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THE IMPACT OF SOCIAL RESPONSIBILITY
ON CHINESE STATE-OWNED ENTERPRISES PERFORMANCE

This paper contributes to the literature of corporate social responsibility (CSR) affects the enterprises performance by providing empirical evidence from China. Based on stakeholder theory, constructs a uniquely combined data set of 317 Chinese state-owned listed companies in Shanghai and Shenzhen stock exchange from 2013 to 2017, and explore the effects of CSR on Chinese state-owned enterprises financial performance and market value. According to various stakeholders, divides CSR into internal CSR and external CSR, uses ROA and Tobin's q as measure of enterprise performance separately. Adopts fixed effect econometric models, and estimates by generalized least squares (GLS) and quantile regression. The results show that the external CSR of current year significantly negative affects enterprises financial performance and market value; the external CSR with one and two years lagged significantly positive affects enterprises financial performance and market value, and the impact strength with increase trend. The internal CSR of current year has no significant impact on enterprises financial performance, but significantly negative affects market value; the internal CSR with one and two years lagged significantly negative affect enterprises financial performance and market value. These findings imply that enterprises should enhance their awareness of fulfill CSR and improve institutional guarantee.

Keywords: Chinese enterprises, internal CSR, external CSR, financial performance, market value.