CHAPTER II

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Corporate social responsibility has been an area of interest to academics and the corporates across the globe and has become a subject of increased academic attention in India in recent times with the passage of the Companies Act 2013 wherein the corporate social responsibility has been made mandatory for the profit making corporates. Many studies have been conducted on corporate social responsibility in Europe, America, Australia, Asia and Africa. In recent times, Indian researchers have also evinced keen interest in this domain. A review of some of these studies has been outlined and presented in an analytical perspective in this chapter.

The conduct of business activities impacts the environment and society. It is thus imperative for the organizations to take cognizance for the restoration of adverse impact caused. Sustainable practices such as promotion of health and safety, education, energy efficiency and waste management are expected from the organizations by those affected. The companies need not only to perform the sustainable practices but also disclose information on such practices and performances in order to shape the stakeholder’s views and expectations of the company’s social and environmental responsibility. Earlier studies conducted in this domain have been reviewed and presented in the following sub-heads:

2.1 Review of Studies Analyzing Corporate Social Responsibility Disclosure and Reporting Practices

Because of the significance of dissemination of social and environmental information, researchers have been vigilant in conducting studies so as to find that whether and how the corporations in different parts of the world disclose and report CSR information and what are the factors influencing such disclosures. Sustainability reports have been used as a source of information by various researchers as these inform all the stakeholders about the economic, social and environmental impact of corporate performance in a given period of time. Studies have also been conducted on the nature and medium of dissemination of social and environmental information.
Ahmad et al. (2003), Bashtovaya (2014), Bolivar and Garcia (2004), Chen and Bouvain (2009), Dawkins and Ngunjiri (2008), Dong et al. (2012), Douglas et al. (2004), Gautam and Singh (2010), Islam et al. (2011), Khasharmeh and Deskoy (2013), Krasodomska (2015), Pinto and Villiers (2012), Thompson and Zakaria (2004) and Tsang (1998) have conducted studies to examine the corporate social responsibility disclosure and reporting practices adopted by the corporations across the globe. The results of the studies highlighted various aspects of the corporate social responsibility reporting. Reporting and disclosure practices were found to be more voluntary in nature and were less influenced by the legislation. Companies were also found following Global Reporting Initiatives for the social disclosures and reporting. Online corporate social responsibility reporting using websites was also noticed by these studies. Human resource development, environment, community and social involvement were found to be the major social reported practices.

Barako and Brown (2008), Branco and Rodrigues (2006), Dhungel and Dhungel (2013), Hossain and Reaz (2007), Khan et al. (2009), Krasodomska (2015), Masud and Hossain (2012), Sobhani et al. (2012) and Zakaria and Dewa (2010) have examined the social responsibility disclosure and reporting practices in the banking firms across the world. Akin to the companies, banks were also found reporting social practices on voluntary basis with an ever increasing contour. Andrikopulous and Krikilani (2013), Grecco et al. (2013), Gunawan (2015), Hackston and Milne (1996), Harjoto et al. (2015), Hussainey et al. (2011), Khaveh et al. (2012), Lau et al. (2016), Lungu et al. (2011), Nurhayati et al. (2016), Rouf (2011), Setyorini and Ishak (2012), Soliman et al. (2012) and Sommer et al. (2015) have conducted studies aimed at finding various factors that drive social responsibility reporting and disclosure practices. Ownership structure, industry type, company size, profitability, leverage, growth opportunities, board diversity, board leadership structure, board independence and cultural values were found to be some of the factors influencing the social responsibility disclosure and reporting practices of the corporations as reported below:

**Hackston and Milne (1996)** examined the corporate social responsibility disclosure practices in the annual reports of top fifty companies listed on the New Zealand Stock Exchange on December 31, 1992. The corporate social disclosure was measured using a checklist containing dimensions of disclosure theme (environment, employee relations,
product development and community involvement), news type and the number of social disclosure sentences. The study also identified the factors influencing the social disclosures by taking corporate size, profitability and industry type as the independent variables. The results found most social disclosures on human resources with community and environment being the significant themes too. The results of regression analysis reported company size and industry type to be significantly associated with and profitability to be unassociated with corporate social responsibility disclosures.

Tsang (1998) explored the corporate social responsibility disclosures of publicly listed companies at Singapore Stock Exchange in the banking, food and beverages and hotel industries. Content analysis of the annual reports of seventeen companies was conducted and it was found that from 1986-95, sample companies mainly disclosed information on human resources and community involvement. The study highlighted steady increase in the disclosures presented in the annual reports during 1980s, however, the amount of disclosures was found to be steady since 1993.

Williams and Pei (1999) conducted a study to compare and contrast corporate social responsibility practices reported and disclosed on the company websites and in the annual reports with respect to the number of firms reporting, amount of information disclosed and the nature of such disclosure using ninety two GRI indicators. The study considered the practices of one hundred and seventy two organizations from four nations within the Asia-Pacific region including Singapore, Australia, Hong Kong and Malaysia. The study revealed that the organizations in all countries provided more corporate social responsibility information on the company web sites than in the corporate annual reports with a greater emphasis on the product and customer related information. Australian and Singaporean firms were found providing significantly more corporate social disclosures than their counterparts in Malaysia and Hong Kong.

Zain (1999) investigated the extent and type of corporate social responsibility disclosure in Malaysia to ascertain the relationship between social disclosure practices and company characteristics. Content analysis was conducted on one hundred annual reports of major Malaysian companies for the year 1993 using a record instrument with yes/no answers and personal interviews were also conducted with managers to find out the reasons for disclosure.
The results showed that the Malaysian companies actively disclosed social information with size of company being a major determinant factor. Human resource information was found to be the pivot of social disclosure. Personal interviews revealed that most of the companies disclosed social information due to top management awareness together with a desire to enhance the corporate image.

Ahmad et al. (2003) examined the corporate social responsibility disclosure of companies listed on Kuala Lumpur Stock Exchange, Malaysia. Content analysis was conducted on the annual reports of ninety eight listed companies for the year 2000 using a CSR disclosure measurement instrument. The study concluded that the social disclosures of the selected Malaysian companies had public relations bias i.e. good news disclosures were more, however, monetary and bad news disclosures were less.

Bolivar and Garcia (2004) examined the corporate social responsibility disclosure practices of IBEX 35 Spanish firms on the corporate websites. The disclosures of financial and non-financial environmental reporting were studied and it was found that there was very little disclosure of environmental data. Financial environmental reporting was found to be very limited in the financial statements and the compliance of GRI standards was identified to be the key variable for non-financial environmental reporting.

Douglas et al. (2004) examined the corporate social responsibility reporting of six Irish financial institutions in the annual reports and on websites. The social disclosure in the annual reports from 1998-2001 and on websites in 2001 was measured using categories of social disclosure such as descriptive social disclosure, negative news disclosure and good news disclosure. The results reported increased volume of social disclosures in the annual reports over the four years with corporate governance and human resource being the most reported issue. Significant differences in the volume of social disclosure in the company annual reports and websites were reported. The study also compared the social reporting of Irish financial institutions with leading European institutions and found that the Irish institutions were well behind the leading European institutions in terms of quantity and quality of social disclosure in the annual reports.
Thompson and Zakaria (2004) assessed the state of the corporate social responsibility reporting in Malaysia. Content analysis was conducted on the annual reports of Malaysia’s two hundred and fifty companies to find the social and environmental disclosures. The study found low corporate environmental reporting in the absence of adequate public and government pressure.

Chapple and Moon (2005) analyzed the web site corporate social responsibility reporting in the year 2002 of top fifty companies in seven Asian countries namely India, Malaysia, Indonesia, South Korea, Philippines, Thailand and Singapore. Websites of the companies were analyzed in terms of preparation of separate CSR report and CSR activities involving community involvement, socially responsible employee relations and production processes. The study found variations in the corporate social responsibility reporting among Asian countries caused by the idiosyncratic factors present in the national business systems in these countries.

Gao et al. (2005) examined the patterns and determinants of corporate social and environmental disclosure by analyzing one hundred and fifty four annual reports of thirty three Hong Kong listed companies from 1993-97. It was found that industry difference has an impact on the amount, content, theme and location of corporate social and environmental disclosure. Utility companies were found disclosing more corporate social and environmental information than property and banking firms. Also, a positive correlation was found between the company size and level of corporate social and environmental disclosure.

Haniffa and Cooke (2005) examined the effects of culture and corporate governance practices on the social disclosures in the 1996 and 2002 annual reports of the one hundred and thirty nine non financial companies listed on the Kuala Lumpur Stock Exchange. Cultural characteristics considered in the study were ethnic background of shareholders and directors and the corporate governance characteristics included type of shareholders, multiple directorships and board composition. The variety and extent of the corporate social disclosure was measured using an instrument containing CSR items and the number of words related to each item. The results indicated significant differences in the extent and variety of corporate social disclosures for the two years. The results of regression analysis indicated significant relationship between corporate social disclosure and multiple directorships,
boards dominated by Malay directors, foreign share ownership and the boards dominated by executive directors. The control variables considered in the study i.e. size, profitability, type of industry and multiple listing were also found to be significantly related to social disclosure.

**Branco and Rodrigues (2006)** conducted a study to find out whether the Portuguese banks disclosed social responsibility information on their websites and what kind of information was disclosed by them for the year 2004. The study was also aimed to compare the disclosures made on the websites with the similar disclosures made in the annual reports using an index consisting of twenty three items of CSR information. The results indicated that the banks that have higher visibility among customers exhibited more concern towards improvement of the corporate image through corporate social responsibility information disclosure.

**Hossain and Reaz (2007)** found the extent of voluntary disclosure of social information by thirty eight listed banking companies in India and its association with company specific characteristics. The study revealed that the Indian banks disclosed a considerable amount of voluntary information. Corporate size and assets were found to be significant and the other variables such as age, board composition, diversification, complexity of business and multiple exchange listing were found to be insignificant in explaining the level of social disclosure.

**Janggu et al. (2007)** assessed the level of corporate social responsibility disclosure of industrial companies in Malaysia and its relationship with company specific characteristics. The amount of CSR disclosure in the annual reports from 1998 to 2003 was analyzed on four dimensions namely, human resource, environment, product and community and the corporate characteristics considered were corporate size, profitability and leverage. The results of correlation analysis showed corporate size and profitability to be positively associated and leverage to be negatively associated with CSR disclosure. The amount of corporate social responsibility disclosure was also found to be increasing with human resource as the most disclosed theme.
Mohd Ghazali (2007) analyzed the influence of corporate characteristics on the corporate social responsibility disclosure made by the Malaysian companies in the annual reports of the year 2001. The extent of corporate social responsibility disclosure was measured using checklist method containing twenty two items of social information and ownership concentration, director ownership, government ownership, company size, profitability and industry competitiveness were taken as the independent variables. The results of regression analysis showed corporate size to be positively and significantly associated with and profitability and industry competitiveness to be insignificantly associated with CSR disclosures. Owned managed companies were found disclosing significantly lesser information on corporate social responsibility as compared to the companies where government was a substantial shareholder.

Barako and Brown (2008) examined the influence of board representation on the corporate social reporting by Kenyan banks. Descriptive statistical analysis of the study revealed that corporate social reporting is low in Kenyan banks. Low disclosures were found in relation to the employee productivity, turnovers, recruitments, assistance to retiring employees and the employment of special groups. The study also found high association between the board representation and the level of social disclosure.

Dawkins and Ngunjiri (2008) compared the corporate social responsibility reporting in the annual report of top one hundred companies listed on the Johannesburg Stock Index, South Africa with that of companies in the leading economies represented by the Fortune Global 100. The frequency and level of corporate social responsibility reporting in South African companies was found to be significantly higher than that of the Fortune Global 100 thus indicating a greater willingness of the South African corporates to convey social responsibility in their disclosure practices.

Murthy (2008) examined the corporate social disclosure practices of sixteen software firms in India. Annual reports for the financial year 2003–04 were analyzed using content analysis to examine the attributes reported, relating to products and services activities, environmental activities, community development activities and human resource. It was found that the human resources category was the most frequently reported practice followed by community development activities and the environmental activities was the least reported. The study also
mentioned that most of the information was qualitative and was disclosed in the ‘other’ sections of the annual report. Some firms had separate sections for each category while the others disclosed their social practices in the introductory pages of the annual report which indicated that firms had different motives for reporting different attributes of social disclosure.

**Rizk et al. (2008)** examined the corporate social and environmental reporting practices of Egyptian corporate entities. Thirty four item disclosure index covering environmental, human resources, energy, community involvement and customer issues was constructed to rank corporations. A review of random sample of sixty annual reports for the financial year 2002 revealed significant differences in the reporting practices among the members of the nine industry segments surveyed. The study also reported ownership structure making significant impact on the reporting decision.

**Wanderley et al. (2008)** investigated whether the corporate social responsibility information disclosure on corporate websites was influenced by the country of origin and industry sector. The websites of one hundred and twenty seven corporations from emerging countries, such as Brazil, Chile, China, India, Indonesia, Mexico, Thailand and South Africa were analyzed on the basis of indicators of CSR information disclosure including availability of code of ethics, details of CSR projects, CSR partnerships with NGOs and government, CSR project results, corporate values and social reports. The results showed that both country of origin and industry sector had a significant influence over the corporate social responsibility information disclosure on the web.

**Bolivar (2009)** investigated the extent to which Spanish publicly listed corporate use internet in making environmental disclosures. The Spanish firms were found practicing corporate environmental reporting on the web. However, differences were noticed in their disclosure practices. The study also noticed no standardized framework being followed for the environmental reporting by the corporates in Spain.

**Chen and Bouvain (2009)** compared the corporate social responsibility reports of the firms in leading four countries namely Unites States, United Kingdom, Australia, and Germany and examined whether the membership of United Nations Global Compact makes a
difference to the corporate social responsibility reporting. A content analysis software package: Leximancer was used to identify the major themes discussed in the corporate social responsibility reports of the companies. Six themes were found to be commonly recurred in the corporate social responsibility reports, namely, customers, workers, suppliers, environment, community and society. The companies of United States and United Kingdom were found to be reporting more information on community and employee related issues and the Australian and German companies were found to be reporting more information on the customer and social issues respectively. Using ANOVA, the study also reported that membership of United Nations Global Compact made a significant difference in terms of worker related and environmental issues but not in the relation to community, society, customer and suppliers issues.

Khan et al. (2009) examined the corporate social responsibility reporting of the Bangladesh banks listed on the Dhaka Stock Exchange. The annual reports of twenty banks for the year 2004-05 were analyzed and also sent to the user groups including financial analysts, shareholders, managers, employees and suppliers for examining their perceptions about the corporate social responsibility reporting. The disclosures were found to be descriptive and more focused on the human resource issues. The user groups perception were found to be in favor of the CSR reporting of the banks and the most user groups were found assuming disclosure of responsibilities performed towards public health and community to be the most significant aspect in social reporting.

Malarvizhi and Yadav (2009) conducted a study to understand the environmental disclosure practices on the internet followed by twenty four Indian companies listed on the Bombay Stock Exchange. Environmental disclosure information for the financial year 2007-08 was collected from varied databases, namely the Capitaline, Prowess of the Centre for Monitoring Indian Economy and the websites of sample companies. It was found that the sample Indian companies reported only positive environmental information with virtually no disclosure on their adverse environmental performance. More qualitative disclosure in the form of environmental policy statement, water and waste management, energy management practices and sustainability and environmental initiatives were found to be very common among the manufacturing sector.
Saleh Al Arussi et al. (2009) examined the relationship between the extent of environmental and financial disclosures on the internet and the six selected variables, namely, financial leverage, ethnicity of chief executive officer, level of technology, profitability, existence of dominant personalities and the firm size. Data of two hundred and one Malaysian listed companies on the Bursa Stock Exchange for the financial year 2005 was collected. The results of regression analysis founded the ethnicity of chief executive officer, level of technology and firm size to be the vital determinants of both internet financial and the environmental disclosures. However, the existence of a dominant personality was found negatively affecting the level of financial disclosures but not the environmental disclosures. The other variables were not found showing any significant relationship with financial and environmental disclosures.

Gautam and Singh (2010) examined how the India’s top five hundred companies conducted their corporate social responsibility by identifying key corporate social responsibility practices for 2007 as compared with the Global Reporting Initiative standards. After conducting content analysis on the annual reports of the companies, it was found that corporate social responsibility disclosure was more on account of increased stakeholder pressure and performance considerations. The study also reported that out of five hundred companies only two hundred seventy one companies reported corporate social responsibility information.

Khasharmeh and Suwaidan (2010) evaluated the corporate social responsibility disclosure in the annual reports of manufacturing companies in Gulf Cooperation Council countries. A total of sixty annual reports were investigated and forty five items index was constructed to measure the environmental disclosure. It was found that sample companies provided information only on twelve out of the forty five items index. The auditing of the firms and firm size were found to be the major variables explaining variations in the disclosure of corporate social responsibility information.

Khan (2010) investigated the corporate social responsibility reporting of listed commercial banks in Bangladesh and also examined the effects of corporate governance elements on corporate social responsibility reporting. Corporate social responsibility reporting of the banks in annual reports for the year 2007-08 was measured using checklist instrument
contacting sixty items of CSR reporting. Taking women representation in the board, existence of foreign nationalities and non-executive directors as the elements of corporate governance, multiple regression analysis was applied and corporate social responsibility reporting was found to be moderate. Non-executive directors and existence of foreign nationalities were found having significant impact on the corporate social responsibility reporting, however, no significant relationship was found between the women representation in the board and the corporate social responsibility reporting.

Li and Zhang (2010) examined the impact of corporate characteristics on the corporate social responsibility of eight hundred and ninety seven Chinese firms using CSR scores and rankings under the Shanghai National Accounting Institute system of CSR index containing thirty six question on energy saving, environment, employees, consumer satisfaction, employment promotion, law and business ethics. Taking Shanghai National Accounting Institutes’ CSR score as the dependent variable and return on equity, total assets, institutional ownership, leverage and Tobin’s q ratio for the year 2007 as the independent variable, the results of regression analysis showed return on equity and total assets to be significantly and positively associated, Tobin’s q to be negatively associated and the institutional ownership to be insignificantly associated with the CSR score.

Saleh et al. (2010) explored the social responsibility disclosure of two hundred companies listed on Bursa Malaysia during the period 2000-05 and its relation with the institutional ownership. The CSR disclosure in annual reports of the sample companies was measured using scoring instrument containing items on community involvement, employee relations, environment and product development and the institutional ownership was measured in terms of percentage of shares held by institutional investors. Taking institutional ownership as the dependent variable, the results of regression analysis indicated significant positive relationship between the corporate social responsibility disclosure and industry ownership structure. The study highlighted that while engaging in social activities, the Malaysian public listed companies were able to maintain their institutional investors holding in the company.

Zakaria and Dewa (2010) examined the reporting practices of six financial institutions in Malaysia from 2004-08. Content analysis was conducted to find the corporate social responsibility disclosures on the company websites and in the annual reports. It was found
that most of the banks included in the study disclosed information about customers, community involvement, products and employees. Also, the corporate social responsibility disclosures were found to be self laudatory among sample companies in Malaysia.

**Hawani et al. (2011)** assessed the level of corporate social responsibility disclosure of forty four government linked companies listed on Bursa Malaysia Stock Exchange to ascertain the relationship of company characteristics, namely, age, size, financial leverage and profitability with the total corporate social responsibility disclosure score for the year 2005-06. To assess the corporate social responsibility disclosure level, a disclosure index of sixteen items was constructed based on themes: human resources, community, environment and market place. The results showed that the theme of disclosure has shifted from human resource to marketplace. Using regression analysis, company size was found to be positively and significantly associated with the total disclosure. The remaining variables such as age, financial leverage, profitability were found to be insignificant in explaining the total social disclosure score of the sample companies.

**Hussainey et al. (2011)** examined the drivers influencing one hundred and eleven Egyptian listed companies to report corporate social responsibility in the annual reports for the period 2005-10. Company profitability was found to be the key driver for Egyptian listed companies to disclose corporate social responsibility information. Ownership structure, company size, gearing and liquidity were not found to be the drivers of corporate social responsibility information disclosure.

**Islam et al. (2011)** investigated the difference between the corporate social responsibility reporting practices of developing and developed nations. Content analysis using Global Reporting Initiative indicators was conducted on the annual reports of eighteen leading companies listed on the Australian Stock Exchange and the Indonesian Stock Exchange for the year 2008-09. The comparison of the companies of two countries showed that the Australian companies were more engaged in corporate social responsibility reporting.

**Lungu et al. (2011)** examined the relationship between corporate social responsibility reporting and company characteristics. Content analysis was conducted on the sustainability reports of the year 2008 of the top fifty companies included in 2009 Global Fortune
classification. The company characteristics, namely, size and profitability were taken as independent variables and the extent of social and environmental disclosure was taken as dependent variable. It was found that size characteristics had a very weak correlation with social and environmental reporting practices. No dependence was found between return on assets and the extent of social and environmental reporting. Also the return on equity was found to be negatively correlated with the social and environmental information disclosure.

**Rouf (2011)** investigated the extent and nature of the corporate social responsibility disclosure in annual reports of listed companies on the Dhaka Stock Exchanges and examined the relationship between the corporate attributes, firm specific factors and corporate social responsibility disclosures for the year 2007. The extent of corporate social responsibility disclosure was measured using thirty nine items of information. The results showed positive association between proportion of independent directors, board leadership structure, board audit committee and corporate social responsibility disclosure and negative association was found between the firm size and corporate social responsibility disclosure practices.

**Dong et al. (2012)** assessed the status of corporate social responsibility reporting practices in China’s mining and minerals industry during the period 2007-10. Content analysis was conducted on both corporate annual reports and corporate social responsibility reports of one hundred and seventy six mining and minerals companies listed on Shanghai and Shenzhen stock exchanges using disclosure quality index. The study reported a dramatic increase in the number of reporting companies, disclosure quality and quantity of information disclosed.

**Esa and Ghazali (2012)** investigated the corporate social responsibility disclosure level of Malaysian government linked companies and also examined whether corporate governance attributes influence the corporate social responsibility disclosure. The CSR disclosure in annual reports of twenty seven government linked companies listed in Bursa Malaysia was analyzed for the years 2005 and 2007 using the CSR index containing disclosure items on human resource, community involvement, environment and products and services. Taking board size, presence of independent directors, company size, profitability and leverage as the independent variable, the results of regression analysis showed board size and leverage to be positively associated with CSR disclosure and company size and profitability to be
insignificantly associated with CSR disclosure. The results also showed significant increase in the extent of corporate social responsibility disclosure during the years.

**Homayoun et al. (2012)** examined the extent of the corporate social responsibility disclosure on company websites of top hundred companies by market capitalisation listed on Bursa Malaysia Stock Exchange for the year 2007. It was found that, on an average, the corporate social responsibility reporting level was moderate. Employee training and donations to community groups and charitable bodies were found to be the main themes of the corporate social responsibility disclosure.

**Khaveh et al. (2012)** examined the corporate social responsibility disclosure practices in Singaporean public listed companies to find out the relationship between environmental and social disclosure, corporate revenue and shareholder’s wealth from 2008-10. It was noticed that the environmental and social disclosure was not mandatory and thus Singaporean public listed companies were disclosing their social responsibility information voluntarily. The study also found positive relationship between sustainability reporting and the amount of dividend paid and share price.

**Masud and Hossain (2012)** observed the corporate social responsibility reporting practices of private commercial banks in Bangladesh in consideration with the Finance Act 2010 and 2011. The study was based on ten listed private commercial banks on the Dhaka Stock Exchange. The annual reports of selected banks were analyzed to observe corporate social responsibility reporting on different corporate social responsibility activities such as education, health, culture and sport, environment and disaster management and the like. The study revealed that all the sampled banks had reported their corporate social responsibility activities but less than sixty percent banks participated in prescribed corporate social responsibility areas according to the Finance Act.

**Pinto and Villiers (2012)** investigated the volume and trends in prevalence of corporate social responsibility disclosure by the top fifty New Zealand listed companies from 2005-10 i.e. before and after global financial crisis. Number of pages disclosed in corporate social responsibility sections of the annual reports and in standalone corporate social responsibility reports were examined to find out the trend in corporate social responsibility disclosure. A
general up trend was observed in the corporate social responsibility disclosure over the years. It was noticed that the number of companies disclosing social information in their annual reports and standalone reports increased from 2005 to 2007. However, during the initial drop in business confidence in 2008, brought on by the global financial crisis, corporate social responsibility disclosures in standalone reports and annual reports was consistent overall with 2007 level. The upward trend resumed in 2009, but when business confidence again suffered in 2010, overall annual report corporate social responsibility disclosures decreased, whereas overall standalone report disclosure continued the upward trend.

Setyorini and Ishak (2012) ascertained the factors influencing corporate social and environmental disclosure of nine hundred eleven companies listed on Indonesia Stock Exchange from the perspective of Positive Accounting Theory from 2005-09. The social and environmental disclosure level was measured using combination of Clarson’Environmental Index (2007) and Sutantoputra’ Social Index (2009). The results of regression analysis showed that the corporate social and environmental disclosure in Indonesia was associated with return on assets, firm’s size and firm’s earning management.

Sobhani et al. (2012) ascertained the status of disclosure practices of corporate sustainability in the annual reports and corporate websites of the banking industry in Bangladesh. The extent of disclosure practices of corporate sustainability was based on four dimensions, namely, product, environment, social and economic. It was found that all listed banks practiced sustainability disclosure but in a much unstructured manner. All categories of corporate sustainability disclosures were found to be more in annual reports than on corporate websites except product responsibility disclosure. Unlike the environmental and economic dimensions, issues concerning the social dimension were found to be generally disclosed.

Soliman et al. (2012) investigated the impact of ownership structure on corporate social responsibility disclosure of forty two Egyptian firms over the three year period, 2007-09. The extent of the corporate social responsibility disclosure was measured using corporate social responsibility disclosure index. The ownership structure was divided into different groups, namely, managerial, institutional, and foreign ownerships. Results indicated a significant and positive relationship between corporate social responsibility disclosure and ownership by
institutions and foreign investors. However, shareholding by top managers was found to be negatively associated with the firm’s corporate social responsibility disclosure.

Andrikopoulos and Kriklani (2013) ascertained the practices of environmental disclosure on websites of one hundred and ninety nine companies listed on the Copenhagen Stock Exchange to identify the factors that determine environmental reporting of the firms. An environmental disclosure index was developed on eight parameters such as environmental policy, the corporation’s effect on the environment, improvements made in environment, environmental certification, environmental objectives, follow-up of environmental objectives and the like. Company specific characteristics considered in the study were: size, profitability, financial leverage and market to book value ratio. The study reported a small extent of environmental disclosure on an average. Firm size, financial leverage, the market to book ratio and profitability were found to be significantly associated with the breadth of environmental disclosure.

Dhuneg and Dhuneg (2013) analyzed the corporate social responsibility reporting practices in banking sector of Nepal. Ten commercial and four development banks were selected randomly and their website was scanned to collect data. Corporate social responsibility was found to be non mandatory in Nepal and all the banks were found making disclosure of social responsibility on voluntary basis. Among the disclosed information, heritage and culture protection, education, training and welfare of underprivileged, contributions to healthcare and environment and contributions to associations, clubs and other organizations were the most commonly reported corporate social responsibility activities. Most of the disclosures were found to be qualitative with the exception of donation and sponsorship amounts.

Grecco et al. (2013) examined the differences in social information disclosure of companies from Brazil and Spain. The influence of factors on the disclosure, such as corporate size, profitability and growth opportunities was also analyzed. Corporate social responsibility reports of three hundred and six Brazilian firms quoted on the Brazilian stock exchange and one hundred and six Spanish firms quoted on the Spanish stock exchange in 2010 were examined and it was found that significant differences occurred in the social information
disclosure of Brazilian and Spanish companies. Corporate size was found to be relevant determinant of the social information disclosure.

**Khasharmeh and Desoky (2013)** ascertained the level of online corporate social responsibility disclosure of one hundred and sixty three companies listed in the stock markets of the Gulf Cooperation Council countries including Bahrain, Kuwait, Oman, Qatar, UAE and Saudi Arabia and investigated the impact of company characteristics on online corporate social responsibility disclosure level for the year 2011. A disclosure index based on five items of information, namely, environmental, employee, community involvements and products, was developed to evaluate corporate social responsibility disclosure of one hundred and sixty six companies. On an average, an industrial company was found disclosing seventeen items of the forty seven included in the index and a non industrial company was found disclosing fourteen items. Among the six countries comprising the Gulf Cooperation Council, the Kingdom of Saudi Arabia and Qatar out scored other countries in online corporate social responsibility disclosure. Company’s profitability and type were found to be significantly associated with social responsibility disclosure.

**KPMG (2013)** conducted a survey to find out the trends of corporate social responsibility reporting globally for the period 2011-13. Forty one hundred companies belonging to forty one countries were surveyed. The survey reported that corporate responsibility reporting was undertaken by seventy one percent of the companies surveyed. American companies were found to be leading in terms of social reporting followed by European and Asia Pacific companies. Drastic increase in the corporate social responsibility reporting rates in Asia Pacific over the last two years of the study was also reported. The highest growth rate in corporate responsibility reporting since 2011 was noticed in India followed by Chile and Singapore.

**Bashtovaya (2014)** performed a comparative analysis of corporate social responsibility reporting of ten major players in the energy sector in the United States of America and Russia. Corporate social responsibility and environment reports of the sample companies were analyzed for the period 2007-2008 using content analysis in order to have an understanding of the prime themes communicated in the reports. It was found that the
Russian companies reported more on the CSR issues related to consumers and employees and the American companies reported more on the environmental performance.

**Sommer et al. (2015)** investigated the determinants of web-based corporate social responsibility disclosure in the food industry. Using content analysis, the corporate communication on the websites of seventy one food producers from North Rhine-Westphalia, Germany was analyzed for 2013. The relationship between corporate social responsibility communication and profitability, size, indebtedness and closeness to market was estimated by using data from commercial database. It was found that the larger firms provided relatively more corporate social responsibility information than smaller firms. No significant relationship was found between the corporate social responsibility disclosure and the profitability or indebtedness of a company.

**Celia et al. (2015)** identified the environmental information disclosure by the Brazilian and Iberian Peninsula companies of the electricity sector which have made disclosure using the Global Reporting Initiative indicators in the sustainability reports for the period 2006-09. The results showed that the Brazilian companies were in the process of improving the level of disclosure and the Iberian ones remained constant at a higher level.

**Gunawan (2015)** conducted a study to discover the most influential stakeholders and motivations of the companies to practice corporate social disclosures in the annual reports. Responses of the top managerial levels of two hundred and fifty two Indonesian listed companies were obtained through a questionnaire in 2007. It was found that the community is the most influential group and creation of positive image is the main motivation of the companies in providing corporate social disclosures.

**Harjoto et al. (2015)** analyzed the impact of the board diversity on corporate social responsibility of one thousand four hundred and eighty nine US firms from 1999 to 2011. Board diversity was measured using variables like gender, race, tenure, expertise, number of directorship positions that a director holds and the social performance was measured using scores on community, governance, employee relations, human rights, environment, diversity and product characteristics. Board diversity was found to be positively and significantly associated with the corporate social responsibility performance.
Krasodomska (2015) conducted a study to identify corporate social responsibility information presented in the eighty four management commentaries of twelve banks listed on the Warsaw Stock Exchange in 2005-2011. It was found that the CSR information disclosed in the management commentaries was mostly focused on the initiatives taken by the banks towards the benefit of local community. Also, the quality of the disclosures in 2011 was found to be higher than the disclosures in 2005.

Lau et al. (2016) examined the impact of corporate governance mechanisms on corporate social responsibility performance of four hundred and seventy one Chinese firms in 2011. The corporate social responsibility performance was measured using CSR composite ratings provided by the social responsibility rating company that is Rankins CSR Ratings. Board composition, state ownership of the firms and foreign experiences of the board members and top management team were taken as the corporate governance mechanisms. The results found positive and significant relationship between the corporate social responsibility performance and the corporate governance mechanisms.

Nurhayati et al. (2016) examined the factors determining the social and environmental reporting of top hundred Indian textile and apparel firms in 2010 listed on Bombay Stock Exchange. The social and environmental reporting was measured using an index consisting of seventy items on labour practices, human rights, society, product responsibility and environment. The results found low extent of social and environmental reporting in the annual reports of the sample firms. Corporate size, audit committee size and brand development were found to be significant factors influencing the variation in environmental reporting. However, no significant relationship was found between level of ownership, board independence and social and environmental reporting.

The review of studies analyzing corporate social responsibility disclosure and reporting practices indicated that large numbers of researchers across the globe have examined the annual reports and websites of the sample companies of their respective studies to explore pivot themes of CSR disclosures and factors influencing such disclosures. Qualitative and majorly human resource information based disclosures were found by the studies with ownership structure, industry type, company size, leverage, profitability, board structure, board representation and board independence as the influencing factors.
2.2 Review of Studies Analyzing Relationship between Corporate Social and Financial Performance

The link between corporate social performance and corporate financial performance has been exhaustively investigated over the past years. Although numerous researchers have explored the link between corporate social performance and corporate financial performance, no definitive consensus exists as to its impact. The results have often been contradictory, even within a given analysis. Pava and Krausz (1996), Russo and Fouts (1997), Stanwick and Stanwick (1998), King and Lenox (2001), Saleh et al. (2008), Bedi (2009), Fauzi and Idris (2009), Karagiorgos (2010), Uadiale and Fagbemi (2012), Mahbuba and Farzana (2013), Servaes and Tamayo (2013), Cornett et al. (2014), Ghosh and Mondal (2014), Feng and Wang (2016) and Xu and Zeng (2016) found association between social performance and financial performance of the banking and corporate sector across the world. However, Alexander and Buchholz (1978), Aupperle et al. (1985), Griffin and Mahon (1997), Preston and O’Bannon (1997), Balabanis et al. (1998), Brine et al. (2007), Fauzi (2009), Makni et al. (2009), Baron et al. (2011) and Mwangi and Jerotich (2013) found no association between corporate social performance and financial performance.

Studies have also been conducted to find the relationship between corporate social performance and other organizational performance related issues. Ali et al. (2010a) and Becchetti et al. (2008) reported association between corporate social and employee performance. Brammer and Millington (2005) and Lai et al. (2010) reported association between corporate social performance and organization reputation. Li and Wang (2007) reported association between corporate social performance and competitive advantage of the firms. Ali et al. (2010b) reported no relationship between corporate social performance and consumer retention. However, Mohr et al. (2001) reported positive relationship between corporate social performance and consumer attitude. A review of such studies has been outlined below:

Alexander and Buchholz (1978) examined the relationship between social responsibility and stock market performance of forty United States corporations ranked in the surveys taken by Business and Society Review. Differential returns and risk measures of the securities in the social responsibility surveys were calculated for the five year period, 1970-74 and a three
year sub period, 1971-1973. The measures of differential return were ranked in descending order over the five and three year periods and compared with the survey ranks using rank correlation. The results indicated a low and insignificant relationship between the risks adjusted performance and the degree of social responsibility.

Aupperle et al. (1985) investigated the relationship between corporate social responsibility orientation and profitability. To measure orientation towards corporate social responsibility, a survey instrument containing eighty items of information based on four components of corporate social responsibility, namely, economic, legal, ethical and discretionary responsibilities was designed and sent to eight hundred and eighteen chief executive officers listed in Forbes 1981 annual directory. Financial performance was measured using return on assets ratio. No statistically significant relationship was found between orientation towards social responsibility and financial performance.

McGuire et al. (1988) analyzed the relationship between corporate social responsibility and financial performance of one hundred and thirty one firms rated by Fortune from 1983-85 on the basis of social performance. Data on accounting and stock market based measures of firm performance and risk for the period 1982-84 were obtained from Compustat database. Market performance was measured by risk adjusted return and total return and market risk measures were beta and standard deviation. Accounting performance was measured by return on assets, total assets, sales growth, assets growth and operating income growth and the ratio of debt to assets, operating leverage and standard deviation of operating income were accounting risk measures. Using correlation analysis, the accounting and market risk measures were found to be negatively associated with corporate social responsibility. Accounting performance measures were found to be positively related with corporate social responsibility except operating income growth. The market performance measures were found to be insignificantly related with the corporate social responsibility.

Pava and Krausz (1996) explored the association between corporate social responsibility and financial performance of a group of fifty three firms which were identified by Council on Economic Priorities as being socially responsible, for two time periods, 1985-87 and 1989-91. Corporate social performance was measured using ratings of Council on Economic Priorities and financial performance using variables, namely, market return, price to earnings
ratio, market to book value, return on assets, return on equity, earning per share, debt equity ratio, quick ratio and interest coverage. It was found that most of the variables showed either no change between the two time periods, or indicated an improved performance over time for the socially responsible firms. The study concluded that socially responsible firms perform better over time.

**Griffin and Mahon (1997)** explored the relationship between the corporate social and financial performance of chemical firms included in Kinder, Lydenberg, Domini and Co. Index and Corporate 500 Directory for the year 1992. Financial performance was measured using ratios; return on assets, return on equity, return on sales, asset age and total assets. The published reputation scores of Fortune Survey 1992, the Toxich Release Inventory Index and the KLD index were used to measure corporate social performance. Correlation analysis found no relationship between the corporate social and financial performance of the selected chemical firms.

**Preston and O’Bannon (1997)** analyzed the relationship between corporate social responsibility and financial performance of sixty seven large Unites States corporations for 1982-92. Social performance reputation ratings by Fortune Survey and return on assets, return on investment and return on equity were used as measure of corporate social and financial performance. The results of correlation analysis revealed no strong positive social-financial performance relationships.

**Russo and Fouts (1997)** explored the relationship between environmental performance and financial performance of group of firms assigned environmental ratings by the Franklin Research and Development Corporation of United States for the years 1991 and 1992. Return on assets was the dependant variable and industry concentration, firm size and firm growth rate were the control variables in the study. Using regression analysis, it was found that higher environmental performance was associated with higher financial performance, and the relationship was strengthened as industry growth rises.

**Balabanis et al. (1998)** investigated the relationship between corporate social responsibility and economic performance of fifty six British corporations. In order to measure corporate social performance, the ratings of corporate social responsibility were obtained from the
publication; Changing Corporate Values produced by the New Consumer Group for the year 1988-89. Economic performance included: financial (return on capital employed, return on equity and gross profit to sales ratios); and capital market performance (systematic risk and excess market valuation). It was found that economic performance was related with corporate social responsibility performance. However, the relationships were weak and lacked an overall consistency.

**Stanwick and Stanwick (1998)** examined the relationship between the corporate social performance and three variables; size, financial performance and environmental performance of the firms listed at Fortune Corporate Reputation Index from 1987-92. Corporate social performance was based on Fortune Corporate Reputation Index, financial performance was measured in terms of level of profitability and the environmental performance was based on level of pollution emissions released. The results of regression analysis showed that corporate social performance is impacted by the size of the firm, level of profitability and the amount of pollution emissions released.

**King and Lenox (2001)** studied whether the stronger environmental performance leads to better financial performance or not. The performance of six hundred and fifty two United States manufacturing firms was analyzed over the time period 1987–96. The financial performance was measured using Tobin’s Q ratio and the social performance was measured in terms of emissions of toxic chemicals. Using regression analysis, the study found an association between lower pollution and higher financial valuation.

**Mohr et al. (2001)** investigated how the corporate social responsibility impacts consumer buying behavior by conducting in-depth interviews of consumers in a metropolitan area of Georgia to determine their views concerning the social responsibilities of companies. The results showed that consumers desire high level of corporate social responsibility from companies and possess positive attitude towards the socially responsible firms.

**Brammer and Millington (2005)** analyzed the impact of level of philanthropic expenditures and corporate policies on corporate reputation. Large sample of Unite Kingdom companies including ninety percent of the Financial Times Stock Exchange 100 was considered and the data on level of philanthropic expenditures was drawn from database namely DataStream. To
determine the community involvement policies of the firms, binary variables were constructed which took a value of one if the company supported the particular initiative and zero otherwise. The firm reputation was measured in terms of firm reputation score reported in Management Today, 2002. The results of regression analysis showed that the companies which had higher levels of philanthropic expenditures had better reputations and it varied significantly across industries.

Chand (2006) examined the relationship between corporate social performance and corporate financial performance by reviewing the previous studies. The study reported that once the industry type was established as a boundary condition, the relationship between the corporate social performance and the corporate financial performance was clearly deciphered and corporate social performance had a positive relationship with the financial performance.

Brine et al. (2007) examined the relationship between financial performance and corporate social responsibility across the top three hundred Australian Securities Exchange listed companies for the year 2005. Disclosures in sustainability reports were used to get information on company’s environmental performance and the financial performance was measured in terms of return on assets, return on equity and return on sales. The results of regression analysis showed statistically insignificant relationship between the corporate social responsibility and financial performance of the sample enterprises.

Hill et al. (2007) examined whether the companies represented among socially responsible investment portfolios outperform the larger equity market in terms of stock valuation for the period 1995-2005. Socially responsible mutual funds of United States, Europe and Asia listed with the Social Investment Forum were selected and examined for the three, five and ten year time horizons. Using regression analysis, it was found that only the European fund outperformed the larger equity market in the short term i.e. three years. None of the fund was found to be significant in the medium term i.e. five years; however, both the United States and European portfolios outperformed their comparison markets in the long term i.e. ten years.

Li and Wang (2007) investigated the relationship between competitive advantage and corporate social responsibility of thirteen Chinese banking firms listed on both Shanghai and
Shenzhen Stock Exchange in 2005. Corporate social responsibility was measured in terms of the amount of donation, expenditure on staff training and working condition improvements and the community involvement expenditure disclosed in annual statements and the competitiveness of the firms was measured on the basis of return on total assets, return on sales, return on net assets, asset-liability ration, price-cost ratio, total asset turnover, return on equity and loan losses. The results of regression analysis showed that corporate social responsibility was positively but not strongly related with competitive advantage based on five variables except total asset turnover, asset liability ratio and loan losses.

**Becchetti et al. (2008)** investigated whether inclusion and permanence in the Domini Social Index affects the corporate performance. A sample of around one thousand US firms for thirteen year interval, 1990-2003 was taken and corporate performance was measured in terms of sales per employee, return on investment, return on equity and return on capital employed. The results found that the permanence into the Domini Social Index, on one side, significantly increased total sales per employee, but on the other side, lowered the returns on equity.

**Bouquet and Deutsch (2008)** examined whether the corporate social performance affects the firm’s capacity to achieve profitable sales in foreign markets for the period 1991-2003. Data on corporate social responsibility of eight hundred and thirteen firms was drawn from Kinder, Lydenberg, Domini and Co. data set and the multi-nationality extent was measured as the distribution of the sales of the company across regional economies. By taking research and development expenditures and corporate social performance as the independent variables, the results of regression analysis showed that corporate social performance had positive effect on firm’s multi-nationality and also moderated the relationship between a firm’s multi-nationality and its R&D investment.

**Goukasian and Whitney (2008)** analyzed the financial and operational performance of corporate socially responsible firms. The study took top one hundred socially responsible firms ranked by Kinder, Lydenberg, Domini and Co. Research from 2005-08. Financial performance of the firms was measured using abnormal stock returns and operational performance was measured using return on assets, return on sales and book to market value ratio. It was found that the firms identified as socially responsible performed just as they
were expected to perform financially and operationally, even after bearing the cost of being socially responsible. The study reported that strong past financial and operational performance had implications for current investments in corporate social responsibility, however, past measures of corporate social responsibility had no negative impact on the future financial or operational performance of firms.

Mittal et al. (2008) investigated the relationship between ethical commitment and financial performance of fifty Indian companies taken from Standard & Poor CNX Nifty for the period 2001-05, using regression analysis. The ethical commitment was measured in terms of listing of code of ethics and the conduct in annual reports and the financial performance was measured using two indicators of profitability; economic value added and market value added. No significant positive correlation was found between corporate social responsibility and economic value added, however positive and significant relationship was found between corporate social responsibility and market value added.

Saleh et al. (2008) examined the relationship between corporate social responsibility and corporate financial performance of two hundred Malaysian public listed companies for the period 2000-05. The corporate social responsibility performance was measured using a CSR disclosure index containing indicators of employee relation, environment, community involvement and product and the financial performance was measured using return on assets, Tobin’s q ratio and stock market return. The results of regression analysis found that there was positive and significant relation between the corporate social responsibility and financial performance. Two of the corporate social responsibility dimensions, namely, employee relations and community involvement were found to be highly positively related to the financial performance.

Bedi (2009) analyzed the relationship between corporate social responsibility and financial performance of thirty seven Indian firms rated by Karmyog; a Mumbai base NGO for the financial year 2007-08. The corporate social performance was measured in terms of the expenditures made on CSR activities and the financial performance was measured in terms of net profit after tax. Using regression analysis, it was found that there was positive relationship between corporate social responsibility and financial performance and the social expenditure highly depended on the financial performance.
Fauzi (2009) studied the relationship between corporate social and financial performance of one hundred one sample companies listed on the New York Stock Exchange by moderating company size and financial leverage with the use of industry type as control variable for the period 2004-06. Corporate social performance was measured using seven item scale developed by Michael Jantzi Research Associates Company and financial performance was measured using return on assets and return on equity ratios. Company size and financial leverage were measured by total asset and degree of internal and external source to finance the company’s assets. It was found that the corporate social performance had no effect on corporate financial performance and only financial leverage could moderate the interaction between corporate social and financial performance.

Fauzi and Idris (2009) investigated the relationship between corporate social responsibility and corporate financial performance of Indonesian companies for the year 2007 under the slack resource theory and good management theory. A questionnaire based survey research design was used in the study which included items relating to corporate financial performance, corporate social performance, strategy, business environment, control system and organization structure. The questionnaire was sent to two hundred and thirty six managers of state-owned and private-owned companies and a positive relationship was found between corporate social performance and corporate financial performance.

Makni et al. (2009) examined the relationship between corporate social performance and financial performance of one hundred and seventy nine publicly held Canadian firms. The study used the measures of corporate social performance provided by Canadian Social Investment database for the years 2004 and 2005 and corporate financial performance was measured by return on assets, return on equity and market returns. Using the Granger causality approach, no significant relationship was found between corporate social and financial performance of the Canadian firms.

Ali et al. (2010a) analyzed the influence of corporate social responsibility on employee’s organizational commitment and organizational performance. Primary data was collected from three hundred and seventy one professionals working in different sectors of Pakistan. Social performance was measured on seventeen item scale of CSR and organizational performance was measured in terms of increase or decrease in market share, return on investment, return
on assets and growth in sales and profit. Structural equation model technique was used and it was found that there was significant positive relationship between corporate social responsibility actions and employee organizational commitment, corporate social responsibility and organizational performance and employee organizational commitment and organizational performance.

Ali et al. (2010b) investigated the effects of corporate social responsibility on consumer retention in cellular industry of Pakistan. The survey questionnaire containing questions on CSR awareness, purchase retention and loyalty was used to collect responses of two hundred and fifty respondents using cellular services. Using Structured Equation Modeling, the study found low awareness in consumer regarding CSR activities and no relationship between the awareness of corporate social responsibility activities and consumer purchase intention.

Artiach et al. (2010) explored the firm specific factors associated with high corporate sustainability performance. One hundred and thirty socially responsible US firms included in Dow Jones Sustainability World Index and one thousand three hundred and eighty one conventional firms (not included in Dow Jones Sustainability World Index) were selected for the sample period 2002-06. Univariate comparisons of financial characteristics of the socially performing and conventional firms were made in terms of firm size, profitability, leverage and free cash flows. The leading sustainably performing firms were found to be significantly larger and had higher return on equity and levels of growth than conventional firms but were not found having greater free cash flows and lower leverage than the other firms.

Choi et al. (2010) examined the relationship between corporate social responsibility and corporate financial performance in Korea using a sample of one thousand two hundred and twenty two firms during the period 2002-08. Corporate social responsibility was measured by stakeholder weighted corporate social responsibility index and corporate financial performance was measured in terms of return on equity, return on assets and Tobin’s Q ratio. A positive and significant relationship was found between corporate financial performance and stakeholder weighted corporate social responsibility index.

Karagiorgos (2010) explored the relationship between corporate social responsibility and financial performance of the Greek firms. Stock returns were taken as dependent variable and
social performance was taken as independent variable. The sample consisted of thirty nine companies listed on the Athens Stock Exchange. Corporate social responsibility reports based on GRI guidelines for 2007 and 2008 and stock returns for 2007, 2008 and 2009 from Athens Stock Exchange were used for computations. Using regression analysis, it was found that there existed positive correlation between stock returns and corporate social responsibility performance of the Greek companies.

Lai et al. (2010) investigated the effects of corporate social responsibility and corporate reputation on brand equity and brand performance. The responses of one hundred and seventy nine industrial purchasers of Taiwan small-medium enterprises were obtained using a questionnaire detailing supplier CSR, supplier corporate reputation, brand equity and brand performance. Using Structured Equation Modeling, it was found that corporate social responsibility and corporate reputation had positive effects on brand equity and brand performance.

Mishra and Suar (2010) examined whether corporate social responsibility towards primary stakeholders influenced the financial performance of the Indian firms. Fifteen hundred companies representing fifty one percent of the total number of companies in Prowess database of Centre for Monitoring Indian Economy were selected for the study. A questionnaire containing sixty one items of CSR practices was used to measure the social responsiveness of the companies towards stakeholders and the financial performance was measured using industry adjusted ROA. Using regression analysis, it was found that responsible business practices towards primary stakeholders influenced the financial performance of the firms.

Yang et al. (2010) examined the relationship between corporate social and financial performance of companies listed at Taiwan fifty index and mid cap hundred index from 2005-07. Environment, product quality and relations with shareholders, customers and community were used as a measure of corporate social performance and corporate financial performance was measured using return on assets, return on equity and return on sales. The results of regression analysis pointed that previous corporate social performance had positive impact on the return on assets for the next period. However, previous corporate financial performance had nothing to do with latter corporate social performance.
Baron et al. (2011) examined the interrelationships among corporate social performance, corporate financial performance and social pressure using data set of six hundred and fifty firms listed on the Standard & Poor 500 Index and the Domini 400 Social Index for 1996-2004. Corporate social performance and social pressure was measured in terms of social performance strengths and concerns of the firms identified by Kinder, Lydenberg, Domini Research and Analytics and corporate financial performance was measured using Tobin’s Q ratio. Using regression analysis, corporate financial performance was found to be independent of corporate social performance and decreasing in social pressure, and corporate social performance was found to be independent of corporate financial performance and increasing in social pressure.

El Ghoul et al. (2011) examined the effect of corporate social responsibility on the cost of equity capital of the United States firms from 1992-2007. KLD statistics over the period were used to measure corporate social responsibility performance of the firms. Using regression analysis, it was found that the firms with better corporate social responsibility had significantly lower cost of equity capital. The study also reported that investment in improving environmental policies, responsible employee relations and product strategies contributed substantially in reducing the cost of equity of firms.

Soana (2011) explored the relationship between corporate social performance and corporate financial performance of the Italian Banks. Corporate social performance was measured using ethical ratings of global rating agencies and corporate financial was measured using return on equity, return on assets and cost to income ratio. On the data of thirty one Italian banks collected for the year 2005, correlation analysis was applied. No statistically significant link was found between the corporate social and financial performance of the Italian Banks.

Islam et al. (2012) examined the impact of corporate social performance on corporate financial performance of the banking sector of Bangladesh. Twenty domestic private banks were graded by measuring corporate social performance though a questionnaire survey containing indicators on values and transparency, workplace, corporate governance practices, environment and community. The financial performance of the banks was measured using return on assets, earning per share and price earnings ratio. The two-tailed t-test was
conducted to compare the financial performance of socially responsible and non-socially responsible banks and it was found that the socially responsible banks outperformed the non-socially responsible banks over the study period.

Uadiale and Fagbemi (2012) analyzed the relationship between corporate social responsibility and financial performance of the Nigerian firms. Sample of forty companies listed on the Nigerian stock exchange was taken for the year ended 2007. The social performance of the companies was measured in terms of disclosures made in the annual reports on community, environment management and employee relations and the financial performance was measured in terms of return on assets and return on equity. The results of regression analysis showed that corporate social responsibility had a positive and significant relationship with the financial performance measures. The study recommended that the corporate entities in Nigeria should invest in corporate social responsibility activities to boost image and reputation.

Kanwal et al. (2013) explored the relationship between social performance and financial performance of fifteen companies listed on Karachi stock exchange by taking the data from annual reports of the companies for the period 2008-12. Corporate social performance was measured in terms of spending of companies on the corporate social responsibility and corporate financial performance was measured using firm’s net profit and assets. The results of correlation analysis showed a positive relationship between the corporate social performance and financial performance of the firms. The study reported that firms which spent on corporate social responsibility not only benefited from continuous long term sustainable development but also enjoyed enhanced financial performance.

Mahbuba and Farzana (2013) examined the relationship between corporate social responsibility and profitability of Dutch Bangla Bank Limited, which was the initiator of corporate social responsibility activities in the banking sector of Bangladesh. Taking data from the annual reports of the bank for the period 2002-11, ordinary least square regression was applied taking corporate social responsibility expenditure and profit after tax as independent and dependent variable respectively. The results noticed that approximately ninety one percent of the variance of profit after tax of the bank was explained by the benefit
accrued from the corporate social responsibility and that there existed a positive and significant relationship between corporate social responsibility and profitability of the bank.

*Mwangi and Jerotich (2013)* studied the relationship between corporate social responsibility practices and financial performance of firms listed in the manufacturing, construction and allied sector of the Nairobi Securities Exchange. Data was obtained from the audited financial reports of ten companies for the period 2007-11. Corporate social responsibility score was obtained using content analysis of reports of the companies on various components of corporate social responsibility as reported in the financial reports. Multiple regression analysis was conducted to determine the relationship between the two variables taking manufacturing efficiency and capital intensity as control variables. The results indicated the existence of a relationship between the independent variables; corporate social responsibility score, manufacturing efficiency and capital intensity and the dependent variable i.e. return on assets with a correlation coefficient of 0.870. The results of the study also showed that there was an insignificant positive relationship between corporate social responsibility practice and financial performance.

*Rathner (2013)* investigated the influence of corporate social performance dimensions on corporate financial performance of three thousand seven hundred and seventy two listed firms from fifty eight countries belonging to ten industry sectors. The company ratings of international rating agency- Sustainalytics and the company’s scores on social performance dimensions including corporate governance, business ethics, public policy, employees, operations, customers, philanthropy, society and community were used to measure the social performance of the sample companies. The financial performance was measured in terms of Tobin’s q ratio. The results of regression analysis reported non existence of relationship between the aggregated social performance score and corporate financial performance. However, the corporate social performance sub themes; corporate governance and operations were found to be the most influential corporate social performance components.

*Servaes and Tamayo (2013)* determined the impact of corporate social responsibility on firm value and how consumer awareness was embedded in this impact. In order to measure corporate social responsibility activities of firms included in KLD database but not in the Domini 400 Social Index for the 1991-2005 period, KLD Stats database which specializes in
tracking the CSR activities of the firms was employed and Tobin’s q ratio was used as a measure of market value of the firms. Taking size, research and development and advertising intensity as control variables, the results of regression analysis showed that corporate social responsibility and firm value were positively related for firms with high customer awareness.

**Cornett et al. (2014)** analyzed the corporate social responsibility for commercial banks of United States and its impact on their financial performance. The study collected environmental, social, and governance ratings of the largest three thousand publicly traded companies from Kinder, Lydenberg, Domini and Co. database for the period 2003-11. The financial performance of banks was measured using size adjusted return on assets and return on equity. It was found that both size adjusted return on assets and return on equity were positively and significantly related to corporate social responsibility scores.

**Ghosh and Mondal (2014)** examined whether the competitiveness of the firms depended on the amount of value distribution to stakeholders and the quantum of social activities. Corporate social performance was measured in terms of disclosures made by the sample companies on seventy nine CSR indicators in the non-financial reports and the firm competitiveness was measured in terms of the market value of equity for the period 2010-12. Eighty five companies of India, Japan, Korea and China were selected and multiple linear regression analysis was applied which showed that the companies with higher social performance and higher level of value distribution for the stakeholders had better financial performance. The study also revealed that the stakeholder’s value distribution was positively associated with market value on one hand and social performance on the other hand.

**DiSegni et al. (2015)** assessed the relationship between corporate sustainability behavior and financial performance. The financial performance of US corporations making up the Dow Jones Sustainability Indexes in 2008-10, was compared using profitability, leverage, operating efficiency and sales growth ratios and the data for environment performance was collected using Dow Jones Sustainability Indexes database. The corporations supporting environmental sustainability and social responsibility were found to be significantly higher on profit, long term leverage and managerial efficiency measures and lower on short term liquidity measures.
Janamrung and Issarawornrawanich (2015) investigated the relationship between corporate social responsibility and financial performance of two hundred and four Thai firms in industrial products and resources industries, listed on the Stock Exchange of Thailand for the period 2010-11. Financial performance was measured in terms of return on assets, return on equity and Tobin’s Q ratio and social performance was measured using an index containing twenty five items on community, employees and environment. Using multiple regression analysis, it was found that the firms with high score on CSR index had high return on assets; however, no relationship was found between score on the CSR index and return on equity and Tobin’s Q ratio.

Usman and Amran (2015) examined the relationship between corporate social responsibility disclosures and financial performance of sixty eight companies listed on the Nigeria Stock Exchange over the period of 2010-12. Financial performance was measured in the terms of return on assets ratio and share prices. Content analysis was conducted on the annual reports of the sample companies to find community involvement disclosure, environmental disclosure, human resource disclosure and products and consumer disclosure. The results of multiple regression analysis found that community involvement disclosure, products and customer disclosures and human resource disclosures enhanced the corporate financial performance, however, negative relationship was found between environmental disclosure and corporate financial performance.

Al-Samman and Al- Nashmi (2016) explored the relationship between corporate social responsibility and non financial organizational performance of one hundred and three public and private enterprises in Yemen. The views and opinions of middle and top-level management on economic, ethical, legal and philanthropic responsibilities were gathered during the year 2013, using a questionnaire to assess corporate social responsibility orientation. Positive and significant relationship was found between corporate social responsibility and non financial organizational performance. Also, no significant difference was found between public and private enterprises in terms of level of adopting corporate social responsibility activities.

Feng and Wang (2016) explored the influence of environment management systems on financial performance of two hundred and fourteen firms located in five provinces of China.
Questionnaire was used to gather data on environment management systems from top and middle level management and the financial performance was measured using financial indicators including return on assets, return on sales and net profit margin. The results of regression analysis reported environment management systems to be positively and significantly influencing the financial performance. Also, the customer loyalty and customer satisfaction were found partially mediating the relationship between environment management systems and financial performance.

Xu and Zeng (2016) examined the relationships between corporate social responsibility and profitability, tax reporting behavior and state ownership of eighty five listed Chinese firms from 2006-10. Corporate social responsibility data was collected from corporate social responsibility reports published by the Chinese Academy of Social Sciences and the financial data was collected from the China Stock Market Financial Statement Database. The results reported profitability and state ownership to be positively associated with corporate social responsibility and no significant association was found between corporate social responsibility and tax reporting behavior.

The review of studies analyzing the relationship between corporate social and financial performance indicated that researchers across the globe have made use of CSR rankings and ratings, social databases, CSR disclosures and CSR expenditure as a measure of social performance in their studies. Financial performance has been measured using financial ratios such as return on assets, return on equity, Tobin’s Q, return on sales, net profits and the like. Although large numbers of researchers across the globe have attempted to explore the association between corporate social and financial performance, no definite consensus could be achieved.

2.3 Review of Impact Assessment Studies on CSR Activities in India

In order to address and overcome the social issues and inequalities prevailing in the society, the Government of India and the Indian corporations are actively involved in undertaking necessary social interventions such as Sarva Shiksha Abhiyan, Skill India and Swachh Bharat Campaign of Government of India and numerous healthcare, education, inclusive growth and environment sustainability promotion initiatives of corporate India. Interventions without impact assessment are performance without knowing results. This is the reason that impact
assessment of the social interventions undertaken is very essential. The Government of India through the conduct of surveys and studies assesses the impacts generated by its social programmes. However, not much of the Indian corporations are involved in this practice. A review of some of the studies conducted for the impact assessment of social activities in India is outlined below:

**Department of Economic and Statistical analysis, Haryana (2009)** undertook the evaluation of Sarva Shiksha Abhiyan to ascertain the implementation and impact of the programme in India. The study collected secondary data related to the scheme for the period 2002-09 and primary data from beneficiary students for the year 2008-09. The study surveyed one hundred eighty students; hundred of class-II and eighty of class VI of twenty educational institutions of four districts namely Ambala, Fatehabad, Mahendragarh and Rohtak. Majority of the students of class-II were found completely or partially narrating the alphabets and numbers, however very few were found able to read and write the full set of five English words and solve sums. The performance of class-VI students was found to be not good in terms of writing Hindi and English paragraphs and also in arithmetic tests. The study highlighted certain bottlenecks in execution of the activities of the programme including non utilization of released funds, lack of awareness about all the activities of the programme among the people, lack of timely supply of free text books to the targeted students, non maintenance of record relating to monitoring at the sites, non constitution of village education committees, lack of qualititative and effective teacher training and lack of coordination between the members of panchayati raj institutions and school teachers in execution of the programme.

**ORG Centre for Social Research (a division of ACNielsen ORG-MARG Private Limited)** conducted a study in 2010 to assess the impact of the Akshaya Patra Foundation’s mid-day meal program in enhancing the school attendance, enrolment, nutritional status and classroom performance of the students since 2006. The study covered places like Puri, Nayagarh, Bhilai, Guwahati, Ahmedabad, Banglore, Manglore and Hyderabad. Twenty schools in each place were surveyed and students, head of the schools, senior teachers and households were interviewed. In Puri, the program was found creating positive impact on school enrolment and attendance but no impact on nutritional status and classroom
performance of children. In Nayagarh, the impact of the program on enrolment, drop out and nutritional status was found to be minimal. In Bhilai, positive impact was found on enrolment, attendance and nutritional status. In Guwahati, the program was found to be in nascent stage and thus not creating much impact. In Ahmedabad, positive impacts were found to be created on school enrolment and attendance but not on classroom performance and nutritional status of children. In Bangalore, the program was found playing a major role in school enrolment, attendance, classroom performance and nutritional status of children. In Mangalore, the programme was found creating positive impact on class room attendance and performance but not on school enrolment and nutritional status. In Hyderabad, the programme was found creating no visible impacts on school enrolment but raised the average attendance rate.

The Programme Evaluation Organisation, Planning Commission (2010) evaluated the progress of Sarva Shiksha Abhiyan in terms of its objectives and related targets in India. The study covered two union territories; Chandigarh and Puducherry and twenty eight districts of eleven states; Uttar Pradesh, Haryana, Himachal Pradesh, Rajasthan, Madhya Pradesh, Maharashtra, Bihar, West Bengal, Andhra Pradesh, Tamil Nadu and Assam. Secondary data was collected for the period 2003-07 and the primary data collected related to the year 2008. Structured questionnaires were used to collect information at state, district, town, village, school, student and household level. The results of the study reported improvement in availability of schools within close distance of habitations, overall gross enrolment and attendance ratio, enrolment ratio of girls, socially disadvantaged and differently abled children and fund utilization ratio. Superior performance of students was observed in the rural schools of Andhra Pradesh, Chandigarh, Tamil Nadu and West Bengal and in urban slums of Andhra Pradesh, Puducherry, Maharashtra and West Bengal. Though infrastructure facilities were observed to be improved in schools, some states including Assam, Bihar, Himachal Pradesh, Rajasthan and Tamil Nadu were found facing infrastructural deficits. Lack of electricity, unavailability of trained teachers in rural schools, low motivation level of teachers because of involvement in non teaching activities, weak monitoring and supervision linkages and quality of education imparted specially in states of Bihar, Madhya Pradesh, Rajasthan and Uttar Pradesh were found to be some of the issues lying outstanding with the programme.
**Tata Strategic Management Group (2010)** conducted a study to identify best practices of corporate social responsibility in the field of education in India. The study explored three models through which corporate carry the CSR activities. First being the one in which corporate are actively involved in the conceptualization and implementation of the CSR initiative, second being the one in which corporate provide material or financial support to development initiatives in education run by corporate, Government institutions and NGOs and third being the one in which corporates help in design and implementation of development initiatives of third party entities such as government, other corporates and multilateral organizations. By performing case studies of Mahindra & Mahindra, Bharti Enterprise, Jubilant Life Sciences, Microsoft Corporation India, Tata Power and Infosys Technologies in model one, HSBC and Pratham Foundation in model two and ICICI Bank and Akshaya Patra Foundation in model three, the study reported that each of the model in its own way contributes towards achievement of Right to Education objectives however the corporate who have model three as their CSR engagement model can contribute significantly towards meeting the Right to Education objectives.

**Kamath et al. (2012)** measured the impact of mid-day meal program of the Akshaya Patra Foundation on nutrition level and general health condition of the school children receiving mid-day meals. The study covered seventy five thousand four hundred sixty three students studying in classes third to seventh in five hundred fifty seven schools from different regions of Karnataka namely Hubli, Bellary, Manglore and Mysore. In order to assess the nutritional status, standard measurements recommended by the World Health Organization were adopted. Anthropometrics tools such as standard weighing scales and height rod were used. The study revealed that twenty eight percent of children receiving mid day meals were malnourished, out of which nineteen percent were undernourished and nine percent were overweight. In Bellary the prevalence malnutrition among children was found to be high at thirty three percent followed by twenty six percent in Hubli.

**Tata Institute of Social Sciences (2013)** evaluated the impact of the Padho aur Badho programme of GAIL India by focussing on qualitative indicators. Forty Padho aur Badho centres were covered in the study, forty educators were interviewed and forty focus group discussions were conducted with beneficiary children across four clusters of Ghaziabad,
Noida and East Delhi, North east Delhi and South Delhi. The educators of the centres were found to be the main reasons for the success of the programme owing to their personalized care, innovation and flexible pedagogy. The infrastructure of the centres was found to be non satisfactory. However, the programme was found improving enrolment, attendance and learning of children and even the mind set of parents realizing the advantages of education for children. Overall the programme was found making significant impact on the lives of the beneficiaries through holistic child centric development.

*Tata Institute of Social Sciences (2013)* conducted a study to assess the impact of GAIL-Sulabh International total sanitation campaign in villages like Padarkhedi, Bhawrikheda, Bhoomlakhedi, Ahmedapur and Awan of Madhya Pradesh. By gathering data from villagers and village Gram Panchayat through research questions it was found that the campaign has lead to many social benefits in the sample villages such as cleanliness, privacy, respect and safety for women, increased knowledge to prevent diseases with greater hygiene standards and awareness, less illness, higher sanitation awareness levels and more awareness about grooming.

*Tata Institute of Social Sciences (2013)* assessed the impact of GAIL-Utkarsh program which sponsors hundred meritorious but underprivileged students from Uttar Pradesh and Madhya Pradesh to prepare for engineering entrance examinations by providing free fooding, boarding and coaching for ten months. By conducting interaction with GAIL officials and program coordinators and by surveying eighty selected and placed students in engineering institutions, the study found that there was a significant increase in the batch strength and number of placements of each batch since 2009. However, a number of problems were found to be faced by the students such as poor quality of food, unavailability of twenty four hours electricity, lack of hygiene, improper study environment, insufficient duration of coaching for curriculum, unequal allocation of time between subjects, unavailability of study material on time and attitudinal biasness of teachers.

*Tata Institute of Social Sciences (2013)* assessed the impact of project ‘Light a Billion Lives’ funded by Power Finance Corporation and initiated by The Energy and Resources Institute (TERI). The study covered villages Nalanda and Lakhisarai of Bihar and Baharaich and Pilibhit of Uttar Pradesh. Semi structured interviews with officials of TERI, focussed
group discussion with twenty four rural entrepreneurs in Bihar and twenty six in Uttar Pradesh and two hundred forty nine household surveys were conducted by the study. The results reported solar laterns to be creating benefitting impacts on education, health, convenience of household chores, farming practices and entrepreneurship.

Raju (2013) assessed the nature and extent of the impact made by the Tata Steel Education Excellence Programme, Jamshedpur to the beneficiaries of the programme. Using questionnaire method to gather information from the school management, parents and students, one hundred and two responses were collected. The ICSE Board of affiliation, followed by the CBSE was found to be adopted by most of the sample schools. The objectives of the programme including school environment and safety, overall student development, innovation and out-of-the-box activities, learning experience, academic results and fostering excellence among students were found to be met to a great extent. Satisfaction with the programme and its services was observed among the schools with majority of the respondents in favour of the programme. Improvement in the scoring process and clarity of the objectives of the schemes to the beneficiaries were found to be some of the areas to improve.

District Statistics & Evaluation Office (2014) assessed the progress of Sarva Shiksha Abhiyan in terms of its objectives and related targets in district Doda of Jammu & Kashmir. The study covered two educationally backward zones and two educationally non-backward zones of the district. Secondary data was collected for the period 2002-13 and primary data collected related to the year 2013. Structured questionnaires were used to collect information at district, zonal, cluster, village, school and student level. The results of the study reported the expenditure to be hundred percent of the funds released with only forty nine percent of the civil works taken since inception. Mismatch was found in target and achievement for opening and up gradation of primary schools, construction of school buildings and other amenities. Village Education Committees were found having no knowledge about their work and duties. Proper book keeping and monitoring of mid-day meals was found to be missing. Also, the writing and arithmetic skills of the students surveyed were found to be far below the expected performance.
**Sigma Research and Consulting Private Limited (2014)** assessed the impact of mid-day meal program of the Akshaya Patra Foundation on elimination of classroom hunger, nutrition, health, enrolment and attendance. The study covered seventeen different locations across eight states in India namely V.K Hill, Bellary, Mangalore, Hyderabad, Visakhapatnam, Puri, Rourkela, Nayagarh, Gandhinagar, Vadodara, Surat, Jaipur, Jodhpur, Nathdwara, Vrindavan, Guwahati and Bhilai. The study conducted face to face structured interviews with children beneficiaries of the mid day meal programme, headmasters, teachers-in-charge, government officials and nutrition experts. Taking all indicators into consideration, Gujarat, Karnataka, Andhra Pradesh and Chhattisgarh emerged as the best overall performers among all the serving states. The Headmasters and Government Officials across most of the locations were found to be of the opinion that the programme has helped in decreasing dropout rate and increasing enrolment rate.

**Tata Institute of Social Sciences (2014)** studied the impact of the Akshaya Patra supported by Hindustan Petroleum Corporation for the year 2012-13. The study covered ten schools in Kamrup district of Assam and studied the stakeholders’ perspective including schools, students and the Akshaya Patra team. The overall impact showed satisfaction among students and schools about nutritional value, however mixed responses were observed about taste and variety of food.

**Deloitte and Tata Institute of Social Sciences (2015)** conducted impact assessment of skilling initiatives of National Skill Development Corporation across India divided into five regions with north, east and south zone being assessed by Deloitte and north east and west zone being assessed by Tata Institute of Social Sciences. Deloitte conducted interactions with forty eight hundred key beneficiaries including students, alumni, parents and employers from one hundred and eleven training centres. The results reported by Deloitte indicated a significant movement towards gainful employment and increased job opportunities. The macro economic impact on society was also found to be positive with majority of women trainees reporting higher levels of empowerment. Tata Institute of Social Sciences covered twenty seven training partners, across thirty seven centres in each zone with a study sample of one thousand students in each zone. The results reported enhanced employability, skill sets, personality and behavior of students and social mobilization among beneficiaries.
Tata Institute of Social Sciences (TISS) (2015) analyzed the impact of Axis Bank Foundation’s skill development training provided to the beneficiaries across the individual, social and industry level in India. It was found that the foundation has made skilling programmes more accessible for women across India through focused gender-specific training. The programmes were found to be directed towards people from the weaker sections of the society out of which seventy percent were below poverty line card holders. Maximum percentage of beneficiaries i.e. 16.87% were found in tailoring followed by beautician, basic computer, electrician, nursing, hospitality and mobile repairing.

2.4 The Literature Review: An Analytical View
The review of literature provided an in-depth into the studies conducted across the globe by various researchers to explore the corporate social performance of the organizations. Social reporting and conduct, factors influencing the social performances and linkage of the social performance with financial performance have been inclusively and extensively studied by various researchers. A review of such studies and the studies assessing the impact of social initiatives formed the part of this chapter and an analytical view of these studies is discussed herewith. Total one hundred and twenty four studies are covered in the literature review; of which most of the studies (sixty six in number) are Asian.

The review of studies conducted on the corporate social responsibility disclosure practices makes it evident that most of the studies have analyzed the corporate social responsibility disclosures in the annual and sustainability reports of the companies using content analysis. The studies have made use of a disclosure instrument termed as an index to identify the corporate social responsibility disclosures made by the corporations. While finding the factors influencing the corporate social responsibility disclosure practices, most of the studies included corporate size, industry difference, ownership structure, profitability, leverage and corporate governance mechanisms as the corporate characteristics and found their association with social performance.

The review of studies conducted to find the association between corporate social and organizational performance has demonstrated conflicting findings. Most of the studies used social databases and the rankings, scores and ratings of international agencies and surveys to measure the corporate social performance. Return on assets, return on equity and stock
market returns and prices were relied primarily to report on the financial performance. The studies assessing the impact of social interventions analyzed the impact of social initiatives on the beneficiaries spread across India. The impact assessment studies covered in the literature have conducted surveys of beneficiaries out coming with varying findings on impact of social initiatives across regions.

Table 2.1
(a) Review of Literature: Geographic Distribution

<table>
<thead>
<tr>
<th>Geographic distribution</th>
<th>Number of studies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asian</td>
<td>66</td>
</tr>
<tr>
<td>(Out of which twenty are Indian studies)</td>
<td></td>
</tr>
<tr>
<td>American</td>
<td>21</td>
</tr>
<tr>
<td>European</td>
<td>12</td>
</tr>
<tr>
<td>African</td>
<td>08</td>
</tr>
<tr>
<td>New Zealand</td>
<td>02</td>
</tr>
<tr>
<td>Gulf countries</td>
<td>02</td>
</tr>
<tr>
<td>Australian</td>
<td>01</td>
</tr>
<tr>
<td>Others</td>
<td>12</td>
</tr>
</tbody>
</table>

(b) Review Studies on CSR Disclosure Practices: Definitive Review Outcome

<table>
<thead>
<tr>
<th>CSR Disclosure</th>
<th>Number of studies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual and sustainability reports</td>
<td>40</td>
</tr>
<tr>
<td>Web based</td>
<td>11</td>
</tr>
<tr>
<td>Websites and annual reports combined</td>
<td>04</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Measuring CSR disclosure: Content analysis</th>
<th>Number of studies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disclosure index</td>
<td>40</td>
</tr>
<tr>
<td>Number of words, sentences and pages</td>
<td>08</td>
</tr>
<tr>
<td>Using Global Reporting Indicators(GRI)</td>
<td>06</td>
</tr>
<tr>
<td>Using software Leximancer</td>
<td>01</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Factors influencing the CSR disclosure</th>
<th>Number of studies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate size</td>
<td>20</td>
</tr>
<tr>
<td>Profitability</td>
<td>13</td>
</tr>
<tr>
<td>Corporate governance attributes</td>
<td>07</td>
</tr>
<tr>
<td>Leverage</td>
<td>06</td>
</tr>
<tr>
<td>Industry difference</td>
<td>05</td>
</tr>
<tr>
<td>Ownership structure</td>
<td>04</td>
</tr>
</tbody>
</table>
(c) Methodological Outcome of the Literature Review: An Analytical Perspective

<table>
<thead>
<tr>
<th>Measures of Corporate Social Performance</th>
<th>Rankings, scores and ratings by agencies and surveys</th>
<th>13</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>CSR disclosure</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>Social databases</td>
<td>07</td>
</tr>
<tr>
<td></td>
<td>Corporate Social Responsibility expenditure</td>
<td>04</td>
</tr>
<tr>
<td></td>
<td>Others such as listed code of ethics, emissions of toxic chemicals, questionnaire based surveys</td>
<td>08</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Measures of Financial Performance</th>
<th>Return on Asset ratio</th>
<th>22</th>
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<tbody>
<tr>
<td></td>
<td>Return on Equity ratio</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td>Stock market returns and prices</td>
<td>08</td>
</tr>
<tr>
<td></td>
<td>Tobin’s Q ratio</td>
<td>07</td>
</tr>
<tr>
<td></td>
<td>Return on Sales ratio</td>
<td>05</td>
</tr>
<tr>
<td></td>
<td>Net Profits</td>
<td>04</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tools</th>
<th>Regression and correlation analysis</th>
<th>39</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Descriptive</td>
<td>02</td>
</tr>
<tr>
<td></td>
<td>Meta Analysis</td>
<td>01</td>
</tr>
<tr>
<td></td>
<td>Granger Causality Approach</td>
<td>01</td>
</tr>
</tbody>
</table>

Table 2.1 (a) provides the geographic distribution of the one hundred and twenty four studies covered in the review of literature. The table shows that sixty six studies are Asian; of which twenty are Indian, twenty one studies are American, twelve studies are European, eight studies are African, two studies each belongs to New Zealand and Gulf countries, one study is Australian and twelve studies which are categorized as others include eleven studies which are found comparing CSR practices of more than one countries and one study is meta analytic in nature. Table 2.1 (b) shows the descriptive of those studies forming the part of literature review which have been conducted on corporate social responsibility disclosure practices and factors influencing such practices. The table shows that forty researches have studied CSR disclosure in the annual and sustainability reports, eleven have studied the web based CSR disclosure and four researches have studied both web based and annual report CSR disclosures. In order to measure the CSR disclosure of the corporations, fifty five
studies used content analysis as a measure of CSR disclosure. Out of the these fifty five studies, forty used a disclosure instrument containing statements on CSR, eight used the number of words, sentences and pages, six used the GRI indicators as the measures of CSR disclosure and one study used software Leximancer. Table 2.1 (b) shows that in the studies determining the factors influencing CSR disclosures, corporate size was used as a determinant in twenty studies, profitability in thirteen studies, corporate governance attributes in seven studies, leverage in six studies, industry difference in five studies and ownership structure in four studies.

Table 2.1 (c) provides the descriptive of the studies exploring the association between the corporate social and financial performance. The table shows that thirteen studies used rankings, scores and ratings by agencies and surveys, twelve studies used CSR disclosures, seven studies used social databases, four studies used expenditure on CSR and eight studies used code of ethics listed in the annual reports, questionnaire based surveys and emissions of toxic chemicals as the measure of social performance. Return on assets was used as the measure of financial performance in most of the studies followed by return on equity, stock market returns, Tobin’s q ratio, return on sales and net profits. Thirty nine studies used correlation and regression analysis to find the association between the corporate social and financial performance.

Thus, the analytical view of the literature review shows that the most of the researches have studied CSR disclosures in the annual and sustainability reports of the companies by using content analysis. Corporate size and profitability were the most used corporate characteristic in the studies which analyzed the factors influencing social performance. Most of the studies finding association between the corporate social and financial performance had made use of the CSR rakings, ratings and social databases to measure the social performance and return on assets to measure the financial performance. And the impact assessment studies had conducted surveys of beneficiaries to assess the impact of social initiatives.

The studies conducted in the Indian context had found social disclosures to be few and qualitative. Conflicting results have been observed in the studies finding association between social and financial performance of the Indian firms. Recently a study was conducted by Majumdar et al. (2016) as a result of partnership between IIM Udaipur, Futurescape and The
Economic Times mentioning how Indian companies are blending CSR with responsible growth. The study investigated top two hundred and seventeen companies in India for sustainability and CSR. Based on a Delphi study methodology with industry leaders and academicians, the study assigned weights to four pillars of responsible growth performance namely, governance, disclosure, stakeholder engagement and sustainability. The results found governance score to be highest of the four factors, sustainability reporting to be inadequate and emissions disclosure to be low. Only a third of the firms were found taking a long-term view of responsible business. Four Tata companies, Mahindra & Mahindra, UltraTech Cement, ITC, Shree Cement, Bharat Petroleum and Larsen & Toubro made it to the top ten rankings.

2.5 Research Gap
The review of literature has indicated that large number of studies has been conducted on the varying aspects of corporate social responsibility during the last forty years. However, in the Indian context a very few studies have been conducted.

Adherence to the sustainability and responsible growth are essential for the good of community and economy. Raising concerns over the aggravating disparities in India, emerging needs in the country to overcome the social disparities and bring inclusive growth and raised ethical and social concerns in the mind of the stakeholders as a result of the increased impact of the conduct of business activities on the society and environment are bringing the concept of corporate social responsibility in limelight time and again. The philanthropic contributions made by the corporations are blue print of corporate mission and actions to maximize the value of wealth creation to society. The social conduct and practices of a corporate not only signifies the fulfillment of its obligation to pay back to the society but also its moral and intuitive responsibility to work for the inclusive growth of the society.

Corporate social responsibility disclosures made by corporate in the annual reports or on corporate websites shapes the stakeholders expectations about the company to behave ethically. In fact the New Companies Act, 2013 has mandated the profitable companies to spend at least two percent of average net profits on CSR and also disclose such initiatives in the annual reports. This growing relevance of the corporate social responsibility and its disclosure instigates the conduct of research to study the corporate social responsibility
practices of the Indian corporations. The study will widen the limited literature base on the corporate social responsibility disclosure practices in India and will also analyze the relationship between different corporate characteristics and social performance and the corporate social and financial performance in India.

Merely knowing the CSR initiatives and practices of the corporations as a result of the sustained CSR orientations is not enough, there is a need to see whether the CSR initiatives are creating tangible impacts in the society or not. Thus, it is necessary to bring out an impact assessment of the corporate social initiatives. As few studies have been conducted in India which measures the impact assessment of social initiatives of corporate India, the present study will make an effort to initiate the research on this aspect.
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