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RESEARCH ARTICLE

Corporate Social Responsibility impacts sustainable organizational growth (firm performance): An empirical analysis of Pakistan stock exchange-listed firms

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Abstract

This study examines of impact on Organizational sustainable growth (firm performance) of Corporate Social responsibility, Leverage on Assets, firm age and firm. This study used sample data of 296 Pakistan stock exchange-listed firms and applied correlation, Ordinary least square regression model for estimate factor impact, and Robustness use for the result is reliable and sustainable. This study used Sustainable Corporate Social responsibility (independent variable), leverage on Assets (moderator variable), firm age and firm size (control variable) and Correlation, Ordinary least square regression model that confirmed their variables, i.e. Corporate Social responsibility, Leverage on Assets, firm age and firm size highly impacting on sustainable organizational growth (firm performance). Robustness test results also confirm the reliability, validity and sustainability of results. That shows results are highly significant reliable, and sustainable. Sustainable Corporate Social responsibility is the leading factor that enhances the firm performance. Firm size and age are significant for sustainable organizational growth (firm performance). This study implication is very significant; policymakers more focus on Sustainable Corporate Social responsibility and corporate commitments. Study recommended to firms; developed a sustainable environmental structure: Enhancing the employee's motivation (self-efficacy), performance per-motion bonuses, employee's need and Corporate Social responsibility leads to sustainable organizational growth (firm performance).

Keywords: Sustainable organizational growth (firm performance); Sustainable Corporate Social Responsibility; Leverage on Assets; Firm Age; Firm Size

Introduction

Sustainable Corporate Performance is the most recent, famous and widespread concept. Markets need and human resources participation in industries is essential; Sustainable Corporate Performance depends on environmental sustainability. Sustainable Corporate Performance is role play in ethical and efficacy of employees for goals and decision-making planning and strategies. Business motives to earn profit and low expenses general way to maximize earning. Some indirect expenses that essential for firms to bear for sustain firm environment, survival in market competition. One of those expenses is Sustainable Corporate Social responsibility. Companies for his survival do different mergers, focus research and development, and capture new markets. Achieving so much, but in between the social values and responsibility minimized. To examines the moderating and direct impact between corporate social responsibility and firm performance (Anser, M. K., et al. 2018). Firm's CSR concept was used to measure the relationship with IT-enabled innovation, and its impact on Firm's performance. CSR and IT-enabled innovation have a positive impact on Firm's performance for long term financial values (Jung, M., et al. 2022). Corporate social responsiblilty and green production innovation impact on firm performance. Researcher data was collected through distributing 259 questionnaires between firms worker and conclued that CSR and green production innovation have positive impact on firm performance (Hang, Y., et al. 2022). Corporate social responsibility and green dynamic capability (production and process innovation) concept was adopted to measure the firm performance by surveying 424 manufacturing firms of China and examines through linear Regression. Research reveals the impact of CSR on green innovation and firm performance (Yuan, B. and X. Cao 2022). In similar context examine the energy; exchange rate regimes; exchange rate and consumer price impact on grwoth (Jamil, M. N. 2022).

Emparicial study investigate the sustainability reporting on firm performance. Researcher used seven sector data and conclude that cross sectorial reporting have different results on; Return on assets, return on equaty and market performance (Al Hawaj, A. Y. and A. M. Buallay 2022). Empirical studies more focus on estimating employees' perceived corporate social responsibility with organization commitments. The researcher focuses on

organizational trust, social exchange and organization identification (Farooq, Payaud et al. 2014). Innovation is a key factor for reaching sustainable growth through energy efficiency and energy intensity efficacy at the macro level. This study explains the significance of environmental sustainability (green) growth through Sustainable Corporate Performance. The fourth industrial revolution for our society changes in productive ways and provides opportunities for sustainable living. Empirical studies focus on integrating industry and corporate sustainability (Dubey, Gunasekaran et al., 2017). Sustainable Corporate Performance has no relationship between energy intensity efficacies. Across the world, Sustainable Corporate Performance is role play in ethical and efficacy of employees for goals and decision-making planning and strategies (Branco and Rodrigues 2006). Carroll stated that large organizations have perfect decision-making capacity due to the influence of the organization and employees Sustainable Corporate Performance (Carroll 1999). Sustainable Corporate Performance is highly affected by organization environmental sustainability (Kolk 2016). In recent decades, the corporate has more focused on implementing responsibility behaviors only for profit-making activity rather than environmental sustainability (Camilleri 2017). Organizational development that meets the production needs without compromising future production with help factor of stakeholder relationship management, organization focus on social and environmental stakeholders rights. (Steurer, Langer et al. 2005). Recent academic research articles overlap the concept of business ethics and corporate performance (Fassin, Van Rossem et al., 2011). The above scenario motivates me important factors missing in empirical research; environmental sustainability CSR, Leverage on Assets, Firm age and firm size may affect Sustainable Corporate Performance; therefore, the study uses those factors for estimation of Sustainable Corporate Performance.
H1: Environmentally Sustainable Corporate Social responsibility positively impacts Sustainable Corporate Performance.

Literature Review

Empirical studies examine the insight, upper echelons, and organizational perspectives that affect corporate social responsibility. Sustainable Corporate Social responsibility can influence the personal needs of employees and get attention (Petrenko, Aime et al. 2016). Macro-level technology development is leading the countries sustainability (Gouvea, Kapelianis et al. 2018) environmental sustainability among employed I.T. and organizational goals (Di Pasquale, Franciosi et al. 2022). Society unpredictable costs and his transformative nature effect estimate (Binder and Witt 2011). The researcher investigated the Sustainable Corporate Social responsibility can the organization's performance; there were six companies focused on Pakistan content, both primary and secondary data used by the researcher; estimation through regression. Results indicate that Sustainable Corporate Social responsibility is useful and better for the organization environment and organizational performance (Siddiq and Javed 2014). This paper increases the sample size by 9 to 296 stock exchange companies of Pakistan. This study gives more comprehensive results and indications on Sustainable Corporate Social responsibility and Sustainable Corporate Performance. Researches on Sustainable Corporate Social responsibility have a significant effect on corporate financial performance and behavior estimate with Sustainable Corporate Social responsibility. Focus on organization commitment and organization performance estimate with equation model SEM technique for test indications. Therefore a positive relationship is found between Sustainable Corporate Social responsibility activity and organization performance, employees commitments and organization performance. Sustainable Corporate Social responsibility enhances the employee's commitment and organization performance (Ali, Rehman et al. 2010).

Research Methodology

Data: This study analyzes the impact of Sustainable Corporate Social responsibility on Sustainable Corporate Performance. The data sample is 296 Pakistan listed in the Pakistan stock exchange for 2011 to 2020. Therefore secondary research is conducted and sample data collection on company sites and Pakistan stock exchange site. The Ordinary Least Square regression model adopts to test the impact of Sustainable Corporate Social responsibility on Sustainable Corporate Performance. A robustness test is used to check the validity and sustainability of research results. The study uses sustainable organizational growth Return on Assets, environmental sustainability CSR and Leverage on Assets moderator. Firm age and firm size may affect Sustainable Corporate Performance; therefore study use as controlling factor of CSR. The equation is bellowed:

$$firm\ performace = ß + CSR + Leverage\ (A) + firm\ age + firm\ size$$

$$firm\ performace = ß + CSR + Leverage\ (A) + CSR * Leverage(A) + firm\ age + firm\ size$$

ß is used for the estimator of variable, Firm performance measure Return on Assets, CSR denoted Sustainable Corporate Social responsibility, and S.S. used for Leverage on Assets. Firm age and firm size used as control variables may enhance Sustainable Corporate Social responsibility and sustainable organizational growth.

Comparison, Results and Discussion

Table 1. Descriptive statistics

	FIRM PERFORMANCE (ROA)	CSR	LEVA	AGE	SIZE
Mean	0.0345	80.3535	0.6282	38.1891	15.4126
Median	0.0318	31.5471	0.5652	35.0000	15.3895
Maximum	0.7578	3064.0540	6.8937	108.0000	20.5741
Minimum	-4.2207	-13.9727	0.0000	5.0000	8.7849
Std. Dev.	0.1419	177.9206	0.4936	16.0880	1.7213
Observations	2670	2670	2670	2670	2670

The above table shows the descriptive statistic, which shows the worth and potential. Sustainable Corporate Social responsibility means at 80.3535, and Standard deviation of 177.9206 demonstrates high potential and worthy variables compared to others. Sustainable Corporate Social responsibility is an 80.3535 potential to enhance sustainable organizational growth.

Table 2. Correlation

	FIRM PERFORMANCE (ROA)	CSR	LEVA	AGE	SIZE
FIRM PERFORMANCE (ROA)	1.0000	0.1216	-0.1355	0.0119	0.1320
CSR	0.1216	1.0000	-0.0822	0.2080	0.1251
LEV. (A)	-0.1355	-0.0822	1.0000	-0.0747	-0.0154
FRIM AGE	0.0119	0.2080	-0.0747	1.0000	0.0932
FIRM SIZE	0.1320	0.1251	-0.0154	0.0932	1.0000

The above table shows a correlation matrix that examines the endogenous factor between Sustainable Corporate Social responsibility and sustainable organizational growth leverage on Assets, firm age and firm size. Correlation can exist and measure between +1 and -1 when it is near a correlate and endogenous issue. CSR, firm age, firm size has positive and Leverage have negative correlation matrix Firm performance (return on Assets).

Table 3. Regression (Firm Performance)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
CSR	8.71E-05	1.55E-05	5.615125	0.0000
LEV. (A)	-0.039794	0.005413	-7.351778	0.0000
FIRM AGE	-0.000386	0.000169	-2.292371	0.0220
FIRM SIZE	0.004429	0.000502	8.823908	0.0000

R-squared	0.040436	Mean dependent var	0.034453
Adjusted R-squared	0.039356	S.D. dependent var	0.141862
S.E. of regression	0.139043	Akaike info criterion	-1.106575
Sum squared resid	51.54140	Schwarz criterion	-1.097751
Log-likelihood	1481.278	Hannan-Quinn criter.	-1.103382
Durbin-Watson stat	1.357283		

Regression analysis is used to check the impact of Sustainable Corporate Social responsibility, Leverage on Assets, firm age and firm size on sustainable organizational growth. The above table shows Sustainable Corporate Social responsibility at 8.71, and firm size at 0.004 have a positive impact and is highly significant for sustainable organizational growth (firm performance). In comparison, Leverage on Assets moderator at -0.039 and firm age (controlling) at -0.0003 negatively but highly significant for sustainable organizational growth.

Table 4. Robustness Test

Variable	Coefficient	Std. Error	z-Statistic	Prob.
CSR	7.30E-05	9.00E-06	8.112785	0.0000
LEV. (A)	-0.091426	0.003140	-29.12034	0.0000
AGE	-0.000451	9.77E-05	-4.615276	0.0000
SIZE	0.006523	0.000291	22.40778	0.0000
		Robust Statistics		
R-squared	0.068341	Adjusted R-squared		0.067292
Rw-squared	0.223836	Adjust Rw-squared		0.223836
Akaike info criterion	3395.141	Schwarz criterion		3419.831
Deviance	17.28305	Scale		0.071420
Rn-squared statistic	1410.351	Prob. (Rn-squared stat.)		0.000000
		Non-robust Statistics		
Mean dependent var	0.034453	S.D. dependent var		0.141862
S.E. of regression	0.141436	Sum squared resid		53.33075

A robustness test is used to check the validity and sustainability of research results. The above table shows whether corporate social responsibility, Leverage on Assets, firm age, and firm size impact sustainable organizational growth are valid or sustainable. Results show Corporate Social responsibility, Leverage on Assets, firm age and firm size significant level on top and bellow to 1 per cent level of significance. That shows results have very reliable and sustainable.

Conclusion and Policy Recommendations

This study examines the impact of Sustainable Corporate Social responsibility, Leverage on Assets, firm age and firm size on sustainable organizational growth. Sustainable Corporate Social responsibility is an essential factor and shows the employees and organizational behavior that affect firm performance. This study used Sustainable Corporate Social responsibility (independent variable), leverage on Assets (moderator variable), firm age and firm size (control variable) and applied Correlation, Ordinary least square regression model that confirmed their variables highly impacting on sustainable organizational growth. After estimation of results, robustness tests are used to check the reliability, validity and sustainability of results. That shows results are highly significant, reliable, and sustainable—the descriptive statistic that shows the variable's worth and potential. Sustainable Corporate Social responsibility is an 80.3535 potential to enhance sustainable organizational growth. The correlation matrix examines the endogenous factors CSR, firm age, firm size have positive and Leverage have negative correlation matrix Firm performance (return on Assets). Regression analysis is used to check the impact of Sustainable Corporate Social responsibility, Leverage on Assets, firm age and firm size on sustainable organizational growth. The above table shows Sustainable Corporate Social responsibility at 8.71, and firm size (controlling) at 0.004 have positive; Leverage on Assets moderator at -0.039 and firm age (controlling) at -0.0003 negatively but highly significant for sustainable organizational growth (firm performance). A robustness test is used to check the reliability and sustainability of research results. Results show that corporate social responsibility, Leverage on Assets, firm age, and firm size are highly significant; that shows results are very reliable and sustainable. Sustainable Corporate Social responsibility is the leading factor that enhances the firm performance. Firm size and age matter for sustainable organizational growth (firm performance). This study implication is very significant; policymakers follow the research results and more focus on Sustainable Corporate Social responsibility and corporate commitments. Study recommended to firms; developed a sustainable environmental structure: Enhancing the employee's motivation (self-efficacy), performance per-motion bonuses, employee's need and Corporate Social responsibility leads to sustainable organizational growth (firm performance).

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