, D. (2010). ‘The Sustainability Imperative’. Harvard Business Review, May, pp. 43-50.

Mackey, A., Mackey, T.B. & Barney, J.B. (2007) Corporate Social Responsibility and Firm Performance: Investor Preferences and Corporate Strategies. *Academy of Management Review*, 32, 817-835.

Matar,A&Eneizan,B,M,2018, Determinants of Financial Performance in the Industrial Firms: Evidence from Jordan, *Asian Journal of Agricultural Extension, Economics & Sociology*, 22(1): 1-10,

Maon, F., Lindgreen, A., &Swaen, V. (2009), "Designing and implementing corporate social responsibility: an integrative framework grounded in theory and practice", *Journal of Business Ethics*, Vol. 87, Suppl. 1, pp. 71-89.

McWilliams,A, and Siegel,D,S 2000, Corporate social responsibility and financial performance: Correlation or misspecification? *Strategic Management Journal* 21(5):603 - 609

Moir, 2001, What Do We Mean by Corporate Social Responsibility, *Corporate Governance International Journal of Business in Society* 1(2)

Mohn, L. and Eissemblater, B. (2007), "The CSR navigator", available at:www.unglobalcompact.org/docs/news_events/9.1

Saeidi ,S,P,Sofian,S, Saeidi ,P, &Saeidi ,S,P,2015" how does corporate social responsibility contribute to firm financial performance? The mediating role of competitive advantage, reputation, and customer satisfaction, *Journal of Business Research* (J BUS RES), 68(2):341-350 .

Moir, L. (2001), ``What do we mean by corporate social responsibility?", *Corporate Governance*, Vol. 1 No. 2, pp. 16-22.

Moir, L. (2001), ``What do we mean by corporate social responsibility?", *Corporate Governance*, Vol. 1 No. 2, pp. 16-22.

Moir, L. (2001), ``What do we mean by corporate social responsibility?", *Corporate Governance*, Vol. 1 No. 2, pp. 16-22

Oeyono ,J,. Samy,M,Bampton,R, 2011, An examination of corporate social responsibility and financial performance: A study of the top 50 Indonesian listed corporations, *Journal of global responsibility*,Vol,2.NO.1,pp 100-112,

Olobatuyi,M.,E., 2006, A User's Guide to Path Analysis,(UPA),1656Onwuegbuzie ,A.J.,& Collins,K.,M., , 2007, A Typology of Mixed Methods Sampling Designs in Social Science Research, , *Qualitative Report*, 12(2), 281-316.

Orlitzky, M., F. L. Schmidt, and S. L. Rynes 2003. "Corporate Social and Financial Performance: A Meta-Analysis." *Organization Studies* 24 (3): 403–411

Obalola, M., Omoteso, K. & Adelopo, I. (2009), "Corporate governance and corporate social responsibility practices in Africa", Aras, G. and Crowther, D. (Eds), Global Perspectives on Corporate Governance and CSR, Gower Applied Research, Surrey, pp. 131-159

Parsa, S. &Kouhy, R. (2008). Social Reporting by Companies Listed on the Alternative Investment Market. *Journal of Business Ethics*, 79(3), 345-360

Pava, M. L. & Krausz, J. (1996). 'The association between corporate social- responsibility and financial performance: The paradox of social cost'. *Journal of Business Ethics*, 15, 321-57

Performance: the Role of Intangible Resources. *Strateg. Manag. J*. 31 (5), 463-490.

Pearce, J.A. II, & Doh, J.P. 2005. The high impact of collaborative social initiatives. MIT Sloan Management Review, 46(3): 30-8

Pesqueux, Y., & Damak-A, S. (2003). La théorie des parties prenantes en perspective

Petrini,M & Pozzebon,M. (2010), Integrating Sustainability into Business Practices: Learning from Brazilian Firms, BAR - *Brazilian Administration Review* 7(4)

Perrini ,F& Minoja,M, 2008, Strategizing Corporate Social Responsibility: Evidence from an Italian Medium-Sized, Family-Owned Company Business Ethics: *A European Review*, Vol. 17, Issue 1, pp. 47-63.

Perrini F., S. Pogutz, A.& Tencati, 2006'' Corporate Social Responsibility in Italy'': State of the Art. *Journal of Business Strategies* 23(1), 65–91

Pivato S, Misani N, &Tencati A.2008, the impact of corporate social responsibility on consumer trust: the case of organic food, *Business Ethics: a European Review* 17(1): 3–12

Purushothaman, M., Tower, G., Hancock, R., & Taplin, R. (2000). Determinants of Corporate Social Reporting Practices of Listed Singapore Companies. *Pacific Accounting Review*, 12(2), 101-133

Russo,A &Tencati,A, 2009, Formal vs. Informal CSR Strategies: Evidence from Italian Micro, Small, Medium-sized, and Large Firm, *Journal of Business Ethics* (2009) 85:339–353 Springer 2008 DOI 10.1007/s10551-008-9736

Schaltegger, S., & Sturm, A. (1992). Environmentally oriented decisions in firms: ecological accounting instead of LCA: necessity, criteria, concepts. Bern/Stuttgart: Haupt. (in German)

Schaltegger, S. & Wagner, M. (2006) Integrative Management of Sustainability Performance, Measurement and Reporting. *International Journal of Accounting, Auditing and Performance Evaluation*, 3, 1-19. http://dx.doi.org/10.1504/IJAAPE.2006.010098

Schmidheiny,S & J. L. Zorraquin,1996, Eco-efficiency and the Financial Markets, World Business Council for Sustainable Development,. Changing Course: A Global Business Perspective on Development and the Environment. Cambridge, Mass.: *The MIT Press*

Sharp, Z. and N. Zaidman. 2010. Strategization of CSR. *Journal of Business Ethics* 93 (1): 51-71

Sobel, J,(2002). Can We Trust Social Capital? *Journal of Economic Literature XL*, 139-154.

Surroca Jordi., Tribò Jorep A., Waddock, S., 2010. Corporate Responsibility and Financial

Teoh, S. H., I. Welch &, C. P. Wazzan: 1999, 'The Effect of Socially Activist Investment Policies on the Financial Markets: Evidence from the South African Boycott', *Journal of Business* 72(1), 35–89

Waber,M,2008,The business case for corporate social responsibility: A company-level measurement approach for CSR, European Management Journal 26(4):247-261

Wackernagel, M.& Rees, W.E., 1996. Our Ecological Footprint: Reducing Human Impact on the Earth. *Gabriola Press New Society Publishing*, B.C·

Waddock, S.A. & Graves, S.B. 1997a. The corporate social performance–financial performance link. *Strategic management journal*, 18(4):303–319.

Waddock, S.A. & Graves, S.B. 1997b. Finding the link between stakeholder relations quality of management. *The journal of investing*, Winter:20-24.

Waddock ,S,& Bodwell,C, 2007, "Big CSR Wisdom in a Small Package", Total Responsibility Management: A Manual Sheffield, UK: *Greenleaf Publishing*,

Wagner M. 2001. A Review of Empirical Studies Concerning the Relationship Between Environmental and Economic Performance. Center for Sustainability Management: Luneburg

Wagner, M., 2010. The role of corporate sustainability performance for economic performance: A firm-level analysis of moderation effects. *Ecological Economics* 69(7), 1553-1560.

Wanger,M, Azomahou,T, Van,P,N,&,Wehrmeyer,W,2002,The Relationship between the Environmental and Economic Performance of Firms. An Empirical Analysis of the European Paper Industry. Corporate Social Responsibility and Environmental Management 9: 133-146, Article in *Corporate Social Responsibility and Environmental Management* 9(3):133 - 146 ·

Wisner, B., 2001a: Capitalism and the shifting spatial and social distribution of hazard and vulnerability. *Australian Journal of Emergency Management*, Winter 2001, 44-50.

Woerd F, &,Brink T. 2004. Feasibility of a responsive business scorecard – a pilot study. *Journal of Business Ethics* 55(2): 173– 186

Woodward,D,G,Edward,P,& Birkin,F,1996,Organizational Legitimacy and Stakeholder Information Provision1, *Britich Journal of Management*,Vol,7,Issue,4,329-347