

Publication date: February 2015

Source:Journal of Business Research, Volume 68, Issue 2

Author(s): Sayedeh Parastoo Saeidi , Saudah Sofian , Parvaneh Saeidi , Sayyede Parisa Saeidi , Seyyed Alireza Saeidi

Direct relationship between corporate social responsibility (CSR) and firm performance has been examined by many scholars, but this direct test seems to be spurious and imprecise. This is because many factors indirectly influence this relation. Therefore, this study considers sustainable competitive advantage, reputation, and customer satisfaction as three probable mediators in the relationship between CSR and firm performance. The findings from 205 Iranian manufacturing and consumer product firms reveal that the link between CSR and firm performance is a fully mediated relationship. The positive effect of CSR on firm performance is due to the positive effect CSR has on competitive advantage, reputation, and customer satisfaction. The final findings show that only reputation and competitive advantage mediate the relationship between CSR and firm performance. Taken together, these findings suggest a role for CSR in indirectly promoting firm performance through enhancing reputation and competitive advantage while improving the level of customer satisfaction.

[Read Full Article](#)