Journal of Contemporary Eastern Asia Vol. 22, No. 1: 26-48
DOI: 10.17477/jcea.2023.22.1.026

Perceptions of Corporate Social Responsibility and Implications for the Nonprofit Sector

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While corporate social responsibility (CSR) has been considered an important philanthropic support for nonprofits worldwide, little is known about how perceptions of CSR are associated with actual CSR practices that may benefit nonprofit organizations in different institutional contexts. This study applies stakeholder theory to examine how South Korean firms perceive CSR outcomes, and how these perceptions lead to different CSR practices. We constructed a panel dataset using two waves of the Giving Korea survey of CSR and two additional sources. The results indicate that perceived CSR outcomes may play a critical role in CSR practices: 1) the more financial performance is perceived as an outcome, the more will be donated; 2) the more organizational culture is perceived as an outcome, the greater the engagement in employee volunteering; and 3) the more reputation is perceived as an outcome, the more nonprofit organizations are supported. From the findings, we discuss theoretical implications and provide suggestions for nonprofit organizations.

Keywords: CSR, nonprofits, volunteer, stakeholders, CSR outcomes

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1. Introduction

Business firms have been increasingly pressured to respond proactively to corporate social responsibility (CSR). Accordingly, business scholars have examined the benefits of CSR to different corporate aspects: whether and how CSR influences company brand image, reputation, organizational culture, financial performance, and behaviors of their shareholders and customers (Lichtenstein et al., 2004). However, relatively little attention has been given to perceived CSR outcomes and how perceptions affect the CSR practices that may directly influence the nonprofit sector. Indeed, perceived CSR outcomes may play a critical role in the decision-making of firms with regard to their CSR initiatives.

Previous studies have argued that unpacking the importance of CSR outcomes for business firms is crucial for nonprofit organizations so they can identify and prioritize potential resource or collaboration opportunities (Kang et al., 2012; Petrenko et al., 2016; Wood et al., 2021). However, existing research has either mainly focused on collaborative CSR programs between firms and nonprofit organizations (Bingham & Walters, 2013; Eweje & Palakshappa, 2009; Sagawa & Segal, 2000) or nonprofits' own CSR activities (Lin-Hi et al., 2015). Knowing a firm's perceived CSR outcomes may provide nonprofits with more opportunities to obtain financial and non-financial resources that are critical for accomplishing their mission.

While CSR has gained global acceptance, scholars have found that there are different patterns and dynamics of CSR across nations (Witt & Redding, 2012). There is common agreement in previous literature that the culture within a society generates specific institutional characteristics, such as a particular type of relationship between the government and nonprofits (Suh et al., 2018). In a similar vein, scholars have found some unique CSR practices in Korea. Until the 1980s for-profit companies had insufficiently considered social responsibility. Instead, they highly valued company-wide expansion and growth under the economy of compressed growth. In the 1980s, awareness of corporate philanthropy began to spread in Korea, with increased establishment of corporate foundations; however, this was primarily in response to social criticism of companies (B. H. Choi, 2016; S. M. Lee, 2002). As such, CSR activities have mainly been considered as business means, not business purposes. In this sense, it is worth examining how for-profit firms perceive their CSR activities. Further, because little is known about the effects of perceived CSR outcomes in an Asian context, studies that focus on the Korean context can be considered noteworthy.

Accordingly, this study particularly focuses on South Korea, analyzing two waves of survey data of large firms to address two research questions: 1) Which outcomes of CSR—financial performance, internal culture, and reputation—do corporations perceive the most? 2) How are their perceptions of these outcomes associated with their nonprofit-related CSR practices? Through the lens of stakeholder theory (O'Riordan & Fairbrass, 2008; Wood & Jones, 1995), this study contributes to the existing research and resource development strategies of nonprofit organizations. First, inspired by Cantrell and colleagues (2008), we extend stakeholder theory in the context of CSR by integrating them to investigate how a firm's perception plays a role in decisions on CSR initiatives. A firm's perceived CSR outcomes may play a critical role in what type of CSR initiatives to pursue and which stakeholder group they value most. Next, we empirically test for evidence of CSR-related nonprofit strategies, including fundraising, volunteer management, and collaboration with business firms.

We structure the remainder of this article as follows: We start with CSR-relevant theories and propose a set of hypotheses linking the perceived CSR outcomes, stakeholder groups, and CSR initiatives. We then describe the data and the seemingly unrelated regression (SUR) model in detail and explain our findings. Finally, we draw our conclusions and implications derived from the results.

2. Literature Review

2.1 Stakeholder Theory and Corporate Social Responsibility

Since it was first introduced in the 1950s, CSR research grew during the 1960s (Carroll, 1999) and extensive literature has emerged in the decades since. Davis (1960) defined CSR as "[businessperson's] decisions and actions taken for reasons at least partially beyond the firm's direct economic or technical interest" (p. 70), and the early definition of CSR mostly acknowledged the importance of relationships between corporations and societies. As social demands continued to change and expand, the definition of CSR has also evolved, leading scholars in a variety of fields (including business, public administration, philanthropic studies, and sociology) to develop various concepts and theories to understand the charitable behaviors of business firms (Carroll, 1999; Garriga & Melé, 2004).

Garriga and Melé (2004) classified CSR-relevant theories into four categories: instrumental, integrative, political, and ethical. First, instrumental theories consider CSR as a means of achieving economic objectives and gaining profits. CSR serves as a strategic choice for financial performance while perceiving shareholders as the most important stakeholder group (Petrenko et al., 2016). Second, integrative theories "look at how business integrates social demands, arguing that business depends on society for its existence, continuity and growth" (Garriga & Melé, 2004, p. 57). CSR initiatives rely on social demands that can differ according to space and time. The third political group of theories recognizes the dynamic power between business and society. Such theories perceive CSR as a contract with society and point out that organizations exert their power by holding citizenship. The last group, ethical theories, focuses on normative ethical issues and requirements, arguing that "firms ought to accept social responsibilities as an ethical obligation" (Garriga & Melé, 2004, p. 53).

Despite their seemingly different approaches, these theories all acknowledge various groups of stakeholders to some extent. Johnson (1971) introduced a stakeholder approach defining CSR from different angles, arguing that "[i]nstead of striving only for larger profit for its stockholders, a responsible enterprise also takes into account employees, suppliers, dealers, local communities, and the nation" (p. 50). From this approach, a firm should identify various stakeholder groups and their demands (Choi et al., 2021; Hörisch et al., 2014; Jones, 1980; Verdeyen et al., 2004) to match CSR practices and relevant stakeholders.

2.2 Previous Literature

A significant number of empirical studies have examined stakeholders who might affect or are affected by firms' CSR practices (Aguinis & Glavas, 2012; Hillman & Keim, 2001; Úbeda-García et al., 2021; Wood et al., 2021; Wood & Jones, 1995; Yoon & Chung, 2018). For instance, Mohr and Webb (2005) examined corporate philanthropy and environmental business practices of firms and found that different forms of CSR may generate different customer values. In another study on employee perceptions of CSR, Peterson (2004) found that CSR-related ethical practices predict employee support while controlling economic, legal, and philanthropic dimensions. Such empirical evidence suggests that firms should target specific stakeholders to achieve CSR goals.

Given that stakeholder-perceived unethical behavior may diminish stakeholder trust and loyalty (Leonidou et al., 2013), CSR activities are also important for building trust with stakeholders—including customers (Pivato et al., 2008) and employees (El Akremi et al., 2018). Using survey data on healthcare industry employees in the United States, Hansen et al. (2011) found that CSR may positively affect both external and internal stakeholders, including employee attitude and trust. Stakeholder expectations can often diverge depending on the different stakeholder groups, driving firms to partially satisfy some stakeholders who are specifically targeted (Crilly et al., 2012; Hansen et al., 2011). As such, most scholars of organizational behavior have considered stakeholder perceptions of CSR and their expectations. However, in reality, the decision to allocate firms' resources to CSR is usually made by either the management board or senior executives. A firm's perspective on which stakeholder groups should benefit from CSR programs is also likely to be an important determinant of CSR practices. Further, firms need to justify their resource allocation by addressing how such practices support achieving organizational objectives and goals (Mcwilliams & Siegel, 2001). Taken together, a firm's CSR strategies are not only decided by organizational goals and objectives (Brønn & Vidaver-Cohen, 2009) but are also influenced significantly by which stakeholder groups it values most.

Accordingly, this study fills the gap in the literature by examining firms' views on CSR delivering values to different stakeholder groups. Empirical studies have shown that CSR initiatives are positively related to a variety of outcomes for a firm. While financial performance has been extensively studied (e.g., Bhattacharyya & Rahman, 2019; Van Beurden & Gössling, 2008), non-financial outcomes such as competitive advantage (Hess et al., 2002), reputation (Gardberg & Fombrun, 2006; Javed et al., 2020), risk mitigation (Peloza, 2006), and "improved management practices, product quality, operational efficiencies, attractiveness to investors, and enhanced demographic diversity (e.g., women and ethnic minorities)" (Aguinis & Glavas, 2012, p. 943) have also been examined.

Measuring CSR outcomes can be difficult due to the multidimensional nature of the concept that emerges from numerous definitions and involved stakeholders. Because developed diverse measurements such as corporate social performance (CSP) and corporate financial performance (CFP) only partially reflect the multidimensional aspects of CSR outcomes (Van Beurden & Gössling, 2008), some scholars prefer to use a simpler measurement (Choi et al., 2021). For instance, Brammer and Pavelin (2006) use an index from Management Today that is similar to the Fortune index to measure corporate reputation. Still, the concerns derived from diverse potential outcomes and inconclusive measurements call into question how organizations perceive the outcomes of CSR initiatives and how they act upon their perceptions. Thus, we focus on firms' perceptions of CSR outcomes and examine their linkage to actual CSR activities.

2.3 Hypotheses: Relationship Between Perceived CSR Outcomes and Practices

A firm's CSR strategies are affected by various stakeholders and are determined on the basis of how the firm prioritizes their stakeholder groups. Prior literature has identified a variety of organizational and environmental conditions that motivate private firms to engage in CSR activities. More recently, scholars of organizational behavior have focused on the psychological aspects of CSR, highlighting the importance of understanding a firm's perceptions of CSR to bridge CSR motivation and intended outcomes (Rupp et al., 2006, 2013).

Drawing upon extant literature, we propose that a firm's perception of CSR outcomes leads to their CSR strategies. In particular, the type and intensity of a firm's CSR efforts may be influenced by the perceived outcomes with which stakeholders are more involved. Accordingly, we examine three perceived CSR outcomes that are particularly connected to certain stakeholder groups: 1) financial performance–shareholders, 2) organizational culture–employees, and 3) firm reputation–customers. In this section, we set out specific hypotheses concerning the relationship between firms' perceived CSR outcomes and CSR initiatives (Figure 1).

2.4 Financial Performance and CSR Expenditure

A significant body of literature has examined the relationship between CSR activities and financial performance, but the findings have been inconsistent with some studies reporting positive effects, others negative effects, and still others no effect (Margolis et al., 2007; Orlitzky et al., 2003; Xie et al., 2017). However, more recent studies focused on the impact of CSR perception on financial performance indicate positive results. In a study of 60 Pakistan firms, Mahmood et al. (2021) finds that when a firm has a positive perception on CSR, the firm shows better accounting and market-based financial performance. Similarly, Sciarelli and his colleagues (2021) find that a positive association between European companies with a high perceived CSR and their economic performance.

Numerous efforts have been made to formulate a mechanism that may confirm the direct relationship between CSR and financial performance; however, there is little evidence regarding the relationship between perception of CSR financial outcomes and CSR patterns. It is likely that business firms often design and conduct their CSR programs to meet the expectations of shareholders expectations of financial returns. Moreover, when shareholders do not believe that CSR efforts add financial value to the company, they consider such activities as a misallocation of resources that reduces corporate value over time (Timbate & Park, 2018). Thus, a firm's perception of the positive link between CSR activities and financial outcomes may reflect how it values its shareholders among different stakeholder categories. Shareholder theory is particularly helpful in understanding this perception of CSR. It is assumed that managers and directors run the firm to maximize shareholders' interests, and the firm's performances are assessed by its market value; that is, its financial outcomes (Maher & Andersson, 2000). Any CSR activity can therefore only be justified when it creates interest for the shareholders. More specifically, firms may be more likely to invest in CSR practices when they believe CSR improves the firm's financial performance. According to this part of the literature, we predict a positive relationship between CSR perception on financial performance and CSR expenditure.

Hypothesis 1. A firm is more likely to spend on CSR practices when it perceives financial performance as an outcome of CSR activities.

2.5 Organizational Culture and Employee Involvement

While scholarly discussion on CSR has focused primarily on external activities (such as donations or partnerships with nonprofits), there is growing interest in whether and how CSR practices influence internal stakeholders including employees (Aguinis & Glavas, 2012; Glavas, 2016; Hillenbrand et al., 2012). Employees are considered one of the most important stakeholder groups (Redington, 2005) as they present a significant resource that directly influences a firm's productivity and sustainability. Human resource management scholars posit that employees are motivated by various factors (e.g., monetary compensation and satisfaction with their job), and highlight that CSR activities can be used to enhance employee motivation (Cohen, 2017).

Organizational behavior scholars have investigated how internal stakeholders are influenced by CSR practices. They found that CSR practices enhance the companies' appeal to prospective employees (Greening & Turban, 2000) and facilitate access to more capital (Hart, 1995) which in turn provides the company with a competitive market advantage (Porter & Kramer, 2006). Studies have also explored the impact of CSR practices at an individual level by examining employees' creativity (Hur et al., 2018), commitment (S. Brammer et al., 2007; Maignan et al., 1999), job satisfaction (De Roeck et al., 2014; Valentine & Fleischman, 2008), and citizenship behavior (Lin et al., 2010). Sheel and Vohra (2016) find that positive perceptions of CSR reduces employee cynicism toward the organization, implying that CSR perception may help form a positive attitude toward the internal culture of the company.

Similarly, studies suggest that employee perception is positively related to participation in organizational CSR initiatives. When employees are given opportunities to participate in the CSR through different channels, the impact of their perception of CSR on their affective commitment is greater (H.-R. Kim et al., 2010). This suggests that promoting employee participation in volunteering for some of the organization's CSR activities can improve the organizational culture. It is also likely that when a firm believes that their CSR practices have a positive influence on the organizational culture, the firm's CSR strategies will focus more on employees' interests and seek employee engagement. Nevertheless, the connection between the perception of CSR impact on organizational culture and a firm's efforts to involve employees in CSR activities remains unexplored. Following this logic, we hypothesize that the positive perception of CSR outcomes on organizational culture will motivate the firm to create activities to engage employee voluntary participation.

Hypothesis 2. A firm is more likely to pursue employee engagement in CSR practices when it perceives positive culture as an outcome of CSR activities.

2.6 Organizational Reputation and Supporting Nonprofits

While CSR practices may not directly impact a firm's financial outcomes or organizational culture in the short-term, they may help develop a favorable reputation (Kang et al., 2010; Luo & Bhattacharya, 2006; Singal, 2014). In recent decades, private firms have been increasingly concerned about reputation because it can enhance competitive advantage (Barney, 1991). Signaling theory suggests that consumers look for signals that differentiate responsible companies from those that are irresponsible (Basdeo et al., 2006), and information on CSR can therefore influence their purchase intentions (Mohr & Webb, 2005). Focusing on consumers, promoting CSR practices appears to have a positive impact on the image and reputation of companies (Forte & Lamont, 1998). Empirical studies on consumer behavior posit that consumers take ethical issues into account when making purchasing decisions. Creyer and Ross (1997) found that ethical consumers might value ethics when there is a trade-off between traditional purchasing criteria (price, quality, and availability) and ethical issues. Thus, CSR initiatives can play a significant role in generating positive signals to customers and other stakeholders.

Collaborating or providing support to charity organizations is a viable approach to enhance a firm's reputation. In fact, business leaders often regard CSR initiatives involving nonprofit organizations as a key effort to achieve CSR success, thus they actively seek joint ventures or campaigns (Jamali & Keshishian, 2009; van Huijstee & Glasbergen, 2010). Winters (1986) proposed three factors that influence a firm's reputation: sponsorship, social behavior, and donation. Scheinbaum and Lacey (2015) found a significant connection between a nonprofit campaign and attendees' support for companies that sponsor the event. These studies provide evidence that CSR involving nonprofit actors displays good corporate citizenship and increases the likelihood of customers becoming patrons. From this point of view, a firm that aims to satisfy its customers through socially responsible behavior may choose to develop CSR initiatives in partnership with nonprofit organizations.

While there is a dearth of research on CSR strategies that aim to boost corporate reputation in Asian countries (Hsieh, 2004), some studies have reported how Asian corporations have gradually moved toward establishing corporate foundations since the 1970s as a way of enhancing their reputation and brand image through CSR (Kuzmenko & Epifantsev, 2018). South Korea is no exception. During the early 1990s, chaebol companies (family-owned conglomerates) established corporate foundations to address growing public criticism that they had accumulated their wealth through unjust support from a tyrannical government and that they should, therefore, share their wealth with society (Chapple & Moon, 2005; Shin, 2016).

Moreover, there is some suspicion among the Korean public that large companies, especially chaebols, have abused corporate foundations to strengthen their control and ensure family succession through various tax benefits. The Economic Reform Research Institute states that between 2007 and 2014, none of the chaebol-owned foundations invested in public interest projects (Noh, 2016). Based on the understanding of the Korean context, we predict that a company concerned with improving its corporate reputation through CSR, it will be more likely to support or collaborate with established nonprofit organizations.

Hypothesis 3. A firm is more likely to pursue support for nonprofit organizations as CSR practices when it perceives reputation as an outcome of CSR activities.

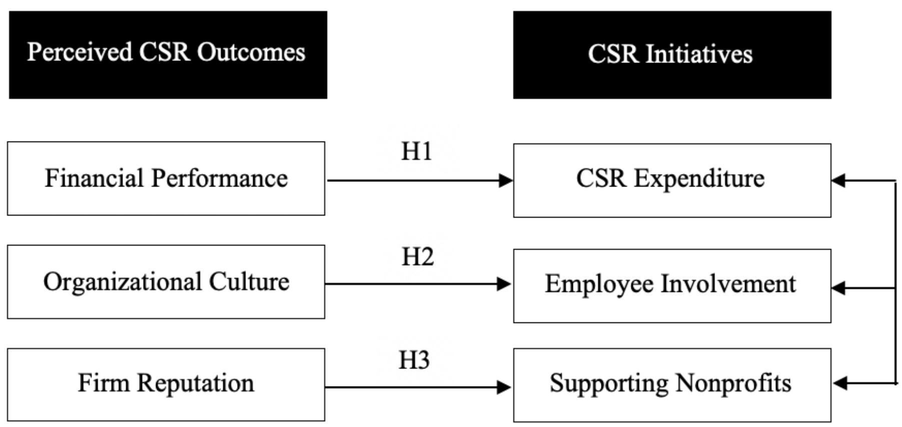

Figure 1. Theoretical Model

3. Data and Methods

We developed our study data from three different sources. For CSR perception and practice information, we used two waves of the Giving Korea survey of CSR (Center on Philanthropy, n.d.) that were conducted in 2013 and 2015 by the Beautiful Foundation1. Survey questionnaires were sent to the CSR managers of 400 sample companies that had been selected from the top 2,000 largest Korean companies. These were selected using quota sampling based on revenue size and whether or not they were listed on the Korean stock market. From the initial sample, 139 companies' responses were obtained both in 2013 and 2015, making a strongly balanced panel dataset (N = 278).

We then merged the survey data with administrative and financial data obtained from KISVALUE2 and the Electronic Disclosure System3 (DART) that are widely used for enterprise analysis in South Korea (S. Y. Kim et al., 2019). Our final dataset comprised the following information for each firm: founding year, location, revenue, donation amount, and size of employees. Constructing data from multiple sources can minimize the common source bias issue. We also conducted Harman's single factor test to check common method variance (CMV; George & Pandey, 2017) with a result of 31.32, indicating a CMV low enough to be free from common source bias.

3.1 Dependent Variables

Our dependent variables included three areas of CSR practices: donation ratio, employee volunteering ratio, and donation-to-nonprofits ratio. First, to test Hypothesis 1, donation ratio was used to measure the extent of a firm's monetary expenditure in CSR practices. It was measured by dividing the total amount of donation by total revenue. Donation has been used as a representative indicator of CSR activities in a number of previous studies (Adams & Hardwick, 1998; Gautier & Pache, 2015; C. H. Kang & Chung, 2007; H. A. Kim & Hwang, 2019; Lev et al., 2010). We used ratio because the level of CSR efforts can be more accurately measured compared to the absolute amount of donation. Second, to test Hypothesis 2, the employee volunteering ratio was used to measure the extent of a firm's efforts to involve employees in CSR activities. It was measured with the following survey question: "What was the volunteer participation ratio of employees in the last year?" where the volunteer participation rate = (number of participating employees / total employees) × 100. Lastly, we used the donation to nonprofits ratio to measure the likelihood of supporting or collaborating with already established nonprofit organizations (Hypothesis 3). It was measured with the following survey question: "How did your company make donations last year?" where the proportion of a company's donation = the amount donated to charitable organizations (such as Beautiful Foundation, Community Chest of Korea, World Vision) divided by the total amount of donation. The three dependent variables were measured by taking natural logs from the original data to secure the normality of the measured value.

3.2 Independent Variables

To measure a firm's perceived CSR outcomes, we used the following question: "To what extent do you perceive the outcomes of your company's CSR practices in the following areas?" The response to this question pertained to three items: (a) improved company's revenue and financial performance; financial performance, (b) improved corporate culture, such as enhanced solidarity among employees; internal culture, and (c) improved reputation, such as corporate image; firm reputation. Each of these independent variables was measured using a 5-point Likert scale (from 1 = "not at all" to 4 = "very much" and 5 = "don't know"). For the analysis, the responses 1 to 4 were used while any response of 5 was treated as a missing value.

3.3 Control Variables

Several control variables were included in the study that could affect a firm's CSR practices. Stock market was a dummy variable, indicating whether a company is listed on the Korean stock market (i.e., KOSDAQ or KOSPI) (1 = listed on the stock market, 0 = otherwise). Empirical research suggests that firms listed on KOSPI or KOSDAQ tend to be active in charitable activities because they are sensitive to expectations and pressures from various stakeholders (Kang et al., 2012).

We also included several control variables that were discussed as explanatory factors of CSR practices in previous studies: Seoul Metropolitan Area (SMA) (1 = located in the SMA, 0 = otherwise); organization age (subtraction of establishment year by 2013 and 2015, then plus 1); organizational size; CSR personnel; and CSR evaluation. Previous studies reported that the organizational size (e.g., revenue, assets, net profit and the number of employees) is positively associated with a firm's charitable activities (Cowen et al., 1987; Fombrun & Shanley, 1990; Griffin & Mahon, 1997; Kang et al., 2012; Lee, 2019; Waddock & Graves, 1997; Wood & Jones, 1995). In our analysis, we included the total revenue and the number of employees with natural logarithms.

CSR personnel was measured in terms of whether or not a company had dedicated CSR staff (1 = has CSR personnel, 0 = otherwise). CSR evaluation was measured in terms of whether or not a company evaluated its CSR performance (1 = evaluates CSR performance, 0 = otherwise). These factors indicate how systematically a firm manages its CSR activities (H. J. Cho et al., 2011; Kang et al., 2012). Multicollinearity among explanatory variables was checked using the variation inflation factor (VIF): no variables exceeded the problematic criteria.

3.4 Model Specification

We employed a seemingly unrelated regression (SUR) model to obtain rigorous estimates for when two or more equations are interdependent. When two or more dependent variables are mutually influenced (interdependent), the method of simultaneous estimation is more efficient because the correlation coefficient between the error terms of the estimation equation is not zero (Srivastava & Giles, 1987). As revealed from previous studies (Bekkers, 2002; Hwang & Kim, 2010), the three dependent variables in this study (donation ratio, employee volunteering ratio, and donation to nonprofits ratio) tend to be interrelated. Accordingly, interdependence should be considered in statistical analysis. If no interdependence exists, it is necessary to estimate each respective function. However, if interdependence does exist, it is possible to estimate biased results. The SUR model enabled us to estimate the coefficients of independent variables while controlling for the correlation between the dependent variables within the equation.

We used a panel random effect SUR model to consider the characteristics of unobserved groups as random effects. While a fixed effect model further estimates the coefficient of an additional dummy variable, resulting in a loss of freedom, a random effect model can obtain a more efficient estimate derived from a limited loss of a degree of freedom and the coefficient of time-invariant variables (Min & Choi, 2019). As the panel SUR only estimated observations that existed in all three equations, 182 observations among the final sample of 278 were used in the model.

4. Findings

4.1 Descriptive Statistics

Table 1 reports the descriptive statistics for the variables. The patterns of firms' CSR practices were similar in both 2013 and 2015. The companies in the sample donated on average 0.11% of their total revenue in 2013 (approximately \$2.13 million) and 0.10% in 2015 (approximately \$1.12 million)4. The maximum corporate donation ratio was 2.52% in 2013 and 1.37% in 2015. Next, the employee volunteering ratio was found to be 35.93% on average in 2013 and 34.35% in 2015. The donation to nonprofits ratio per total corporate donation averaged 31.61% in 2013 and 37.63% in 2015. Approximately 39% and 30% companies failed to donate to any nonprofits in 2013 and 2015, respectively, while 10% and 15% of the firms donated all their donations to nonprofit organizations in 2013 and 2015, respectively.

Interestingly, the Korean firms in our sample seem to believe their CSR practices would enhance their reputation (3.12 and 3.08 in 2013 and 2015, respectively) and help internal culture (3.04 and 2.98 in 2013 and 2015, respectively), while they had lower expectations for financial performance as a CSR outcome (2.15 and 2.22 in 2013 and 2015, respectively). The average number of employees was 1,506 (2013) and 1,638 (2015). The average revenue volume of firms in both years was slightly higher than \$1.6 billion, with a maximum of \$21.5 billion in 2013 and \$18.3 billion in 2015. Around half of the companies in the sample were listed on the Korean stock market and two thirds were located in the SMA, and while approximately one third had employees that specialized in CSR, less than 40% conducted an evaluation of their CSR activities.

Table 1

Descriptive Analysis

		2013			**2015**	
	Mean	**Min**	**Max**	**Mean**	**Min**	**Max**
CSR Initiatives						
Donation ratio (%)	0.11	0	2.52	0.10	0	1.37
Employee volunteering ratio (%)	35.93	0	100	34.35	0	100
Donation to nonprofits ratio (%)	31.61	0	100	37.63	0	100
Perceived CSR outcomes						
Financial Performance	2.15	1	4	2.22	1	4
Organizational Culture	3.04	1	4	2.98	1	4
Firm Reputation	3.12	1	4	3.08	1	4
Stock Market	0.51	0	1	0.51	0	1
SMA (Seoul Metropolitan Area)	0.64	0	1	0.64	0	1
Organization Age	32.98	2	117	34.98	4	119

Number of Employees	1506.13	6	16,340	1638.35	13	28,701
Revenue (USD; million)	1,650	134	21,500	1,620	111	18,300
CSR Personnel	0.38	0	1	0.34	0	1
CSR Evaluation	0.38	0	1	0.34	0	1
Observations (N)		139			139	

4.2 Random Effect Seemingly Unrelated Regression Results

Table 2 presents the results of the SUR model for firms' perceptions of CSR outcomes on different CSR practices. First, a Breusch–Pagan test was performed to examine whether the residual terms between the three dependent variables were independent. The test result [$\chi^2(3) = 13.083$ ($p = 0.0045$)5] confirmed a significant correlation between the residual terms of the three equations. This shows that the three charitable behaviors (donation, employee volunteering, donation to nonprofits) are correlated and perform complementarily, which is consistent with the findings from previous studies (Bekkers, 2002; Hwang & Kim, 2010). This also confirms that the SUR model is efficient and appropriate for producing unbiased estimations of the model in our study.

The results of the SUR model support the three hypotheses. First, we hypothesized that a firm is more likely to donate when it perceives financial performance as an outcome of CSR activities (Hypothesis 1). As shown in Table 2, we found that the donation ratio has a significant positive relationship with a firm's perceived outcome of financial performance. Next, the second hypothesis stated that a firm is more likely to pursue volunteering activities as CSR practice when it perceives a positive organizational culture as the outcome of CSR activities. The results confirm this hypothesis: the employee volunteering ratio was positively associated with organizational culture. Lastly, it was found that the donation to nonprofits ratio had a positive relationship with a firm's perception of CSR outcomes on corporate reputation, supporting Hypothesis 3: a firm is more likely pursue donation to nonprofits as CSR practice when it perceives reputation as an outcome of CSR activities.

In addition to these hypotheses, there are further interesting findings. First, the results show that the employee volunteering ratio was negatively associated with the perceived CSR outcome of firm reputation. It can be explained that when a firm perceives reputation as an outcome of CSR initiatives, they are more likely to seek CSR practices that can be externally observed. Next, it seems that having CSR program staff is a critical factor for speculating the intensity of a firm's CSR, including CSR spending, volunteering, and support for nonprofits. Furthermore, the number of employees was significantly associated with the donation ratio but not with employee volunteering participation. This might be because the organizational size (either financial or staff) may allow a firm to allocate monetary capacity to CSR, although this may not necessarily facilitate specific CSR activities, such as an employee volunteering program. Another interesting finding is that total revenue was negatively associated with the donation ratio, implying that corporate donation does not necessarily increase proportionally as the firms' revenue increases.

Table 2

Seemingly Unrelated Regression Results

Note. Standard errors in parentheses. **p* < .05, ***p* < .01, ****p* < .001

CSR Initiatives	Donation Ratio (log)	Employee Volunteering Ratio (log)	Donation to nonprofits Ratio (log)
Perceived CSR Outcomes			
Financial Performance	0.7258***	-0.1605	-0.3430
	(0.1668)	(0.1516)	(0.1876)
Organizational Culture	-0.1821	1.1916***	-0.3794
	(0.1857)	(0.1694)	(0.2113)
Firm Reputation	0.0367	-0.4469*	0.5785*
	(0.2017)	(0.1800)	(0.2298)
Stock Market	0.2725	-0.4230	0.5141
	(0.2414)	(0.2199)	(0.2797)
SMA (Seoul Metropolitan Area)	0.2646	-0.2752	0.7311**
	(0.2387)	(0.2212)	(0.2799)
Organization Age	-0.0012	-0.0021	-0.0044
	(0.0062)	(0.0054)	(0.0074)
Number of Employees (log)	0.2635*	-0.0540	0.0932
	(0.1090)	(0.0958)	(0.1292)
Revenue (log)	-0.2639***	0.0110	0.0392
	(0.0288)	(0.0247)	(0.0342)
CSR Personnel	1.4819***	1.3178***	0.7321**
	(0.2425)	(0.2136)	(0.2765)
CSR Evaluation	-0.2282	1.0672***	-0.1521
	(0.2520)	(0.2189)	(0.2898)
N	182	182	182
R^2	0.9252	0.8961	0.7660
χ^2	2251.58***	1569.62***	595.93***

5. Discussion and Conclusion

CSR practices have become essential for not only business firms but also nonprofit organizations that collaborate with and gain resources from CSR practices. Many scholars agree that firms gain both financial and non-financial benefits from CSR activities (Aguinis & Glavas, 2012; Bhattacharyya & Rahman, 2019; Hess et al., 2002; Javed et al., 2020; Peloza, 2006). Furthermore, collaborative activities for CSR between the two sectors are, in particular, financially essential to nonprofit organizations (Cantrell et al., 2008; Eweje & Palakshappa, 2009; Sagawa & Segal, 2000). Although a variety of collaborations may be possible between firms and nonprofits, a firm's donation to or volunteering with nonprofits are evidence of some of the typical types of CSR practices. By collaborating with nonprofit organizations, for-profit organizations do not need to invent the wheel and can use already established reputation that the nonprofit organizations have built.

In this sense, nonprofit organizations would want to know which type of CSR practices a firm prioritizes. Nonprofits can effectively prepare and offer better CSR activities when they know a firm's preference, which can be detected through conversation with CSR managers. This study thus provides important practical implications for nonprofit practitioners seeking support from CSR initiatives. The findings show that perceived CSR outcomes by CSR managers are significantly associated with the firm's actual CSR practices. When CSR managers perceive that financial performance is the outcome of CSR practices, they are more likely to pursue donation. We also found that the perceived CSR outcome of internal culture is positively associated with employee volunteering activities and the perceived outcome of firm reputation is positively associated with donations to nonprofits. From these findings, we argue that nonprofit organizations need to communicate with CSR managers about their perceptions of CSR outcomes. Even if CSR managers are not in senior positions, they play a key role in terms of influencing a firm's CSR strategy and direction.

This study advances stakeholder research, by examining the relationship between perceived CSR outcomes and CSR initiatives. Scholars commonly agree that stakeholders should be considered in the field of CSR study, although the efficacy of such a consideration has been less well studied (Wood et al., 2021). However, scant research has investigated the relationship between different stakeholder groups and CSR initiatives. In this study, we contribute to the literature by providing the significant role of perceived CSR outcomes, showing how organizations strategize their CSR practices based on the stakeholder groups they consider to be related to CSR activities. For-profit firms may confidently donate when they believe that shareholders are satisfied with the firm's CSR activities. Similarly, firms may support employee volunteering activities when they believe that employees prefer such activities. Further, firms are encouraged to donate to nonprofits when they think customers value such activities, which boosts their loyalty to firms. In addition, the results show that CSR managers' perceptions of CSR outcomes are at least equally as important as the actual outcomes. As mentioned earlier in the paper, measuring CSR outcomes is difficult due to the dual factors of multidimensional definitions of CSR and conflicts of stakeholder group interests (Carroll, 1999; Crilly et al., 2012; Garriga & Melé, 2004; Hansen et al., 2011). Therefore, it may be more useful to measure perceived outcomes than to measure actual outcomes.

This study has the following limitations. First, since this study was based on secondary data, it has fundamental limitations with the use of variables. In other words, there are limitations regarding the influence of omitted third variables that were not observed in our study. Second, there may be limitations in the process of analyzing and interpreting the results in a state where many missing values occurred according to the composition of the model. Third, there may be a representativeness issue, as the survey questions were answered by a single respondent for each company (the CSR managers). Their answers (the firm's perception-related variables in particular) may not represent the view of the firms' management. However, given the difficulty of measuring firms' CSR perceptions, CSR managers are often considered the most appropriate CSR study subjects along with chief officers, as they are the bridge between the stakeholders and leadership in terms of planning, conducting, and evaluating CSR practices (Cantrell et al., 2008). Fourth, because the Beautiful Foundation stopped conducting the CSR survey after 2015, this study may be limited in reflecting the latest trends concerning South Korean corporate social contribution. We hope that future relevant surveys related to corporate social contribution will be actively conducted and data utilization will increase in South Korea, so that research regarding corporate social contribution using the latest data can be conducted and timely analysis results and suggestions can be derived. Finally, our data does not include all the firms that engage in CSR practices. Therefore, the results of this study should be carefully interpreted. Based on these limitations, we suggest that future research should comprehensively include business firms that conduct any type of CSR practices. In addition, a qualitative approach, such as an interview-based study with senior management of for-profit firms, is encouraged. Such future research would also benefit nonprofit sector practitioners.

Ultimately, this study was predicated on the relationship between the firms' beliefs on CSR outcomes and their actual CSR practices. Nonprofits seeking corporate volunteering support should target firms that value internal stakeholders, and those who need financial support may want to reach out to companies that prioritize brand reputation. Accordingly, future research should examine the connection between firms' perceptions of CSR and CSR decision-making in depth. Future research should also concentrate on the link between firms' CSR strategies, their support for nonprofit organizations, and the role of nonprofit organizations in bolstering CSR performance and outcomes. Such research should ultimately strive to inform both researchers and practitioners on how nonprofit organizations can successfully obtain resources through partnership with the for-profit sector.

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Appendix

1. research.beautifulfund.org
2. www.kisvalue.com/
3. dart.fss.or.kr/
4. The maximum absolute amount of donation was US$ 110 million in 2013, but it was US$ 15.9 million in 2015. The maximum absolute amount of donations for each of these years was all made by one same company, and such a big difference in the amount between the two years seems to be due to the company's specific issues in the community in 2013. Except for this firm, the absolute amount of donation of other top donated companies was generally around between US$ 10 million and 33 million.
5. The BP test result for the panel SUR model was from a fixed effect model as it is suggested by scholars (Min & Choi, 2019).