

CSR Reporting, State Ownership, and Corporate Performance in China: Proof from Longitudinal Data of Publicly Traded Enterprises from 2006 to 2020

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Abstract : This paper offered the primary methodical proof on how CSR reporting related to enterprise earnings in listed firms in China in light of most evidence focusing on cross-sectional data or data in a short span of time. Using full economic and business panel data on China's publicly listed enterprise from 2006 to 2020 over two decades in the China Stock Market and Accounting Research database, we found initial evidence of significant direct relations between CSR reporting and firm corporate performance in both state-owned and privately owned firms over this period, supporting the stakeholder theory. Results also revealed that state-owned enterprises performed as well as private enterprises in the current period. But private enterprises performed better than state-owned enterprises in the subsequent years. Moreover, the release of social responsibility reports had a more significant impact on the financial performance of state-owned and private enterprises in the current period than in the subsequent periods. Specifically, CSR release was not significantly associated with the financial performance of state-owned enterprises on the lag of the first, second, and third periods. But it had an impact on the lag of the first, second, and third periods among private enterprises. Such findings suggested that CSR reporting helped improve the corporate financial performance of state-owned and private enterprises in the current period, but this kind of effect was more significant among private enterprises in the lag periods.

Keywords : China's listed firms, CSR reporting, financial performance, panel analysis

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