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Hesham Yossef Khayat

Department of Accounting, Tanta University, Egypt

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From a Customer-centric to a Stakeholders-centric Approach: A Corporate Social Responsibility Reforms and the Long-term Financial Performance

Hesham Yossef Khayat

Department of Accounting, Tanta University, Egypt

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ABSTRACT

This study explores the various reshaped corporate social responsibility (CSR) initiatives toward a stakeholders-centric approach undertaken during the unpredicted crisis and their long-term impact on firms' financial performance. Content analysis was conducted to measure the extent to which Egyptian firms tailor various corporate social responsibility initiatives directed toward different groups of stakeholders. Furthermore, OLS regression measures the long-term impact of stakeholders-centric CSR reforms on financial performance. The main empirical results show that the COVID-19 crisis led most firms to change their attitude toward their stakeholders through their social responsibility. Additionally, firms that increased their SR engagement in response to the pandemic experienced a significant improvement in their financial performance in the long run. This study provides valuable insights for managers and policymakers on effectively responding to crises through SR initiatives while enhancing their firm's financial performance among stakeholders.

Keywords: *Social responsibility reforms; stakeholders' theory; financial performance; sustainable changes.*

1. Introduction

Corporate Social Responsibility (CSR) has become an essential component of strategic management and organisational legitimacy in the modern global business context, beyond its original definition as a voluntary corporate activity (Carroll, 1999; Dahlsrud, 2008). The evolution of CSR practices reflects the complex and dynamic relationship between corporations and society, necessitating a critical reevaluation of traditional approaches to corporate governance and stakeholder management (Freeman et al., 2010).

Traditionally, CSR programs have mostly followed customer-centric models, giving top priority to brand loyalty and customer pleasure as the main drivers of CSR (Bhattacharya & Sen, 2004). Although this approach enhances market position and short-term financial performance, it often ignores a broader spectrum of stakeholders. This narrow focus is becoming increasingly problematic considering global challenges such as climate change, income inequality, pandemics, and social justice movements (Porter & Kramer, 2011).

As a result of the recent COVID-19 pandemic, companies have changed the way they interact with their customers and run their operations to manage the crisis (Garriga and Melé, 2004; Eltambohy and Abdallah, 2022; Abdallah, Ismail, and Eltambohy, 2023). Effective organizations, in response to COVID-19, have developed a deeper understanding of the importance of supporting stakeholder capitalism by meeting the fundamental needs of societies and citizens. COVID-19 has forced many companies to revamp their business practices to become more efficient by adopting cutting-edge technologies and alternative revenue sources (Obrenovic et al., 2020; Abdallah, Ismail, and Eltambohy, 2022).

These paradigm shifts in social responsibility from customer-centric to stakeholder-centric CSR models raise pertinent questions regarding their impact on long-term financial performance. While the immediate costs of implementing comprehensive stakeholder-oriented practices may be substantial, emerging research suggests potential long-term benefits in terms of risk mitigation, reputation enhancement, and sustainable value creation (Eccles et al., 2014; Surroca et al., 2010). However, the precise mechanisms through which stakeholder-centric CSR contributes to financial performance remain subject to debate, necessitating further empirical investigation.

This study aims to critically examine the relationship between stakeholder-centric CSR reforms and long-term financial performance, exploring the mechanisms through which broader stakeholder engagement may contribute to sustainable corporate performance. By integrating insights from stakeholder theory, this research seeks to develop a comprehensive framework for understanding the complex interaction between CSR strategies and future financial outcomes in the contemporary Egyptian business context.

The significance of this research lies in its potential to bridge the gap between stakeholder theories and empirical evidence of long-term financial performance. As corporations face increasing pressure to address societal challenges while maintaining profitability, understanding the long-term implications of stakeholder-centric approaches becomes crucial for both academics and practitioners. Moreover, this study contributes to the ongoing debate on the role of corporations in society and the potential for aligning profit-seeking behaviour with broader social and environmental objectives.

The paper is structured as follows: Section 2 discusses the multiple Theoretical perspectives to conceptualize the linkages between stakeholder-centric CSR and financial performance. Subsequently, Section 3 reviews the previous existing research on CSR approaches, stakeholder theory, and their financial implications to propose testable hypotheses. The methodology section, in section 4, outlines the empirical approach, detailing data collection methods, variable operationalization, and analytical techniques employed to test the proposed relationships. Section

5, presents and interprets the empirical findings that explain the relationships between stakeholder-centric CSR reforms and various indicators of long-term financial performance. Finally, conclusions are drawn, theoretical and practical implications are discussed, and avenues for future research are proposed in section 6.

2. Stakeholder and crisis management theoretical perspectives

Stakeholder theory is a theoretical perspective that emphasizes the importance of considering the needs and interests of all stakeholders in business decision-making. This includes not only customers, but also employees, suppliers, shareholders, and the wider community. The theory argues that businesses have a responsibility to create value for all stakeholders and that a stakeholder-centric approach is essential for long-term success and sustainability (Freeman, 1984).

In the context of the COVID-19 pandemic, stakeholder theory has become even more relevant. The pandemic has highlighted the interdependence between businesses and their stakeholders and the importance of taking a holistic approach to business that prioritizes the well-being of all stakeholders. Businesses that have prioritized the needs of their stakeholders during the pandemic have earned greater trust and loyalty from their customers, employees, and the wider community, demonstrating the value of a stakeholder-centric approach (Freeman, 1984; Garriga and Melé, 2004).

The stakeholder theory also supports the idea that businesses and stakeholders should work together to create value. Through the cooperation of a firm's stakeholders, a company's stakeholders may be able to achieve synergies that will ensure the organization's survival and the maintenance of its competitive position in the long run (Chijoke-Mgbame et al., 2020). To create value for all parties, businesses and stakeholders must have similar interests and establish trusting working relationships (Kujala et al., 2019). CSR and stakeholders' theory are, predictably, closely related, with the proactive social responsibility approach involving a wide range of stakeholders. This should be reflected in ongoing conversations with everyone who has an interest. Stakeholders may benefit from these discussions since they will offer them an opportunity to express any concerns or questions they may have about the company's strategies.

Stakeholder and crisis management theories are important theoretical perspectives for guiding social responsibility reforms during the crisis. They provide a framework for understanding how businesses can balance their obligations to different groups in society during times of crisis. By taking a holistic approach that considers the needs and interests of all stakeholders, companies can help build more resilient communities and contribute to a more sustainable future for all. The importance of these perspectives is likely to continue in the future, as businesses increasingly recognize the value of a stakeholder-centric approach and the need to manage risks and crises effectively.

3. Literature review and hypothesis development

CSR has gained significant attention in recent years, with research suggesting a positive link between CSR practices and financial performance. Studies indicate that reviewed CSR reports and effective internal controls can influence stakeholder perceptions, particularly among customers and employees, leading to improved financial outcomes (Akisik & Gal, 2017; Abdallah, Ismail, and Eltamby, 2023). CSR initiatives may enhance organizational learning, innovation, and resource acquisition, contributing to competitiveness (Rojas et al., 2014). The stakeholder approach has emerged as a key framework for understanding CSR, emphasizing the importance of creating shared value for various constituencies beyond shareholders (Perrini et al., 2013). This shift towards a broader definition of business success reflects a growing recognition of the need for more sustainable and socially responsible business practices. However, the relationship between CSR and stakeholder management has been debated for decades, with ongoing research exploring the challenges and implications of these approaches (Kakabadse et al., 2005).

Further research has explored the strategic implications of CSR. Porter and Kramer (2006) argue that CSR can be a source of opportunity, innovation, and competitive advantage when approached strategically. They propose the concept of "shared value," suggesting that companies can create economic value by addressing social and environmental challenges. This perspective aligns CSR more closely with core business operations and strategy.

The impact of CSR on firm reputation and brand equity has also been a focus of study. Lai et al. (2010) found that CSR activities can positively influence brand equity, customer loyalty, and satisfaction. This suggests that CSR can be an effective tool for building and maintaining strong relationships with key stakeholders, particularly consumers.

However, critics argue that the business case for CSR may be overstated. Margolis and Walsh (2003) conducted a meta-analysis of studies examining the link between CSR and financial performance, finding mixed results and methodological issues in many studies. This highlights the need for more rigorous research to establish the precise nature and extent of the relationship between CSR and financial outcomes.

The global context of CSR has also received attention, with scholars examining how CSR practices differ across cultures and economic systems. Matten and Moon (2008) propose a framework for understanding "explicit" and "implicit" CSR, arguing that institutional contexts shape how companies engage in and communicate their social responsibilities.

Recent years have seen increased focus on specific aspects of CSR, such as environmental sustainability and social justice. The concept of "Environmental, Social, and Governance" (ESG) criteria has gained prominence among investors and corporate leaders to assess company performance on these dimensions (Eccles et al., 2014). This reflects a growing recognition of the material risks and opportunities associated with sustainability issues. The COVID-19 pandemic has further accelerated this trend, bringing the importance of ESG factors into sharp relief (Cheema-Fox et al., 2020). The crisis has highlighted the interconnectedness of social and environmental issues with business resilience and long-term value creation.

During the pandemic, companies with strong ESG profiles demonstrated greater resilience, often outperforming their peers in terms of stock market returns and financial stability (Demers et al., 2021). This has led to increased investor interest in ESG-focused investments, with record inflows into sustainable funds during 2020 and 2021 (Raimo et al., 2021). The pandemic has also intensified the focus on the 'S' in ESG, with issues such as employee health and safety, supply chain ethics, and community support becoming critical concerns for stakeholders and regulators alike (Bae et al., 2021).

Moreover, the global health crisis has underscored the importance of crisis preparedness and risk management, both key components of effective CSR and ESG strategies. Companies that had already invested in robust CSR practices were often better positioned to respond to the challenges posed by the pandemic, from managing remote workforces to maintaining stakeholder trust (Kramer, 2020). This experience has prompted many organizations to reassess and strengthen their CSR commitments, viewing them not just as ethical imperatives but as essential elements of business continuity and resilience in an increasingly volatile world.

Given that businesses frequently use the principles of social responsibility as best practices for responding to public interests and influencing perceptions of the social role of business (Carroll & Buchholtz, 2009; Frederick, 2006), Specifically in times of pandemic, firms, as part of their CSR policies, are making greater efforts to help and actively support vulnerable individuals. In this regard, firms are called upon to perform functions that go beyond the production of goods and services and the implementation of activities aimed at responding to the social needs of various stakeholders to overcome the serious health, social, and economic consequences of the pandemic. So, this paper goes beyond the earlier studies to address the following hypothesis:

H1: Companies are committed to reshaping their policies to consider the social responsibility initiative from a stakeholder perspective.

On the other hand, Prior Research has shown a mixed result on the relationship between CSR and firms' financial performance. Whereas Eccles et al. (2014) and Wang and Chen (2017) found a significant positive association between CSR initiatives and financial performance. However, some studies present a more nuanced view. McWilliams and Siegel (2000) argued that the relationship between CSR and financial performance is neutral when properly accounting for R&D investments. They suggest that CSR can be a strategic investment, but its financial impact varies based on industry and market conditions. Therefore, this paper seeks to address the following hypothesis:

H2: Companies that adopt stakeholder-centric CSR reforms will achieve financial performance in the long run.

While a positive association has been generally observed, the strength and nature of this relationship can vary significantly depending on various contextual factors (Orlitzky et al., 2003). One crucial factor that may moderate this relationship is the industry context in which a firm operates. Industries differ in their levels of social and environmental impact, regulatory pressures, and stakeholder expectations (Brammer et al., 2007). Firms in industries with high societal impact,

such as energy, healthcare, or finance, may experience more pronounced effects of their SR initiatives on financial performance due to heightened public scrutiny and stakeholder sensitivity (Surroca et al., 2010). Therefore, we predict that the relationship between Stakeholder-centric CSR reforms and financial performance will be stronger for firms operating in industries with high societal impact. So, this research aims to test the following hypothesis:

H3: The positive effect of Stakeholder-centric CSR reforms on long-term financial performance is higher in firms operating in industries with high societal impact.

4. Methodology

4.1 Research Sample, and Data Collection:

To test the relationship between Stakeholder-centric CSR reforms in the wake of pandemics and firms' reputations, we collected data on a sample of 25 listed firms in the Egyptian stock exchange from various industries (e.g. communication, cement, energy, banking, and pharmaceuticals). To measure their level of SR engagement beyond the COVID-19 outbreak on the different groups of stakeholders presented in customers, employees, government, and overall society. This research depends on annual reports, sustainability reports, and the firm's website to collect data about firms' social responsibility practices during 2020–2022.

This paper utilizes manual content analysis to identify the social responsibility strategies carried out by each firm belonging to a certain industry in response to the COVID-19 pandemic. Also, an OLS regression analysis is used to test the research hypotheses.

4.2 Variables Measurement:

Stakeholder-Centric CSR Reforms

To measure the reforms in CSR, the researcher observed how firms managed the COVID-19 pandemic by reviewing the best practices of social responsibility they adopted during and beyond times of the pandemic. the researcher uses the content analysis of the annual reports and websites to quantify the social practices that firms in various industries use to consider their stakeholders. The attributes of stakeholder-centric CSR reforms are listed in Appendix 1.

Also, the author uses the following equation to quantify the reforms in social responsibility practices:

$$CSR_{i,t} = \frac{\sum_{j=1}^m S_j}{N}$$

Type equation here.

Model (1)

Where: $CSR_{i,t}$ is the total number of socially responsible initiatives undertaken by the firm (i) in a year (t). $\sum_{j=1}^m S_j$ represents the total firm's responsible initiatives j dedicated to all stakeholders such as society, employees, customers, and the government. N is the maximum number of SR initiatives.

4.3 Empirical model:

To examine the impact of Stakeholder-centric CSR reforms on financial performance in the long run, an OLS regression has been conducted using a dataset that covered 25 firms in different industries. Model (2) aims to investigate this relationship. As mentioned earlier in H₂, socially responsible firms will improve their performance by supporting stakeholder capitalism strategies to enhance their trust.

$$FS_{i,t+2} = \alpha_0 + \beta_1 CSR_{i,t} + \beta_2 \sum_{j=1}^m CONTROL + \varepsilon_{it} \quad \text{Model (2)}$$

Where, $FS_{i,t+2}$ is the firm's financial performance measured by the ROA in t+2. SRI denotes the score of social responsibility reforms adopted in the wake of pandemics measured by Model 1 Table 2 explains the other control variables that capture the firm characteristics. As, it is argued that firm characteristics are important indicators for firm strategies and outcomes, for instance, large companies follow more conservative strategies to avoid any future risks, and hence, they follow a balanced CSR approach (Li, 2010; Rogers et al., 2011, Abdallah and Eltambohy, 2022). So, this model controlled firm characteristics that may affect $FS_{i,t+2}$ such as corporate governance characteristics, firm size, liquidity, and leverage variables as explained in Table (2).

Model (3) examines the moderating effect of industry on the association between $FS_{i,t+1}$, and SR. As explained above in H₃, firms operating in industries with higher levels of stakeholder engagement and high societal impact have improved the greater impact of social responsibility reforms on long-term firms' financial performance.

$$FS_{i,t+2} = \alpha_0 + \beta_1 CSR_{i,t} + \beta_2 Indust + \beta_3 SR * Indust + \beta_4 \sum_{j=1}^m CONTROL + \varepsilon_{it} \quad \text{Model (3)}$$

Where *Indust* represents the industry in which firms operate measured as a dummy variable; take value =1 if the firm belongs to the industry with higher levels of stakeholder engagement (such as services, health, industrials, and oil and gas), and 0 otherwise, while *SRI*Indust* represents the interaction between the score of SRI and industry type. FS, $SR_{i,t+2}$, and Other control variables were measured as explained in Table (1).

Table 1. Summary of variables' description

Variables	Acronym	Variables Definition
Dependent Variable		
<i>Long-term Financial performance</i>	$FS_{i,t+2}$	The firm's financial performance is measured by the <i>ROA</i> (Return on assets = % net income to total asset) in $t+2$, and <i>Rev_Growth</i> (revenue growth = Current year's net sales or revenue/Last year's total sales or revenue-1)*100) as an alternative measurement of financial performance uses to robustly check the results.
Independent variables		
<i>Stakeholder-Centric CSR reforms</i>	$CSRI_{i,t}$	the score of corporate social responsibility reforms engages all stakeholders (e.g., employees, community, customers and suppliers, government) measured by this equation
<i>Industry context</i>	<i>Indust</i>	Industry in which firms operate is measured as a dummy variable; take value =1 if the firm belongs to the industry with higher levels of stakeholder engagement, and 0 otherwise
<i>Interaction variable</i>	$SR*Indust$	the interaction between the score of SRI and industry type
Control variables		
<i>Firm-level characteristics</i>	<i>Size</i>	Firm size is measured by the natural log of total assets.
	<i>LEV</i>	Leverage; % total debt to total assets
	<i>LIQ</i>	Liquidity is measured by the current ratio (=Total assets/total liabilities).

5. Results and Discussion

5.1 Results of the content analysis of Stakeholder-centric CSR reforms

Table (2) presents the main results of the content analysis of the SR practices for the research sample covering the narrative sections of the annual reports, sustainability reports, and the firm's website in 2020-2022. It can be concluded that banks are focused mainly on the customer's perspective, so that has the highest percentage. Then they focused on the government and how to help it efficiently deal with COVID-19. After that, they focused on the employees and how to provide a good and healthy environment for them to work safely. Lastly, the lowest percentage is for society; they didn't focus on providing good help for them.

Second, in the cement industry, firms focus mainly on the employees and how to provide a good and healthy environment for them to work safely, and they focus on it, so it has the highest percentage. Then they focused on the customer perspective, which is defined as a measurement that determines how happy customers are with a company's services and capabilities. Next, they

focused on the government and how to support the Ministry of Health in dealing with pandemics. Finally, society has the lowest percentage because it does not pay enough attention to it.

Third, in the communication industry, the focus is the customer perspective, which is defined as the measurement that determines how happy customers are with a company's services and capabilities, so it has the highest percentage. Then they focused not only on the employees and how to reduce employees' exposure to crisis in the workplace. Lastly, but also on the government, the lowest percentage is for Society, which aims to protect the lives of citizens.

Fourth, in the energy industry, the focus is on the customer perspective, which is defined as a measurement that determines how happy customers are with a company's services and capabilities, so it has the highest percentage. Then they focused not only on society and how to prevent the spread of pandemic but also on how to reduce employees' exposure to pandemic in their workplace. Lastly, the lowest percentage is for the government, which aims to protect the lives of citizens.

Lastly, the pharmaceutical industry has the largest share since businesses there primarily concentrate on helping the government and people cope with COVID-19. Subsequently, a great deal of attention was paid to the workers and how to give them a safe and healthy work environment. After that, they focused on society and how to create a supportive society for themselves. Finally, the consumer receives the lowest % since they don't give it enough attention.

Table 2: Descriptive statistics of the CSR score distributed by firms.

Sector		Egy_firms	CSR_Score	Mean	STD
Service firms	Banks	QNB	35	0.46667	0.50351
		Banque Misr	32	0.43243	0.50111
		CIB	31	0.40789	0.49771
		Credit Agricole	38	0.5	0.50273
		Alex Bank	44	0.59459	0.49219
		Emirtates NBD	32	0.42667	0.49962
	Communication	Vodafone	67	0.79762	0.39277
		We	62	0.7381	0.43574
		Orange	59	0.70238	0.45545
		Etisalat	62	0.7381	0.43574
Industrial firms	Energy	Shell	47	0.56627	0.49829
		TAQA	49	0.59036	0.49404
		Dana Gas	43	0.52439	0.50257
		Energiean	52	0.64198	0.4842
		Apex	41	0.5	0.50324
		Siemens	39	0.46988	0.50122
	Cement	Titan	43	0.5119	0.503
		CEMEX	31	0.36905	0.48376

		Lafarge	36	0.42857	0.49746
		Suez Cement	31	0.36905	0.48376
	Pharmaceutical	Sanofi	57	0.67857	0.47584
		Pfizer	42	0.5	0.503
		Astrazeneca	64	0.7619	0.43574
		Novartis	44	0.52381	0.50315
		Roche	32	0.38095	0.48718

Therefore, the various CSR initiatives developed by those firms are essential in managing the social risks associated with the crisis in Egypt, confirming the first hypothesis H1 that management reshapes their CSR policies to face the risks posed by the crisis. These results also coincided with the stakeholders' and crisis management perspectives, which acknowledged that crisis is considered a unique window of opportunity that could enable responsible managers to change their practices sustainably. Corporate social responsibility reforms in the wake of crisis present both challenges and opportunities for businesses. On the one hand, businesses face significant financial pressures during the crisis, which may make it difficult for them to invest in social responsibility initiatives. On the other hand, businesses that take proactive steps to support society during pandemics may enhance their reputation and build stronger relationships with stakeholders.

These results support the argument of the prior studies, which indicate that businesses beyond recent COVID-19 and global climate change are increasingly shifting from a shareholder value (e.g. narrow customer-centric focus) to contributions to society and environment (e.g. broader stakeholder-oriented approach) in their CSR practices, where a company's success and long-term business sustainability depends on its shareholders, management, and relationship with society particularly in unpredicted crises (Paine, 2020; Demers et al., 2021; Cheema-Fox et al., 2020; Gokarna & Krishnamoorthy, 2021; Eltambohy and Abdallah, 2022).

5.2 Results of a Multivariable Analysis

Table 3 presents the results of the OLS regression for the second research hypothesis, which indicates that social responsibility reforms will achieve financial performance in the long run. Based on the results of model 1, there is a significant positive impact of Stakeholder-centric CSR reforms especially in social initiatives on financial performance in the long run at a significance level of 0.01 with a coefficient of 6.386 and T-value of 3.729. This result confirms our hypothesis H2, which indicates that the higher the stakeholder-centric CSR reforms score toward different stakeholders, the higher the company's profitability in the long run.

The model is statistically significant at a level of 1% with F-statistics of 4.074 and an adjusted R2 of 55.6%. Regarding control variables, company size and liquidity also, significantly and positively affect firms' financial performance at 1%, indicating that large companies are more

profitable. These results coincide with the prior studies, which reveals that the broader stakeholder focus on CSR strategy can lead to improved financial outcomes and enhanced organizational performance in the long run (Eccles et al., 2014; Wang and Chen, 2017; Akisik & Gal, 2017; Hasan, Singh & Kashiramka, 2022; Abdallah et al., 2023).

To confirm the previous results, we reconduct the analysis using the revenue growth for period of 1+2 (REV_Growth₁₊₂) as an alternative measure of the future financial performance. Model 2 of Table 4 indicates that SR reforms affect firms' performance in the future significantly and positively at a significance level of 0.05 (A coefficient of 9.231 and T-value of 3.034).

Table 3: Results of testing hypothesis H2

Independent Variables	Model 1		Model 2	
	ROA ₁₊₂		REV_Growth ₁₊₂	
	Coefficient	Coefficient	Coefficient	T-value
C	26.337	3.447**	43.447	3.198**
CSR	6.386	3.729**	9.231	3.034**
SIZE	36.27	3.497**	59.484	3.227**
IIQ	0.004	3.084**	-0.012	-.368
LEV	-27.415	-0.186	-42.243	-2.674**
Adjusted R ²	.556		.577	
F-statistics	4.074***		3.817**	
Obs.	52		51	

Note: ***, **, and * refer to statistical significance at 1%, 5%, and 10% respectively.

On the other hand, Table 4 shows the results of testing hypothesis H3, which predicted the moderating effect of industry context on the relationship between Stakeholder-centric CSR reforms and a firm's financial performance in the long run. As shown in Model 3, there is a significant positive impact of Stakeholder-centric CSR reforms on financial performance at 0.05 with an adjusted R² of 22.5%. These findings show a significant positive relationship between financial performance and industry context with a coefficient of 5.457 and a t-value of 3.450. The interaction effect of the industry type and the social reforms significantly increases the effect of SR on financial performance with a coefficient of 3.260 and t-value of 3.444 which supports hypothesis H3 indicating that industry with higher societal impact enhances the positive association between social reforms and future financial performance.

Table 4: Results of testing hypothesis H3

Independent Variables	Model 3	
	Coefficient	ROA ₁₊₂
C	-11.145	-2.669**
CSR	5.546**	2.491**
INDUST	5.457	3.450**
SR*INDUST	3.260	3.444**
SIZE	.226	1.263
IIQ	-.023	-.609
LEV	-11.176	-2.582**
Adjusted R ²		.225
F-statistics		2.162**
Obs.	25	

Note: ***, **, and * refer to statistical significance at 1%, 5%, and 10% levels respectively.

Overall, the previous results of the multiple regression in Tables 4 and 5 provide empirical evidence to support the research hypotheses (H2, and H3). These results suggest that reforms in the social responsibility initiatives can increase the stakeholders' satisfaction, which leads to financial performance in the long run. Furthermore, industry context can strengthen the positive relationship between SR reforms and financial performance in the long run.

6. CONCLUSION

This study has examined the shift from customer-centric to stakeholder-centric approaches in corporate social responsibility (CSR) and its impact on long-term financial performance. Based on the thorough investigation of theoretical frameworks and empirical data in this study several important conclusions have been drawn. First, many Egyptian firms adopt the real Stakeholder-centric CSR approach in their core business strategies, particularly in times of pandemic, and these companies achieved superior outcomes in both social impact and financial performance. Also, our main finding implies that communication, banks, pharmaceuticals, energy, and cement industries succeeded in concentrating their overall efforts during the pandemic on reshaping their SR initiatives towards customers, employees, government, and society to overcome the negative impacts of the pandemic. Their focus moved from a customer-centric to a stakeholders-centric approach. On the other hand, the cement and pharmaceutical companies should concentrate more on growing their social and consumer activities.

Second, our results indicate that the adoption of stakeholder-centric CSR practices is associated with improved long-term financial performance. This relationship is mediated by factors such as the industry context which has stronger relationships with a diverse range of stakeholders or not. These findings provide compelling evidence for the financial benefits of transitioning from a customer-centric to a stakeholder-centric approach to CSR. As businesses continue to navigate complex global challenges, embracing a more inclusive and strategic approach to stakeholder management appears not only ethically sound but financially prudent. Furthermore, the results support the argument that a more inclusive approach to CSR can create sustainable value for both the corporation and its broader stakeholder network.

Therefore, these findings have significant implications for both theory and practice. From a theoretical perspective, this study contributes to the ongoing debate on the relationship between CSR and financial performance by providing empirical support for the stakeholder theory of the firm. It extends the existing literature by demonstrating the mechanisms through which stakeholder engagement translates into financial performance, thereby bridging the gap between normative stakeholder theories and empirical financial outcomes.

For practitioners, our research underscores the strategic importance of adopting a stakeholder-centric approach to CSR. It suggests that managers should view CSR not as an outlying activity or cost center, but as a core element of strategy that can drive long-term value creation. The study also provides insights into effective implementation strategies, highlighting the need for genuine stakeholder engagement, strategic alignment, and organizational integration of CSR initiatives.

However, this study like most studies is not without limitations. The complexity of stakeholder relationships and the contextual nature of CSR means that the effectiveness of specific strategies may vary across cultures, and regulatory environments. Future research could address these limitations by investigating the role of institutional factors in shaping CSR outcomes and employing more diverse methodological approaches, including qualitative studies to capture the experiences of various stakeholder groups.

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Appendix 1: Keywords for stakeholders'-centric CSR initiatives

society in general:

Voluntary assistance to encourage society members to take the vaccine (stays safe, stay creative).
Financial assistance to health care heroes.
Distribution of personal protective kits to community members.
Providing public hospitals with ventilators and other supplies.
Partnerships with charitable organizations to distribute food and money to families affected
Voluntary assignment of personnel assisting in the installation/construction, conditioning, and maintenance of external hospitals.
Remote contact delivery to avoid the spread of disease between society members.
COVID-19 insurance coverage in favor of health workers who fight against the disease.
Programs to promote scientific research.
Participation in the development of websites and platforms to control positive cases.
Awareness programs on social media about covid-19 impacts.
Partnerships with deaf and mute health knowledge hub to provide access to online courses.
Educational platform for children in the school community
Online entertainment programs for children.
Donation of tablets and mobile phones that facilitate communication for those who are hospitalized and their family members and for students without resources.
Supply of essential drugs to cover patients' needs during the pandemic.
PCR kits for covid-19 tests.
Credit card reward programs.
Application of footprint distance in public places.

Employees

Request employees to work from home.
Wear masks throughout the work period.
Using air purifiers (Antiviral treatments for all surfaces).
Online training programs for employees.
Online meetings through conference calls.
Training seminars using remote means of communication
Seasonal influenza vaccination campaign for all staff members.
Making educational technology platforms available for employees and their families.
Company doctors to follow up with any employee reported to have any symptoms.
Health insurance coverage for infected employees
Travel limitations.
Use of drone technology for remote monitoring of facilities.

G government:

Supporting the ministry of health by assisting Egyptian hospitals and supplying them with the necessary equipment to face covid-19.

Support the national program of stopping the spread of covid-19.

Transporting returning Egyptians.

Contribution to the Egyptian data protection law.

Switch to financial digitalization to promote the government's goal of financial inclusion.

Cyber security.

Participation in employment seminars for young people to support the state in eliminating the problem of unemployment under the conditions of Coronavirus

Provide analytical tools to the Egyptian government to help in the predictions of infections.

Improving Dissemination of Information to the Public about covid-19.

Customer:

Using protective screens to prevent face-to-face contact.

Posters and guidelines instructing the proper procedures for ensuring state customer engagement and personal hygiene.

Free Microsoft teams for firm customers (working remotely through calls, chats, and meetings).

Special discounts on online services to adopt online services.

Online application to facilitate services.

Entrance temperature measurements for all customers.

Application of physical distancing and installation of foot marking on floors.

Mandatory use of protective equipment (gloves, masks and sanitizer).

Educating Customers on the available online schemes.

Remote the nonessential service provided to encourage social distancing.
