



# RELATION BETWEEN CORPORATE SOCIAL PERFORMANCE AND STAKEHOLDERS' SHARED VALUE: A CROSS COUNTRY STUDY ON THE ASIAN COMPANIES

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*Abstract:* The economic value generated by the business operations, is to be strategically distributed to all the stakeholders. Again, these values simultaneously contribute to the sustainability and competitiveness of business organizations. This has been identified as 'shared value' (Porter and Kramer, 2006). Since, the concept has been initiated recently, little progress of scholarly studies can be found on the developing nation. Therefore, in the present study an empirical attempt has been made on the findings of the relationship between the firms' competitiveness and the value distributed. The sample consists of some selected Asian companies. Data are collected from the published reports during the period 2010 to 2012. Descriptive statistical tools and regression model has been used in this study. The result shows that the companies with higher level of social performance and value distribution for the stakeholders have better financial performance than the companies with lower social performance and lower level of value distribution for the stakeholders. It also shows that the value distribution is associated with both the market value social performance. It also indicates that the better socially performing firms with higher level of value distribution for the stakeholders have comparatively high market value than the lower value distributing firms with lower social performance.

*Index Terms* - CSR, Sustainability, Shared Value, Stakeholders, Corporate Social Performance.

## I. INTRODUCTION

The relationship between stakeholder's value addition and corporate social responsibility (CSR) has been studied by the several scholars (Freeman, 1984; Jiao, 2010; Bradley and Wallace, 2010; Margolis et al., 2007; Perrini et al., 2006). In the present context, the proposal of 'shared value' [SV] (Porter & Kramer, 2006; 2011; 2012) can be considered to be an important description in relation to the CSR, business and sustainability. According to this, the economic value generated by the company's operations, is to be strategically distributed among the relevant stakeholders, which would simultaneously contribute to enhance the competitiveness of firms as well as socio-environmental sustainability. So, it advocates that there is a relationship between firm competitiveness, social performance and the distributed value for the stakeholders. Very little studies (Ferrero et al., 2012) have been carried out on this concept in the perspective of the developed countries. But, in the context of developing nation the literature is scanty. Hence, an initiative has been taken to examine the association between the SV for the stakeholders and firm's competitiveness and corporate social performance (CSP) and firm's competitiveness, of some selected Asian companies.

For this purpose, the rest of the paper has been divided into different sections. Section two provides a brief literature review and there after the objective of the study has been mentioned in section three, which is followed by the specification of the methodology to conduct the study in section four. Analysis of empirical findings has been made in section five, while conclusion and implication have been stated in the section six.

## II. LITERATURE REVIEW

There is well popularity of 'stakeholder's theory' (Bosch-Badia et al., 2013). Recently, few criticisms are made by the scholars on the association of 'stakeholders' theory' and corporate social responsibility (CSR). These studies identify that for the priority of corporate governance in relation to the shareholders (Karnani, 2010), unending complex social needs (Cheers, 2011) and miss-specification of stakeholders (Freeman and Vellamuri, 2005), CSR is unable to succeed properly. Relating to this, Wood (2008) has mentioned that the stakeholder's management through CSR can only control the harmful effect of business and not all the problems of society. Freeman has also realised the constraint of stakeholder theory in the CSR implementation with the changing form of CSR, as 'Corporate Stakeholder Responsibility' (Freeman and Vellamuri, 2005). Jensen has (2008, p.14) assessed Freeman's theory, by disagreeing that the advocators of stakeholders' theory assume that the managers would do the right thing for the benefit of society as a whole. But, the managers may not know the best way to benefit the society with the disagreement on how and what to do. Wheeler et al. (2003) has tried to match stakeholder theory with CSR and sustainability, by the implementation of organizational cultures for better compliance, relationship management and sustainable organization. Here, the requirement of simultaneous value creation for economic, environment and social aspects has been indicated.

In the recent context, Porter and Kramer (2006, 2012) have attempted to match CSR with the stakeholders and sustainability on the basis of 'Shared Value' (SV) theory. Bockstette and Stamp (2011) have supported this view by considering interdependency between corporate success and corporate social contribution. However, the theory explores that the value, which is created by the company's operation, is to be distributed among the relevant stakeholders by redefining the value chain, re-conceiving products and services and strengthening local groups (Porter et al., 2012). Ferrero et al. (2012) has added by stating that "stakeholders have no choice except losses when a business goes bankrupt, where shareholders basically earn more benefits as per the limited liability rules. Then the stakeholders should deserve proportional benefits of consideration from the firm, in the form of corporate value distribution". Porter and Kramer (2011) have described that SV can improve the CSR effectiveness. They have also indicated that the CSR is more focused on reputation and has short-term limited connection with the business, where as SV is more integrated with the profitability and competitiveness of the company and accelerate economic value by the creation of social value.

Therefore, the SV is focusing on the value addition for the relevant stakeholder, competitiveness of the firm and support for achieving sustainability objectives. Some empirical studies can be partially considered in relation to the implication of SV.

### 2.1 Empirical Studies

Direct relationship [using market value, book value etc.] (Waddock and Graves, 1996; McWilliams and Siegel, 2001; Simerly and Li, 2000; Poddi and Vergalli, 2009) and/or indirect relationship [on the components of value measurement, viz. Cost of Capital, risk etc.] (Bradley and Wallace, 2010; Glavas, 2009; Bowman and Haire, 1975; Godfrey, 2005) between CSR and company value can be found from the previous. The studies discloses either positive, negative or neutral correlation (Waddock and Graves, 1997; Ullman, 1985; Ruf et al., 2001; Orlitzky et al., 2003; Margolis et al., 2007; Beurden and Gossling, 2008).

However, studied have also been made on the company value addition through the stakeholders' management and CSR activities. But, no such definite relationship is found to have been reported by these studies. For example, with the help of multi-variate model a positive effect on corporate financial performance [hereafter as 'CFP'] (e.g., ROI, ROE) has been observed in the third year of CSR activities (Ruf et. al., 2001). Positive relationship between the company value and CSR in the long run have been found by Richard and Michael (2009) through the measurement of the social activities in cumulative/ time series form. Same relation have been reported in the study of Jiao (2010), Hillman and Keim (2001), Husted and Allen (2007), Luo and Bhattacharyya (2006) and Baruch et al. (2010) etc. Among these studies, Jiao (2010), Paul (2005), Luo and Bhattacharyya (2006) and Bradley and Wallace (2010) have examined CSR as instrumental variable. Here, two stage least square model (2SLS) is applied, where stakeholders' value addition is considered as instrumental variable with respect to the CSR activities and company value.

On the other side, negative and insignificant relations of CSR and stakeholders' management, with the company value (market value, book value, Tobins' Q) have also been tested in the study of Mittal et al. (2008), Ahmad (2010), Hillman and Keim (2001), Nelling and Webb (2009), Semenova et al. (2010) etc. Among them, Mittal et al. (2008) study has found that high ethical company may not have more economic and market value addition (EVA & MVA). Stratification is made of the total sample on the

basis of ethically high and poor companies. Ahmad (2010) has reported that except supplier and employees, most of the activities for the stakeholders have insignificant relationship with market value of equity on the basis of 2SLS. Nelling and Webb (2009) and they have found that the CSR is not related with company's market value addition and it is more driven by several other unobserved factors on the basis of one year lag relationship of CSR and CFP in ordinary least square and Granger causality model. Again, Semenova et al. (2010) have shown that social performance index and market value are negatively related. They have also found that the financial performance lagging companies have lower trade and market value with equal CSR activities in comparison with the financial performance leading companies.

Some studies have found mixed results (positive & negative) on the association of CSR and company value (share price). For example, Boesso and Michelon (2010) have found that purely philanthropic activities and company value are inversely related, whereas strategic social activity is favourable for the company. They have also showed that except community and governance related activities, other stakeholders related activities are insignificantly related with the market value. Based on interview method, Green & Peloza (2010) have shown that the relationship of consumers' value addition through CSR and company market value is not consistent for the study period.

However, other than the instrumental perspective of CSR, very few empirical studies can be found regarding the simultaneity of CSR with company value addition and stakeholders' value addition. In a working paper, Argandona (2011) has theoretically discussed the implications of SV, for sustaining value creation and benefits of the company. Kim and Dam (2003) have done case study with their different models, which are formed to find out the EVA (economic value added) with respect to the different stakeholders including the shareholders of a company. The models are based on the CSR's total value addition, which consists of economic value (tangible), reputational (intangible) value and parenting (tangible & intangible) value. These studies have basically emphasized on the measurement of SV.

So, from these studies, it can be seen that the studies have either examined the relationship between social performance and firms' competitiveness or stakeholders' value distribution (SV) and firms' competitiveness. Specifically, the studies have not examined the simultaneous impact of shared value and social performance on firms' competitiveness. Again, the studies have also reported contradictory results about the implication of shared value with respect to firms' competitiveness. Therefore, in the present study, an initiative has been taken to find out the implication of SV in relation to the corporate social performance, stakeholders and competitiveness of firms.

### III. OBJECTIVES OF THE STUDY

Considering the previous studies as discussed above, the objectives of the present study have been specified as:

- (i) To examine the relationship between the corporate social performance and corporate financial performance, and also
- (ii) To examine whether the firms' competitiveness depends on the quantum of social activities and the amount of value distribution to stakeholders.

### IV. METHODOLOGY

In relation to the above mentioned objectives, following methodology has been used in the sections:

#### 4.1 Samples

The present study is conducted on the 85 companies from India, China, Japan and Korea. The published financial and non-financial reports have been studied to collect necessary information within the financial year 2010 to 2012.

#### 4.2 Hypotheses

Relating to the first objective, the relationship between the financial performance and the corporate social performance is to be found out. The previous studies show contradictory results on this issue (Jiao, 2010; Ahmad, 2010). Selected studies have been made to know the difference in the financial performance between CSR performing firms with the CSR non-performing firms. Mix results have also been found (Poddi and Vergalli, 2009; Lopez et al., 2007) here. Following these studies, the hypotheses can be stated as:

H1a: There is positive association between the company financial performance (i.e., market value of equity) and the corporate social performance.

H1b: There is significant difference in the market value of equity of high CSR performing firms against the low CSR performing firms.

The second objective is on the competitiveness of the firms with CSR and stakeholders' value distribution activities. Following the previous studies (Artiach et al., 2010); it can be considered that the high CSR performing firms have better financial performance than the low CSR performing firms. In relation to the stakeholders' value distribution, it can also be added that the companies with high CSR and high level of stakeholders' value distribution activities have better financial performance than the low CSR and low level of value distributing firms. This relation can also be considered for the high growth and low growth firms. Thus, the second hypothesis may be stated as,

H2a: There is significant difference in the financial performances between the high CSR and high growth firms against the low CSR and low growth firms. And

H2b: There is significant difference in the financial performances between the high CSR and high value distributing firms against the low CSR and low value distributing firms.

To test the above stated hypotheses the variables have been coded and explained in the following section.

#### 4.3 Variables & Models

The study variables are EVG, EVD, MVE, TA, ROE, TCSR, CAGR and SGR. These are explained below.

Following the definition of SV and GRI G3 EC1 (Global Reporting Initiative Guidelines Version 3: Economic Issue), the Economic Value Generated (EVG) can be considered in the form of the total earnings or revenue generated by a company in a financial year.: In addition to the above explanation, this Economic Value Distributed (EVD) indicates a portion of the EVG, which is to be distributed or allocated to the selective stakeholders. The total amounts of the values distributed among the stakeholders have been included here as EVD. Market value of equity (MVE) is the average (first day and last day closing price of a financial year) market price of the outstanding equity shares. Several scholars have selected this to represent the value of a company (Jiao, 2010; Ahmad, 2010; Poddi and Vergalli, 2009; Oestreich and Tsiakas, 2013). Total asset (TA) is the total value of assets as has been appeared in the year balance sheet. It has been considered to represent the size of a company. Return on equity (ROE) is the ratio between the net income and share holders' equity. The TA and ROE have been included in the regression models as control variable. The corporate social performance has been indicated by the corporate social responsibility score (TCSR). This score is the total counting of the numbers of social performance indicators disclosed in the non-financial reports out of 79 performance indicators suggested in the GRI G3 guidelines (Chatterji and David, 2005; Clarkson et al., 2006; Global Reporting Initiative Guidelines Version 3). Compound annual growth rate [ $CAGR = \{(TA_{t+2}/TA_t)^{1/2} - 1\}$  : t is current year] and sustainable growth rate [ $SGR = \{ROE \times (1 - DP \text{ Ratio})\}$  : DP Ratio is Dividend Payout ratio] have been considered to represent the competitiveness aspects of firms. The growth variables are used to segregate firm into high growth and low growth category. This is to know about the difference in the financial performance and value distributed for the stakeholders of the high growth firms against low growth firms. For better results, some dummy variables have also been defined in the following paragraph.

Dummy: Dummy value of '1' is allocated for the companies with above average value of CAGR and '0' for the below average value of CAGR. It is indicated by DCAGR. In the same way 'DSGR' is to represent the dummy for SGR. Dummy variable also allotted for TCSR and EVD in the form of DTCSR for above & below average TCSR scoring firms and DEVD for above & below average EVD firms, respectively. In the following discussion, a prefix 'high' or 'low' has been used to represent that a company has above average performance or below average performance on the basis of dummy variables.

By using the above variable and considering the hypotheses in H1, the following regression models have been specified.

$$MVE = \alpha_0 + \alpha_1 TA + \alpha_2 ROE + \alpha_3 TCSR + \varepsilon \text{ --- (1)}$$

$$MVE = \alpha_0 + \alpha_1 TA + \alpha_2 ROE + \alpha_3 TCSR + \alpha_4 DTCSR + \varepsilon \text{ --- (2)}$$

The Equation-1 (Eq-1) is to find out the association of CSR score and market value of equity, whereas the Eq-2 is to know about the difference in the association of CSR and MVE between high CSR performing firms against low CSR performing firms.

$$MVE = \alpha_0 + \alpha_1 TA + \alpha_2 ROE + \alpha_3 DTCSR * DCAGR + \varepsilon \text{ --- (3)}$$

$$MVE = \alpha_0 + \alpha_1 TA + \alpha_2 ROE + \alpha_3 DTCSR * DSGR + \varepsilon \text{ --- (4)}$$

The Eq-3 and Eq-4 have been considered to know about the difference in the market value between the high CSR performing firms with high growth rate against the low CSR performing firms with low growth rate.

$$MVE = \alpha_0 + \alpha_1 TA + \alpha_2 ROE + \alpha_3 DTCSR * DEVD + \varepsilon \text{ --- (5)}$$

$$MVE = \alpha_0 + \alpha_1 TA + \alpha_2 ROE + \alpha_3 DTCSR * DEVD * DCAGR + \varepsilon \text{ --- (6)}$$

The Eq-5 is to know the difference in the market value of firms with high CSR performance and high amount of EVD against the firms with low CSR performance and low EVD, whereas Eq-6 have show the difference in the financial performance due to high CSR, EVD and CAGR firms against the low CSR, EVD and CAGR firms.

On the basis of these models the following results have been found out.

#### IV. RESULTS AND DISCUSSION

The results have been discussed hereunder on the basis of descriptive statistics, correlation analysis and regression analysis.

##### 4.1 Descriptive

The descriptive analysis (Table-1) show that the average value of MVE, EVG, TCSR, SGR and ROE of the high CAGR firms are more than the average values of the total sample companies. But, the average value of TA of high CAGR companies is lower than the total sample companies and companies with low CAGR. The average value of TCSR between high growth firm and low growth firms differs only by 1.587 (i.e., 52.807-51.219). It means that there is marginal difference in the CSR performances between high growth and low growth firms. However, it is important to know that the numbers of high growth firms are lower than the low growth firms, but the lower numbers of high growth companies have outperformed higher volume of the low growth companies with respect to the CSR, MVE, EVD and ROE.

##### 4.2 Correlation

Correlation analyses in Table-2 show that the MVE is positively associated with the EVG, EVD, TA, ROE, SGR, CAGR, DCAGR, DSGR and DEVD. There is weak negative relationship between TCSR and MVE (-0.079). Weak positive relationships are also found between TCSR and CAGR (0.059) and DTCSR and DCAGR (0.052). The correlation coefficients of TCSR with respects to the MVE, EVD, TA, ROE have negative insignificant value. Insignificantly positive relationship is resulted between DTCSR and EVD (0.016). The results show that the market value is not significantly associated with the social performances, but a marginal relationship exists between the high growth rate and high social performance, and economic value distribution and high social performance.

The high growth rate and high social performance relationship has been presented in Table-3 and Table-4. These two tables have shown a comparison between high growth firms and low growth firms on the basis of CAGR and SGR respectively. The average values and standard deviations (SD) have been compared here. From the Table-3, it is found that the average values of EVG, EVD, MVE, ROE, SGR and TCSR of high CAGR firms are higher than the low CAGR firms. In the same way, from the Table-4, it can also be seen that the average values of all the variables of high SGR firms are higher than the low SGR firms. Noticeable is that the SD of TCSR of the high growth firms (for both the CAGR and SGR) are lower than the low growth firms. Therefore, it shows that a relationship exist between growth rate and CSR performance. The tables also show that the high growth firms have higher level of market value and higher level of value distribution for the stakeholders.

##### 4.3 Regression

The regression results have been presented in the Table-5. In all the regression results (Eq-1 to Eq-6) the coefficients of Constant, TA and ROE have significant positive value. However, considering the first hypothesis, the relationship of CSR and MVE is found out in Eq-1 and the difference in the market value of high CSR firms against low CSR firms has been presented through the Eq-2. The result of Eq-1 shows that the insignificantly negative association between MVE and TCSR (-142.138 at  $p > 10\%$ ), whereas the Eq-2 shows an insignificantly positive association between DTCSR and MVE (8605.502 at  $p > 10\%$ ). It shows that in terms of absolute value of CSR score, there is negligible negative impact of CSR on the MVE. And, the MVE of high CSR firm is marginally higher than the low CSR firms.

Study results in relation to the second hypothesis have been presented in the Eq-3 to Eq-6. The Eq-3 and Eq-4 are to know the differences in the market value of firms with high CSR and high growth rate against the low CSR and low growth firms. Here, the Eq-3 is considering DCAGR and Eq-4 is considering DSGR. The results show that the market value of high CSR and high growth (CAGR) firms significantly higher than the low CSR and low growth (CAGR) firms (12518.913 at  $p = 10\%$ ), whereas the market value of high CSR and high SGR firms insignificantly lower than the low CSR and low SGR firms

(-2242.982 at  $p>10\%$ ). This shows that a company with high CSR and high CAGR may have some opportunity of gaining extra benefits over the low CSR and low CAGR firms.

The Eq-5 and Eq-6 regression results show the difference in the market value of high CSR and high EVD firms against the low CSR and low EVD firms. From the Eq-5, it is found that the market value is significantly higher for the high CSR and high value distributing firms over the low CSR and low value distributing firms (38253.951 at  $p<1\%$ ). If the CAGR is included with the Eq-5 (Eq-6), then also a very highly positive significant difference is found between high CAGR, high CSR and high EVD firms against the low CAGR, low CSR and low EVD firms (76710.087 at  $p<1\%$ ). So, it can be seen that the companies with high growth, social performance and stakeholders' value distribution have better market value than the low growth, low social performance and low value distributing firms.

## V. CONCLUSION

The overall findings are showing that only social performance has no such considerable influence on the market value of firms, but in combination of better stakeholders' value distribution for the high growth firms have significant positive influence on the market value of firms. Thus, it can be said that the competitiveness of firms is related with both the social performance and stakeholders value distributions. The study results is able to clear the contradictory findings of the previous studies about the relationship of corporate financial performance and social performance that the consideration of only social performance is not beneficial for the company, if it is not complied with the sufficient amount of stakeholders' value additions. Therefore, managers should simultaneously emphasize on both the social performance and value distribution for the stakeholders, to get competitive advantages over the other firms. However, the study could have been much conclusive with longer period of company data.

**N.B.: See Tables After References**

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**All Tables**

Table-1	Descriptive Statistics					
	Total Sample Firms		High Growth Firms by CAGR		Low Growth Firms by CAGR	
	Mean	Std. Deviation	Mean	Std. Deviation	Mean	Std. Deviation
MVE	25923.871846	48511.4934537	39214.865	26711.363	14531.592	62994.692
EVG	35964.007112	79127.7256675	49965.746	36871.232	23962.517	108180.233
EVD	4685.241266	8965.4128397	6280.492	4279.691	3317.883	12213.765
TA	87253.754562	352226.8213214	75063.191	378577.484	97702.809	320760.016
ROE	11.288657	15.0856783	16.702	17.347	6.649	9.469
SGR	7.11167	13.004396	11.211	15.113	3.597	8.390
CAGR	12.70852	27.130897	26.322	10.040	14.970	31.770
TCSR	51.9527	15.28998	52.80769231	13.53990169	51.21978022	17.15858627
N	169	169	78	78	91	91





Table-2		Correlations of total sample companies											
		MVE	EVG	EVD	TA	ROE	SGR	CAGR	TCSR	DTCSR	DCAGR	DSGR	DEVD
MVE	Correlation	1	.575**	.809**	.442**	.177*	.138	.033	-.079	-.049	.254**	.213**	.560**
	Sig. (2-tailed)		.000	.000	.000	.021	.074	.670	.305	.530	.001	.006	.000
EVG	Correlation	.575**	1	.760**	.171*	.060	.065	.025	-.076	-.013	.164*	.063	.488**
	Sig. (2-tailed)	.000		.000	.026	.440	.398	.748	.324	.865	.033	.418	.000
EVD	Correlation	.809**	.760**	1	.385**	.089	.077	.014	-.057	.016	.165*	.096	.650**
	Sig. (2-tailed)	.000	.000		.000	.250	.322	.860	.461	.841	.032	.214	.000
TA	Correlation	.442**	.171*	.385**	1	.032	.045	-.021	-.047	-.066	-.032	.143	.299**
	Sig. (2-tailed)	.000	.026	.000		.675	.557	.784	.541	.394	.678	.064	.000
ROE	Correlation	.177*	.060	.089	.032	1	.955**	.176*	-.088	-.079	.333**	.609**	.117
	Sig. (2-tailed)	.021	.440	.250	.675		.000	.022	.256	.305	.000	.000	.131
SGR	Correlation	.138	.065	.077	.045	.955**	1	.176*	-.022	-.037	.293**	.626**	.091
	Sig. (2-tailed)	.074	.398	.322	.557	.000		.022	.774	.637	.000	.000	.242
CAGR	Correlation	.033	.025	.014	-.021	.176*	.176*	1	.059	.073	.466**	.216**	-.023
	Sig. (2-tailed)	.670	.748	.860	.784	.022	.022		.448	.343	.000	.005	.767
TCSR	Correlation	-.079	-.076	-.057	-.047	-.088	-.022	.059	1	.818**	.052	.078	-.067
	Sig. (2-tailed)	.305	.324	.461	.541	.256	.774	.448		.000	.503	.314	.388
DTCSR	Correlation	-.049	-.013	.016	-.066	-.079	-.037	.073	.818**	1	.111	.078	-.046
	Sig. (2-tailed)	.530	.865	.841	.394	.305	.637	.343	.000		.149	.314	.554
DCAGR	Correlation	.254**	.164*	.165*	-.032	.333**	.293**	.466**	.052	.111	1	.331**	.043
	Sig. (2-tailed)	.001	.033	.032	.678	.000	.000	.000	.503	.149		.000	.579
DSGR	Correlation	.213**	.063	.096	.143	.609**	.626**	.216**	.078	.078	.331**	1	.110
	Sig. (2-tailed)	.006	.418	.214	.064	.000	.000	.005	.314	.314	.000		.156
DEVD	Correlation	.560**	.488**	.650**	.299**	.117	.091	-.023	-.067	-.046	.043	.110	1
	Sig. (2-tailed)	.000	.000	.000	.000	.131	.242	.767	.388	.554	.579	.156	
		**. Correlation is significant at the 0.01 level (2-tailed).											
N=169		*. Correlation is significant at the 0.05 level (2-tailed).											

<b>Table-3</b>	<b>Comparison of high CAGR firm and low CAGR firms</b>			
Variables	EVG	EVD	MVE	TA
Average	H_CAGR>L_CAGR	H_CAGR>L_CAGR	H_CAGR>L_CAGR	H_CAGR<L_CAGR
SD	H_CAGR<L_CAGR	H_CAGR<L_CAGR	H_CAGR<L_CAGR	H_CAGR>L_CAGR
Variables	ROE	SGR	CAGR	TCSR
Average	H_CAGR>L_CAGR	H_CAGR>L_CAGR	H_CAGR>L_CAGR	H_CAGR>L_CAGR
SD	H_CAGR>L_CAGR	H_CAGR>L_CAGR	H_CAGR<L_CAGR	H_CAGR<L_CAGR
No. of High CAGR= 78	No. of Low CAGR= 91	H_CAGR: High CAGR firms	L_CAGR: Low CAGR firms	

<b>Table-4</b>	<b>Comparison of high SGR firm and low SGR firms</b>			
Variable	EVG	EVD	MVE	TA
Average	H_SGR>L_SGR	H_SGR>L_SGR	H_SGR>L_SGR	H_SGR>L_SGR
SD	H_SGR>L_SGR	H_SGR<L_SGR	H_SGR>L_SGR	H_SGR>L_SGR
Variable	ROE	SGR	CAGR	TCSR
Average	H_SGR>L_SGR	H_SGR>L_SGR	H_SGR>L_SGR	H_SGR>L_SGR
SD	H_SGR<L_SGR	H_SGR<L_SGR	H_SGR>L_SGR	H_SGR<L_SGR
No. of High SGR= 89	No. of Low SGR= 80	H_SGR: High SGR firms	L_SGR: Low SGR firms	

Table-5	Regression Coefficient									Dependent: MVE			R	SE	Independent <sup>^</sup>
	Constant			TA			ROE			Independent <sup>^</sup>					
	Coef.	SE	p	Coef.	SE	p	Coef.	SE	p	Coef.	SE	p			
Eq.-1	22299.638	12353.341	0.073	0.060	0.009	0.000	512.370	221.477	0.022	-142.138	218.647	0.517	0.473	43120.000	TCSR
Eq.-2	29992.135	16125.490	0.065	0.060	0.009	0.000	514.285	221.587	0.022	-372.531	379.379	0.328	0.476	43179.256	TCSR
										8605.502	11572.436	0.458	-	-	DTCSR
Eq.-3	12146.180	4482.249	0.007	0.062	0.009	0.000	462.433	222.526	0.039	12518.694	7708.913	0.106	0.484	42834.959	DTCSR x DCAGR
Eq.-4	15159.017	4447.839	0.001	0.060	0.009	0.000	544.474	231.073	0.020	-2242.982	7753.725	0.773	0.472	43164.965	DTCSR x DSGR
Eq.-5	11659.064	4144.513	0.006	0.056	0.009	0.000	467.968	213.045	0.029	38253.951	10455.856	0.000	0.530	41524.436	DTCSR x DEVD
Eq.-6	11589.702	3860.927	0.003	0.060	0.009	0.000	403.817	201.302	0.046	76710.087	12826.002	0.000	0.601	39141.166	DTCSR x DEVD x DCAGR
				Coef.= Coefficient			SE= Standard Error			N (Number of sample)=169					