

## Corporate Social Responsibility and Firm Performance: The Mediating Role of Reputation

**Authors :** Yosra Makni, Mariam Dammak, Dhouha Abed

**Abstract :** Purpose: This paper investigates the mediating role of corporate reputation on the relationship between corporate social responsibility and financial performance. Design/Methodology/Approach: Based on a sample of 4329 drawn from 33 developed and developing countries and over a period of eight-year ranging from 2009 to 2016, we apply an Ordinary Least Squares regression (OLS) regressions to test our hypotheses. Findings: The authors find that there is a positive association between Corporate Social Responsibility (CSR) engagement and the financial performance of a company. They also document that there is a positive association between CSR engagement and a company's reputation and the company's reputation mediates the relationship between engagement in CSR activities and financial performance. Originality Value: This study contributes to the literature in the following ways. First, our research advances the understanding of the link between corporate social responsibility and financial performance by responding to the requests of several researchers to study the mechanisms of mediation between these two concepts given the scarcity relative to currently available research. So we include the most important predicted advantage of CSR, namely reputation, by developing and testing a more complex relationship. Secondly, these relationships have been investigated using an international sample drawn from a large number of countries with a high reputation. Using Judy and Kenny's method, we have confirmed that the company's reputation can play the role of a mediating variable on the relationship between CSR's commitment to operations and the financial performance of the company. More specifically, the more the company is engaged in the activities of CSR, the more it can have a good reputation, more than it has a good financial performance.

**Keywords :** corporate social responsibility, company's reputation, financial performance, mediating variable

**Conference Title :** ICAMF 2019 : International Conference on Accounting and Managerial Finance

**Conference Location :** Dublin, Ireland

**Conference Dates :** October 24-25, 2019