Correlation between corporate social performance and corporate financial performance: evidence from Indian companies

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Abstract

This study examines the relationship between Corporate Social Performance and Corporate Financial Performance in Indian firms. This study proposes to examine the various dimensions of relationship between corporate social performance and corporate financial performance in India. The Corporate Social Performance variables such as Employee, Environment, Community, Size and Salary and Wages and variables like ROA, ROE, ROS, ROCE, EPS and Sales for Corporate Financial Performance, were identified and used in the study. It was found from the analysis that there was significant and positive relationship among CSP and CFP sample variables, used in the study.

Keywords: Corporate Social Performance, Corporate Financial Performance.

Introduction

Corporate Social Responsibility (CSR) has become a core concept in the corporate world, particularly for firms with operations affected by globalization and increasing institutional ownership. The widely accepted proposition is that firms do have greater responsibility in promoting societal benefits, by way of preservation of the natural resources and environment. The different activities related to CSR are narrow in scope (i.e., developing CSR-friendly corporate strategies). But the broad management of Corporate Social Responsibility represents different social issues. The importance of CSR also clearly implies that Corporate Social Performance (CSP), measures of efforts and achievements towards social responsibility and concerns considers the of researchers and practitioners. CSP measures the extent to which corporations practically handle and discharge their social responsibilities **(Megumi Suto and Hitoshi Takehara; 2016).**

In recent times, the issues of measurement of CSR and CFP have been discussed, by different academicians and business managers, across the globe. The previous studies have found positive, negative, neutral or even curvilinear relationship between CSP and CFP. **Orlitzky et al. (2003)** and **Margolis et al. (2007),** using meta-analysis, found positive relationship to be more common among the findings of the empirical literature. This raises the question of how notion of corporate social performance and corporate financial performance should be operationalized and estimated. The answer to this question was the development and incorporation of appropriate measurement approach, in the estimation of Corporate Social Performance and Corporate Financial Performance.

Meaning of Corporate Social Performance and Corporate Financial Performance

Corporate Social Performance

Corporate Social Performance (CSP) refers to the principles, practices, and outcomes of businesses' relationships with people, organizations, institutions, communities, societies, and the earth, in terms of the deliberate actions of businesses, towards these stakeholders as well as the unintended externalities of business activity. An earlier term, corporate social responsibility (CSR), was incorporated as one element of CSP and in particular, the ethical and structural principles of social responsibility or business engagement with others. It is suggested that Corporate Social Performance can be measured by using the data available, at KLD database **(Donna J. Wood; 2016).**

Corporate Financial Performance

Corporate Financial performance is a subjective measure of how well a firm can use assets from its primary mode of business and generate revenues. This term is also used as a general measure of a firm's overall financial health, over a given period of time, and can be used to compare similar firms, across the same industry or to compare industries or sectors in aggregation.

Review of Literature

A few select studies are reviewed briefly here. **Wood (1991)** examined the Corporate Social Performance as an essentially an organization's response to the expectations and demands of Corporate Social Responsibility. **Igalens and Gond (2005)** identified five different approaches towards measuring CSP. The first four approaches are based on the analysis of annual reports or other published documents, survey of directors and managers and corporate reputation indicators. The last approach depends on data and involves multi-dimensional indicators, developed by specialized organizations, to construct their own quantification model and rating. **Girerd-Potin et al. (2014)** stressed that CSP could be assessed from three perspectives: business stakeholders (employees, customers, and suppliers), societal stakeholders (environment and society) and financial stakeholders (stockholders and debt holders). **Park and Lee (2009)** identified a U shaped effect of reputation rating, as a measure of CFP and another on accounting-based CFP, although no significant impact on market based CFP was found. **Carroll and Shabbana (2010)** stated that the CSR practices need to be adapted to cope up with changing social and environmental demands and such practices always reward the firms for meeting the expectations of shareholders. **Preston and O'Bannon (1997)** debated the relationship between CSP and CFP that could be positive, neutral, and negative. **Arlow and Gannor (1982); Cochran and Wood (1984); Frooman (1994)** investigated the relationship between Corporate Financial Performance and Corporate Social Performance. **Scott J. Callan and Janet M. Thomas (2009)** examined the evolution of research on CSR, by empirical testing of appropriate control variables, while estimating the relationship between CSP and CFP. **Orlitzky (2001) and Itkonen (2003)** observed that CSP was related to the firm size. It is expected that the size of a company would be a moderating variable and would affect the relations between CSP and CFP. **Perrini et al., (2011)** examined the stakeholder-based organizing framework, to identify antecedents and outcomes of the CSP-CFP relationship.

The above studies provided an overview about the relationship between CSP and CFP of different firms, functioning in different countries. The different approaches, used were reviewed. But this study examines the relationship between CSP and CFP in Indian firms. Thus, this study would provide the empirical evidences, showing the relationship between Corporate Social Performance and Corporate Financial Performance of Indian firms.

Important of Corporate Social Performance

The study, on corporate social performance, is important for the firms so as to ensure that there is no gap between the social goals and business actions of firms. **Friedman (1962), Mahon (1997)** and **Ruf et al., (2001)** argued that the main responsibility of a company is to look after its performance, its shareholders and, therefore, cost expenditures for social responsible activities were in violation of management's responsibility. The measurement of social performance is one part of dealing with it seriously **(Carroll 2000).** Firms, in order to sustain their existence, highly depend on society. Therefore, firms constantly strive to pattern their activities so that they are in congruence with the goals of the overall social system **(Sethi 1979).** But firms need to maintain legitimacy and

Research Methodology

Sample Selection

In January 2018, National Corporate Social Responsibility Data Portal, an initiative of Ministry of Corporate Affairs, Government of India was established, to disseminate data relating to Corporate Social Responsibility of the companies registered with it. For the purpose of this study, all the top ten companies listed in National CSR Portal were taken as the sample firms.

Data Collection

The required secondary data were collected from National CSR Portal and other reputed websites (www.csr.gov.in, www.prowessiq.cmie.com and www.ndtv.com). The other required data were collected from various books, journals and magazines.

Period of the Study

The study covered a period of three years from 1st April 2014 to 31st March 2017.

Variables Used

For measuring Corporate Social Performance, variables such as Employee, Environment, Community, Size and Salary and Wages were used, as independent variables while for testing Corporate Financial Performance, variables such as ROA, ROE, ROS, ROCE, EPS and Sales were used, as dependant variables, for the purpose of this study.

Tools used for Analysis

> ➤ Descriptive Statistics (for analyzing the normality of data relating to Corporate Social Performance and Corporate Financial Performance), and
> ➤ The Correlation analyses (for finding relationship between Corporate Social Performance and Corporate Financial Performance).

Analysis of Correlation between Corporate Social Performance and Corporate Financial Performance

The analysis of Correlation between Corporate Social Performance and Corporate Financial Performance is presented as follows

a) Normality of Corporate Social Performance (CSP) and Corporate Financial Performance (CFP)

b) Relationship (using Correlation statistics) of Corporate Social Performance (CSP) and Corporate Financial Performance (CFP)

a) Normality of Corporate Social Performance (CSP) and Corporate Financial Performance (CFP)

Table-1 shows the results of descriptive statistics, for the sample variables of Corporate Social Performance and Corporate Financial Performance, during the study period of three years from 1st April 2014 to 31st March 2017. The normality of sample variables, using the Mean, Maximum, Minimum, Standard Deviation, Skewness, Kurtosis and Jarque-Bera, was tested. The analysis of CSP variables and CFP variable, **during 2014-2015,** clearly shows that the mean value of a CSP variable, namely community, was at 1.707255 and the mean value of a CFP variable, viz Sales, was at 1.206509 in 2014-2015. The highest mean value of CSP variable, namely Environment, was at 6.342404 and the highest mean value of CFP variable namely, Earning Per Share (EPS) was at 46.792 in 2014-2015. The analysis of Standard Deviation revealed that CSP variable for Environment recorded a value of 2.442791 while the lowest value of Standard Deviation was registered for CSP variable namely Salary and Wages, with the value of 0.671154. The highest Standard Deviation of CFP variable (Earning Per Share) was registered at 42.54665 and while the lowest value of Standard Deviation for CFP variable (sales) was at 3.403365 in 2014-2015. The analysis of Skewness clearly indicated that the value of CSP sample variable, namely, Community (0.555609) was positive while other variables (Employee, Environment, Size and Salary and Wages) earned negative values. The values of CFP variables (ROA, ROE, ROS, ROCE, EPS and Sales) were also positive at 2.56713, 2.294663, 1.475234, 2.528853, 0.87233 and 1.835403 respectively in 2014-2015. It is to be noted that Kurtosis value, greater than three, generally indicates high normality, which is called Leptokurtosis. According to the analysis of this Table, CSP sample variables like Environment (5.719199) and Size (3.120741), received greater value indicating Leptokurtosis. CFP variables of ROA, ROE, ROS, ROCE and Sales, with values 7.7908, 7.094284, 3.789737, 7.66228 and 5.21887 respectively, showed Leptokurtosis in 2014-2015. It is to be noted that less than three indicated no normality, which is called platy kurtosis. Sample variables like Employee, recorded at 1.398236 and Community earned a value of 2.41013. The CFP sample variable, namely, EPS reported at 2.554107 in 2014-2015. The value of Jarque-Bera clearly revealed that data for all the sample variables of CSP and CFP were normally distributed. The probability values, at less than that of 5% significant level, indicated that there was normality in the distribution of data. Hence **(NH1),** There is no normality in the Corporate Social Performance and Corporate Financial Performance of sample variables, in 2014-2015, was rejected.

It is clear from the descriptive statistics that **during 2015-2016** the lowest mean value for CSP variable, namely, community was recorded at 1.848716 and the lowest mean value of CFP variable, Sales, was at 1.16476. The highest mean value of a CSP variable, namely, Environment was at 6.874279 and the highest mean value of CFP variable, namely, Earning Per Share (EPS) was registered at 34.236 during 2015-2016. The analysis of results of Standard Deviation indicated that CSP variable, namely, Environment recorded a value of 2.541193, while the lowest value of Standard Deviation for CSP variable, namely Salary and Wages, was registered at 0.676156. The highest value of Standard Deviation for CFP variable (Earning Per Share) was registered at 34.258 while the lowest value of Standard Deviation for CFP variable (Sales) was at 3.294258. The analysis of Skewness vividly

shows that the value of CSP sample variable, Community, with a positive value of 0.686341 while other variables (Employee, Environment, Size and Salary and Wages) recorded negative value. The CFP variables like ROA, ROE, ROS, ROCE, EPS and Sales received values of 2.57064, 2.391865, 1.556777, 2.509817, 1.846738 and 1.774195 respectively and all these values were positive during 2015-2016. According to Kurtosis, values of two CSP sample variables, namely, Environment (6.724787) and Size (3.138541), were greater than the value of three, indicating Leptokurtosis in 2015-2016. But all the sample variables of CFP were normally distributed in 2015-2016. The analysis of platykurtosis indicated that CSP sample variables like Employee (1.425505) and Community (2.622004) attained no normal distribution of data in 2015-2016. The value of Jarque-Bera clearly revealed that all the sample variables of CSP and CFP were normally distributed. The probability values were less than 5% significant level, which indicated that sample variables attained normality in the distribution. Therefore, **(NH1) -** There is no normality in the Corporate Social Performance and Corporate Financial Performance of sample variables in 2015-2016, was not accepted.

It is understood from the analysis of 2016-2017 that the lowest mean value of CSP variable, Community, was at 1.854961 and the lowest mean value of CFP variable, namely, Sales was at 0.707801, during 2016-2017. The highest mean value of CSP variable, namely, Environment was at 6.864998 and the highest mean value of CFP variable, namely, Earning Per Share (EPS) was at 42.374 during 2016-2017. The analysis of results of Standard Deviation revealed that variable, namely, Environment under CSP, recorded a value of 2.558756, while the lowest value of Standard Deviation (0.663638) was registered for CSP variable, namely, Salary and Wages in 2016-2017. The highest Standard Deviation of CFP variable (Earning Per Share) was registered at 50.11407 while the lowest value of Standard Deviation for CFP variable (Sales) was at 2.250293. The analysis of Skewness clearly demonstrated that Community, a variable of CSP, recorded positive value of 0.339087 and values of CFP variables like ROA, ROE, ROS, ROCE, EPS and Sales were recorded positively at 2.564418, 2.543486, 1.497746, 2.478217, 2.180456 and 1.340104 respectively. According to Kurtosis, CSP sample variables like Environment (6.529608) and Size (3.189987) earned greater value of three, indicating Leptokurtosis. Similarly, all CFP variables like ROA, ROE, ROS, ROCE, EPS and Sales earned values greater than three, indicating normal distribution. According to platy kurtosis, two sample variables of CSP, namely Employee at 1.412294 and Community at 2.292642 did not attain normal distribution in 2016-2017. But the value of Jarque-Bera clearly revealed that all the sample variables of CSP and CFP were normally distributed. From the overall analysis of the Table, it is concluded that Null Hypothesis (NH1), **- There is no normality in the Corporate Social Performance and Corporate Financial Performance of sample variables in 2016-2017,** was rejected.

b) Relationship (using Correlation statistics) of Corporate Social Performance (CSP) and Corporate Financial Performance (CFP)

The results of correlation between the variables of Corporate Social Performance and Corporate Financial Performance, during the period from 1st April 2014 to 31st March 2017, are given in **Table-2**. The analysis of correlation, during the period 1st April 2014 to 31st March 2015, indicated that CSP variable, namely, Employee and CFP variables like ROA (0.064484), ROE (0.087417), ROCE

(0.056291) and EPS (0.074955) were positively correlated in 2014-2015. The CSP variable, namely, Environment and CFP variables like ROA (0.085011), ROE (0.175044), ROCE (0.071525), EPS (0.437252) and Sales (0.1392) were positively correlated. It is interesting to note that the Community, a variable of CSP and CFP variables like ROA (0.221795), ROE (0.11834) and ROCE (0.21522) were positively correlated. Similarly, the CSP variable, namely, Size and CFP sample variables like ROS (0.2406), EPS (0.42609) and Sales (0.06884) were positively correlated in 2014-2015. Besides, the CSP variables of Salary and Wages and one CFP variable of Earning Per Share (EPS), were positively correlated at 0.399765, during 2014-15.

The analysis of relationship (Correlation) between CSP and CFP, the period during 1st **April 2015 to 31st March 2016,** demonstrated that there was positive correlation between CSP variable, namely, Employee and CFP sample variables like ROA (0.07644), ROE (0.090365) and ROCE (0.077587) in 2015-2016. CSP sample variable of Environment and CFP variables such as ROA (0.059973), ROCE (0.05563) and Sales (0.058765) were positively correlated in 2015-2016. Besides, Community, a variable of CSP and CFP variables like ROA (0.175537), ROE (0.119907) and ROCE (0.224953) were positively corrected in 2015-2016. Similarly, CSP variable of Size and CFP variables like ROS (0.2133) and EPS (0.09689) were also correlated positively. CSP variable of salary and wages and CFP sample variable of EPS (0.072609) were positively correlated, in 2015-2016.

The analysis of correlation between CSP and CFP, for 2016-2017, revealed that CSP sample variable, namely, Employee and CFP variables of ROA (0.0919904), ROE (0.0923775) and ROCE (0.0794136) were positively correlated in 2016-2017. The CSP variable of Environment and CFP sample variables like ROA (0.05693) and EPS (0.1591008) were positively correlated during 2016-2017. Community, a variable of CSP and ROA (0.0823), ROE (0.1300549) and ROCE (0.1921416), the sample variables of CFP, were correlated positively. The CSP sample variable of Size and CFP sample variable of ROS (0.21282) were positively correlated in 2016-2017. Besides, the CSP variable, namely, Salary and Wages and one CFP variable, namely, EPS (0.1098603) were positively correlated in 2016-2017. In the light of the analysis, The null hypothesis (NH2) – **There is no relationship between Corporate Social Performance and Corporate Financial Performance the period from during 1st April 2015 to 31st March 2017,** was not accepted.

Conclusion of the Study

The analysis of the relationship between corporate social performance and its financial performance is a timely research. Today, firms are expected to dedicate its resources to socially responsible activities, such as energy conservation and support for diversity in the workplace. Some previous research studies, on the relationship between Corporate Social Performance and Financial Performance, provided conflicting results. The positive relationship between Corporate Social Performance and Corporate Financial Performance was found by **Bowman (1978), Fry and Hock (1976), Preston (1978), Anderson and Frankle (1980) and Belkaoui (1976).** Some other studies found negative relationship **(Ingram and Frazier; 1980, Freedman and Jaggi; 1982, Gerwin Van**

der Lean et al., 2008) between Corporate Social Performance and Corporate Financial Performance, which was confirmed by the present study too.

The results of this study revealed that the there was no relationship between Corporate Social Performance and Corporate Financial Performance in India. The CSP sample variable, namely, community provided normal distribution. Other variables of CSP like Employee, Environment, Size and Salary and Wages did not attain normal distribution in the study period. All CFP variables (ROA, ROE, ROS, ROCE, EPS and Sales) were normally distributed during the study period. More research work is needed to determine the extent to which these results could be generalized.

The results of the current study have contributed to both methodological and theoretical fronts. This study discussed the role of the characteristics of the sample variables, in shaping the relationship between corporate social performance and corporate financial performance.

Limitations of the study

The study covered only top ten CSR firms, during the period from 2014-2017 because of the limited availability of CSR data. The study mainly focused on normality and relationship between CSP and CFP variables, during the study period.

Scope for further research

The future research may focus an alternative measures of CSP like content analysis, survey approach, etc. The relationship between CSP and CFP may also be extended to include a balanced scorecard.

Table-1
Normality (using Descriptive statistics) of sample variables for Corporate Social Performance and Corporate Financial Performance from 1-4-2014 to 31-3-2017

Variables	Year	Corporate Social Performance Variables					Corporate Financial Performance Variables					
		EMP	ENVIN	COM	SIZE	S & W	ROA	ROE	ROS	ROCE	EPS	SALES
Mean	2014-2015	3.83866	6.342404	1.707255	5.837131	3.919415	7.95	21.954	4.266924	20.31	46.792	1.206509
	2015-2016	3.8727	6.874279	1.848716	5.885775	3.949575	8.47	21.919	6.18333	20.501	34.236	1.169476
	2016-2017	3.882444	6.864998	1.854961	5.927425	4.00369	10.785	24.287	6.805065	22.409	42.374	0.707801
Maximum	2014-2015	4.834357	8.15159	3.275657	6.511294	4.651357	50.81	81.21	20.76907	82.38	132.34	9.835176
	2015-2016	4.850039	9.15488	3.609968	6.555079	4.727627	55.14	80.67	31.54874	83.76	122.89	9.450876
	2016-2017	4.868762	9.115044	3.622359	6.603057	4.785642	73.94	101.24	33.70868	102.99	177.63	5.802174
Minimum	2014-2015	2.632457	0.6855	0.732394	4.368062	2.7344	0.46	1.62	-0.738957	9.68	1.58	-1
	2015-2016	2.62941	0.3789	0.880814	4.375795	2.738463	1.2	3.91	-0.382446	8.3	2.01	-1
	2016-2017	2.609594	0.4327	0.491362	4.359012	2.856608	1.42	7.43	-0.5626	7.89	4.32	-1
Std. Dev.	2014-2015	0.862424	2.442791	0.804489	0.69316	0.671154	15.21723	21.60349	7.164633	22.13184	42.54665	3.403365
	2015-2016	0.859929	2.541193	0.86674	0.710311	0.676156	16.56732	21.20975	11.21613	22.59879	34.258	3.294258
	2016-2017	0.883325	2.558756	0.942433	0.733505	0.663638	22.43868	27.37484	12.57927	28.9069	50.11407	2.250293
Skewness	2014-2015	-0.212265	-1.973182	0.555609	-1.161167	-0.421747	2.56713	2.294663	1.475234	2.528853	0.87233	1.835403
	2015-2016	-0.226158	-2.178142	0.686341	-1.165626	-0.425604	2.57064	2.391865	1.556777	2.509817	1.846738	1.774195
	2016-2017	-0.237965	-2.101648	0.339087	-1.186217	-0.375181	2.564418	2.543486	1.497746	2.478217	2.180456	1.340104
Kurtosis	2014-2015	1.398236	5.719199	2.41013	3.120741	1.824907	7.7908	7.094284	3.789737	7.66228	2.554107	5.21887
	2015-2016	1.425505	6.724787	2.622004	3.138541	1.898996	7.793695	7.343003	3.769766	7.608049	5.695563	5.042689
	2016-2017	1.412294	6.529608	2.292642	3.189987	1.794613	7.766221	7.739816	3.431606	7.482689	6.634399	3.519877
Jarque-Bera	2014-2015	1.144114	9.569929	0.65948	2.253256	0.871803	20.54683	15.76045	3.887061	19.71552	1.351109	7.665917
	2015-2016	1.118176	13.68802	0.844641	2.27247	0.806985	20.58845	17.39406	4.28615	19.34618	8.711593	6.984852
	2016-2017	1.144717	12.55243	0.400115	2.360224	0.84	20.42576	20.14297	3.816358	18.60864	13.42767	3.105744

Source: Collected from https://csr.gov.in, https://prowessiq.cmie.com and https://www.ndtv.com; and computed using E-views.

Note: EMP – Employee, ENVIN – Environment, COM – Community, S & W – Salary and Wages, ROA – Return on Assets; **ROE** – Return on Equity; **ROS** – Return on Sales; **ROCE** – Return on Capital Employed; **EPS** – Earning Per Share

Table-2
Relationship of sample variables (using Correlation statistics) for Corporate Social Performance and Corporate Financial Performance from 1-4-2014 to 31-3-2017

Years	Corporate Social Performance Variables					Corporate Financial Performance Variables					
	Variables	EMP	ENVT	COM	SIZE	S&W	ROA	ROE	ROS	ROCE	EPS	SALES
2014-2015	**Corporate Social Performance Variables**											
	EMP	1	-0.276579	0.363907	-0.13881	-0.26457	0.06448	0.08742	-0.1021	0.05629	0.07496	**-0.5827**
	ENVT	-0.276579	1	-0.698104	0.51078	0.586757	0.08501	0.17504	-0.0062	0.07153	0.43725	**0.1392**
	COM	0.363907	-0.698104	1	-0.4864	-0.277055	0.2218	0.11834	-0.3521	0.21522	-0.1385	**-0.3402**
	SIZE	-0.138811	0.510784	-0.486402	1	0.549886	-0.7377	-0.5794	0.2406	-0.6967	0.42609	**0.06884**
	S & W	-0.26457	0.586757	-0.277055	0.54989	1	-0.2813	-0.291	-0.5439	-0.2329	0.39977	**-0.225**
	Corporate Financial Performance Variables											
	ROA	0.064484	0.085011	0.221795	-0.73769	-0.281304	1	0.95784	-0.2578	0.9802	-0.1779	**0.08022**
	ROE	0.087417	0.175044	0.11834	-0.57936	-0.291006	0.95784	1	-0.1065	0.97058	-0.1088	**0.231**
	ROS	-0.102087	-0.006238	-0.352054	0.2406	-0.54385	-0.2578	-0.1065	1	-0.2887	-0.1831	**0.66785**
	ROCE	0.056291	0.071525	0.21522	-0.69666	-0.232932	0.9802	0.97058	-0.2887	1	-0.1234	**0.13504**
	EPS	0.074955	0.437252	-0.138458	0.42609	0.399765	-0.1779	-0.1088	-0.1831	-0.1234	1	**-0.129**
	SALES	-0.582696	0.1392	-0.340212	0.06884	-0.225021	0.08022	0.231	0.66785	0.13504	-0.129	**1**
	Variables	EMP	ENVT	COM	SIZE	S&W	ROA	ROE	ROS	ROCE	EPS	SALES
2015-2016	**Corporate Social Performance Variables**											
	EMP	1	-0.338417	0.444217	-0.14578	-0.290654	0.07644	0.09037	-0.1384	0.07759	-0.3651	**-0.5852**
	ENVT	-0.338417	1	-0.286432	-0.02629	0.667969	0.05997	-0.0315	-0.5106	0.05563	-0.0458	**0.05877**
	COM	0.444217	-0.286432	1	-0.50493	-0.449865	0.17554	0.11991	-0.154	0.22495	-0.448	**-0.2965**
	SIZE	-0.145781	-0.026291	-0.504931	1	0.549313	-0.7544	-0.615	0.2133	-0.7556	0.09689	**0.01271**
	S & W	-0.290654	0.667969	-0.449865	0.54931	1	-0.2987	-0.3072	-0.594	-0.2798	0.07261	**-0.2009**
	Corporate Financial Performance Variables											
	ROA	0.07644	0.059973	0.175537	-0.75438	-0.298696	1	0.96687	-0.2259	0.98347	-0.0233	**0.15367**
	ROE	0.090365	-0.031536	0.119907	-0.61497	-0.307234	0.96687	1	-0.0843	0.96442	-0.0252	**0.28548**
	ROS	-0.138368	-0.5106	-0.154035	0.2133	-0.59395	-0.2259	-0.0843	1	-0.2517	0.05968	**0.6395**
	ROCE	0.077587	0.05563	0.224953	-0.75555	-0.279751	0.98347	0.96442	-0.2517	1	0.00368	**0.188**
	EPS	-0.365112	-0.045767	-0.447963	0.09689	0.072609	-0.0233	-0.0252	0.05968	0.00368	1	**0.10732**
	SALES	-0.58515	0.058765	-0.296456	0.01271	-0.200909	0.15367	0.28548	0.6395	0.188	0.10732	**1**

2016-2017

Variables	EMP	ENVT	COM	SIZE	S & W	ROA	ROE	ROS	ROCE	EPS	SALES
Corporate Social Performance Variables											
EMP	1	-0.3769209	0.5973844	-0.16368	-0.2714365	0.09199	0.09238	-0.1127	0.07941	-0.3779	-0.5191
ENVT	-0.3769209	1	-0.2219661	-0.14197	-0.0984257	0.05693	-0.0221	0.02965	0.02355	0.1591	-0.0653
COM	0.5973844	-0.2219661	1	-0.51168	-0.4778767	0.1823	0.13005	-0.0963	0.19214	-0.4325	-0.3604
SIZE	-0.1636826	-0.1419728	-0.5116834	1	0.576344	-0.7743	-0.6966	0.21282	-0.7857	0.03875	-0.0991
S & W	-0.2714365	-0.0984257	-0.4778767	0.57634	1	-0.3288	-0.3496	-0.6045	-0.3226	0.10986	-0.2068
Corporate Financial Performance Variables											
ROA	0.0919904	0.05693	0.1823	-0.77432	-0.328754	1	0.98342	-0.2333	0.99092	0.015	0.33025
ROE	0.0923775	-0.0221104	0.1300549	-0.69655	-0.3495724	0.98342	1	-0.1193	0.97731	-0.0189	0.44573
ROS	-0.1127089	0.0296539	-0.0962668	0.21282	-0.6044883	-0.2333	-0.1193	1	-0.2483	0.00178	0.49185
ROCE	0.0794136	0.0235459	0.1921416	-0.78565	-0.3226359	0.99092	0.97731	-0.2483	1	0.06359	0.35282
EPS	-0.3778565	0.1591008	-0.4325018	0.03875	0.1098603	0.015	-0.0189	0.00178	0.06359	1	0.05382
SALES	-0.519102	-0.065285	-0.3603615	-0.09908	-0.2067838	0.33025	0.44573	0.49185	0.35282	0.05382	1

Source: Collected from https://csr.gov.in, https://prowessiq.cmie.com and https://www.ndtv.com; computed using E-views.

Note: EMP – Employee, **ENVT –** Environment, **COM –** Community, **S & W –** Salary and Wages, **ROA** – Return on Assets; **ROE** – Return on Equity; **ROS** – Return on Sales; **ROCE** – Return on Capital Employed; **EPS** – Earning Per Share

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