

# CORPORATE SOCIAL RESPONSIBILITY AND FINANCIAL PERFORMANCE OF HOTELS IN ZANZIBAR

## ABSTRACT

Corporate Social Responsibility is gaining more awareness in Zanzibar as the firms are recognizing the important role it plays on firm's performance. This research empirically examines the effect of corporate social responsibility and financial performance of hotels in Zanzibar. CSR is measured by cost paid for corporate social responsibility while financial performance is measured by using profitability measures such as ROA and ROE.

By utilizing panel data of 4 hotels for 7 years period from 2011-2017, the study uses ordinary least square method-random effect regression, model. The study found CSR has a significant positive effect on ROA and ROE of hotels in Zanzibar. The study also found that control variables (i.e leverage, R&D, size) have a significant effect on ROA and ROE. The study recommends more investment in CSR as a way of boosting hotels profitability.

Keywords: Corporate social responsibility, financial performance, Hotel

## 1.0 INTRODUCTION

CSR into business activities has been realized as a very warming topic nowadays, for as customers, shareholders and other stakeholders show great importance in wanting this issue. CSR is a notion in which business organizations target interest of society by taking actions on the impact of their activities on suppliers, employees, customers, shareholders, communities and other stakeholders as well as their environment (Swanson,2005). CSR can involve a range of activities such as working in partnership with local communities, socially sensitive investment, developing relationships with employees and customers and involving in activities for environmental conservation and sustainability (Cornelius, Wallace &Tassabehji, 2007).

CSR as a concept has not taken roots in Tanzania, but as a corporate practice in the country, it is a common phenomenon. There is an existence of unclear policies on CSR in Tanzania which cause companies rushing to claim CSR for their own advantage. Some companies use CSR as their strategies to gain public support in markets which help them sustain competitive advantage over others by using their social contributions to provide subconscious advertising (Gachanja et al. 2013).

At present, tourism and hospitality have interest in CSR. Some tourism experts believe that CSR activities affect the public image of the companies as well as financial performance. Tourism is one of the fastest growing industries in an economy as a service sector, growing at an average

34 rate of 4% per annum. Over the past fifteen years, Zanzibar has been relying heavily on tourism  
35 in generating revenue. This has been generating 25% of Gross Domestic Product and generating  
36 about 80% of its foreign currency.

37 Hotel is a complement service of tourism Through generating high revenue most hotels in  
38 Zanzibar has been practising CSR as it results in high impact in their financial performance so as  
39 to enhance GDP. In Zanzibar, hotels that do practice CSR are very decisive in generating social  
40 and business value simultaneously to be sustainable over time, as CSR has been considered as  
41 more costly hence reduce profitability. Hotels that practices CSR needs to provide great efforts  
42 to incorporate strategies to recognize that they have high profitability that add more cost.  
43 Without a doubt, CSR is a factor that affects business in the future. Most of the studies focus on  
44 the topic of CSR and Corporate financial performance on developed countries, thus current  
45 research on developing countries is limited especially in Tanzania Zanzibar. Basing on economic  
46 and environmental impact, the hotel sector is one among the most important firms of applying  
47 CSR activities. Hotel managers are becoming more aware of CSR activities, as they want to  
48 achieve high growth and long term profitability (Erdogan and Baris, 2007). Therefore, this study  
49 focuses on CSR and financial performance of listed 4 Nungwi hotels in Zanzibar. Specifically,  
50 the study examines the impact of CSR on return on asset (ROA) and returns on equity (ROE) of  
51 the four listed hotels at Nungwi in Zanzibar.

## 52 **2.0 LITERATURE REVIEW**

53

54 This part review theoretical and empirical literature on the concept of corporate social  
55 responsibility and its impact on financial performance (ROA and ROE). A concept of CSR refers  
56 to firms responding to social and environmental concerns in business operations and interaction  
57 with the stakeholders (Pe´rez & del Bosque, 2013). CSR includes social, environment and  
58 economic responsibility, (Carroll, 1991; Elkington 1994; Adriana and Simon, 2017). Common  
59 CSR practices in business involve a company doing a production in favour of society and  
60 environment, eliminating waste, investing in infrastructure, developing for local to increase  
61 profit (Wang & Bansal, 2012). CSR is more needed in emerging economies and developing  
62 countries characterized by the weak institutional environment (Jamali & Mirshak, 2007). Due to  
63 the absence of strong standard policies in developing countries firms must play a wider role in  
64 society besides providing quality goods and services at reasonable prices and making returns for  
65 the shareholders (Mishra & Suar, 2010). CSR affect financial performance. Stakeholder theory  
66 explains how the organization builds its relationship with the external environment for the  
67 purpose of achieving organizational objectives (Hamidu et al., 2015). Stakeholders that exert  
68 much pressure on companies to achieve external performance are owners, employees, customers,  
69 suppliers, investors, government, community, a trade association (Sen & Cowley, 2013).

70

71 Firm's Financial Performance is an evaluation of how a firm (i.e management) can use its assets  
72 to generate revenue. It also shows how well a firm can utilize its assets in a period of time to  
73 show a firm's general financial health (Fauzi, 2007). Firms measure their success through long  
74 term performance, which many firms now assess their success through CSR initiatives and  
75 corporate performance. CSR, when managed properly, creates value to the company and society

76 (Nolan, et. al, 2009). Many studies have been conducted that shows various relationships  
77 between corporate social and financial performance.

78 As known, the company's primary objective is profit maximization in operating their business. In  
79 studies conducted previously, Berger and Drumwright (1999) found a positive relationship  
80 between CSR and corporate social performance, with high trust from stakeholders, employees  
81 and customers. Jenkins (2006) found that companies that practices CSR has a positive brand  
82 image than those that do not practice CSR. (Jones, 2005; McWilliams et al., 2006) shows that the  
83 corporate good image can be used as a tool to attract stakeholders in showing a positive  
84 corporate image, which helps a company striving in a competitive market. Authors (Walsh et al.,  
85 2009) found that firms that produce good quality products and services gain more trust from  
86 customers, grow positive word of mouth, maximize profit, have high customer retention power  
87 and build customer loyalty, from customers' perception. Sweeny, (2009) found a positive  
88 correlation between CSR and firm's financial performance and this is because it affects the  
89 firm's reputation, employee attraction and loyalty. (Mishra & Suar, 2010) have found a positive  
90 relationship between CSR corporate financial performances. In employees' perception, the  
91 company's good image motivates employees in making more effort in their workplace and  
92 becoming more productive, which leads to great performance in the company. This is because a  
93 good reputation leads to positive performance (Bergh & Ketchen, 2010).

94 Choi et al (2010) found a positive relation between CSR and CFP. The relation was due to the  
95 positive correlation between stockholder-weighted CSR and Tobin's Q .Short term impact shows  
96 financial performance measured by accounting-based measures such as ROA, ROE (Inoue &  
97 Lee, 2011). According to the studies, the effect on CSP measured by short term profitability is  
98 much stronger than the effect resulted by long term profitability measured by market-based  
99 measure (Inoue & Lee, 2011). In the study of Inoue & Lee (2011) found a positive relation  
100 between CSR and CFP through the effect tested of five dimensions on CSR. Their result  
101 concluded that each dimension of CSR has a different impact on the short-run and long-run  
102 financial impact but the results obtained shows that CSR activities would improve the firm's  
103 profitability. Wu & Shen (2013) studies CSR in the banking industry where the results showed a  
104 positive relation on CSR and accounting-based financial measures (ROA, ROE, Net interest  
105 income) in the banking industry. Ahamed, Almsafir & Al-Smadi (2014) used accounting-based  
106 measure to measure financial performance in Malaysia with control variables (firm's size and  
107 revenue) and resulted CSR is positively related with ROA and ROE. Ming Wei Siw (2017)  
108 found that there is a positive and significant relationship between CSR and CFP in that CSR one  
109 year lagged is followed by improved CFP in the financial year. It is also found CFP one year  
110 prior, however, does not seem to lead to decisions to engage in CSR.

111 On the other hand, Vance (1975) provided evidence that there was a negative relation between  
112 CSR and CFP measured by stock market returns in UK. Jensen, 2001 stated that the aim of the  
113 company is to maximize profit and not the well being of society, the study also states that social  
114 activity affects CFP negatively. Sundaram & Inkpen, 2004 imposed that corporate socially  
115 responsibility activities puts pressure on the company's profit as it has no relation with the  
116 economic role of firms. There is also a study done by Brammer, Brooks & Pavelin (2006) which  
117 shows a negative relationship between corporate social responsibility and financial performance  
118 in UK listed firms. Lopez, Garcia, & Rodriguez (2007) showed how CSR activities impact  
119 business performance. The researchers selected 55 European firms, in which one group practised

120 social responsibility and the other did not. This resulted in a group with CSR activities having a  
121 negative impact on business performance Lopez et. al.,(2007). Chen et al., 2015 observed that  
122 companies spend much time, effort and resources on cooperating CSR activities thus becomes  
123 costly and decrease in the company's profit. In having a decrease in financial performance,  
124 managers can reduce investing in CSR activities to bring about improved financial performance.

125 Some scholar observed no relationship between CSR and Financial Performance. Ulman, 1985;  
126 McWilliams & Siegel, 2001 found that the relation between CSR and CFP does not exist and  
127 that is due to many variables that impact the business. Even with the same accounting-based  
128 measure, some researchers get different findings in the research. There are some researchers who  
129 find that CSR has no impact on CFP to measure financial performance when using accounting-  
130 based measures. Surroca et al (2010) studied that there is no relationship between CSR and CFP.

131 Based on the researchers' knowledge, most of the above literature shows the influence of CSR  
132 and CFP in financial institutions but there is no study that measured CSR by CSR costs over  
133 sales based on the hotels specifically in developing countries. Therefore this study examines the  
134 impact of CSR on return on asset (ROA) and return on equity (ROE) of listed hotels in Zanzibar.

### 135 **3.0 RESEARCH METHODOLOGY**

136

137 This part presents the method used for analysis. This study utilizes OLS random effect model to  
138 determine the relationship between CSP and CFP. The total sample consists of 4 selected hotels  
139 at Nungwi in Zanzibar with years of observation over the **period of 2011-2017. These** hotels are  
140 selected as the data source because willing to report their social behaviour and as hotel industry  
141 plays a very important part in contributing to the GDP of the country. The sample consists of 4  
142 listed hotels in Zanzibar which are located at Nungwi for the years 2011-2017. This research  
143 focuses on Nungwi because Nungwi hotels have been publicly reporting their CSR information.

#### 144 **3.1. Model Presentation**

145 This study utilizes OLS random effect regression model is as follow in showing the effect of  
146 CSP on CFP. This regards the unobservable firm characteristics. Random effect model considers  
147 changeability of all variable that affects the corporate financial performance (CFP) (Barnett &  
148 Salomon, 2012). This is the best method because hotels are operated due to change environment  
149 Random effect regression model of showing the impact of CSP on CFP is as follows;

$$150 \text{CFP}_{it} = \alpha_0 + \alpha_1 \text{CSR}_{it-1} + \alpha_2 \text{Size}_{it} + \alpha_3 \text{Lev}_{it} + \alpha_4 \text{R\&D}_{it} + \varepsilon_{it} \quad (1)$$

151

152 Where, *CFP* is the corporate financial performance; *CSP* is corporate social responsibility;  
153 *Size* is size of the hotel; *Lev* is *Leverage*; *R&D* is research and development,  $\varepsilon$  is error  
154 component;  $\alpha_0$  is constant and  $\alpha_1, \alpha_2, \alpha_3$  and  $\alpha_4$  are coefficients.

155 **Measures of Variables**

156 **Corporate Financial Performance** is a dependent variable. It is measured by using profitability  
 157 (i.e, ROA and ROE) (Barnett & Solomon, 2012; Ahamed et al, 2014). ROA measure ability on  
 158 the management to utilize assets of the hotels while ROE is a net profit a firm earns through a  
 159 percentage of shareholder’s equity that measures how managers efficiently manage the capital  
 160 invested by shareholders (Inoue & Lee, 2011). It is influenced by corporate social responsibility.

161 **Corporate Social Responsibility** is an independent variable. It measures by Ln of previous year  
 162 total cost paid for social responsibility divide by sales. It is expected to have a positive effect on  
 163 financial performance because the increasing amount paid for social responsibility increase  
 164 organization image that increases profitability (Ahamed, Almsafir & Al-Smadi, 2014).

165

166

**Table. 1: Variable Definitions**

<b>Variables</b>	<b>Definition</b>	<b>Expected sign</b>
<b>CFP</b>		
<b>ROA</b>	EAITDA divided by book value of total assets	
<b>ROE</b>	EAITDA divided by book value of total equity	
<b>CSR</b>	Ln of previous year total cost paid for corporate social responsibility/ Total sales	+
<b>Control Variables</b>		
<b>Size</b>	Ln of Book value of total assets	+
<b>Lev</b>	The ratio of long-term debt to total assets	=
<b>R&amp;D</b>	The ratio of R&D expenses to total sales	+

167

168 There are many control variables used in this researches such as size, leverage; and research and  
 169 development.

170 Size is one among the important control variable in considering CSR in firms that stress  
 171 corporate financial performance (Barnett & Salomon, 2012) (Table 1). The effect of Hotel size is  
 172 calculated by including the logarithm of total assets (Ln(A)) of a hotel, (Yudistira, 2004). It is  
 173 expected to have a positive impact on financial performance (Gamerschlag et al., 2011). The  
 174 positive relationship between the size of the hotels and financial performance arises due to the  
 175 fact that large hotels enjoy operating benefits by employing few professional managers and high  
 176 technology and reduces other costs such as cost of information that increase profitability. Size of  
 177 the hotels is included because normally the expansion of hotels leads to the increases job  
 178 specialisation, and enjoyment of economies of scale that increase profitability.

179 Leverage is another important control variable. It is measured as a ratio of long-term debt to total  
 180 assets. Leverage shows how hotels operate in high and low debt. High leverage ratio makes a  
 181 hotels’s profit to be influenced in a negative way because of the large amount of interest that

182 hotels is supposed to pay (Inour & Lee, 2011). Thus reduces profitability. Firms with low  
 183 leverage are more likely to engage in CSR activities than firms with high leverage ratio.

184 R&D is expected to have a positive impact on financial performance (Lin et al., 2009). Research  
 185 and development lead to correct investments and efficient employees that lead to more profit in  
 186 the hotels.

187 **4.0 Results and Discussions**

188 This part shows analysis of the results on the impact of corporate social responsibility on the  
 189 financial performance of Nungwi hotels in Zanzibar where size, leverage and research and  
 190 development are used as control variables. Before presenting the main results of random effect  
 191 model; descriptive statistic, correlation analysis and houseman test are presented.

192 **4.1 Descriptive Statistics**

193 Table 2.1 shows the descriptive statistics for all variables used in this research. This panel data  
 194 includes 4 hotels over the period of 2011 to 2017 for the Nungwi hotel firms in Zanzibar. This  
 195 analysis gives an overview of the number of observations, mean, median, standard deviation,  
 196 minimum and maximum.

197 **Table 2.1: Descriptive Statistics**

<b>Variables</b>	<b>N</b>	<b>Mean</b>	<b>Median</b>	<b>Std Dev</b>	<b>Minimum</b>	<b>Maximum</b>
CSP	140	0.004633	0.00443	0.004055	0.004055	0.005504
ROA	140	0.003219	0.022128	0.030555	0.087193	0.029252
ROE	140	0.009256	0.059287	0.0049792	0.247881	0.087451
R&D	140	0.003823	0.003654	0.000494	0.003264	0.004576
Leverage	140	0.655827	0.665483	0.026083	0.613732	0.693003
Size(mil)	140	0.833703	0.856488	0.053417	0.756923	0.909972

198  
 199 The descriptive statistic shows that at least every hotel in the sample discloses some information.  
 200 The mean value of the independent variable (CSR) is 0.0046; this means the selected hotels  
 201 published 5 CSR keywords per 1000 words in the annual report. The CSP variable resulting in a  
 202 positive mean value shows the sample hotels in this research are actively incorporating CSR  
 203 activities.

204 The average ROA for the sample hotels is 0.0032. This is the lowest mean value. The leverage  
 205 has the highest mean value. When mean values are compared by the variance of all variables,  
 206 results confirm all variables meet the required standard.

207 **4.2 Correlation Analysis**

208 This analysis shows the correlation of all for the sample firms (hotels) in this study. The research  
 209 looked at the correlation level between independent variables. Table 2.2 represents the  
 210 correlation of independents variables used in this study to establish the existing correlation  
 211 between variables.

212

213

**Table 2.2: Correlation Matrix**

<b>Correlation</b>				
Probability	<b>CSR</b>	<b>LEVERAGE</b>	<b>R_D</b>	<b>SIZE</b>
CSR	1.000000			
	-----			
LEVERAGE	-0.391665	1.000000		
	0.0000	-----		
R_D	0.598982	-0.390817	1.000000	
	0.0000	0.0000	-----	
SIZE	-0.135495	-0.213602	-0.125877	1.000000
	0.1004	0.0113	0.1084	-----

214 \*.\*\* Correlation is significant at the 0.01 and 0.05 level, respectively.

215 Based on the above results all independent variables are not correlated. Therefore all independent  
 216 variables can be used in the regression model.

217

218 **4.3 Regression Results**

219 This part analyses the results of random effect model regression on the effect of corporate social  
 220 responsibility on financial performance (i.e ROA and ROE) of the hotels. Table 2.3 shows the  
 221 effect of corporate social responsibility on ROA and ROE.

222 The results show a positively significant influence of CSP on ROA and ROE. The study  
 223 complies with Wu & Shen (2013) study and against Chen et al., 2015. This shows that  
 224 improvements corporate social responsibility lead to increase the corporate financial profit hence  
 225 increase performance. By increasing corporate social responsibility, profit increase due to the  
 226 increasing image of hotels to the public and effort of employees on improving productivity.

227 ;

228

229

**Table 2.3: Results of CSR on ROA and ROE**

	<b>ROA</b>	<b>ROE</b>
<b>CSP</b>	3.114	8.75
	(7.48)	(7.54)
<b>Size(mil)</b>	0.35	1.02
	(8.28)	(8.58)
<b>Leverage</b>	0.53	1.65
	(5.76)	(6.41)
<b>R&amp;D</b>	-671.6	-1882.4
	(6.93)	(-6.95)
<b>Constant</b>	15.57	43.63
	(7.14)	(7.16)
<b>No. of observations</b>	140	140
<b>Adj-R sq</b>	0.585	0.601
<b>F-value</b>	49.89	53.24
F-statistic	49.89611	53.24349
Prob(F-statistic)	0.000000	0.000000

231

232 The size of the firm is a significant positive influence both ROA and ROE. This shows when the  
 233 size of the hotel increase, Hotels enjoys economies of scale and admitting many tourists. A hotel  
 234 enjoys operating benefits by increases job specialisation, employing few professional managers,  
 235 high technology and reduces other costs such as the cost of information. Thus increase sales  
 236 volume that raises profit hence increase profitability

237 The study also found a positive significant influence of leverage on ROA and ROE of the hotels.  
 238 High leverage ratio makes hotels to earn more profit. This shows hotels do not pay much amount  
 239 as interest and use debt efficiently as capital invested. Thus increase profitability.

240 R&D shows negative results and significantly impacts both ROA and ROE. This shows R&D  
 241 increase unnecessary costs of the hotels and it does not lead to correct investments and efficient  
 242 employment of the resources that lead to low profit in the hotels hence low profitability.

243

244 The Hausman test was performed before conducting random effect regression. The hypothesis is  
 245 if Hausman Chi-square statistics is greater than the probability random effect model is favoured  
 246 and if the Hausman Chi-square is less than the probability, random effect model is favoured.  
 247 This shows that probability is greater than the Hausman Chi-square, thus, the random effect  
 248 model can be used in this panel. Based on the rule of thumb general model is good because F  
 249 statistic value is greater than 10 and p values shows significantly.



## 250 5.0 CONCLUSION

251 This study shows high insight concerning the relationship between CSR and corporate financial  
252 performance in the form of ROA and ROE. This study used panel data of 4 Nungwi hotels  
253 covered a period of 2011-2017 to work with OLS random effect model. ROA and ROE were  
254 used as dependent variables, CSR as the main independent variable of the hotels. The study adds  
255 control variables such as leverage, R&D and size. The study found that corporate social  
256 responsibility (CSR) has positive and significant relation with hotel's financial performance in  
257 Zanzibar and all control variables are the significant positive impact of ROA and ROE except  
258 R&D has a significant negative impact. This is due to the competitive advantage achieved by  
259 CSR activities which resulted in customer loyalty which in turn increased hotels turnover. The  
260 study recommends firms to be socially responsible so as to see the value of the firm for the  
261 shareholders. The hotel managers should allocate many resources in different forms of CSR  
262 activities but it should make sure recourses are efficiently allocated by reducing cost through  
263 bargaining and improving quality to increase customer loyalty and growth. This is due to the fact  
264 that CSR activities enhance hotels performance in financial perspective. The government should  
265 encourage hotels to practice corporate social responsibility by reducing tax to their operation.  
266 Tax reduction will automatically make hotels to invest in CSR that increase profitability and  
267 hence economic growth and development because this sector contributes much in country's  
268 economy.

269 Ethical: NA

270 Consent: NA

271

## 272 REFERENCES

273 Adriana Galanta and Simon Cadezb (2017) Corporate social responsibility and financial  
274 performance relationship: a review of measurement approaches *Economic Research-*  
275 *Ekonomiska Istraživanja*, VOL. 30, NO. 1, 676–693  
276 <https://doi.org/10.1080/1331677X.2017.1313122>

277 Andersen, M. L. and Olsen, L. (2011). Corporate social and financial performance: A canonical  
278 correlation analysis. *Academy of Accounting and Financial Studies Journal*, 15: 17-37.

279 Aupperle, K.E., Carroll, A.B., and Hatfield, J.D. (1985). An empirical examination of the  
280 relationship between corporate social responsibility and profitability. *The Academy of*  
281 *Management Journal*, 28: 446-463.

282 Avi-Yonah, R. S. (2008). Corporate social responsibility and strategic tax behavior. In: Schön,  
283 W. (Ed.), *tax and corporate governance*. Springer-Verlag, Berlin Heidelberg.

284 Barnett, M. and Salomon, R. A. (2012). Does it pay to be really good? Addressing the  
285 relationship between social and financial performance. *Strategic Management Journal*,  
286 33: 1304-1320.

- 287 Brown, J. A. and Forster, W. R. (2013). CSR and stakeholder theory: A tale of Adam Smith.  
288 *Journal of Business Ethics*, 112: 301-312.
- 289 Carroll, A. B. (1991). The pyramid of corporate social responsibility: Towards the moral  
290 management of organizational stakeholders. *Business Horizons*, 34: 39– 48.
- 291 Chan, M.C., Waston, J. and Woodliff, D. (2014). Corporate governance quality and CSR  
292 disclosures. *Journal of Business Ethics*, 125: 59- 73.
- 293 Dhaliwal, D., Li, O. Z. and Yang, Y.G. (2014). Corporate social responsibility disclosure and the  
294 cost of equity capital: The role of stakeholder orientation and financial transparency.  
295 *Journal of Accounting Public Policy*, 33: 328-355.
- 296 Gogoi, Pallavi. “Wal-Mart Fights for Its Reputation.” BloombergBusinessweek.Bloomberg L.P.,  
297 9 Jan. 2007. 26 March 2014.
- 298 Hoi, C. K., Wu, Q., and Zhang, H. (2013). Is corporate social responsibility (CSR) associated  
299 with tax avoidance? Evidence from irresponsible CSR activities. *The Accounting*  
300 *Review*, 88: 2025-2059.
- 301 Lopez, M., Garcia, A., & Rodriguez, L (2007). Sustainable development and  
302 corporate performance: A study based on the Dow Jones Sustainability Index. *Journal*  
303 *of Business Ethics*, 75, 285-300.
- 304 Matten, D. (2006). Why Do Companies Engage in Corporate Social Responsibility?  
305 Background, reasons and basic concepts. The ICCA Handbook on Corporate Social  
306 Responsibility. Chichester: John Wiley & Sons, Ltd.
- 307 Martinez-Ferrero, J., and Frias-Aceituno, J.V. (2015). Relationship between sustainable  
308 development and financial performance: International empirical research. *Business*  
309 *Strategy and the Environment*, 24: 20- 39.
- 310 Ming Wei SIW (2017) Corporate Social Responsibility and Financial Performance – An  
311 Empirical Analysis of Malaysian Listed Firms. Retrieved from  
312 <https://aaltodoc.aalto.fi/handle/123456789/26031>
- 313 Orlitzky, M., Schmidt, F. L., and Rynes, S. L. (2003). Corporate social and financial  
314 performance: A meta-analysis. *Organization Studies*, 24: 403-441.
- 315 Podnar, K., and Z. Jancic. (2006). Towards a categorization of stakeholder groups: An empirical  
316 verification of a three-level model. *Journal of Marketing Communications*, 12: 297–  
317 308.
- 318 Preuss, L. (2012). Responsibility in paradise? The adoption of CSR tools by companies  
319 domiciled in tax havens. *Journal of Business Ethics*, 110: 1-14.
- 320 Rangan, K., Chase, L.A. and Karim, S. (2012). Why every company needs a CSR strategy and  
321 how to build it. Harvard Business School, Working Paper.

- 322 Saeidi, S.P., Sofian, S., Saeidi, P., Saeidi, S.P., and Saeidi, S.A. (2015). How does corporate  
323 social responsibility contribute to firm financial performance? The mediating role of  
324 competitive advantage, reputation, and customer satisfaction. *Journal of Business*  
325 *Research*, 68: 341- 350.
- 326 Salzmann, O., Ionescu-Somers, A., and Steger, U. (2005). The business case for corporate  
327 sustainability: Literature Review and Research Options. *European Management*  
328 *Journal*, 23: 27-36.
- 329 Sprinkle, G. B. and Maines, L. (2010). The benefits and costs of corporate social responsibility.  
330 *Business Horizons*, 53: 445-453.
- 331 Su, W., Peng, M. W., Tan, W. Q, and Cheung, Y. L. (2014). The signaling effect of corporate  
332 social responsibility in emerging economics. *Journal of Business Ethics*, 134: 479-491.
- 333 Surroca, J., Tribó, J.A., and Waddock, S. (2010). Corporate responsibility and financial  
334 performance: the role of intangible resources. *Strategic Management Journal*, 31: 463-  
335 490.
- 336 Tian, Z., Wang, R., and Yang, W. (2011). Consumer responses to corporate social responsibility  
337 (CSR) in China. *Journal of Business Ethics*, 101: 197-212.
- 338 Torugsa, N. A., O'Donohue, W. and Hecker, R. (2012). Capabilities, proactive CSR and  
339 financial performance in SMEs: Empirical evidence from an Australian manufacturing  
340 industry sector. *Journal of Business Ethics*, 109: 483-500.
- 341 Wu, M.W., and Shen, C. H. (2013). Corporate social responsibility in the banking industry:  
342 Motives and financial performance. *Journal of Banking & Finance*, 37: 3529- 3547.
- 343 Yusoff, W.F.W., and Adamu, M.S. (2016). The relationship between corporate social  
344 responsibility and financial performance: Evidence from Malaysia. *International*  
345 *Business Management*, 10: 345- 351.
- 346 Swanson, R. A. (2005). Evaluation, a state of mind. *Advances in Developing Human Resources*,  
347 7(1), 16-21.
- 348 Cornelius, N., Wallace, J., & Tassabehji, R. (2007). An analysis of corporate social  
349 responsibility, corporate identity and ethics teaching in business schools. *Journal of Business*  
350 *Ethics*, 76(1), 117-135.
- 351

352 Gachanja, S. N. (2013). The prevalence of cognitive dysfunction following traumatic brain injury  
353 in patients at Kenyatta National Hospital (Doctoral dissertation, Master's thesis). Retrieved from  
354 <http://erepository.uonbi.ac.ke:8080/xmlui>.

355  
356 Erdogan, N. and Baris, E. (2007) Environmental Protection Programs and Conservation Practices  
357 of Hotels in Ankara, Turkey. *Tourism Management*, 28, 604-614

358  
359 Pérez, A., & Rodriguez del Bosque, I. (2015). Corporate social responsibility and customer  
360 loyalty: exploring the role of identification, satisfaction and type of company. *Journal of Services*  
361 *Marketing*, 29(1), 15-25.

362  
363 Elkington, J. (1994). Towards the sustainable corporation: Win-win-win business strategies for  
364 sustainable development. *California management review*, 36(2), 90-100.

365  
366 Wang, T., & Bansal, P. (2012). Social responsibility in new ventures: profiting from a long-term  
367 orientation. *Strategic Management Journal*, 33(10), 1135-1153.

368  
369 Mishra, S., & Suar, D. (2010). Does corporate social responsibility influence firm performance  
370 of Indian companies?. *Journal of business ethics*, 95(4), 571-601.

371  
372 Hamidu, J. (2015). Are Ghanaian diaspora middle class? Linking middle class to political  
373 participation and stability in Ghana. *Africa Development*, 40(1), 139-157.

374

375 Sen, S., & Cowley, J. (2013). The relevance of stakeholder theory and social capital theory in the  
376 context of CSR in SMEs: An Australian perspective. *Journal of Business Ethics*, 118(2), 413-  
377 427.

378

379 Fauzi Abdul Hamid, A. (2007). Malay anti-colonialism in British Malaya: A re-appraisal of  
380 independence fighters of peninsular Malaysia. *Journal of Asian and African Studies*, 42(5), 371-  
381 398.

382

383 Nolan, M. T., Hughes, M. T., Kub, J., Terry, P. B., Astrow, A., Thompson, R. E., ... & Sulmasy,  
384 D. P. (2009). Development and validation of the family decision-making self-efficacy scale.  
385 *Palliative & supportive care*, 7(3), 315-321.

386

387 Jones, A. E. A. C. B., & Sanders, J. W. (2005). Communicating sequential processes.

388

389 McWilliams, A., Siegel, D. S., & Wright, P. M. (2006). Corporate social responsibility: Strategic  
390 implications. *Journal of management studies*, 43(1), 1-18.

391

392 Walsh, G., Beatty, S. E., & Shiu, E. M. (2009). The customer-based corporate reputation scale:  
393 Replication and short form. *Journal of Business Research*, 62(10), 924-930.

394

395 Boyd, B. K., Bergh, D. D., & Ketchen Jr, D. J. (2010). Reconsidering the reputation—  
396 performance relationship: A resource-based view. *Journal of management*, 36(3), 588-609.

397

398 Ahamed, W. S. W., Almsafir, M. K., & Al-Smadi, A. W. (2014). Does corporate social  
399 responsibility lead to improve in firm financial performance? Evidence from Malaysia.  
400 International Journal of Economics and Finance, 6(3), 126-138.

401

402 Chen, W., Zheng, R., Baade, P. D., Zhang, S., Zeng, H., Bray, F., ... & He, J. (2016). Cancer  
403 statistics in China, 2015. CA: a cancer journal for clinicians, 66(2), 115-132.

UNDER PEER REVIEW