

Globalization, Corporate Social Responsibility and Corporate Financial Performance: Evidence from Korea

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<Abstract>

This article studies the theory of corporate social responsibility; CSR. By examining the flow of CSR in the Korean market and empirical testing, investigates the relationship between CSR and corporation financial performance (CFP) in Korean enterprises. This paper places emphasis on the change in CSR as a result of globalization and explores the influence of CSR on CFP by using data from 2008 to 2014 of 528 Korean Firms, 1583 time series observations. We found that globalization had a positive influence on Korean CFP and that CSR activities derived from globalization exert a positive influence on CFP. Our findings show that CSR can strengthen the positive influence of globalization on CFP, and the Korean corporations' changing perception of CSR.

Key Words: Corporate Social Responsibility, Globalization

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I. Introduction

A modern society is interrelated with its businesses (Davis, 1973). Due to its strong influence on its society, a corporation is no longer viewed simply as a profit-generating entity by community (Levitt, 1958; Friedman, 1970); it is also expected to be socially responsible. CSR is therefore one of the main activities of a business and one that large firms use strategically to advance their globalization. As a result of increased need for CSR, leading firms have either established a full-scale CSR department or appointed a project team to adopt a strategic approach to CSR, in order to enjoy a continuous competitive advantage. Furthermore, as a result of globalization, multinational corporations are marketing to the world, taking market share from small businesses in the host country. Multinational corporations use CSR activities to improve their negative image. This relationship of events in the process of globalization takes the lead on creating big changes from a financial and political perspective. Corporations go through a process of educational change regarding business activities; they come to understand their own responsibility and how to engage in responsible business practices (Reed, 2002). Although most corporations recognize the need for CSR, they question its relationship to correlation corporate performance because of the difficulty they have had in trying to actualize it in their business activities (Burke & Logsdon 1996; Lankoski, 2000; Schaltegger

& Synnestvedt, 2002). Furthermore, small businesses are so engrossed in lowering costs in an effort to compete against with conglomerates from advanced countries, that they cannot afford to be concerned about CSR. There is no manual for CSR and the relationship between CSR and CFP does not appear to be in form of superior returns (Nelling & Webb, 2009). However it is clear that it is most important for a firm to unfold a strategy that will allow for a sustainable rather than a momentary competitive advantage.

Increase in the size of the firm as one of the expedient for having the international competitiveness through the economic development of the 1960s and 1970s in South Korea, It has been conglomerate of firm as one of the ingredient for having the international competitiveness through the economic development of the 1960s and 1970s in South Korea.

Their economic function was the essential role of firms. After Korea's economic reformation, the drawbacks of economic growth became apparent, and the Korean people started to associate new social problems with unethical corporate management (Park, 1998). As a result, there is now an enhanced awareness of the social role of corporations, and Koreans are demanding that firms use CSR to solve social problems. In addition, upon deciding that CSR would offer a possible solution to social problems, the Korean government has been actively diffusing CSR. Furthermore, there is now a consensus within the Korean academic and financial worlds that

CSR is one of solution to social problems (Byun, 2010).

Korea is one of the dynamic emerging markets that have enjoyed rapid economic development (Park & Ghauri, 2015). Through globalization, learning from leading firms, the diffusion of the Global Compact and the creation of new rules and international regulations like ISO have greatly improved Korean CSR. Korean businessmen had initially denigrated CSR, claiming that they lacked the ability to be socially responsible and that CSR was a type of non-tariff barrier designed by the West (Lin, 2007). Therefore the change in perception towards CSR among Korean corporations holds great significance.

Consequently, this study has two questions about CSR and globalization. What kind of influence does globalization have on CSR? How has the change in Korean enterprises, the change in CSR activities that took place through globalization influenced business performance? In its early stages, globalization tends to exacerbate competition in developing countries for corporations (Porter, 1980; Dunning, 1981) and has a negative impact on the financial performance of local businesses (Kaplinsky, 2001; Pangarkar & Wu, 2012) that are unable to compete with large corporations. However, this study argues that CSR practices, enhanced by globalization (Reed, 2002; Stiglitz & Charlton, 2005), improve corporations' financial performance. Therefore this study examines the relationship between globalization and CFP in Korean enterprises and mediating effect of CSR on the

relationship between the two variables. We find evidence to support the hypothesis that CSR has a mediating effect on the influence of globalization on CFP.

Our paper contributes to the CSR literature in two ways. The previous research has concentrated on investigating the relationship between CSR and CFP (Vance, 1975; Sturdivant & Ginter, 1977; Alexander & Buchholz, 1978; Abbott & Monsen, 1979; Griffin & Mahon, 1997; Waddock & Graves, 1997; Orlitzky et al., 2003; Margolis & Walsh, 2003). The differentiating factor for this study is that it uses CSR as a parameter. In this study, it is assumed that when CSR has an influence on CFP, firms learn to globalize. Some scholars have noted that globalization and CSR, however, are still needed globalization and CSR. The study examines the influence of CSR, learned through globalization, on CFP. This paper supports the idea that this influence is the reason for behind firms' acceptance of CSR activities and therefore positively influences CFP. Significantly, this can offset the negative influence of globalization on CFP. In addition, there are insufficient studies of Korean markets. With this in mind, it is possible to see that globalization opened up markets and Korean corporations who had learned CSR from large firms participated in CSR activities. We should the influence of CSR on CFP for Korean listed firms and how globalization has affected this relationship in order to gain further insight into the relationship between CSR and CFP. Therefore the findings of our

study contribute to the growing literature on the in Korean CSR.

The remainder of the paper is organized as follows. Section 2 reviews the literature and presents our hypothesis. Research design is in section 3 and empirical test in section 4. Section 5 concludes.

II. Literature and Hypothesis

1. CSR

In CSR, the firm goes beyond its own interests and compliance with the law to engage in actions that appear to further some social good (McWilliams and Siegel, 2001). Naturally, CSR has more than one definition. This is because it is possible to trace evidence of the business community's concern for society back for centuries (Carroll 1999).

On the one hand, Levitt (1958) and Friedman (1970) reject CSR, claiming that a corporation's mission is financial performance, and fulfilling its financial duty is corporate social responsibility. On the other hand, David (1967; 1973) in "The Iron Law of Responsibility," defended CSR, pointing out that a corporation is both an interest group and an influential part of a society. Since then, Carroll (1991) materialized the active region of CSR through the pyramid model. He emphasized the importance of Strategic CSR; CSR was restructured as CSP (Corporate Social Performance) and corporate citizenship (McWilliams et al., 2006). As CSR expanded,

many changes took place institutionally. With Kofi Annan's UN Global Compact as a start, many management certification systems, like GRI, Environmental Management Certification Systems ISO 14000 series, and Socially Responsible Management Certification Systems ISO 26000 series were put in place and CSR was established as the global standard. CSR's present mission is to protect the local market and lower trade barriers in developing countries where regional markets are being formed (Breitbarth et al., 2009). This study traces the academic and financial flows in the Korean market to examine how it reacts to the changes in the marketplace.

Why have Korean firms promoted CSR? Despite the short history of CSR, Korean firms are spreading this corporate philanthropy and CSR activities across Asia (Lee et al., 2009). Korean businesses are under national and international regulatory pressures. They are chronically unable to tackle issues of sustainability, corporate governance and managerial transparency (HERI, 2011). In addition, CSR has focused attention on larger firms. Regulations have restricted small businesses in Korea, where globalization has existed for only a short time (Park, 1998).

As indicated previously, whether willingly or not, Korean corporations are actively attracting CSR and showing Korea's own style of CSR (Kim et al., 2013). This study examines the CSR criteria offered by the KEJI and investigates how this influences CFP, in order to review CSR activities.

2. Two aspects of globalization

2.1 Globalization and CFP

Globalization is the process of international integration arising from the interchange of world views, products, ideas, and other aspects of culture (Albrow & King, 1990). Globalization, the increase in the frequency and duration of linkages between countries leading to similarities in activities of individuals, practices of firms, policies of government (Czinkota, 2002; Czinkota & Ronkainen, 2005), is defined as a network that pulls together the economic, social, cultural, and informative aspects and connects them with a region's diversity (Das, 2010). There has been an increase in the competitive power of the nation's economy through globalization (Porter, 1980). In addition, the global market is expanding and globalization has created a global community (Kottak, 2011).

Globalization is usually presented from several perspectives (Bishop et al., 2011; Vongpraseuth & Choi, 2015). Two of the most common are positive-globalization and negative-globalization. Advocates of positive globalization insist that there has been an increase in income (Heshmati, 2003), productivity growth, rise in research and development (Bergh & Nilsson, 2010) and in investment since the world has become more globalized (Looney & Frederiksen, 2004). According to negative globalization scholars, the quality of income is not improved for providers, like the ones from developing countries that use low cost as a strategy

(Kaplinsky, 2001). Critics of globalization have pointed out the environmental harm caused by globalization (Beck, 2000; Dreher et al., 2008) and claim that positive-globalization people look only at its economic and financial benefits (Reed, 2002). They stress the dark side of globalization and express to supporters of cultural diversity the risk of cultural homogeneity (Husted, 2003; Komori, 2014). They argue that globalization cannot be viewed only as a process of economic development built upon a foundation of technological improvement. In addition, when globalization is viewed as a result of a concerted organizational effort of large corporations, it is apparent that not all groups profit from it (Reed, 2002).

The financial gain brought by Korea's globalization had undesirable negative aspects, like environmental pollution. Additionally, because developing countries' firms undersell their competitors, both unskilled and skilled workers suffer under globalization (Kaplinsky, 2001). According to Porter (1980), fierce competition can cause price and margin to fall significantly. Dunning (1981) claimed that multinational corporations could exercise a monopolistic advantage using their advanced skills and brand, and precipitate a crisis for local businesses in Korea. Granted, corporations in developing countries may enjoy a temporary competitive advantage under government protection. If foreign firms set up local production and circumvent trade barriers, even if firms in the emerging market enjoy competitive advantage by controlling local

channels of distribution, foreign firms can be precluded from getting their messages to consumers (Grosse, 2003). Pangarkar and Wu (2012) insisted that global corporations can enjoy a competitive advantage in the emerging market even if local businesses have a low-cost business structure. Edward (2001) claimed that emerging markets lack modern financial institutions and therefore are particularly vulnerable to the volatility of global financial markets. After examining the relationship between financial performance and capital mobility, the result was that having more open capital accounts in the emerging market could have a negative impact on financial performance. Contractor et al. (2007) argued the home markets of emerging-country firms are tiny to small when compared to those in advanced economies. Consequently, they operate at an uneconomically small scale in many sub-sectors because of international expansion and management terms.

The emerging market firms in Korea generally possess a lower cost of producing manufactured goods. Furthermore, profit is not proportional to the increase in output and the protection of the Korean government is temporary. Therefore the skill and management of global corporations is expected to have a negative effect on the financial performance of local businesses. This leads to the first hypothesis.

H1a: Globalization has a negative effect on CFP

2.2 Globalization and CSR

Despite the disadvantages facing local firms because of globalization (Contractor et al., 2007; Pangarkar & Wu, 2012), there is no doubt that globalization led to an important change in their business environment (Reed, 2002; Fiss & Hirsch, 2005; Bowen et al., 2015). A research report on “making globalization fair” has been released (Stiglitz & Charlton, 2005) and CSR has become an important topic for multinational enterprises in the globalization of emerging markets (Winston, 2002; Levy, 2005). Davis et al. (2007) claimed that through global pressures for social responsibility, multinational enterprises must focus on how to be socially and internationally responsible. They must comply with the GRI Report, the environmental standards of ISO 14000, and other international standards and laws. Furthermore, in Europe, They argued that there is a need for multinational corporations entering the EU to reorganize their CSR (Sweeney, 2007). According to Edward and Willmott’s (2008) analysis, as multinational corporations grow into an international organization, their political and management policies will be renewed and advanced. Furthermore, through globalization, the firm improves its management activities.

Pitts (2008) studied the legal boundary of CSR and ethical globalization in terms of business activities, human rights and the environment. He presented a global business model between the spontaneity of firms and legal restrictions. The result was as the multinational enterprise’s CSR activities in the

host country were voluntary, and so became an attractive element in relaxing legal restrictions (Moon, 2002). Through this, multinational enterprises assumed the role of societal governance. Through the multinational enterprise (Moon, 2007), CSR spread from developed to developing countries (Matten & Moon, 2008).

MNC's CSR efforts have no choice but to lead to changes in the CSR of host countries through globalization. Reed (2002) argued that globalization bring significant national and international changes. Incorporating the analysis of change into management education is important insofar as firms have altered the nature and effects of business practices and they have affected the prospects for promoting responsible business practices makes it better. firm learning not only affects improvement in technology (Yam et al., 2011; Kocoglu et al., 2012), but it also affects value creation and changes in business culture and social culture (Sinkula, 1994; Sinkula et al., 1997; Czinkota & Ronkainen, 2005).

Global learning can be interpreted as development, accountability and education as cultural imperialism, curriculum renewal and paradigm shift (Sweeting, 1996). Jaussaud and Liu (2011) claimed that Korean firms learned from their foreign partners, among other things, foreign firms' training and hiring practices. Korean environmental protection responsibilities consist of the efforts a firm undertakes to minimize the negative impacts of its business on community, while education consists of a firm's attempts to help improve

local education, from the primary grades through college.

Emerging market firms in their home markets have helped to develop unique competencies that were later used to compete in foreign markets instead of acting as impediments (Sinha, 2005). This study centers on the theory that "the firm's learning process through globalization strengthens competition in the global market" (Czinkota & Ronkainen, 2005; Cramer, 2005; Zhu et al., 2012; Komori, 2014). In strategic terms, CSR needs new shared value, standards, and attitude (Cramer, 2005). Eventually, the risks of globalization are offset through corporate learning and corporate learning can improve CSR practice. This leads to hypothesis 2.

H1b: Globalization has a positive effect on CSR

3. CSR and CFP

"Corporate Social Responsibility (CSR) is not being considered a cost to bear as an economic social actor but an investment that will contribute to the competitiveness and growth of the firm" (Patrizia, 2012). CSR brings greater sales and achievement of greater market share, strengthening the firm's brand, image, capacity to attract and retain talented employees and cost reduction (Kotler & Lee, 2009). However, a definite basis cannot be established by the empirical result of CSR and CFP (Wood & Jones, 1995; McWilliams & Siegel, 2000; Margolis & Walsh, 2003; Hull &

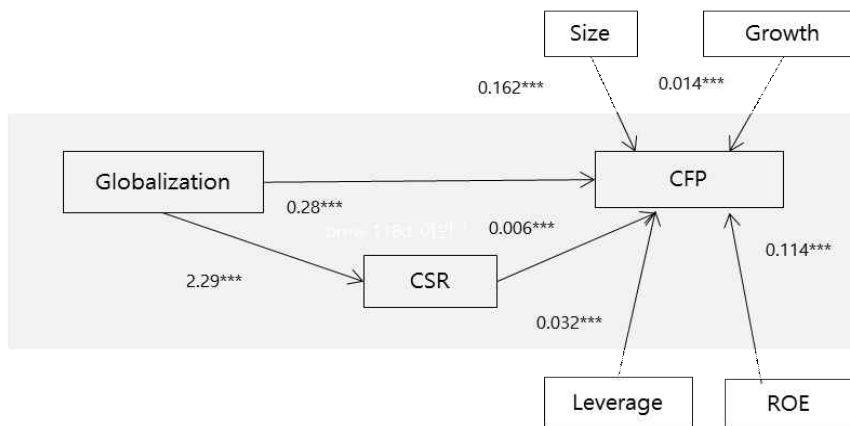
Rothenberg, 2008; Torugsa et al., 2013). In prior research on CSR-CFP, findings on the influence of CSR on firm performances are inconclusive; some studies suggest a negative effect of CSR on firm performance (e.g. Vance, 1975; Bowman & Haire, 1975; Sturdivant & Ginter, 1977; Wagner et al. 2002). Other studies find no relationship (e.g. Alexander & Buchholz, 1978; Abbott & Monsen, 1979; Aupperle et al., 1985; Gilley et al. 2000; Thornton et al. 2003); still others find some positive influence (e.g. Griffin & Mahon, 1997; Waddock & Graves, 1997; Hillman & Keim, 2001; Orlitzky et al., 2003; Margolis & Walsh, 2003; Beurden & Gossling, 2008; Oh, 2012; Ko & Moon, 2013). This lends some support to the assumption that the relationship between CSR and CFP is more complex than most studies reveal, and that tests of moderation and mediation are required (Ullman, 1985; Margolis & Walsh, 2003).

For some unknown reason, CSR requires a significant investment in resources. The return on that investment may be realized only in the

long term (Russo & Fouts 1997; Eisenhardt & Martin 2000; Zahra & George, 2002). Furthermore, CSR satisfies the needs of employees, customers, local government and community, and stakeholders (Clarkson, 1995; Hillman & Keim, 2001). The increase in stakeholder satisfaction positively influences CFP (Barnett, 2007; Luo & Bhattacharya, 2006). Thus, despite the lack of evidence that CSR activities play a direct and crucial role in CFP, CSR in Korea shows economic responsibility should be a firm's foremost first social responsibility. We believe that the link between CSR and CFP is strong from the perspective that damage caused by scandals (Browning, 2002; Snider et al., 2003) and CSR is the current trend. We therefore present the next hypothesis.

H1c: CSR has a positive effect on CFP

As a global firm is likely to improve its management activities such as CSR and ethical management in terms of business activities, globalization has a positive effect on



<Fig. 1> Path analysis and related variables in determining effective factors on CFP

CSR (Hypothesis 1b). CSR requires investment in resources, and the return on that investment may increase in firm, CSR has a positive effect on CFP (Hypothesis 1c). Based on Hypothesis 1b and Hypothesis 1c, the following hypothesis was generated.

H2: CSR will have mediating effect in the pathway between globalization and firm CFP.

III. Data Description

1. Sampling and Data Collection

Data from firms listed on the Korea Stock Exchange (KSE) for a period of seven years from 2008 to 2014 were obtained. For the empirical analysis, we collected a list of 528 firms, 1583 time series observations. Financial data were based on the report of Data Analysis, Retrieval and Transfer System

(DART) provided by the Financial Supervisory Service (FSS) and TS2000 data from Korea Listed Companies Association (KLCA). CSR is measured by the Korea Economic Justice Briefs Index (KEJBI) which is annually released by the Citizens' Coalition for Economic Justice Institute (CCEJI). KEJBI is sum of six indexes - monitoring, fairness, social contribution, consumer protection, environment management and employee satisfaction.

Descriptive statistics for firm value data, CSR and control variables are represented in table 1. The mean of Tobin's Q-Firm value-was 1.11. Harford, et al. (2008) and Luo and Hachiya (2005) suggested 1.95 and 1.39 as Tobin's Q on U.S and Japanese firms, respectively. It seems that the average of Tobin's Q among listed firms in Korea was lower than the average percentage on U.S and Japanese firms. Mean of CSR are 52.60, Min are 35.8 and Max are 72.16, 52.6(mean) out of 100 is not good index.

<Table 1> Descriptive statistics

Variable	Obs	Mean	Std. Dev.	Min	Max
Tobin's Q	1583	1.1154	1.2036	0	20.6419
CSR	1583	52.6034	9.0033	35.8	72.16
Globalization	1583	0.1567	0.2653	0	1
Size	1583	19.5081	1.7422	12.2783	25.7882
Growth	1583	1.0474	0.5438	0	4.9378
Leverage	1583	1.0739	1.0990	0.00051	10.6311
ROE	1583	0.0285	0.2705	-2.7711	5.0615

Tobin's Q: (market value of equity + book value of debt) / book value of the total assets

CSR: KEJI (Korea Economic Justice Briefs Index)

Globalization: export / sales

Size: Ln (total assets)

Growth: (sales-lagged sales) / lagged sales

Leverage: debt / total assets,

ROE: net profit / total equity

<Table 2> Correlation analysis

	Tobin's Q	CSR	Global	Size	Growth	Leverage	ROE
Tobin's Q	1						
CSR	0.1622 (0.0000)	1					
Globalization	-0.0012 (0.9353)	-0.0533 (0.0187)	1				
Size	0.1171 (0.0000)	0.0284 (0.2106)	0.182 (0.0000)	1			
Growth	0.0314 (0.0630)	0.0916 (0.0003)	-0.0412 (0.0149)	0.1648 (0.0000)	1		
Leverage	0.0267 (0.0789)	-0.1515 (0.0000)	0.0979 (0.0000)	0.2646 (0.0000)	0.0438 (0.0095)	1	
ROE	0.0486 (0.0014)	0.055 (0.0151)	-0.0258 (0.0895)	0.1161 (0.0000)	0.0201 (0.2344)	-0.2904 (0.0000)	1

Note: Tobin's Q: (market value of equity + book value of debt) / book value of the total assets, CSR: KEJI (Korea Economic Justice Briefs Index), Globalization: export / sales, Size: Ln (total assets), Growth: (sales-lagged sales) / lagged sales, Leverage: debt / total assets, , ROE: net profit / total equity

(): P value

Correlation analysis was conducted to test multicollinearity problems (see Table 2). The correlation among the variables is low. In addition, the variance inflation factor (VIF) was examined to check for multicollinearity among independent variables. Both tests demonstrated that no multicollinearity problems exist.

IV. Results

To test Hypotheses 1a, 1b, 1c and 2, Model 1, Model 2, and Model 3 have developed (see Table 3).

As seen in Table 3, The M3 (Direct effect OLS model) revealed that globalization has a significant positive effect on firm value (Globalization coefficient(0.289)). These findings

support Hypotheses 1b and 1c. This finding is consistent with previous studies: high productivity and investment global firms have been an increase in Firm value as a CFP (Heshmati, 2003; Bergh & Nilsson, 2010). Thus hypotheses 1b, 1c are supported.

We examined whether CSR will have a mediating effect between globalization and CFP using fixed effect analysis. As seen in Table 4, a coefficient(0.289) of Globalization in Model 1 is higher than a coefficient(0.275) of Globalization in Model 3. To evaluate the significance of the indirect effect, a Sobel test was conducted. The results of the Sobel test revealed a significant indirect effect of CSR($z=1.65, p<.1$). Thus, hypothesis 2 is supported and CSR has a partial mediating effect between Globalization and Firm value as a CFP.

<Table 3> Panel analysis Using Mediating effect

		Model 1	Model 2	Model 3
	(X → M)	Partial mediating effect unrestricted path model (X, M → Y)	Full mediating effect restricted path model (M → Y)	Direct effect OLS model (X → Y)
Dependent variable: Firm Value				
Intercept	-62.532*** (-3.82)	-2.669** (-2.21)	-2.685** (-2.22)	
Independent variable				
Globalization	2.293* (1.70)	0.275*** (2.78)		0.289*** (4.29)
Mediating variable				
CSR		0.005** (2.42)	0.006** (2.57)	
Control variables				
Size	6.006*** (7.07)	0.171*** (2.70)	0.168*** (2.64)	0.162*** (4.29)
Growth	1.058* (1.88)	0.029*** (2.70)	0.033 (0.81)	0.014 (0.56)
Leverage	-2.168*** (3.22)	0.127*** (2.56)	0.138*** (2.78)	0.032 (1.29)
ROE	-9.735*** (-4.37)	0.239 (1.45)	0.258 (1.57)	0.114* (1.95)
R2(Adj R2)	0.066	0.057	0.057	0.016
F(P)	1.38*** (<.001)	5.92*** (<.001)	5.87*** (<.001)	9.33*** (<.001)
Sobel test z (P)	1.65* (<.01)			

N=1583, * p <.1, ** p <.05, *** p <.01

We also calculated the direct effect, indirect effect and total effect of globalization. The direct effect of Globalization on Firm value as a CFP was 0.275 (coefficient of Globalization of model 1) and the indirect effect was 0.0137 [0.006(coefficient of Globalization of model 2) * 2.293 (coefficient of Globalization)]. The total effect is calculated as 0.289 (0.275+0.0137). It's equal to 0.289 (coefficient of Globalization of model 3), thus it means total effect of

Globalization is a direct effect added to the indirect effect.

V. Conclusions and implications

Studies of CSR and CFP are on the rise and many theses have investigated the direct relationship between the two variables. However, this study suggests a new research

direction that uses CSR as a parameter in examining its influence on CFP. In particular, we investigated the relationship of CSR and CFP in corporations in Korea. The country has enjoyed rapid economic growth since it emerged as a newly industrialized country in the 1980s. Furthermore, the fact that Korea has recognized CSR as an essential element in competing in the global market has been taken into consideration (Yoo, 2013; Park & Ghauri, 2015).

We used dummy variables as a Globalization, the Ranking CSR rating as the measure of CSR, and Firm value as a CFP. We analyzed causality using standard OLS regression analysis, and mediation test using CSR variables. First, we found a positive relationship between globalization and CFP. Even this relationship can have negative influence on firms in developing countries (Contractor et al., 2007), the globalization of a corporation positively influences CFP in that it increases the productivity (Bergh & Nilsson, 2010) and extends R&D and investments (Looney & Frederiksen, 2004). Thus, making Korean enterprises the subject of our research led us to a conclusion similar to that in the literature. Second, there has a significant result that globalization on CFP is partially via the influence of CSR. Our result examines CSR and CFP appear to be related when using traditional models (Griffin & Mahon, 1997; Waddock & Graves, 1997; Hillman & Keim, 2001; Orlitzky et al., 2003). However, our results can be distinguished from existing literature in that we examined the “triad

relationship” among globalization, CSR and CFP in regards to the idea that CSR, learned through globalization, influences CFP.

Our findings offer useful implications for future research. Although there have been some doubts raised about CSR-CFP in the literature (Wood & Jones, 1995; McWilliams and Siegel, 2000; Margolis & Walsh, 2003; Hull & Rothenberg, 2008; Torugsa et al., 2013), this research solves this problem using not two dimensions but three: global, CSR, and CFP. Globalization brought multinational enterprises into the Korean market. In the process, Korean firms learned many advanced skills, business acumen. We were able to see that as a result they became more sophisticated in CSR. In other words, Korean firms are not only competing against multinational enterprises, but they are learning from them and evolving. This may have been possible as a result of Korean firms trying to abide by global rules and regulations in conducting their export business. However, we speculate that voluntary efforts of learning of Korean corporations also helped to improve the recognition of CSR. Although many developing countries are concerned about the risks posed by globalization to their businesses, we must pay attention to the point that using CSR activities as a competitive advantage (McWilliams et al., 2006; Porter & Kramer, 2006) may offset those risks. They have also claimed they did not have the ability to be socially responsible and considered CSR as a non-tariff barrier erected by the West. However, through globalization, they began to

compete against multinational businesses, and now they are making an effort to create a uniquely Korean style of CSR style. This shows that they have begun to recognize CSR as an element of competitive advantage. Therefore CSR and globalization are highly correlated and as a result, globalization can positively impact CFP. Finally, the improvement of the recognition of CSR is also significant to multinational corporations. The Korean government has tightened its restrictions on environmental protection and on CSR. As the recognition of CSR among consumers has increased, multinational enterprises are participating in CSR activities. From the perspective of Korea, we believe that if a business satisfies consumers by carrying out CSR activities in the Korean market, it will also affect their CFP Positively.

In conclusion, the results of our study contain the following limitations. More variables are necessary, and the global variables that we used should have been more diverse. The result would also be more meaningful with CSP included in financial performance. Given that the relationship between CSR and CFP is not simple and linear, it is necessary to establish a variable for the sake of modifying effects moderated mediation.

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요약

글로벌화, CSR 그리고 기업의 재무적 성과: 한국기업을 중심으로

변선영* · 남현정**

논문은 기업의 사회적 책임에 관한 연구를 중심으로 한국기업을 대상으로 실증분석을 실시하였다. 먼저 글로벌화와 기업의 재무적 성과와의 관계를 분석하고, 이러한 글로벌화와 재무적 성과사이에서 CSR 활동이 어떤 영향 주는지 살펴보는데 의의를 갖는다. 2008년부터 2014년까지 528개의 한국기업, 1583개의 관측치를 이용하여 실증분석한 결과, CSR 활동은 한국기업이 글로벌화를 통해 기업의 재무적 성과에 영향을 미치는데 있어 긍정적인 조절효과를 주는 것으로 나타났다. 이 결과는 글로벌화, CSR 그리고 기업의 재무적 성과사이에 “삼자관계(triad relationship)”가 있다는 것을 의미하며, 한국 기업은 글로벌화를 통해 학습한 활동이 기업의 재무적 성과에 직접적 영향을 주기도 하지만, 글로벌화 과정에서 형성된 CSR 활동전략 역시도 기업의 재무적 성과에 긍정적인 영향을 주는 것을 알 수 있었다. 이러한 점을 토대로 살펴볼 때, 한국기업들이 글로벌화를 발생하게 되는 위험요소를 CSR활동을 통해 상쇄시킴으로서 경쟁우위를 유지하고 기업의 성과에 긍정적인 영향을 줄 수 있다고 해석할 수 있을 것이다.

핵심주제어: 기업의 사회적 책임, 글로벌화

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