CSR AS A KEY STRATEGY TO OPTIMIZE BUSINESS PERFORMANCE OVER THE LONGER-RUN: AN EXPLORATORY FACTOR ANALYSIS

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ABSTRACT

It is universally accepted that the only way to achieve long-term firm's value while being a responsible corporate citizen is to incorporate economic, ethical, social and environmental codes of conduct into corporate strategy. Thus, this article has tried to explain how implementing social welfare perspective in strategy management can optimize firm's value over the longer run. It has attempted to answer why it is important for organizations to implement CSR practices in their strategies and to optimize corporate image, corporate reputation, corporate financial growth and shareholder satisfaction over the longer run. The article has employed descriptive statistics and Exploratory Factor Analysis (EFA) using Kaiser –Mayer-Olkin (KMO) and Bartlett's test of sphericit for data analysis using the SPSS. The results of our research, along the line with the findings from the conceptual model confirmed that there is a strong relationship between CSR and Business performance

Key words: CSR, Strategy, business performance, Exploratory Factor Analysis (EFA)

1. Introduction

Today in this growing competitive business world, profits are earned by truthful means. Every organization must follow the minimum expectations of environmental care and employee

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welfare and recognize the need and importance of taking into consideration the concepts such as ethical, social, moral, equity, social responsibility. However, corporations that contravene societal expectations harm, or even destroy its image, reputation and value among networked stakeholders. Therefore it is universally accepted that the only way to achieve long-term shareholder value while being a responsible corporate citizen is to incorporate economic, ethical, social and environmental codes of conduct into corporate strategy. While, there has always been a debate on the magnitude to which company directors and managers should consider social and environmental factors in commercial decision making, an approach to decision making that routinely encompasses these factors may be described as corporate social responsibility. By implementing CSR's culture, employee morale will be high and the owners earn goodwill and respect from one and all. The youngsters will follow good examples to improve the living conditions of the public. And business is expected to create market, generate employment and produce a sufficient surplus to sustain its activities and perk up its competitiveness. Thus, every firm is so dependent on its rich heritage of governance practices that it can neither survive nor grow without full social acceptance and approval of all the constituents of social environment, obligations and responsibilities.

To shed some light on this uncertainty, the present article will be inclined to an approach centered on the topic: "CSR as a key strategy to optimize business performance over the longer-run: An exploratory factors analysis". It is attempted to address the gap by investigating the measurability of the effect of Corporate Social Responsibility on Business Performance. It is sorted out how CSR's implementing contributed to a positive image of the company, contributed to enhance corporate reputation and to increase financial performance and stakeholder's satisfaction.

1.1 Research objectives

The general objective of this article is to examine the relation between corporate social responsibility (CSR) and business performance. The study aims to pursue the following specific objectives under this main goal:

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➢ To examine the relationship between CSR and corporate image

➢ To analyze the relationship between CSR and corporate reputation.

➢ To determine the significance of CSR and Financial performance.

➢ To understand the dependency of CSR expenditure on stakeholders satisfaction.

1.2 Research hypothesis

For the above purposes, this study tested four hypotheses that relate the link between corporate social responsibility (CSR) to business performance. These hypotheses are:
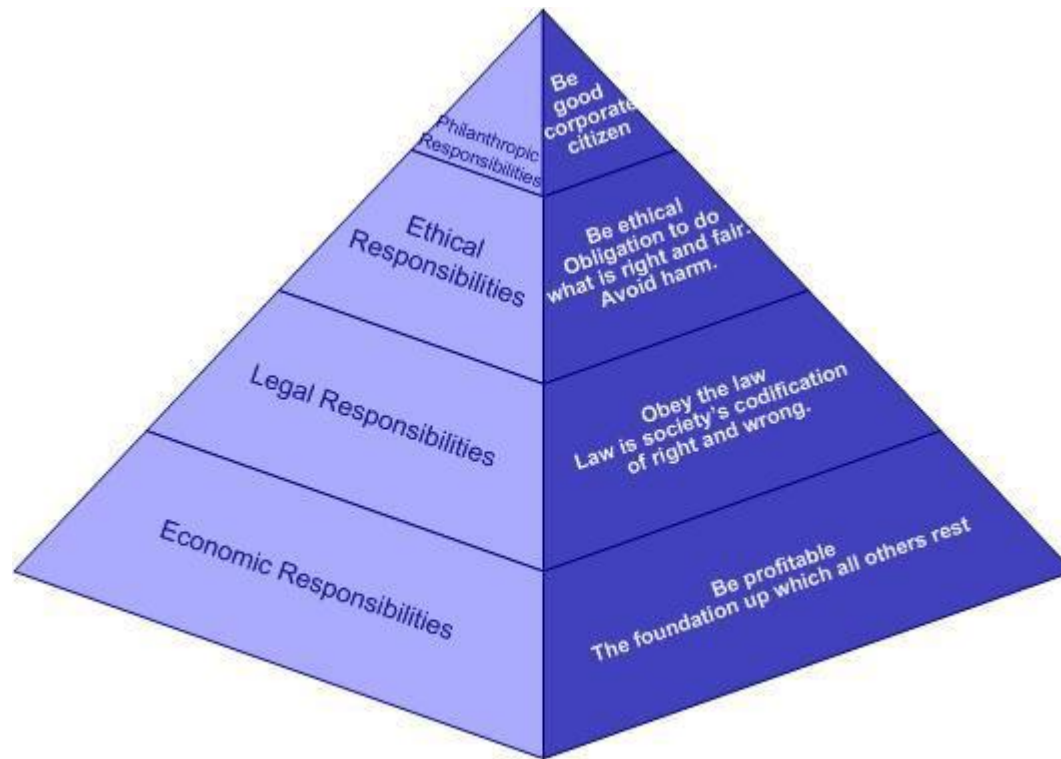
● **Ho1-** Adoption of CSR positively influences the corporate image

● **Ho2-** Adoption of CSR positively has a significant effect on corporate reputation

● **Ho3**- Adoption of CSR would have a positive effect on their financial performance.

● **Ho4**- Adoption of CSR would have a positive related to stakeholders Satisfaction.

2. Literature Review

2.1 Corporate Social Responsibility (CSR)

The phrase Corporate Social Responsibility (CSR) was coined in 1953 by H R Bowen (who is known as the father of corporate social responsibility) with the publication of Bowen's 'Social Responsibility of Businessmen', which posed the question 'what responsibilities to society can business people are reasonably expected to assume?' (Bowen, 1953). In 1960s, Carroll extended the definition, suggesting that beyond, legal obligations companies had certain responsibilities to society. According to the definition of Carroll (1991), CSR mainly consists of four responsibilities, including the economic responsibility (to be profitable), the legal responsibility (to abide the laws), ethical responsibility (obligation to do what is right and fair) and lastly, philanthropic responsibility (to be a good corporate citizen).

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Figure 1: Four responsibilities of Carroll

Carroll's CSR Pyramid

CSR has been defined much more in terms of a philanthropic model and has been viewed as a comprehensive set of policies, practices and programs that are integrated into business operations, supply chains, and decision-making processes throughout the company –wherever the company does business – and includes responsibility for current and past actions as well as future impacts.

As time passed, the concept of CSR has undergone changes tremendously. In modern era of business world, Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large. It addresses the legal, ethical, commercial and other expectations that society has for business and making decisions that fairly balance the claims of all key stakeholders. It promotes vision of business accountability to a wide range of stakeholders.CSR is also known as corporate conscience, corporate citizenship, social performance and sustainable responsible business. The term "corporate social responsibility" became popular in the 1960s.

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In earlier times this concept has not received much support, but presently it is taken seriously by wide sections of society. The concept of CSR came to the forefront in the late 90s and early 2000s due to gain prominence.

In present times, many corporations are undertaking diverse social activities to satisfy different types of stakeholders. Most of the corporations focus on community development activities like education, health, rural development; human resource development; environmental protection activities; energy conservation activities; following codes of business ethics; child and labor welfare practices; support of local businesses or charities; providing equal opportunities to all; etc. Some of the benefits of being socially responsible include:

➢ **Enhanced company and brand image**

By applying the concept of CSR, companies are capable of positioning themselves in the mind of consumer and in developing their brand image because today consumer gives preference to the companies that think about consumer and society.

➢ **Easier to attract and retain employees**

Once a company becomes successful in positioning itself in market and develops its image as a good and established company, it becomes easy for it to attract and retain employees because today employee would like to serve the company that has good brand image.

➢ **Increased market share**

When a company has good brand image, talented and dedicated employees, it can easily capture the market and its market share will increased continuously.

➢ **Easier to attract investors**

Any investor who wants to invest in company can look mainly two aspects: one is company's image and another is its market share, and the company who follows the concept of CSR will definitely have the both aspects. So it becomes easy to attract investors.

In fact, any scholars have proved that investment in CSR activities leads to enhance brand image and reputation, increase sales and customer loyalty, increase productivity and quality which lead to improve business performance.

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2.2 Business Performance

Business performance was traditionally a topic that leaders of large companies paid a good deal of attention to, because it gives vital information about the state of the company, its success, development and future outlook. While the term "success" describes the positive effective overall turnout of a company´s activities, the term business performance in itself is a neutral descriptive concept for the effectiveness and the efficiency of the company´s actions in general or of certain parts or processes of the company in particular. Business performance can be characterized by attributes, for example "well" or "poor", depending on the expectations of the individual analyzing the data he or she has chosen to examine in order to gain insight into the state the company is in at a given moment. Business Performance is of key interest for the top management of a company. If Business Performance is weak, managers need to intervene in order to return to the path of growth. Especially in a market in which competition is increasing and globalization demands for better competitive, business leaders need to pay close attention to business performance.

Various dimensions or factors of business performance have been examined globally to explain the direct causal link between corporate social responsibility (CSR) and business performance. These factors are: corporate image, corporate reputation, financial growth, employees and stakeholders satisfaction

➢ **Corporate image**

Image is an identity and is defined as reputation. Corporate image as described by Bennett and Rentschler (2003) is an identity of a corporation that is related to value judgment, develops over a longer time span, on its consistency, dependability and credibility. A company's image or identity can affect its consistency and effectiveness in reaching its internal employees.

➢ **Corporate reputation**

Reputation is the true reflection of a company's value, strategies and culture. Marken (2002) described reputation as "quality product and service, innovative capability, long term investment plan, attraction ability, retention of talent and quality management control." Marken (2004) has mentioned in his study that each reputation is being developed on daily activities. Corporate

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reputation as described by Fombrun (1996) is based on a set of collectively held beliefs about a company's ability and willingness to satisfy the interests of various stakeholders. Bromley (2002) and Sandberg (2002) viewed reputation as a socially shared impression and a consensus about how firm will behave in any given situation.

➢ **Financial performance**

Financial performance is any of many different mathematical measures to evaluate how well a company is using its resources to make a profit. It is a subjective measure of how well a firm can use assets from its primary mode of business and generate revenues. In this concept**,** the level of performance of a business over a specified period of time, expressed in terms of overall profits and losses during that time. Besides, evaluating the financial performance of a business allows decision-makers to judge the results of business strategies and activities in objective monetary terms

➢ **Stakeholders satisfaction**

Stakeholders are any group or any individual who can influence or can be influenced during reaching the aims of the company. Regarding their interest or share in companies, they can demand the right to be informed, consulted and to participate in making decisions. They are the people who play the roles of sponsors, clients, managers, performers, regulators and anyone else who might impact or be impacted by projects. If project management is well performed, and the stakeholders play their roles well, the stakeholders will be satisfied.

2.3 Concept of strategy

According to military science, strategy is the science and art of a general to win at war. It is an ancient technique of fighting with enemies in different terrains, territories or areas. Any technique to win a war requires planning. "Strategy," wrote von Clausewitz (1982, p. 4), "makes the plans for the separate campaigns and regulates the combats to be fought in each." Similar military definitions of strategy date as far back as Sun Tzu's *The Art of War* and the Greek writings on the institution of the strategos (Cummings, 1993). Modern definitions of strategy involve formulating plans to compete successfully in business. According to Chandler (1962, p. 13), "Strategy is the determination of the long-run goals and objectives of an enterprise, and the

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adoption of a course of action and the allocation of the resources necessary for carrying out these goals." Glueck (1980) define strategy as, "A unified, comprehensive, and integrated plan designed to assume that the basic objectives of the enterprise are achieved." Thus we can say that strategy is long-term which requires establishing specific goals, formulation of a plan, and commitment of resources to achieve sustainable competitive advantage and superior performance.

2.4 The causal link between corporate social responsibility (CSR) and Business performance

Some companies have already implemented and integrate new CSR strategies linked with business performance. If it is virtually impossible to subtract out the influence of CSR on business performance, it is possible to determine and measure changes in business performance indicators factors (corporate image, corporate reputation, financial growth and stakeholder satisfaction levels) due to investments in Corporate Social Responsibility. Thus, an approach to decision making that routinely encompasses these factors may be described as corporate social responsibility. Decision makers have started to believe and consider that expenditure on corporate social responsibility can contribute to the financial performance of a company. This approach, which has been described as the 'enlightened shareholder approach', suggests that corporate decision-makers must consider a range of social and environmental matters if they are to maximize long-term financial returns.

Moreover, the good image of a firm leads to sustaining a superior business performance over the time. Firm possessing good reputation in CSR can boost internal employee morale and commitment within the firm and also is in position to recruit better employees which may enhance its productivity along with lowering costs thereby improving its financial growth.

The firm which involves into CSR activities:

➢ maximizes it competitive advantage,

➢ improves it market positioning through strengthening corporate culture and social welfare activities,
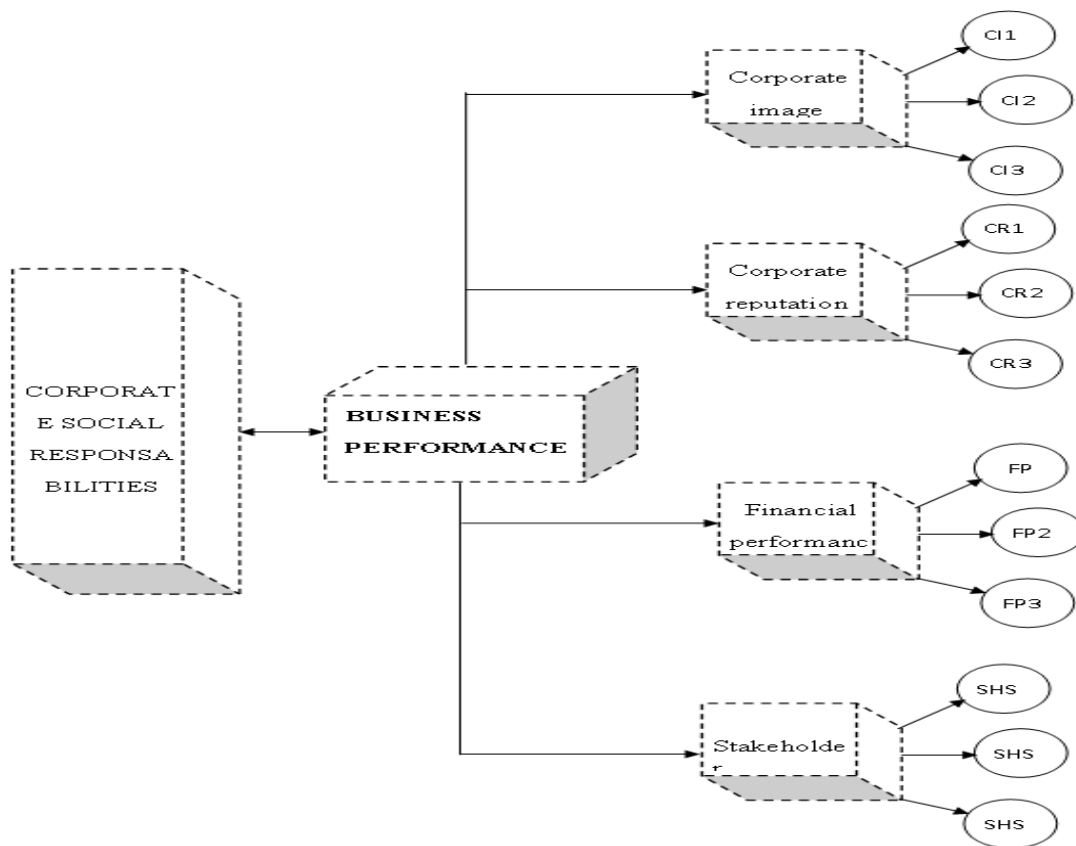
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- ➢ creates corporate reputation in the mindset of customer and its brand value is always high,

- ➢ influences on market price of share,

- ➢ gets easily trade credits for the short term financing of the firms

Corporations believe that being socially responsible or investing in the socially responsible activities are a kind of reinvestment that could create value, brand loyalty and positive impact in the mindset of the workforce and also encourage staff loyalty and commitment and could impact the business performance like corporate image, corporate reputation, financial growth and stakeholder satisfaction levels.

The model that is explained the causal link between corporate social responsibility (CSR) and Business performance is conceptualized in figure 2 below.

Figure 2: Conceptual model

 Source: Conceptualized by the author

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3. Research Methodology

This research methodology describes the procedures for determining sample size for categorical data using Alain Bouchard as cited by SABITI Fred (2004: 46), Cochran's (1977) and Naresh Malhotra et al. (2007 : p. 283) formulas. It uses purposive sampling method, which is a convenience sampling method and a non-probability sample, to satisfy certain criteria and to select its respondents. Based on a margin of error of 5%   (e = p - π.= ± 0.05) at a 95% confidence level (CL) , the z value associate with the CL is Z = 1.96 for a proportion available value of 75% (P= 0.75). Then, the sample size for categorical data is presented as follow:

Table 1: Determining sample size for categorical data

Determining sample size	Evaluation
Population size N = 1500	
Initial sample size (n) $$n_0 = \frac{Z^2 pq}{e^2}$$	$$n_0 = \frac{(1.96)^2 * 0.75(0.25)}{0.05^2} = 288.1$$ $n_0 = 289 > 5\%$ of the population (1500*0.05 = 75)
Final randomly selected (n) $$n = \frac{n_0}{1 + \frac{(n_0 - 1)}{N}}$$	$$n = \frac{289}{1 + \frac{(289-1)}{1500}} = 242.45$$ n = 243
Sample size adjusted for response rate of 85% (r = 85%) $$n1 = n / r$$	$n1 = 243 / 0.70 = 348$

Source: Developed for this research

Therefore, for a population of **1500,** the required sample size is **289.** However, since this sample size exceeds **5%** of the population **(1500*.05=84)**, Cochran's (1977) correction formula should be used to calculate the final sample size (called the finite population correction) and **t**he final randomly selected including an error marge is 243. (n = 243). Assuming a response rate of **70 % (r= 0.70),** a minimum drawn sample size (n1) should be used to send out the survey questionnaire to **348** people and to require a minimum sample size **243.**

Data was collected through questionnaires distributed to different respondents including customers, employees, decisions makers, stakeholders and research scholars.
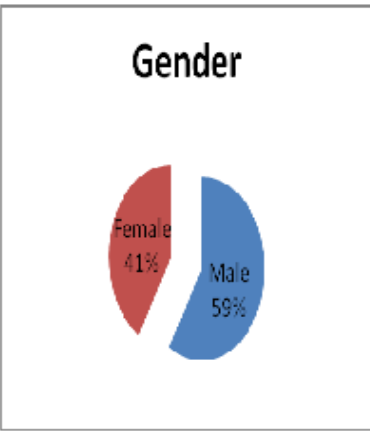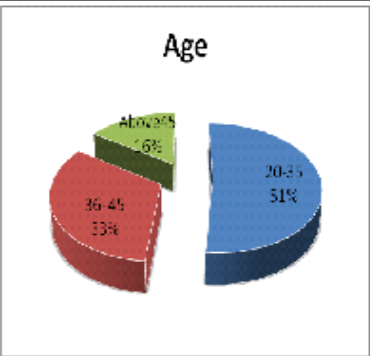
To measure the effect of CSR on business performance, a survey questionnaire was designed for primary data collection. It was focused on two demographical variables (such as gender and age) and was consisted of 12 questions across the four dimensions of business performance (corporate image, corporate reputation, financial performance, stakeholder satisfaction levels) that related to CSR. A five point Likert scale from "strongly disagree" to "strongly agree" was used in the collection of data as scale and numerical code for questions.

Following tables which give detail of different structure of questionnaire and detail of demographical variables respondents are addressed:

Table2: Scale and Numerical code for questions

Scale	Strongly Disagre	Disagree	Neutral	Agree	Strongly Agree
Numerical code	1	2	3	4	5

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Table3: Respondents Demographics

Gender				
Variables	Number	Percentage	Sum of Percentage	Graph
Male	140	58.70%	58.70%	Gender Female 41% Male 59%
Female	103	41.30%	100%	
Total	243	100%		

Age				
Variables	Number	Percentage	Sum of Percentage	Graph
between 32.92% (20-35) years old	125	51.44%	51.44%	Age Above 45 16% 20-35 51% 36-45 33%
Between (36-45) years old	80	32.92%	84.36%	
Above 45 years old	38	15.64%	100 %	
Total	243	100 %		

Source: Developed by the author

Table 3 shows respondents' profile for the study. Most of respondent were male (58.70%) who are: between 20-35 years old (42.77 %), between 35-45years old (29.50%) and above 45 years old (27.73 %)

As mentioned above, this study employed questionnaire items from the existing literature and developed the conceptualize model.

Figure 3: the conceptualize model

Source: Conceptualized by the author

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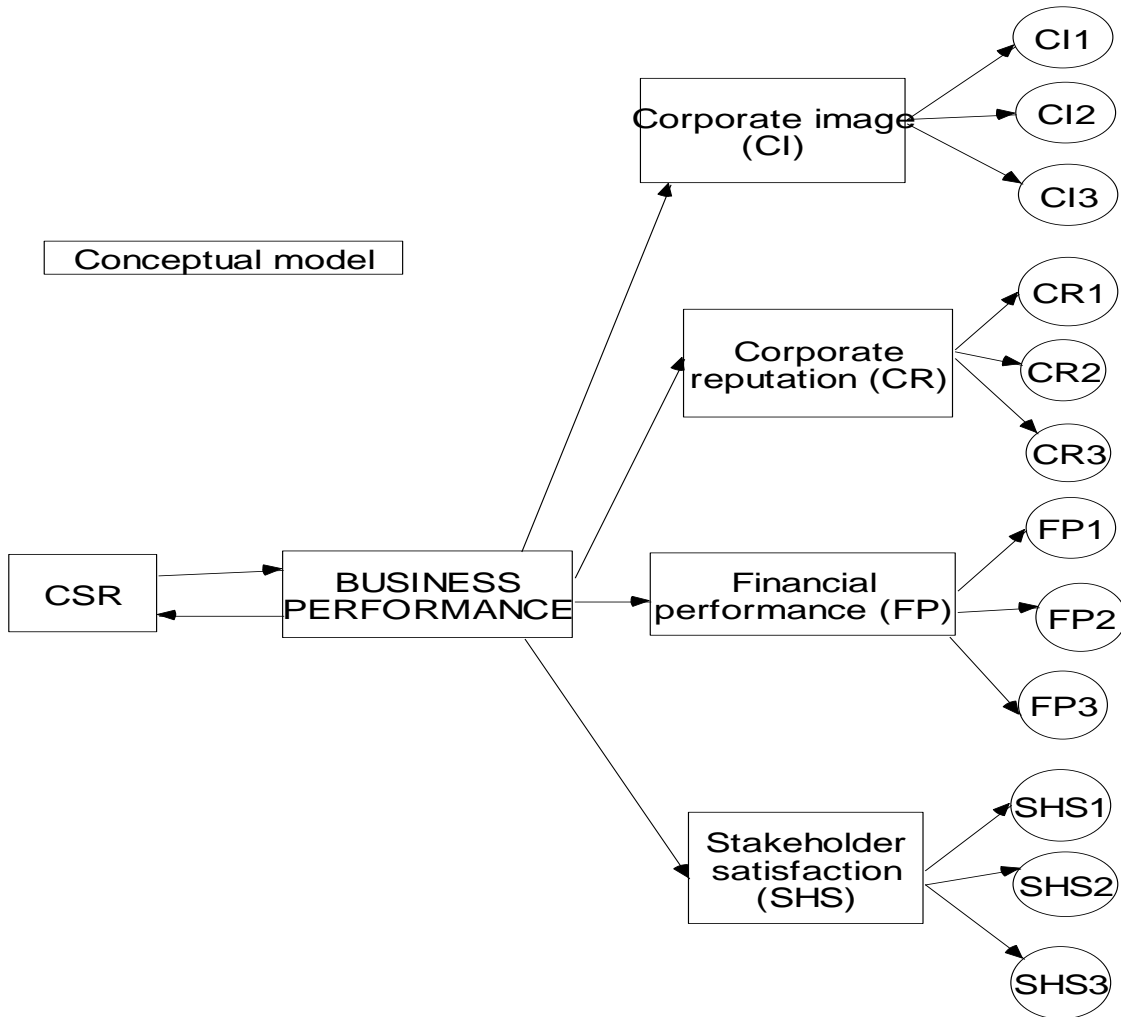
This conceptualize model involves a causality test analysis with a series of regression analyses to test the hypothesis model.

Figure 4 : Causality test model
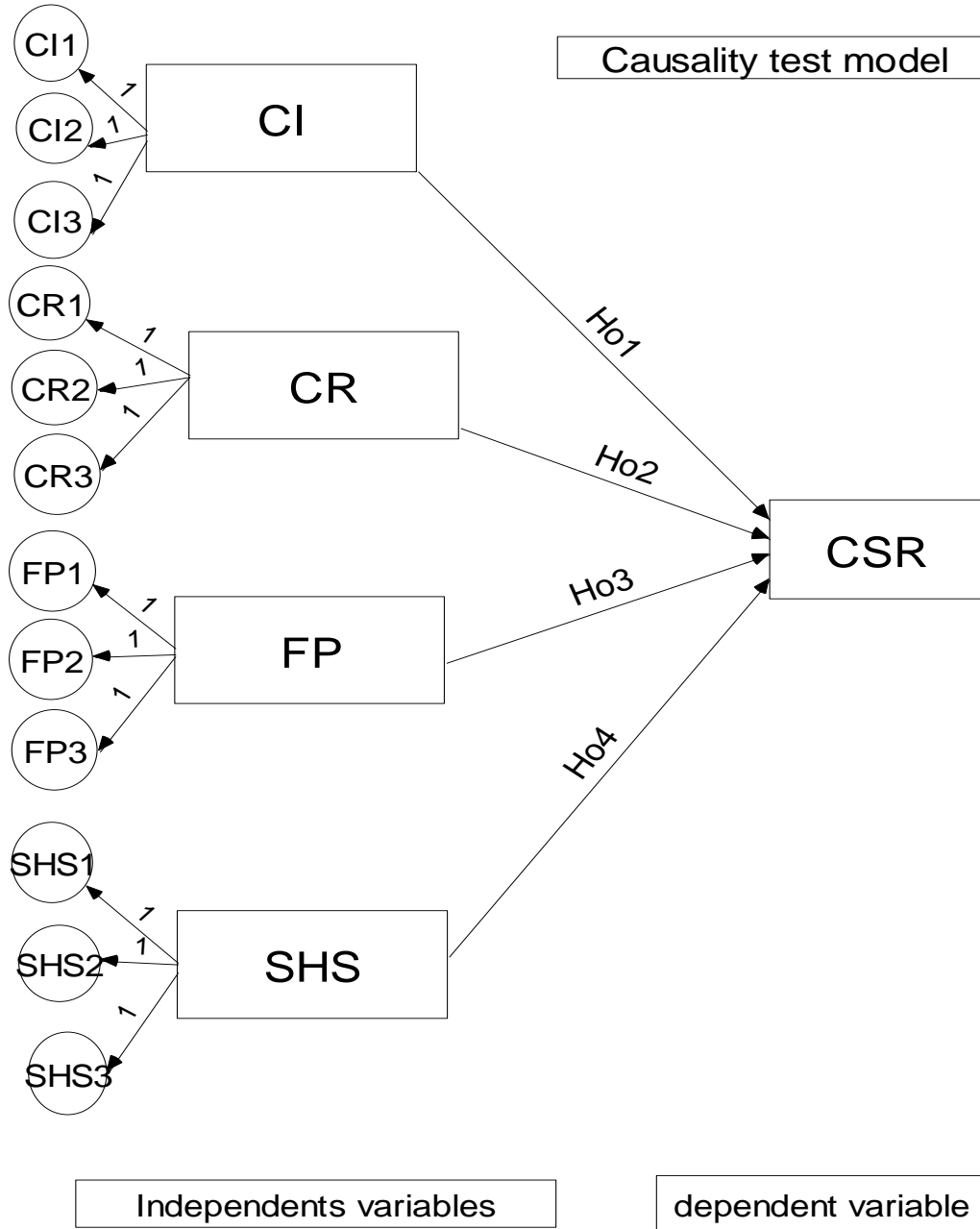
Source: *Conceptualized by the author*

The obtained factors were rotated to get a factor solution and extracted factors were then tested

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for reliability using Cronbach's alpha. Then, factors are then interpreted in order to present the best explanation for the variables influenced by that factor. Cronbach's alpha shown in Table 4 was used to assess the internal consistency reliability for each of the five variables. All the constructs in the survey questionnaires were analyzed to validate their reliability. Higher scores indicate more reliability for the measurements. All the constructs had acceptable scores. Since these constructs are proposed for the current study, further analysis in future research could be addressed.

Table 4 :   Internal consistency reliability statistics of the study

Reliability statistics		
Variables	No. of items	Cronbach Alpha
Corporate Social Responsibility (CSR)	4	0.902
Corporate image (CI)	3	0.871
Corporate reputation (CR)	3	0.892
Financial performance (FP)	3	0.917
Employee and stakeholder satisfaction levels (ESSL)	3	0.852

Source: Developed by the author

The results of the test indicated that the data collected from the respondents were very much reliable because all the Cronbach's alpha evaluated is acceptable scores (over 0.7).

4. Data Analysis and Interpretation

This research employed Exploratory Factor Analysis (EFA) and Descriptive Statistics Analysis (DSA) for data analysis using the SPSS 21 statistical software.

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In factor analysis, Kaiser –Mayer-Olkin (KMO) and Bartlett's test of sphericity were applied before Principal Component Factor (PCF) analysis. And before carrying out the factor analysis, the data should have to be checked for its appropriateness of use (Kline, 1998).

In descriptive statistics analysis, the mean value of all the variables and the correlation matrix and the causality test are used to measure how CSR implementation strategies and business performance indicators factors are related.

4.1 Exploratory Factor Analysis (EFA)

As mentioned above, before carrying out the factor analysis, the data should have to be checked for its appropriateness of use (Kline, 1998). To check the appropriateness of use Kaiser-Meyer-Olkin (KMO) and Bartlett's scores were measured (Table 5).

Table 5: Kaiser-Meyer-Olkin (KMO) and Bartlett's scores

	Total Variance Explained					
	Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.515	14.438	49.219	1.671	19.388	47.348
2	1.072	13.404	52.623	1.222	15.275	52.623
3	1.315	16.438	39.219	1.471	18.388	37.348
4	1.823	22.781	22.781	1.517	18.960	18.960
5	1.224	13.384	29.247	1.365	17.882	34.483

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Indicators factors	Kaiser-Meyer-Olkin	Bartlett's Test of Sphericity	
	KMO	X2/ Df	Significance
Corporate image (CI)	0.845	709.792	0.000
Corporate reputation (CR)	0.757	160.241	0.000
Financial performance (FP)	0.733	338.426	0.000
Stakeholder satisfaction levels (SHS)	0.799	198	0.000
Corporate social responsibility (CSR)	0.857	25963	0.000

Principal Component Factor (PCF) analysis

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Factor analysis

Factor No	Factor name	Factor description	F1	F2	F3	F4
F1	Corporate Image (CI)	CI 1: Being socially responsible is like a source of opportunity and innovation for strengthening Corporate Image	0.863			
		CI 2: The good image of a firm leads to sustaining a superior CSR over the time	0.816			
		CI 3: Firms involving in more social contribution leads to improve corporate image and maximize competitive advantage	0.775			
F2	Corporate Reputation (CR)	CR1: Socially responsible firm creates corporate reputation in the mindset of customer		0.854		
		CR2: A Firm which involves into CSR activities always highly enhance its brand value		0.806		
		CR3: A Firm has to spend more amount of funds in CSR to ensure customer loyalty and its reputation\		0.801		

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F3	Financial performance (FP)	FP 1: A Firm which contributes more in CSR gets easily trade credits for the short term financing of the firms			0.802	
		FP 2:Participation in the socially responsible activities may impact the financial growth of business			0.763	
		FP3: Investing in socially responsible activities is a kind of reinvestment			0.732	
F4	Stakeholder Satisfaction (SHS)	SHS1: Being Socially responsible firm has influence on Stakeholder Satisfaction				0.879
		SHS2: A socially responsible firm distributes dividend in expected time period to the shareholder				0.789
		SHS3:Firms have to formulate and implement CSR activities for attaining Stakeholder Satisfaction				0.774

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Eigen values	2.97	2.21	1.67	1.37
% of Variance	8.48	6.31	4.78	3.9
Total Variance	23.47			
Kaiser-Meyer-Olkin (KMO) measure sampling adequacy	0.845	0.757	0.733	0.799
Bartlett's Test of Sphericity	709.792	160.241	338.426	198
Significant	0.000	0.000	0.000	0.000

Source: Developed by the author

The Exploratory Factor Analysis (EFA) that is carried out consisted of four dimensions which are (corporate image, corporate reputation, financial performance, stakeholder satisfaction levels). Then, the results of factor analysis are given in Table 5. Otherwise, all sections show that, KMO statistics values are (0.845, 0.757, and 0.733 and 0.799) were all greater than 0.5. The Bartlett's tests of sphericity were found to be all significant at 0.000 and be all less than 0.05. It was considered strong, suitable and acceptable to conduct Principal Component Analysis (PCA). A principal component method with a promax rotation method was used to carry out the exploratory factor analysis (EFA). The number of factors was determined by cut off eigen values. In this EFA, Eigen values (2.97, 2.21, 1.67and 1.37) were all greater than 1(**Eigen values** >1) for all the sections.

Based on the results of Rotated Components Matrix, best combination of variables from each section was identified. It is to be noted that variables having low factor loading from cut off value, were also included in the combination which show greater significance in representing the section. In our case the cut off Eigen values all the sections are (2.97, 2.21, 1.67and 1.37) >1 which proved that the combination is excellent and acceptable.

Hence, from each angel our hypotheses have been analyzed. According to these results,

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hypotheses are confirmed.

4.2 Descriptive Statistics Analysis (DSA)

Table 6: Descriptive Statistics Analysis (DSA)

Mean scores of components and Correlation Matrix of five variables							
Mean scores of components			**Correlation Matrix**				
Variable Code	**Mean**	**Std. Dev**	**CSR**	**CI**	**CR**	**FP**	**SHS**
CSR	3.6	0.6	1				
CI	3.26	0.5	0.42**	1			
CR	3.59	0.54	0.57**	0.32*	1		
FP	3.56	0.73	0.59**	0.35*	0.51**	1	
SHS	3.98	0.41	0.63	0.49**	0.13*	0.64**	1
**p < 0.01 *P<0.05							
Result of Causality test (CSR as dependent variable)							
Hypotheses	**Variable**	**Beta**	**SE**	**t-value**	**p-value**	**Findings**	
Ho1	CI	0.37	0.05	6.67.	0.003	Supported	
Ho2	CR	0.30	0.07	4.12	0	Supported	
Ho3	FG	0.31	0.06	5.06	0	Supported	
Ho4	SHS	0.26	0.12	3.22	0	Supported	
Note: *P<0.05 , **P<0.01							

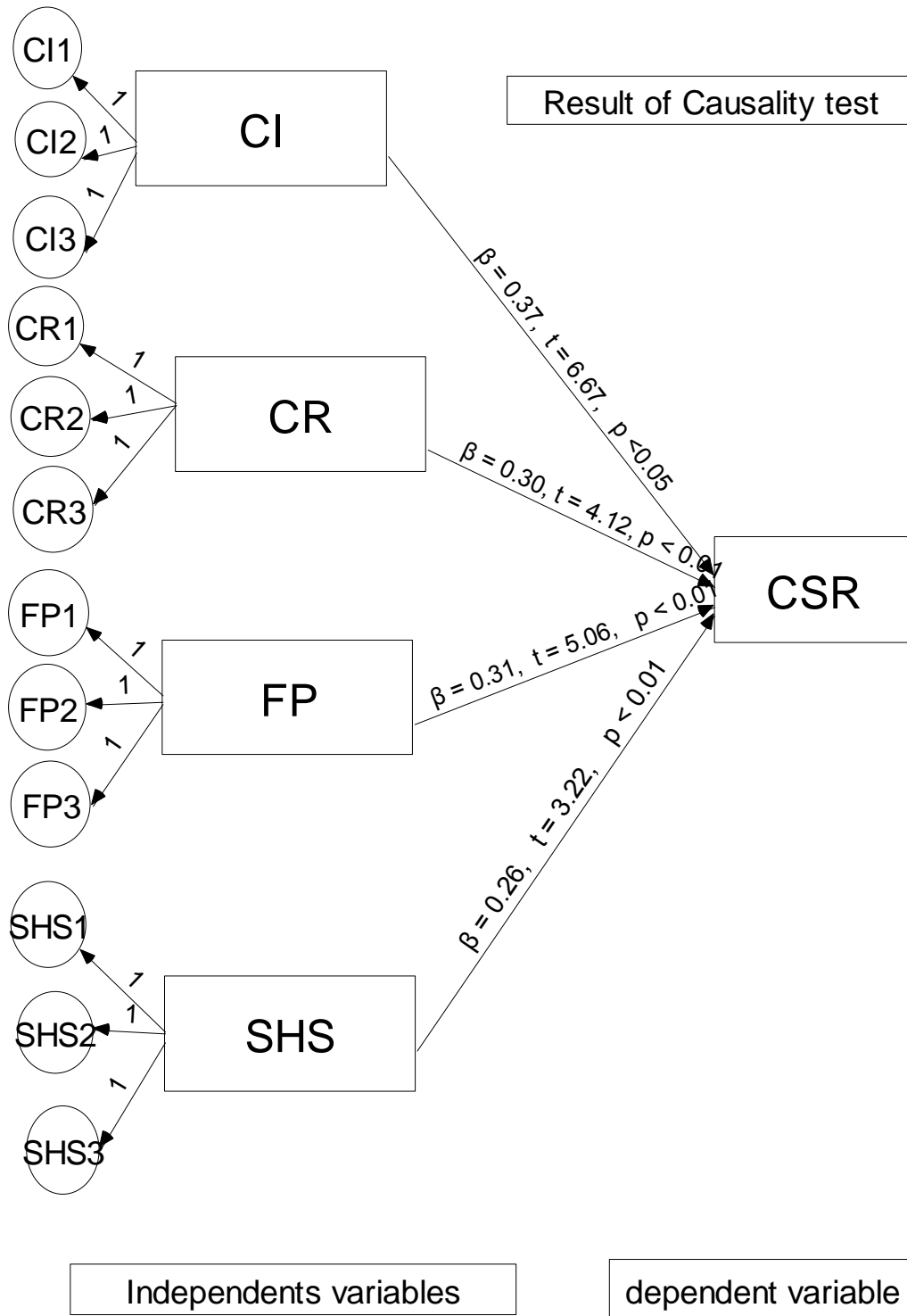*Source: Developed by the author*

In this Descriptive Statistics Analysis (DSA) three tests are used to measure and confirmed how CSR implementation strategies and business performance indicators factors are related. These tests are: the mean scores test, the correlation matrix test and the Causality test.

As shown in (Table 6) the mean standard deviations and correlations were analyzed for each of the five variables (corporate image, corporate reputation, financial performance, stakeholder satisfaction level and CSR). For the 5-likert point Scales the mean value of all the variables is greater than 3 and the standard deviations ranged from 0.41 to 0.73.

As mentioned above, there are 10 relationships found among the variables. First of all, CI, CR, FP and SHS are positively and significant correlated with CSR ($r = 0.42$, $r = 0.57$, $r = 0.59$ and $r = 0.63$, $p < 0.01$, respectively). Secondly, the correlations between CR, FP and SHS were ($r = 0.32$, $r = 0.35$, $p < 0.01$ respectively and $r = 0.49$, $p < 0.05$) positive significant correlation with CI. Furthermore, both FP and SHS were positively correlated with role CR ($r = 0.51$, $r = 0.51$ $p < 0.01$ and $r = 0.13$, $p < 0.05$). Finally SHS was positively related with FP ($r = 0.64$, $p < 0.01$). The correlation matrix constructed to from the data obtained to know the impact of CSR on Business performance indicators variables (CI, CR, FP, SHS) and the coefficient of correlation were less than 0.7. Therefore, none of the variables was dropped as no multi-collineraity was observed. In an identity matrix, all the diagonal terms are 1 and all off diagonal terms are 0.

The regression analyses were conducted to determine the relationship between the variables. As shown in the result of causality test in Table 6 and in figure 5, the four predictor variables (i.e., CI, CR, FP and SHS) contribute to CSR. An examination of results in (Table 4) indicated that CI, CR, FP and SHS are positively and significantly related to CSR ($\beta = 0.37$, $t = 6.67$, $p < 0.05$; $\beta = 0.30$, $t = 4.12$, $p < 0.01$; $\beta = 0.31$, $t = 5.06$, $p < 0.01$; $\beta = 0.26$, $t = 3.22$, $p < 0.01$) . Therefore, all four hypotheses got support from the data.

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Figure 5: Result of causality test

Source: Developed by the author

This present study is recognized to have several limitations. First of all, the sample size (n = 339)

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for this present research consider small, so the findings of the present study not able to be generalized. Thus, this study use a causal test to explain the effect of CSR on BP. The future research sample has to be larger and a longitudinal research should conduct to get more valid results.

5. Conclusion

Today's business environment is more complex than earlier and it is expected that firms should regard the relationship with stakeholders at the strategic level to create value for shareholders and stakeholders. Similarly transparency and compliance support firms to win their stakeholders. This proves that CSR may positively influence relationships with their stakeholder who enhances business performance through creation of corporate reputation like social contribution in education, health, sports, the environment, and other purposes. Every organization must follow the minimum expectations of environmental care and employee welfare and recognize the need and importance of taking into consideration the concepts such as ethical, social, moral, equity, social responsibility. However, corporations that contravene societal expectations, harm or even destroy its image, reputation and value among networked stakeholders. This article has tried to explain how implementing social welfare perspective in strategy management can optimize firm's value over the longer run. It has attempted to answer why it is important for organizations to implement CSR practices in their strategies and to optimize corporate image, corporate reputation, corporate financial performance and shareholder satisfaction over the longer run.

The results of our research, along the line with the findings from previous studies confirm that there is a strong relationship between CSR and Business performance (i.e. Corporate image, corporate reputation, financial performance and stakeholders satisfaction). So by implementing CSR's culture, the employee's morale will be high and the owners earn and respect from one and all. The youngsters will follow good examples to improve the living conditions of the public.

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7. Appendix

To assess the effect of Corporate Social Responsibility on Business performance

Questionnaires focusing on characteristically demographics variables

Sex: Male ☐   Female ☐

Age: 20 - 35 ☐   35 - 45 ☐   Above 4 5 ☐

Questionnaires evaluating Perspective of business performance indicators variables on CSR

Rate the statement: 1-Strongly Disagree 2-Disagree 3-Neutral 4-Agree 5-Strongly Agree

Corporate Image (CI) and CSR evaluating perspective							
CI 1	Being socially responsible is like a source of opportunity and innovation for strengthening Corporate Image	1	2	3	4	5
CI 2	The good image of a firm leads to sustaining a superior CSR over the time	1	2	3	4	5
CI 3	Firms involving in more social contribution leads to improve corporate image and maximize competitive advantage	1	2	3	4	5
Corporate Reputation (CR) and CSR evaluating perspective							
CR 1	Socially responsible firm creates corporate reputation in the mindset of customer	1	2	3	4	5
CR 2	A firm which involves into CSR activities always enhances highly its brand value	1	2	3	4	5

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CR 3	A Firm has to spend more amount of funds in CSR to ensure customer loyalty and its reputation	1	2	3	4	5
Financial Growth and CSR evaluating perspective						
FG 1	Firm which contributes more in CSR gets easily trade credits for the short term financing of the firms	1	2	3	4	5
FG 2	Participation in the socially responsible activities may impact the financial growth of business	1	2	3	4	5
FG 3	Investing in socially responsible activities is a kind of reinvestment	1	2	3	4	5
Stakeholder satisfaction levels (SHS L) and CSR evaluating perspective						
ESSL 1	Being Socially responsible firm has influence on ESSL	1	2	3	4	5
ESSL 2	A socially responsible firm distributes dividend in expected time period to the shareholder	1	2	3	4	5
ESSL 3	Firms have to formulate and implement CSR activities for attaining ESSL	1	2	3	4	5

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