Long-term Benefits Realisation of Corporate Social Responsibility on the Profitability of Firms': An Empirical Study on Selected Asian Companies

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Structured Abstract

Purpose: Thepurpose of the study is to explore, whether or not CSR's benefits can be realised in long-term and whether or not the CSR practices help to increase life-span of a company?

Design /Methodology / Approach: As a sample, 366 companies have been selected from India, China, Japan and South Korea. Reports from the year 2008-09 to 20017-18 are explored and analysis are made through correlation, multiple regression and distributed lag method.

Findings: Result shows that CSR has positive impact on the profitability of firm in long-term and positive significant impact of CSR on profit is better realised in distance years than in current year.

Originality / Value: CSR practices have long-term benefits on the firm's profitability and practicing CSR in better way can support the companies to exist for longer-period.

Implication: These outcomes will be useful to encourage emerging companies in the developing country context to achieve corporate and sustainability objectives.

Key Words: Sustainability, CSR, Strategic CSR, Strategic Management

Paper Type: Empirical Research

Introduction

In the present scenario of common initiative to achieve sustainable development, business units are contributing in different ways. Generally, those inititives are popularly termed as Corporate Social Responsibility (CSR). Since the inception of CSR concept, it has been developed from several perspectives. Now, in the beginig of twenty first century, CSR is being considred strategically (i.e., Strategic CSR or SCSR) over the prior concept of just philanthrophy (Hossain et. al., 2014). This strategic CSR is being implimented as a primary tool by the business units to accomplish its own objectives besides serving the society (Haksever et. al., 2004; Daft &Marcic, 2010; Coda, 2010; Hill &McShane, 2008). The companies or business are having several strategic objectives, among which some of the most important objectives are profitability, competitiveness survivability of firm for a longer period (David, 2009; Hitt et. al., 2007; Thomson & Martin, 2009).

Different scholars have proposed and tested strategic ability of CSR to accomplish those objectives. As per Raghubiret. al. (2010) and Khandelwal&Mohendra (2010), CSR is the route to the profitability through stakeholders and companies' existence also decided by and for the stakeholders. The effect of CSR can be measured in short-term or long-term (Raghubir et. al., 2010). From the other perspective, company managers are believing that CSR will have a positive long-term effect on company value by returning to the costs later and realised by the investors over the periods (Lo &Sheu, 2007). This implies a time-dependent model of CSR impact. As it has been briefly noted by scholars that it is difficult for individuals and businesses to assess possible future outcomes accurately on the basis of CSR only, even after that the long-term impact of CSR is undeniable. Beurden&Gossling (2008) has derivedFreeman's statement on the research regarding the link between social responsibility and financial performance, which has suggested a positive correlation between the two in the long run. This capability of the "fit" between the firm's performance, stakeholder interests, and the selected strategy will determine the firm's long-term survival (Branzei et. al., 2000; Weick, 1979). In the present paper emphasis is given on the SCSR's abililty to get survivability objective, as it is a vital issue for any corporate (Cassidy, 2003).

Literature Review

Although, there are several propositions in favour of CSR to provide company benefits in long-run and necessity of CSR for the survivability of organisation, but not so many specific

literatures are found to have empirically show this issue. Some of those existing studies are discussed hereunder.

In a study by Griffiths (2003), it has been opined that forming corporate sustainability can show the way to sustained long-term performance of firm. This can be achieved by sustainability of human and ecological sides. Some organisations take advantage of cost savings and plough back them in employees to achieve sustainable longer-term gains. Choi & Wang (2009) has extended the resource-based view of the firm and stakeholder management. They have argued that good stakeholder relations enable a firm with higher economic performance to maintain competitive advantage for a longer period of time. This point of view is supported by the examination of a series of first-order autoregressive models.

The study of Bhattacharya & Sen (2004) has discussed on the long-run sponsorship of CSR, which is positively affecting the company's bottom line. The CSR is an important social issue, which is a key contributor of positive attitudes over the long run. The CSR is perceived as a key reason to invest in CSR in the form of "building a reservoir of goodwill" and why companies need to view CSR as a long-term strategic tool. Again, At the centre of stakeholder theory, the long-term sustainability of a corporation is relied upon the management of several stakeholders together (Bhattacharya et. al., 2009; Donaldson & Preston, 1995; Freeman, 1984).

In discussing the stakeholder management theory, Porter & Kramer (2006) argue that, for business and society to mutually succeed in the long run, 'corporate policies should follow the principle of shared value creation….'. The shared value framework generates social concern as generic issue that is influencing a company's operations or its long-term competitiveness through the strategic CSR. This wide coverage of SCSR allows to control for the different economic outputs that any strategic CSR initiative could have produced in terms of profitability (Boesso&Michelon, 2010).

Kolket. al. (2001) have empirically revealed an interesting fact on 'how business reward of environmental management for the financial institutions. Bank of America sum up these issues by segregating time in short-term environmentally responsible behavior, which lowers operating costs, in medium-term for employees to take special pleasure to work for a

responsible company and in long-term sustainability to creates the context for continuing prosperity of the organisation.

The study of Mill (2006) has re-mentioned about a survey of pension fund trustees. It has disclosed that 69% of investment principles are with socially responsible investment attributes, and a majority of investors are felt that CSR and good corporate governance practices affect on the market value in the longer term. This perspective has also been focused in the studies of Gribben&Faruk (2004).

Brammer& Millington (2008) have formed a model of the determinants to understand the extent of corporate charitable giving and its impact on the financial performance. There it has been found that the firms with unusually good social performers doing best over longer period.

The study of Peters & Mullen (2010) uses time series data to empirically analyze the cumulative effects of CSR on firm's future financial performance. The results are showing time-based, positive effects of CSR on firm financial performance and make stronger over time. This result is supporting for the long-term corporate social responsibility impact. Therefore, it is demonstrating CSR's long-term benefits and link between CSR and firm survivability.

Castro et. al. (2009) study has emphasized on the long-term consequences of some specific decisions, which are influencing stakeholders and corporate financial performance. In a longitudinal study of water supply companies operating in the UK, researchers have found that high social performance has a negative impact on firm's current profitability. And it also has a significant long-run positive effect on shareholders' returns. Similar conclusions are drawn by Ogden & Watson (1999) and Castro et. al. (2009), who have used a wider sample of firms and a time horizon of seven years.

Kim (2010) has criticized prior researches, which have found that CSR is positively related to firm market value, but most efforts have been focused on examining the relationship on short-term basis. Considering this limitation study has been made to uncover CSR and long-term financial performance relationship. The results show that CSR is inversely related to a firm's systematic and unsystematic risks on long-term basis.

A study of Poddi&Vergalli (2009) has tried to find out whether some specific performance indicators are affected by a firm's social responsible behaviour and their certifications. The main results are showing that CSR firms which are more worthy, have better long run performance. These firms have some initial costs but obtain higher sales and profits due to reputation effect and a reduction of long run costs.

The Brammeret. al. (2007)study considers the stock performance of America's 100 Best Corporate Citizens. The evidences show a positive market response, following the announcement in Best Corporate Citizen. The companies in the top 100 rank, yield negative abnormal returns of around 3%. These companies tend to be large and with high price-to-book values. Once firm characteristics are allowed, the poor performance vanishes of the highly rated large firms. It has also been found that companies that are newly listed as good citizens and companies in the top 100 but outside the S&P 500 can provide considerable positive abnormal returns to investors.

Now, there arefew countable literatures on the CSR and corporate survivability relationship. Some of these studies have considered 'age' of a company to measure corporate survivability. But, all these have emphasised on the impact of age on the degree of CSR performance (Jiraporn&Withisuphakorn, 2015; Robbins et. al., 2000). It means the study have found that the older firms are doing CSR more. On the other hand, young firms need to build their reputation, possibly through CSR involvement, and consequently get greater marginal benefits from CSR investments. The "ageing" of the business concerns is acknowledge by their social performance (Robbins et. al., 2000).

Scholars have noticed that CSR contribution as consisting of four stages with the company age. At first, involvement starts with shareholders, then to employees, followed by emphasising on the stakeholders and finally acknowledges the society as a whole (Pistoni et. al., 2016; Santos, 2011). So, to cover all stakeholders through CSR, it will take time.

Jeppesenet. al. (2012) have found a connection and involvement of the company in corporate environmental responsibility. They have also suggested that it should not be overlooked that an increase in age and size involves a higher level of procedure in CSR actions. Trencansky&Tsaparlidis (2014) have established that a company's age is positively linked with

certain CSR activities. On the other hand, Wiklund (1999) has remarked that the age of a company has no influence on the intensity in CSR actions. Yao et. al. (2011) have aimed at identifying the determinants of CSR in China. They have found that firm age (including size, environmental and consumer sensitivity, ownership concentration) is a significant decider of CSR development.

Badulescuet. al., (2018) have studied the impact of age of company on the propensity of CSR performance of that company. It has been assumed that the newer firm has lesser propensity of CSR. But on the study of SMEs through opinion survey of Romanian firm and by the help of pair 't' test and OLS regression model, it has been concluded that there is so significant influence of older firms on the degree of CSR.

Trencansky&Tsaparlidis (2014) study has distinguished five underlying perspectives of sustainability and several categories of company ages, size and types of industry from the Swedish companies. The opinion survey data reveal that there is no or minor effect of company age on the level of CSR.

Sahutet. al. (2011) have analysed the relation between company longevity and sustainability performance of company. There a positively significant result has been reported. A reverse side has been emphasized in this study. The paper, has been clarifying the relationship on the consideration of stakeholders' support to the organisation at the time of corporate economic instability.

Jiraporn&Withisuphakorn (2015) have explored the effect of firm maturity on CSR. Here, it has been revealed that more grown-up firms invest significantly more in CSR. But, the effect of maturity is not equal for different categories of CSR. Following Jiraporn&Withisuphakorn (2015) , almost same perspective has also been explored and same result is reported by Ahn& Park (2016). The influence of age on the CSR effort has also been established by Cormier et. al., (2005) and Roberts, (1992), while no relationship is proposed by Rahman et. al., (2011).

Thus, considering these literatures, it can be revealed that there are several theoretical proposition on the capability of CSR to provide corporate benefits in long-term. Very few literatures have also indicated that CSR can be useful to the companies survivability. On the

contrary, few countable studies have also disclosed that newly formed companies have better financial performance against the older CSR practicing firms. So, there is scantiness in the studies on this area and contradictory results are also found regarding long-term effectiveness of social performance on the corporate financial performance. Studies on the CSR and corporate survivability has not been explored yet. Therefore, in this present chapter an initiative has been made to understand whether or not the CSR's impact can be realized in long-term with respect to the firm's profitability and CSR-corporate survivability (or longevity) relationship.

Objectives of the Study

Following the above mentioned research gaps, the objectives of the study are being specified here.

The first objective of the study is to find out whether or not the impact of CSR practices on the corporate financial performance (in term of profitability) can be realized in long-term. The second objective of the study is to understand whether or not the CSR performance can be helpful to increase the lifespan of a company and the third objective is to explore the relationship of the combined impact of CSR and firm's lifespan on the firm's profitability.

Limitations of the Study

This is secondary data based study. Data are collected manually from the companies' websites. Some of the companies have not disclosed proper reports and some companies have published report in its own country languages. So, those companies are being rejected for the study. Data availability is the primary limitation here.

Research Methodology

After specifying the objectives of the study. Necessary methodologies are discussed in the form of sample, variables, hypotheses and statistical model and tools.

Sample

All the necessary data are secondary in nature and these are taken from the website publications of Annual Reports and Non-Financial Reports (Sustainability Reports or Corporate Social Responsibility Reports). The period of the study is ten years i.e. from the year '2008-09' to

'2017-18'. A total of three hundred sixty six (366) companies are selected at last (see Table 1) . The sample data are collected from these companies from more than 3000 (approx) Annual Reports and 3000 (approx) Non-financial Reports.

However, on the basis of avaiability of necessary data, around half of the total sample companies are rejected. Therefore the sample companies come down around 180 and total firm-year under study is about 1860 firm-year. Based on the necessity of variables to be used in relations to the study objectives, number of data varies.

Variables

The variable are utilized here as Size by Total Assets (TA), total sale or revenue in a year (SALE), Return on Assets (ROA) as profitability, Social Performance Indicator (SPI), dummay variables (INDUSTRY for poluting 1 and for service industry 0 and COUNTRY for developed 1 and developing 0). The TA, INDUSTRY and COUNTRY are specified as control variables. The ROA is used as dependent variables. Following the research paper of Bäckström&Karlsson's (2015) calculation, a modified form of SPI has been constructed here in terms of scores. This SPI score is based on the objective or quantitative data found from the published reports of a company and transform into ratings to get the SPI score. This SPI is the all total scores of GPI (Governance), SOI (Social) and EPI (Environmental). For example, the GPI is the total value of four indicators score, which are collected (if available) from financial or non-financial report of a company. The indicators are in question form, which are asking about the availability of data and score 0, 1, 2 and 3 are allotted for getting answer to the question accordingly.

There is another variable in the form of 'AGE'. This is representing the number of years of existence of a company after its foundation (Badulescu et. al., 2018). For example if a company is formed and started business in the year 1960 then its AGE will be 58 years at the end of the year 2018. This age factor will be the substitute of lifespan of an organisation. If the AGE is higher, then the company is older. Another variable is formed in combination with the SPI, asSPInAGE. This signifies a CSR performing firm with its lifespan. Increase in this value will represent that there is higher social performance with the older firms. AGE andSPInAGE are taken as independent variables.

Hypothesis

Before specification of the hypotheses, some of the existing studies have been considered again regarding their opinions and findings, which are relevant to the study objectives of the present chapter. In a study of Peters &Mulan (2010), it has been re-mentioned that Jones (1995) and Donaldson & Preston (1995) have theoretically indicates that even if CSR may not be profitable in short-term, it will surely lead to be successful in long-term. There the arguments are considering strategic implication of CSR and its long-term impact on the profitability.

In a study by Becker-Olsen et al. (2005), the decision making time taken by the consumers have been emphasized. They have comment that consumers typically process information and form opinions during longer times horizons on the basis of their experiment. So, the realisation of consumers' actions take time and reflect on the corporate profitability accordingly. Accordingly, it can be argued that in comparison with the economic success necessity in short and long term, consequences and benefits of CSR emphasizes long term sustainability, long-term planning and long-term performance (Enderlee&Tavis, 1998). Relating to these propositions, it is hypothesized (alternative) that:

H1: There is long-term positive impact of CSR on the firm's profitability.

Waluyo (2017) has aimed to identify the firm's CSR, stock index, and firm growth. The study has been conducted on property and real estate companies listed in Indonesia Stock Exchange from the period 2012 - 2016. The multiple linear regression results show that firm size, firm age and firm growth have simultaneous significant effects on the CSR disclosure. Here, it is asserted that older companies can understand better about information needed in the CSR and requisite activities of CSR. Considering this, it is hypothesized (alternative)that:

H2: The CSR performance has positive impact on the age of a company. Means, CSR helps company to increase its lifespan.

Castro et. al. (2009) study has emphasized on the long-term consequences of some specific decisions, which are influencing stakeholders and corporate financial performance. In a longitudinal study of water supply companies operating in the UK, they have found that high social performance has a significant long-run positive effect on shareholders' returns. Similar conclusions are drawn by Ogden & Watson (1999) and Castro et. al. (2009), who have used a

wider sample of firms with longer period of study. So, the hypothesis (alternative) can be stated as:

H3: The firms with long-term existence and better social performance, can simultaneously impact on profitability in a positive way. Means, old companies which are practicing CSR in a better way can have more profitability than other companies.

Statistical Tools

These hypotheses are analysed by the help of descriptive statistical tools , bi-variate correlations and multi-variate regression analysis. In relation to the above mentioned hypotheses, the methodology of Scholtens (2008) has been followed, which has explored the interaction between financial and social performance. Here, distributed lag regression is formed and the 'impact timing' is tested. The distributed-lag model connect the dependent variable to various lags (yearly basis) of the independent variables. It is a dynamic model and is useful to examine how far in time one need to go back to find any significant interaction between dependent and independent variables. Considering this, one year basis of lag is taken in the OLS model and two sets of equations regarding distributed-lag models are developed. The first equation has profitability as dependent variable and SPI as independent variable and in second equation the vice-versa relationship has been tested. The 't' is the last year in the total sample year, i.e. 2017.

$$Profitability_t = \beta + \beta_1 SPI_t + \beta_2 SPI_{t-1} + \ldots\ldots\ldots + \beta_{10} SPI_{t-9} + \varepsilon - - - - - (1)$$

$$SPI_t = \beta + \beta_1 Profitability_t + \beta_2 Profitability_{t-1} + \ldots\ldots\ldots + \beta_{10} Profitability_{t-9} + \varepsilon - (2)$$

Now, the studies of Jiraporn&Withisuphakorn (2015), Cormier et. al. (2005), Roberts (1992) have explored the impact of AGE on the CSR performances and disclosure, but as per hypothesis H2, it might also be needed to understand about the impact of CSR practices to the provision of corporate longevity. So, the Equation-3 is formed hereunder.

$$AGE = \beta + \beta_1 SPI + \beta_2 TA + \beta_3 INDUSTRY + \beta_3 COUNTRY + \varepsilon - - - (3)$$

However, CSR is a long-term, rather than short-term investment (Exter, 2014), suggesting that CSR's impact on financial performance should be addressed within a wider time frame. One- or two-year lagged financial performance is not sufficient to wholly grasp the long-term financial performance implications of CSR (Purnamasari et. al., 2015). Given that it would take more than 1 year to transfer CSR to actual financial outcome. Considering this and to explore

simultaneous impact of CSR and AGE of an organisation to earn it profitability, the following Equation-4 has been constructed,.

$$Profitability = \beta + \beta_1 SPInAGE + \beta_2 TA + \beta_3 INDUSTRY + \beta_3 COUNTRY + \varepsilon - -(4)$$

In the next section results are analysed from the regression results of these four equations.

Findings & Analysis

This section has mainly described the test results against the previously mentioned hypotheses. The AGEvariale has average value of 53.46 years and SD (Standard Deviation) of 34.22. This average value is showing the average years of the sample companies lifespan and which are still existing. But, there are several new companies included in the sample, which has been reflected on the higher value of SD of AGE.

Correlation

Considering the AGE variable, the Table 2 is showing bi-variate Pearson's correlations among INDUSTRY, COUNTRY, ROA, SPI, TA and SALE. Here, it can be seen that the correlation between SPI and AGE (0.148) is positive and significant. It means that the company lifespan and social performance move in the same direction. Increase in CSR may increase companies existence or in another way to say that older firms are doing CSR more. The Table 2 is also showing that the AGE variable has positive and significant correlation with INDUSTRY (0.176) and COUNTRY (0.297). These are indicating that the older companies are from POLUTE industries and from developed countries respectively. The LABOUR industry and emerging economics have comparatively new companies. The ROA (-0.085) has significantly negative correlations with respect to AGE. This is a vital concern for researchers. These negative correlations are showing that the newer companies have better profitability than the older companies. The investors may invest among those new companies for better profitability. But, this information solely not enough to decide investors' strategy. From the subsequent regression results further analysis are made for better understanding and to find out clear view on the above mentioned hypotheses.

Regression

The Table 3 and Table 4 are showing distributed lag regression results based on Equation-1 (Eq-1) and Eq-2. In Table 3, the Eq-1 has considered profitability ratios as dependent variable.

On the contrary, the Table 4 is showing regression results of Eq-2 on the basis of profitability ratios as independent variable.

Now, from the Table 3 in Eq-1, it can be seen that the R^2 is 0.108 and SE is 6.424. The F-statistics value is 2.122 and significant at $p<5\%$. All these are showing contribution and validity of the regression model. The coefficient of Constant (5.060) is positive and significant here. The independent variables are ten years SPI. Out of those ten regression coefficients of SPI, only the SPI15 and SPI08 have significantly positive (0.922 and 0.188 at $p<5\%$ respectively) impact on ROA of current year i.e. ROA of the year 2017. There is also significant but negative (-0.683 at $p<5\%$) impact of SPI14 on the current year ROA. Altogether, it can be seen that there is no current or recent year SPI impact on the ROA of current year. Significant impact of social performance has been realized after two years or more and even after ninth year. It is to be noted here, that only 185 firms are found to have necessary data for this study. This means around 50% of the total sample companies. The Eq-1 has another significant explanation. The β values of the total ten years are to be summated, to understand any long-term positive impact of CSR on the profitability ratio ROA (Gujarathi, 2004; MacKinnon & Davidson, 1999). Here, it can be seen that the summated value of ten years SPI coefficient is positive (0.129). This explain that the current year ROA is resulting from doing socially responsible practices for longer period.Altogether, it can be seen that the impact of social performances on the corporate profitability will be realized after several years. The current years social performances have insignificant impact on the firm's profitability. It is signifying that there is long-term accumulated positive impact of social performances of a company on ROA. This is clearing the fact that the CSR may be negatively or positively impacting on the profitability of firm in current year or in any particular year, but the positive impact can be realised in long-term only. This is favouring our hypotheses that the CSR impact can better be realised in long-term. In another words, the favourable or positive impact of CSR, will take a bit long-time to realise.

Now, there is one equation in Table 4 as Eq-2, which is considering SPI of current year that is SPI17 as dependent variable and ten years ROA as independent variables. The R^2 value is 0.204 and SE is 5.833with significant F-statistics value (3.047 at $p<5\%$). The coefficient of Constant (20.403) is positive and significant. The coefficient of ROA17 is positive and highly significant, and the coefficient of ROA16 negative and significant at $p<5\%$. So, here it can be seen that the ROA of current year has significant positive influence on the current year social

performance and the ROA of preceding year has negative influence on social performance. Altogether, it can be found that the current year corporate social performance is resulting from the current year's or recent years' profitability. The summated β value of ten years for Eq-2 is 0.017. This shows that very marginalbut long-term positive impact of profitability on CSR.

Therefore, these study results signifies that the impact of CSR on the corporate profitability is realized more in long-term. This means that the impact of 'doing good for society' will 'do good for company' in long-term and not in quickest way.

Now,theTable5 is showing regression results of Eq-3. Here, the relationship between social performance and lifespan (AGE) of a company has been explored. The $R^2$is 0.118 with SE of 32.197. The F-statistics value is 61.803 and significant with 1845 firm-year data. The coefficient of Constant (36.477) is positive and highly significant. Here, the coefficients of independent variables SPI (0.376), INDUSTRY (8.960) and COUNTRY (19.062) are significantly positive with very low amount of SEs. These are showing that the social performance has positive influence on the lifespan of a company and increase in the social performance can also enhance the scope of long-term existence for the company. The INDUSTRY coefficient clarifies that the companies from POLUTE industry have higher age against service/labour intensive industry. It means that the companies in LABOUR industry are newer than the companies in POLUTE industry. The COUNTRY coefficient is showing that the older companies are mostly from developed countries. The newer companies are basically from the emerging economics like China and India. So, in summary, it can be seen that there is better scope of CSR practicing firms to stay in the market for longer period.

To understand, whether or not the CSR practicing older firms can have better profitability in comparison with the less CSR practicing newer firms, the Table 6 is formed. This includes Eq-4 and its derived form in regression results of Eq-4a and Eq-4b. The regression results of Eq-4a is showing the joint impact of SPI and AGE as SPInAGE variable on SALE. The SALE is the basic of profitability of firm. Here, the control variable TA has not been considered as it has high correlation with SALE and researchers also uses SALE as a substitute of size of a company. The R^2 (0.081) has very low value with higher amount of SE (0.667), but the F-statistics (54.271) is highly significant. This is supporting the validity of the model to some extent. The Constant's coefficient is positively significant (5.499). The SPInAGE coefficient

(0.001 if SALE is taken as LNSALE and 1201.23 if SALE is in million of INR) is also positive and highly significant. This indicates that the older companies which are practicing CSR for several periods can generate more revenue than the newer and less CSR practicing firms. From the Eq-4b it can be seen that the R^2 is 0.184 with F-statistics significant value (105.68). There, the SPInAGE coefficient is positive and significant with very marginal amount of SE. This means that significant increase in ROA is possible by better CSR practicing firms over a longer period. These results are supporting third hypothesis.

Although this paper is an initiation regarding the study on the relationship of better CSR performance of older firm and profitability, further investigation in different way can be analysed on the same issue in future.

Conclusions & Recommendations

Therefore, the study has explored relationship of CSR with the corporate longevity and the time of benefits realisation on the basis of impact of CSR activities on the firm's profitability.The resultsfound are favouring the relevant hypotheses. It means that the CSR impact on the corporate profitability is better realised in long-term and CSR performance have significant positive influence on the age or longevity of the organisation. Even, it can also be seen that the older firms with better CSR practices can also enjoy a significant increase in its profitability. It means the older companies with good CSR performance can be helpful to achieve better profit for the organisation. Altogether, CSR has the strategic ability to provide return in long-term, supporting to enhance corporate lifespan and helps to earn profitability of the companies.

However, other than the general issue of limited data availability, the study could have been much fruitful on the consideration of more than ten years of data. The AGE data of some Chinese and Japanese companies are not found from their published information, which might be a vital information of the company to disclose in the publicly available information sources.

In summarisation, the study has been able to indicate that the CSR can have the strategic ability and supporting the third main objective of the present thesis. Companies or managers from the developed and developing economics, should take this lesson while practicing CSR activities. A break free practice of CSR can have strategic benefits for the companies. Older firms should

be doing CSR more to have competitive advantages over its rivals. The study results would have been better if limitations with respect to data availability, language problem, disparity in Non-financial report disclosure etc. are not being faced by the researcher.

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Table 1
Breakup of Sample Companies (in Nos.)

Industry	Company Type	India	China	S. Korea	Japan	Total
Polluting	Automotive	11	10	16	11	48
	Petrochem	14	25	12	26	77
	Energy	9	21	18	10	58
	Metal & Mining	10	4	2	9	25
	Total	**44**	**60**	**48**	**56**	**208**
Service/Labour Intensive	Banking & Finance	11	14	12	10	47
	Info. Technology	8	13	2	10	33
	Pharmaceutical	10	17	15	9	51
	Tele-Communication	3	10	5	9	27
	Total	**32**	**54**	**34**	**38**	**158**
Total		76	114	82	94	366

Source: Author's Compilation

Table 2
Pearson's Correlation

		INDUSTRY	COUNTRY	ROA	SPI	AGE	LNTA
COUNTRY	Cor	.065**	1				
	Sig.	.005					
ROA	Cor	.031	-.276**	1			
	Sig.	.185	.000				
SPI	Cor	.254**	.124**	.006	1		
	Sig.	.000	.000	.791			
AGE	Cor	.176**	.297**	-.085**	.148**	1	
	Sig.	.000	.000	.000	.000		
LNTA	Cor	-.195**	.039	-.336**	.270**	-.008	1
	Sig.	.000	.092	.000	.000	.715	
LNSALE	Cor	.115**	.038	-.112**	.443**	.059*	.740**
	Sig.	.000	.104	.000	.000	.012	0.000
	N	1859	1859	1840	1859	1830	1859

Source: Author's Compilation generated through SPSS

Table 3
Regression:SPI are Independent-ROA of 2017-18 Dependent

Eq	R^2	SE - R^2	N	F	Sig	Variable	Beta	Std b	SE	Sig.
1	0.108	6.424	185	2.122	0.025	C	5.060		1.540	0.001
						SPI17	0.015	0.015	0.324	0.963
						SPI16	-0.485	-0.491	0.459	0.292
						SPI15	0.922	0.939	0.391	**0.019**
						SPI14	-0.683	-0.719	0.303	**0.026**
						SPI13	0.426	0.464	0.338	0.209
						SPI12	-0.087	-0.103	0.254	0.731
						SPI11	0.040	0.049	0.242	0.870
						SPI10	-0.285	-0.358	0.258	0.271

						SPI09	0.078	0.097	0.195	0.689
						SPI08	0.188	0.261	0.088	**0.033**

Source: Author's Compilation generated through SPSS

Table 4
Regression: ROA are Independent-SPI of 2017-18 Dependent

Eq	R^2	SE - R^2	N	F	Sig	Variable	Beta	Std b	SE	Sig.
2	0.204	5.833	129	3.047	0.002	C	20.403		0.846	0.000
						ROA17	0.948	0.999	0.198	**0.000**
						ROA16	-0.503	-0.548	0.214	**0.020**
						ROA15	-0.353	-0.409	0.217	0.107
						ROA14	-0.034	-0.039	0.210	0.872
						ROA13	0.093	0.120	0.126	0.464
						ROA12	0.116	0.142	0.230	0.617
						ROA11	-0.280	-0.341	0.262	0.289
						ROA10	0.066	0.087	0.228	0.772
						ROA09	-0.073	-0.101	0.141	0.607
						ROA08	0.037	0.049	0.123	0.766

Source: Author's Compilation generated through SPSS

Table 5
Regression: SPI Independent-AGE Dependent

Eq	R^2	SE - R^2	N	F	Sig	Variable	Beta	Std b	SE	Sig.
3	0.118	32.197	1845	61.803	0.000	C	36.477		5.679	0.000
						SPI	0.376	0.087	0.104	0.000
						LNTA	-0.704	-0.018	0.941	0.454
						INDUSTRY	8.960	0.130	1.635	0.000
						COUNTRY	19.062	0.278	1.510	0.000

Source: Author's Compilation generated through SPSS

Table 6
Regression: SPInAGE Independent-LNSALE Dependent

Eq	R^2	SE - R^2	N	F	F-Sig	Variable	Beta	Std b	SE	Sig.	VIF
4a	0.081	0.667	1858	54.271	0.000	C	5.499		0.030	0.000	
						SPInAGE	0.001	0.278	0.000	0.000	1.161
						INDUSTRY	0.071	0.050	0.032	0.029	1.063
						COUNTRY	-0.067	-0.048	0.032	0.038	1.098
				SPInAGE Independent-ROA Dependent							
4b	0.186	7.024	1853	105.68	0.000	C	27.818		1.245	0.000	
						SPInAGE	0.001	0.064	0.000	0.005	1.187
						LNTA	-3.083	-0.341	0.197	0.000	1.078
						INDUSTRY	-0.566	-0.036	0.350	0.106	1.125
						COUNTRY	-4.338	-0.279	0.341	0.000	1.091

Source: Author's Compilation generated through SPSS