

A Case Study on the Value of Corporate Social Responsibility Systems

Authors : José M. Brotons, Manuel E. Sansalvador

Abstract : The relationship between Corporate Social Responsibility (CSR) and financial performance (FP) is a subject of great interest that has not yet been resolved. In this work, we have developed a new and original tool to measure this relation. The tool quantifies the value contributed to companies that are committed to CSR. The theoretical model used is the fuzzy discounted cash flow method. Two assumptions have been considered, the first, the company has implemented the IQNet SR10 certification, and the second, the company has not implemented that certification. For the first one, the growth rate used for the time horizon is the rate maintained by the company after obtaining the IQNet SR10 certificate. For the second one, both, the growth rates company prior to the implementation of the certification, and the evolution of the sector will be taken into account. By using triangular fuzzy numbers, it is possible to deal adequately with each company's forecasts as well as the information corresponding to the sector. Once the annual growth rate of the sales is obtained, the profit and loss accounts are generated from the annual estimate sales. For the remaining elements of this account, their regression with the nets sales has been considered. The difference between these two valuations, made in a fuzzy environment, allows obtaining the value of the IQNet SR10 certification. Although this study presents an innovative methodology to quantify the relation between CSR and FP, the authors are aware that only one company has been analyzed. This is precisely the main limitation of this study which in turn opens up an interesting line for future research: to broaden the sample of companies.

Keywords : corporate social responsibility, case study, financial performance, company valuation

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