



(REVIEW ARTICLE)



The impact of corporate social responsibility, financial planning and financial analysis on the financial performance of Indian financial companies: Financial management is a modified variable

Mohammed Ammar Miftah Albaseer ^{1,*}, Mohammed Miftah Mohammed Abu Naejah ¹ and Nouraldeen Ali Salim Almuwalif ²

¹ *Department of Technical & Vocational, Higher Institute of Sciences and Technology, Kabaw, State of Libya.*

² *University of Zintan, Faculty of Economics and Political Science, Tij,, State of Libya.*

International Journal of Science and Research Archive, 2024, 11(01), 651–666

Publication history: Received on 05 December 2023; revised on 13 January 2024; accepted on 16 January 2024

Article DOI: <https://doi.org/10.30574/ijrsra.2024.11.1.0066>

Abstract

This study aims to analyze in detail the direct impact of corporate social responsibility, financial analysis and financial planning on financial performance directly, as well as the indirect relationship and indirect effect between corporate social responsibility, financial analysis and financial planning on financial performance using a modified financial management metaphor in Indian financial companies. Data were collected through questionnaires for 160 employees in the financial departments, accounting departments, and audit departments in the companies under study, which were conducted for a period of three months in some financial companies in the private sector in the Republic of India. This study uses structural equation model analysis from the Partial Least Squares program through Smart Plus 4 programs. Through the analysis, the results showed that the relationship between corporate social responsibility -> financial performance is negative, as the beta value was negative, meaning that corporate social responsibility is positive and affects directly on financial performance, but the relationship between them is negative. It was noted through the analysis that the direct effect between financial analysis and financial performance is positive. There is a positive and significant relationship, as it was observed through the analysis that there is a direct effect between the modified variable represented by financial management and financial performance. There is also a positive and significant relationship, as it was observed through the analysis that there is a direct effect between financial planning and financial performance, that is, financial planning affects Positively and directly affect financial performance. Regarding the relationship and indirect effect between the study variables, it was determined through analysis that all independent variables do not positively affect financial performance when the financial management uses a modified variable.

Keywords: Corporate social responsibility; Financial analysis; Financial planning; Financial performance; Financial management; Asmarat Plus

1. Introduction

Financial companies and profit-making organizations must choose the best strategies due to the extreme dynamic changes in the business financial system, the necessity of gaining and maintaining a competitive position, and other factors (Borocki et al., 2019). It applies to all financial companies, regardless of their size, industry, location, or profit focus. Organizations must make financial decisions to thrive and hold on to their market position in order to be sustainable, taking into account the internal and external elements of the moment. For-profit organizations and companies are managed differently due to the restrictions they face in different countries. These limitations include not having enough money, not having management or specialized knowledge, and focusing only on the neighborhood. Recall that the process of globalization and new technologies have made all financial organizations operate in a highly

* Corresponding author: Mohammed Ammar Miftah Albaseer

competitive environment (Moravcikova & Kliestikova, 2017); Corporate financial responsibility is becoming more important in all operations (Rahman et al., 2020); and bilateral and multilateral cooperation between financial companies (Kozma, 2017; Sebestova et al., 2017). In addition, the financial economy has managed to establish a much stronger position across Europe in the past ten years. In 1989, the European Commission introduced and endorsed social economics (European Commission, 1989). The European Commission (2011) defined the financial economy as organizations, institutions, cooperatives, cooperatives and financial companies (Dohnalova, 2009). Although financial companies have a long history, their importance to society has increased in recent years. As financial corporations provide the expected answers to civil society's contemporary financial, social and economic concerns, political representation, the media and the for-profit sector focus on them (Christie and Honig, 2006). Since the early 1990s, governments and the general public have been supporting entrepreneurship. As a result of including – and in some cases focusing on – the “social dimension” of entrepreneurial activity, this rapidly developing discipline has expanded the definition of entrepreneurship (Trivedi, 2010). Thus, it highlights the financial mission of entrepreneurship and blends social value generation with business methods. In general, financial accounting is the process of adding value by combining resources in new ways. Its main goal is to identify and capitalize on opportunities to add value to society by promoting social change or meeting needs (Mair & Martí, 2006). It has long been a major area of practice and policy interest to use business for financial profit, or find ways to use corporate profits for social causes (Fowler, 2000; Harding, 2004; Roundy & Bonnal, 2020). It is important to note that national settings vary across Europe and other countries as a result of laws and customs. There are notable differences between financial management in North America and Europe (Bacq & Janssen, 2011; Lortie et al., 2017). In cases where the definition lacks coherence, we have selected some main lines that reinforce the idea of a relationship between financial endeavors and entrepreneurship. According to (Hervio et al., 2010), financial accounting is “a business process initiated by financial entrepreneurs with financial objectives to create financial value; financial institutions are those that use commercial funds and take the form of non-governmental organizations (NGOs)” as a result of financial management. Subsequently, these companies restricted the financing needed to operate. According to a different definition, they must engage in additional commercial activity: “Financial institutions are organizations established by a group of capital holders with the express purpose of profit and investment and have financing.” They have an independent institution, but they face financial risks due to the nature of their business and environmental and economic variables. In (Ames, 2016). In conclusion, it seems that having a financial goal and financial resources is crucial, even more than business operations. As one expert says, “A financial institution is an institution created to financially support a profitable purpose.” (NIST, 2019). Moreover, in order for for-profit organizations and commercial enterprises to become more professional and easier for stakeholders to follow, they must now define their vision, goals and core values in response to pressures from the outside world (donors, supporters, corporations). . As they become more professional, financial entrepreneurs now face greater pressure to make decisions quickly and with a strategic mindset when presenting their financial impact to the general public. (Lin Hi et al., 2015), (Pope et al., 2018), and (Gutterman, 2021). It is certain that future commercial, financial and economic progress will depend more and more on social entrepreneurship. On the one hand, profit-maximizing firms do not escape resource shortages and environmental issues. Historically, this group of issues has been classified as belonging to for-profit NGOs, sometimes known as the financial or economic sector, which operate differently in many global economies. Given the scarcity of budgetary resources, governments must do this .

1.1. Commercial activity of financial institutions

It's common to refer to financial management as a cross between the financial and for-profit industries. (Battilana and Lee , 2014) highlight the distinctions between profit-making companies, legal entrepreneurs, and conventional investors in this context. It is important to note that for-profit businesses often take on business risks, have internal or external funding sources, and turn a profit on their operations. Existing financial organizations, however, are able to adopt commercial legal structures that are for profit. The founder choose what legal documents to utilize, as well as how much money and support he has. Like every other entity, a financial institution needs to turn a profit. The way revenues are distributed distinguishes social enterprises from for-profit businesses. In the business sector, the owner has the power to take advantage of profit.) Durieux and Stebbins (2010) posit that there are three key domains in which the meaning of financial management may be interpreted. These domains include: • The motivational domain, wherein the fundamental motive (Groot & Dankbaar, 2014) may be the need to address a financial issue quickly or empathy for the target population. On the other hand, the goal can be to generate revenue to keep the business afloat. Organizing the firm's operations, establishing a profile, and figuring out the legal structure of the corporation are all essential talents in one sector of the organization. monetary organization. After that comes a sphere of community impact, where the corporation, like any other, needs to establish its networks and look for support and like-minded organizations. As a result, the most common forms of financial institutions are: (1) financial management, which is defined as a business with a financial goal; (2) profit-making companies and social institutions; and (3) entrepreneurship, which is grounded in financial economics and financial institutions that integrate business. distinction from for-profit businesses (Paksiova, 2017; Santos et al., 2015; Zott et al., 2011) is integration) (Gawel, 2014).

1.2. Financial planning and decision-making

As part of corporate responsibility, or CSR - CSR, there are several ongoing conversations that compare and contrast the link between social and financial success (Lodsgård & Aagaard, 2017). First off, it's vital to remember that when corporate social responsibility is two-layered, it has a significant impact on both organizational performance and creativity. Organization is the focus of the first layer, while the market is the focus of the second. Both layers assist companies in collaborating across sectors or gaining a competitive edge in certain industries (Lahtinen et al., 2018; Saeed et al., 2015). Financial decision-making implies that social companies, whose main objective is to achieve social benefit, carry out socially oriented operations. Regretfully, there are hazards associated with these activities, which can occasionally be lucrative but seldom provide value. This characteristic is more common in social enterprises than in businesses (Nijhof & Jeurissen, 2010). Some social companies have a strong investor base that allows them to generate enough revenue to support their operations. However, they can also provide a good selection of goods, such organic food and green items, for which consumers are ready to pay a premium. Alternatively, they can offer various services (such as care, support, and social counseling) to low-income clients who are either unable to pay or get funding from the government. According to)BuggLevine et al. , 2012), a lot of social companies can only thrive because of the generosity of their product portfolios, a variety of money resources, or financial activities like fundraising, crowdfunding, and philanthropic events. Four categories of hybrid organizations which are able to function in the market and shift their operations to an online setting were introduced by)Santos et al. ,2015):

- The hybrid market is a model that resembles strictly commercial models, but it differs in that the organization embraces a social mission, particularly in the areas of social care and basic health.
- Blending Hybrid: These are businesses that provide services to clients who also benefit from their social goal. They could rely on outside assistance and collaboration. They employ a range of financial tools. Organizations that handle clients and beneficiaries from various groups disabled and non-disabled together are known as bridging hybrid organizations. They employ a variety of funding sources as well.
- Coupling Hybrid is a company that offers social enterprise, work integration, and paid client services.

For-profit companies' main sources of funding include shareholders' money, income from the corporate balance sheet, income from stakeholders, and possible revenue from commercial operations. These revenue streams differ based on the kind of for-profit company. Despite the fact that non-governmental and for-profit businesses require strategic management, they do not use it as frequently as conventional businesses because of the greater financial and human resource capability of for-profit businesses. Nonetheless, the Czech Republic has made great strides in this direction in recent years. According to (Sedivi and Mendlikova, 2011, p. 28), the following are some of the key strategic turning points for which for-profit businesses require strategic planning: Strong external forces, such as moving core donors, adjusting support policies, changes in the economic crises, and changing laws, all have an impact on the for-profit company. Ideas about the future development and operation of a for-profit corporation are shaped by changes in the internal environment, such as the turnover of top staff members or legal bodies. Strategic planning for the organization's future development is important if its goal and vision are realized, which is, for the most part, not only an abstract concept. Since the organization's goal and purpose are derived from its work and future planning within sustainable financial planning, the foundation of any strategic planning is an analysis of the existing state of affairs and the determination of those goals. Existential issues are presently plaguing a lot of social companies. Because of COVID-19 pandemic-related government limitations, certain financial institutions and profit-making businesses are unable to deliver their services. Some have also seen a notable growth in their clientele at the same period. Another major problem is growing expenses (Popescu & Popescu, 2019). Financial contributions from donor banks are also at risk, and financial institutions also declare gains in income from the utilization of services supplied by clients. The social economy's stability and activity are all affected by this. The items were supplied by the financial institutions. But there are also issues with the availability of raw materials required to make goods and the incapacity to offer services. Regrettably, many of these issues are also connected to the potential termination of workers in the future who are unable or very difficult to obtain employment elsewhere. Nevertheless, because these financial institutions engaged in internet commerce, they were able to weather the tough times. We found that there are no research specifically addressing the financial management decision-making behavior during crises when the pandemic situation is present, based on our examination of prior literature. This is the basis for our primary research topic, which is: What are the determinants of financial decisions in social enterprises? The major study issue is supported by the following findings, which we will provide in the form of two hypotheses based on an evaluation of an interview with managers of financial organizations in the Republic of India .

1.3. Financial management and financial performance

Therefore, the issue of mission integrity, which arises when financial organizations have to balance profit generation with social purpose, is connected to making crucial judgments. Assume that the accountable executives or company

founders are adequately driven and invested in managing a social venture. In this instance, they prioritize the aim over the profit, even if doing so means utilizing the earnings to fund other business endeavors (Besley & Ghatak, 2017; Katz & Page, 2010; Martin & Osberg, 2007). Three objectives should be followed in order to achieve economic benefit: profit should be used primarily to fund the growth of an enterprise or to accomplish goals for the public good; profit should account for at least the minimum amount of products and services' profit in total revenue; and finally, economic risks should be eliminated and asset management should be minimized. The dividend reinvestment rate was the metric that (Palova and Shepstova, 2020) suggested. According to the TESSEA Social business Principles, which stipulate that at least 51% of revenues must be reinvested in the social business (or for-profit organization), the optimal index level is set at 51%. Having no strategic planning at all is another method to evaluate the economic impact. The indicator that shows whether the business was required by its founding papers to transfer the liquidation balance to a municipality, public benefit organization, or other social institution in the case of its dissolution was the last economic indicator to be measured. Nonetheless, we anticipate that in stable circumstances, the link between profit and financial objectives would be reinforced. In order to effectively run the business, the owner or management will wish to reinvest more money than is anticipated.

1.4. Financial planning and financial performance

When Indian for-profit businesses surveyed financial and strategic planning, they discovered something unexpected. When a complete or segmented strategic plan was produced for 70% of NGOs and for-profit players in the Republic of India. Compared to the previous year, when just over 50% of the companies questioned were involved in financial and strategic planning, this is a considerable improvement. Undoubtedly, the Operational Program for Human Resources and Employment and other bank-financed project sponsors, together with monies aimed at enhancing the institutional and financial management of non-governmental organizations, exerted some pressure and provided financial assistance that contributed to this transition. In order for social entrepreneurship to remain viable during economic downturns, the overall strategy's financial plan should need to be adjusted as a result of the financial incentive. This scenario exemplifies how financial organizations make important choices. They respond adaptively to the shifting circumstances of financial entrepreneurship rather than making constant modifications, according to study findings that may be independently verified (Bénabou & Tirole, 2010).

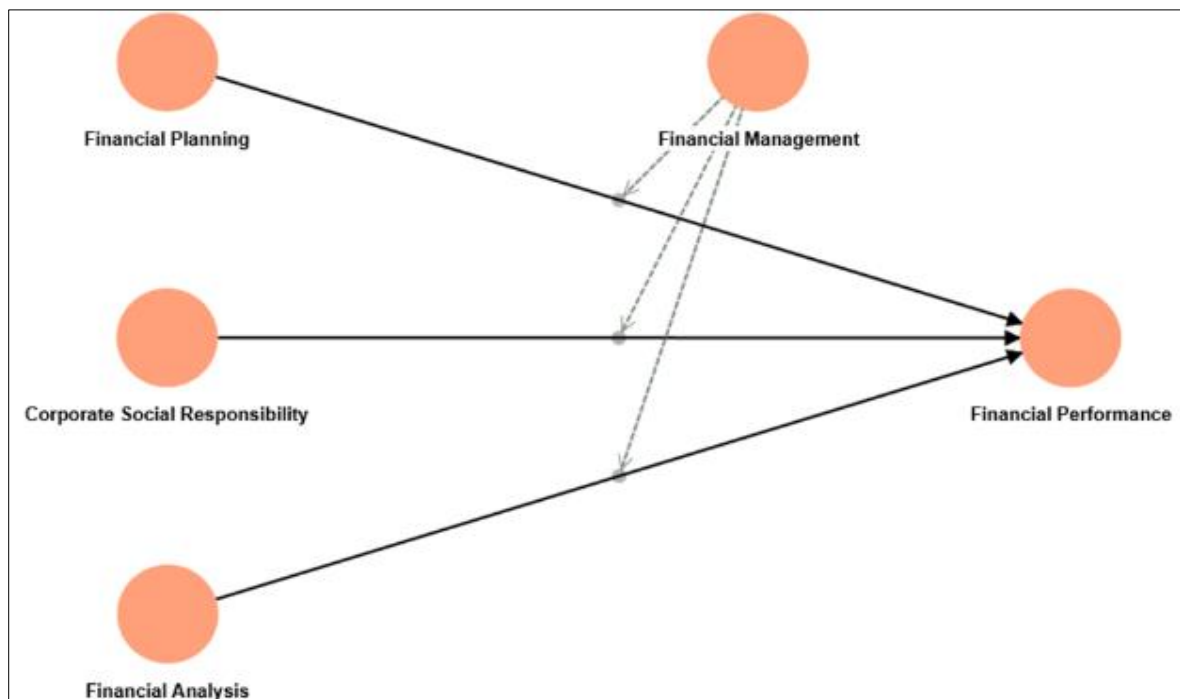


Figure 1 Study variables

2. Methodology and Data

To gather pertinent data on financial institutions and their financial decision-making throughout the crisis, a mix of primary and secondary research methodologies was required (Mulgan, 2006; Tucker, 2014). Although it has been challenging to determine the precise number of financial institutions in the Indian Republic, estimates from)Krejčí and

Šebestová , 2018) and)Duháček Šebestová and Krejčí ,2021) place the figure at around 5,000. The target audience, company location, industry, and major emphasis may all be used to categorize these financial organizations. The Financial Institutions Guide 2021 (CSP, 2021) states that the number of financial institutions in the Indian Republic grew dramatically between 2010 and 2018 (2010-68, 2018-211 organizations). Not all financial institutions might be included, though, as the financial management site is primarily used for handling financial information and creating budgets and final accounts. However, the COVID-19 pandemic has also contributed to a decline in their population, as shown by the drop in number when compared to 2018. The originality of the research and its thematic separation from previously published work are indicated by the fact that larger samples of financial institutions are required to understand how they use finance and make decisions, as demonstrated by prior empirical case studies in financial institutions that concentrated on innovation or profits. In order to describe the subjective view and assessment of each participant (social company owner), the initial research required to be carried out with owners of all kinds of financial institutions utilizing at least a total sample of 30 randomly selected financial institutions in the Republic of India. This decision made sense in light of the research topic, which is to detect distinct financial behaviors in times of crisis and reinvest earnings when they align with the principles of financial institutions (i.e., at least 51% of profits go back to the institution). CFOs discussed their main reasons for presenting their financial project and shared their opinions on advertising choices pertaining to financial performance, financial planning, and financial decisions during the study. Second, the business owners assessed and responded to closed-ended and semi-closed-ended questions on their financial practices, investments, and financial planning. There are several factors and questions in the interview. In the questionnaire, the researchers employed a Likert scale. In order to evaluate the theories and examine the data, they also employed SmartPlus 4. An explanation of the sample data. Based on the authors' interpretation of in-depth interviews with social enterprise entrepreneurs, the findings are provided below. In this study, 160 people who work in accounting, financial management, auditing, and financial budget preparation comprise the sample. They worked on the questionnaire for a long period. The questionnaire is available from August 2023 to October 2023, a span of more than three months. 73.9% of the male participants in the leadership group reported having important experiences. When we looked at their experience, we found that most of them had more than 20 years (37.9%), 11 to 20 years (34.2%), and 4 to 10 years (27.9%), not just in financial firms. This sample consists of individuals with extensive backgrounds in business, finance, and accounting, and as such, possesses the skills needed to correctly evaluate the current state of affairs. Analyze the sample information. Simple statistical techniques assess a collection of data. The significance of each item was expressed as a percentage, and the association between two nominal variables was examined using Cramer's V coefficient. A weak influence is represented by the range $V = 0.1$ to 0.3 , a medium-sized effect by 0.3 to 0.5 , and a big effect by > 0.5 . A 0.05 p-value was used to assess for significance. (Cohen, 1988).

2.1. Hypothesis development

- Corporate social responsibility positively and directly affects financial performance.
- Financial analysis positively and directly affects financial performance.
- Financial management positively and directly affects financial performance.
- Financial planning positively and directly affects financial performance.
- Financial planning positively and indirectly affects financial performance when financial management uses a modified variable.
- Corporate social responsibility positively and indirectly affects financial performance when financial management uses a modified variable.
- Financial analysis positively and indirectly affects financial performance when the financial management uses a modified variable.

3. Results and Discussion

The equation model's path coefficient, the model's coefficient of determination, and the measurement model for validity and reliability tests are displayed in the following figure .

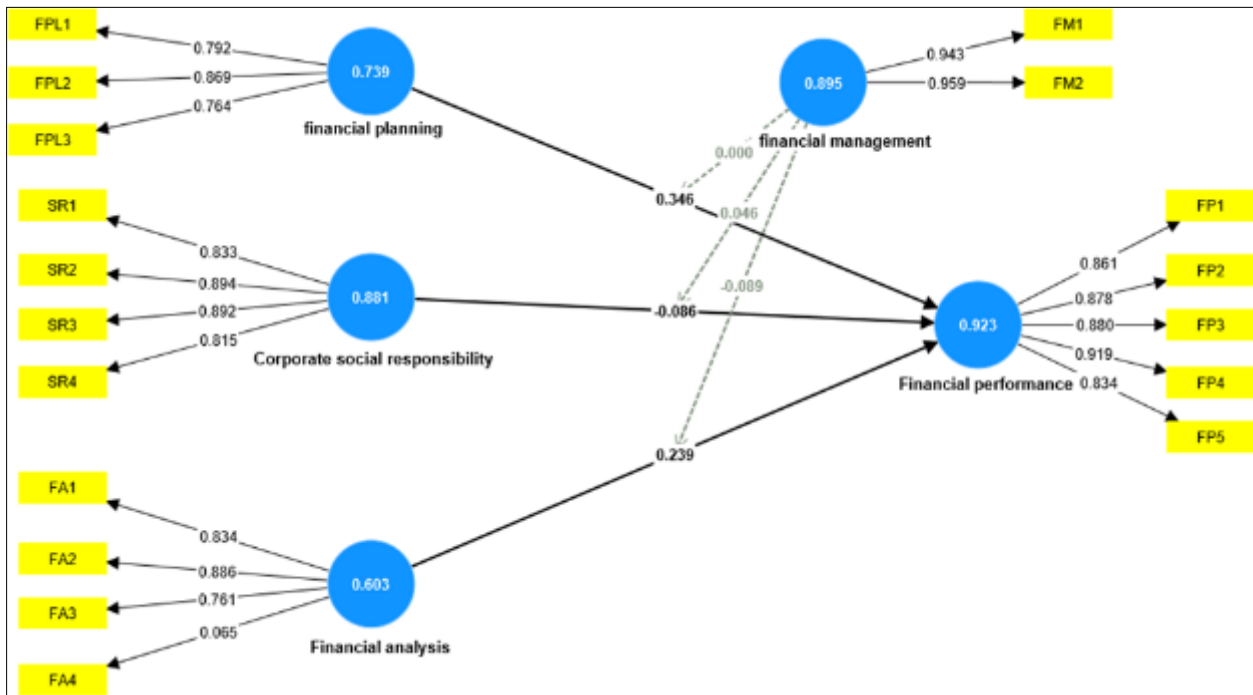


Figure 2 The PLS algorithm of the measurement model

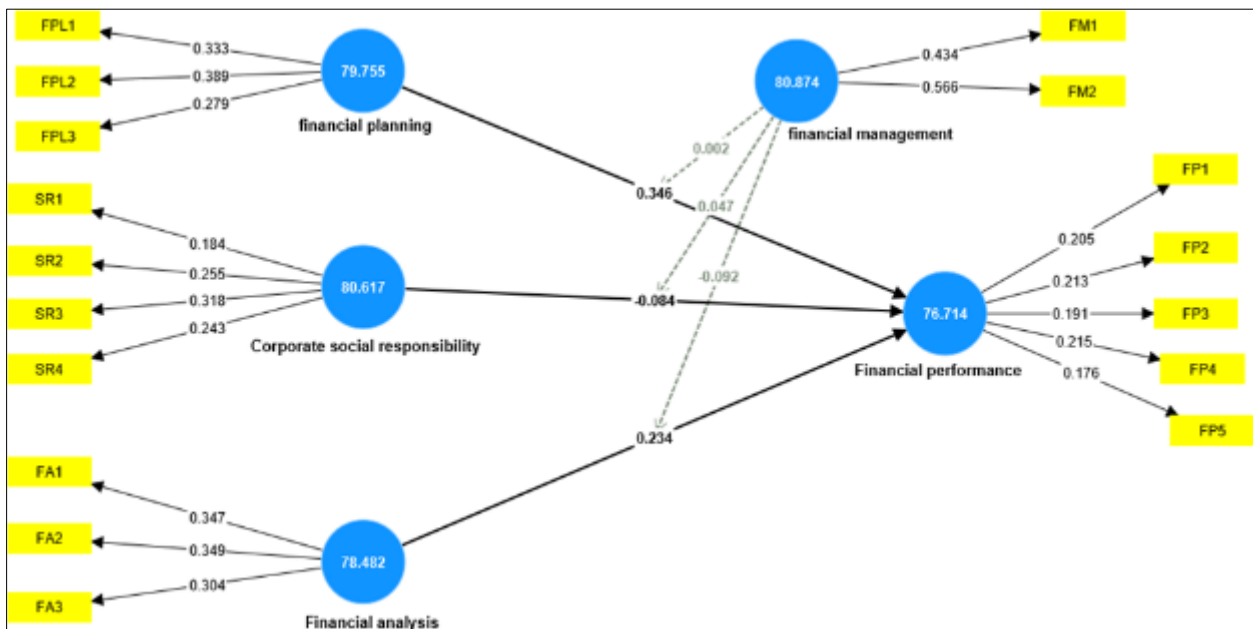


Figure 3 The PLS algorithm of the measurement model

Table 1 The values Outer loadings and Construct reliability and validity) Cronbach's alpha , Composite reliability (rho_a) , Composite reliability (rho_c) , Average variance extracted (AVE) (

Study variables	Items	Outer loadings	% of variance explained by a factor of unidimensionality	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
Financial analysis	FA1	0.851	78.482	0.703	0.773	0.770	0.516
	FA2	0.792					
	FA3	0.816					
Financial management	FA4	0.855	80.874	0.895	0.910	0.950	0.904
	FM1	0.830					
	FM2	0.729					
Financial performance	FP1	0.769	76.714	0.923	0.926	0.942	0.765
	FP2	0.766					
	FP3	0.759					
	FP4	0.793					
	FP5	0.895	79.755	0.739	0.753	0.850	0.655
Financial planning	FPL1	0.892					
	FPL2	0.710					
	FPL3	0.851					
Corporate social responsibility	SR1	0.792	80.617	0.881	0.886	0.918	0.738
	SR2	0.816					
	SR3	0.855					
	SR4	0.830					

The Cronbach's alpha values for all variables were greater than 0.07, and the Cronbach's alpha values (for financial analysis, financial management, financial performance, financial planning, and corporate social responsibility) were respectively (0.703, 0.895, 0.923, 0.739, 0.881). While the composite reliability values (rho_a) for the study variables were greater than 0.07, which are (0.773, 0.910, 0.926, 0.753, 0.886), respectively, while the composite reliability values (rho_c) were all greater than 0.07, which are (0.770, 0.950, 0.942, 0.850, 0.918), respectively. also. The average variance extracted (AVE) values for financial analysis, financial management, financial performance, financial planning, and corporate social responsibility were greater than 0.05 and reached (0.516, 0.904, 0.765, 0.655, 0.738), respectively. This indicates the strength and validity of reliability.

Discriminant validity, according to (Hare et al., 2019), is an additional evaluation criterion that shows how one variable differs from another. It is the degree to which one object differs from other elements, according to (Duarte, 2010). The ability of a variable to distinguish between different components and describe events is directly related to its discriminant validity. The square root of the AVE was used in this work to demonstrate discriminant validity; However, it is necessary to go beyond the importance of the relationships between the basic elements (Hair, et al. 2019). Next, discriminant validity was established to ensure the external consistency of the model. A comparison of the latent constructs is presented in Table 3. Below are the squared AVE values for the constructs: financial analysis (0.516), financial management (0.904), financial performance (0.765), financial planning (0.655), and corporate social responsibility (0.738). See Table 1.

Table 2 Discriminant validity

Study variables	Corporate social responsibility	Financial analysis	Financial performance	financial management	financial planning	financial management x financial planning	financial management x Corporate social responsibility
Corporate social responsibility							
Financial analysis	0.698						
Financial performance	0.445	0.662					
financial management	0.683	0.692	0.544				
financial planning	0.794	0.795	0.657	0.682			
financial management x financial planning	0.338	0.314	0.261	0.295	0.355		
financial management x Corporate social responsibility	0.469	0.367	0.261	0.376	0.288	0.779	
financial management x Financial analysis	0.306	0.340	0.260	0.298	0.211	0.744	0.832

Table 3 Heterotrait-monotrait ratio (HTMT) – List

Relationship	Heterotrait-monotrait ratio (HTMT)
Financial analysis <-> Corporate social responsibility	0.698
Financial performance <-> Corporate social responsibility	0.445
Financial performance <-> Financial analysis	0.662
Financial management <-> Corporate social responsibility	0.683
Financial management <-> Financial analysis	0.692
Financial management <-> Financial performance	0.544
Financial planning <-> Corporate social responsibility	0.794
Financial planning <-> Financial analysis	0.795
Financial planning <-> Financial performance	0.657
Financial planning <-> financial management	0.682

A table showing the degree of relationship between the study variables, all of which are greater than 0.5. The relationship between Financial analysis <-> Corporate social responsibility was (0.698), the relationship between Financial performance <-> Corporate social responsibility This is not a good relationship (0.445), the degree of relationship between Financial performance <-> Financial analysis (0.662), and the relationship percentage between financial management <-> Corporate social responsibility (0.683). The relationship between financial management <-> Financial analysis was (0.692), and the relationship between financial management <-> Financial performance was (0.544). The relationship between financial planning <-> Corporate social responsibility was)0.794(.financial planning <-> Financial analysis is (0.795), while the relationship between financial planning <-> Financial performance is (0.657), and the relationship between accounting information systems is represented. <-> System quality (0.657), and finally the relationship between financial planning <-> financial management is (0.682).

Table 4 Fornell-Larcker criterion

	Corporate social responsibility	Financial analysis	Financial performance	financial management	financial planning
Corporate social responsibility	0.859				
Financial analysis	0.541	0.718			
Financial performance	0.403	0.527	0.875		
financial management	0.610	0.561	0.497	0.951	
financial planning	0.649	0.586	0.555	0.566	0.809

Table 4 In this study, the average variance extracted (AVE) approach was employed to examine the correlation between the items. Good convergent validity is shown by values that are higher than 0.50, as seen by the findings. Additionally, factor loading values greater than 0.50 signify legitimate content validity. In summary, composite reliability (CR) values more than 0.70 and alpha values greater than 0.70 imply significant dependability. These figures are shown in Table 1. In this study, the correlation between the variables was also examined using Fornell Larcker. The findings indicated that there was a larger connection between the values corresponding to the variable itself and the other variables. These findings proved that the discriminant validity was legitimate. These figures are shown in Table 2. The correlation between the variables was examined in this study using cross-loadings, and the findings indicated that the values associated with the independent variable were higher than the values associated with the dependent variables. These findings proved that the discriminant validity was legitimate. Table shows these figures .

Table 5 Cross loadings

	Financial analysis	Financial management	Financial performance	Financial planning	Corporate social responsibility
FA1	0.834	0.424	0.454	0.471	0.373
FA2	0.886	0.501	0.445	0.521	0.466
FA3	0.761	0.478	0.407	0.470	0.510
FA4	0.065	-0.018	0.044	-0.028	0.070
FM1	0.479	0.943	0.434	0.504	0.555
FM2	0.581	0.959	0.506	0.568	0.603
FP1	0.526	0.446	0.861	0.493	0.349
FP2	0.428	0.452	0.878	0.512	0.350
FP3	0.445	0.413	0.880	0.446	0.309
FP4	0.484	0.421	0.919	0.536	0.388
FP5	0.413	0.444	0.834	0.432	0.363

FPL1	0.517	0.556	0.501	0.792	0.617
FPL2	0.494	0.409	0.469	0.869	0.475
FPL3	0.392	0.390	0.355	0.764	0.468
SR1	0.417	0.440	0.313	0.498	0.833
SR2	0.484	0.510	0.361	0.547	0.894
SR3	0.527	0.596	0.371	0.589	0.892
SR4	0.421	0.543	0.336	0.592	0.815

Table 4 demonstrates that the loading factor value for the latent variable indicators is higher than the loading values of the other latent variables. That is, the discriminant validity of latent variables is good.

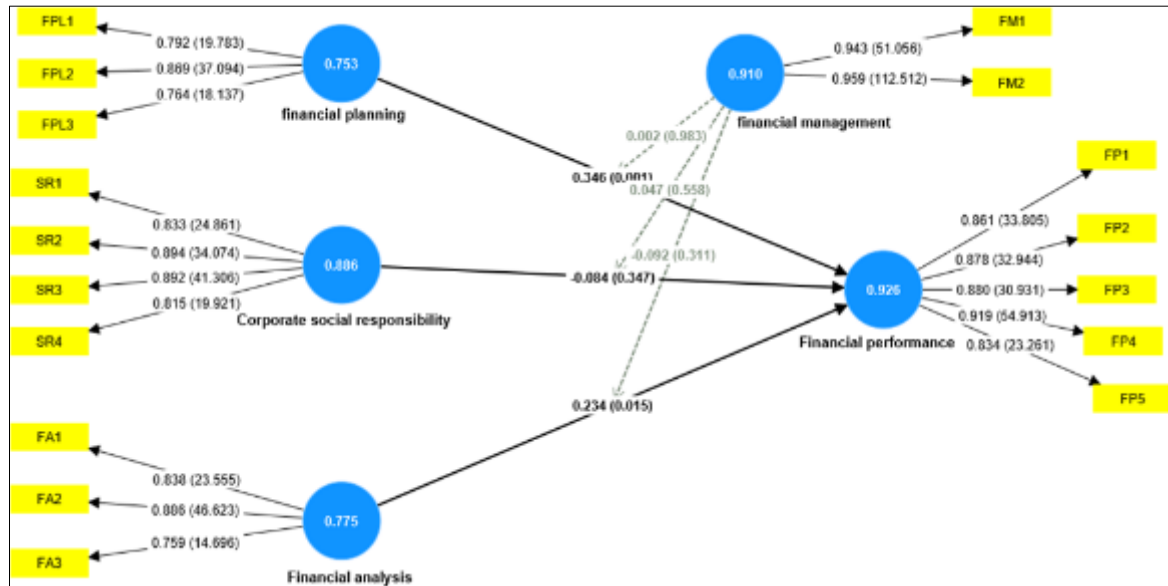


Figure 4 The PLS algorithm of the measurement model

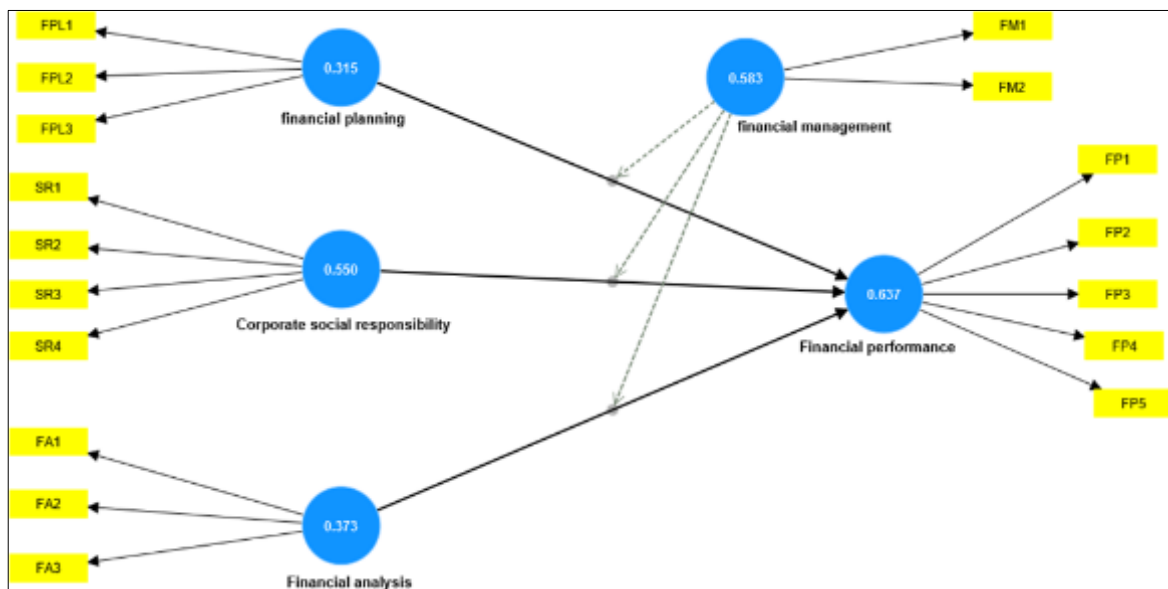


Figure 5 The PLS algorithm of the measurement model.

Table 6 Mean, STDEV, T values, p values For study paragraphs

Study variables		Beta	(M)	S.d	2.5%	97.5%	Bias	T	P values
Financial analysis	FA1	0.838	0.836	0.036	0.747	0.890	-0.002	23.555	0.000
	FA2	0.886	0.886	0.019	0.839	0.916	0.000	46.623	0.000
	FA3	0.759	0.757	0.052	0.624	0.835	-0.002	14.696	0.000
Financial management	FM1	0.943	0.942	0.018	0.896	0.970	-0.002	51.056	0.000
	FM2	0.959	0.959	0.009	0.937	0.972	0.001	112.512	0.000
Financial performance	FP1	0.861	0.860	0.025	0.805	0.904	-0.001	33.805	0.000
	FP2	0.878	0.878	0.027	0.815	0.921	0.000	32.944	0.000
	FP3	0.880	0.878	0.028	0.809	0.923	-0.001	30.931	0.000
	FP4	0.919	0.919	0.017	0.879	0.946	0.000	54.913	0.000
	FP5	0.834	0.832	0.036	0.750	0.892	-0.001	23.261	0.000
Financial planning	FPL1	0.792	0.791	0.040	0.682	0.849	-0.001	19.783	0.000
	FPL2	0.869	0.867	0.023	0.814	0.907	-0.001	37.094	0.000
	FPL3	0.764	0.762	0.042	0.665	0.833	-0.001	18.137	0.000
Corporate social responsibility	SR1	0.833	0.833	0.034	0.744	0.884	0.000	24.861	0.000
	SR2	0.894	0.893	0.026	0.831	0.936	-0.001	34.074	0.000
	SR3	0.892	0.890	0.022	0.838	0.924	-0.001	41.306	0.000
	SR4	0.815	0.812	0.041	0.719	0.878	-0.003	19.921	0.000

Table 5 shows all the values of the study items, where the beta values for all the study items were greater than 0.5. Also, all the beta values for the items in the study variables are positive, and this indicates that the relationship is positive between all items in the study variables, and that the values of the (sample mean (M)) are greater than its constant value, which is 0.7, and this is evidence of the validity and reliability of all items in the study. It was also observed through the analysis that all T values are greater than 2 and P values are less than 0.05, which means that there is a positive effect and a direct, positive relationship between financial analysis, financial planning, and corporate social responsibility as independent variables and financial performance as a dependent variable. There is also a direct relationship between financial analysis, financial planning, and corporate social responsibility as independent variables, and financial performance as a dependent variable when there is financial management as a dependent variable.

Table7 SSO, SSE, R , Q²

Study variables	SSO	SSE	R-square	R-square adjusted	Q ² (=1-SSE/SSO)
Corporate social responsibility	808.000	808.000			0.000
Financial analysis	606.000	606.000			0.000
Financial performance	1010.000	712.988	0.402	0.381	0.294
financial management	404.000	404.000			0.000
financial planning	606.000	606.000			0.000

The coefficient of determination (R²), which takes into account evaluation (R²), effect size (f²), and predictive significance (R²), is the portion of an endogenous variable's variation that can be attributed to all exogenous sources. Moreover, (Hair et al.,2017) recommended that acceptable parameter cut-off values, such 0.75 strong, 0.50 moderate, and 0.25 weak, should serve as the basis for selection values. A coefficient of determination that shows a reasonable degree of forecast accuracy is supported by the table data. The relationship between the adjusted variable promotions (P) and job performance (JP) was verified using the R² factor. Because the R² value is less than 0.75, it is regarded as

weak. The outcome was 0.402. This is a significant outcome. The effect size indicates how the independent variable affects the latent dependent variable. The difference in R2 between the main effects depends on whether a specific moderating variable is present or absent in the model being studied (Hair, et al., 2013). The cutoff values for moderate connection are 0.02 for each model, strong connectivity is 0.15, and weak connectivity is 0.35. These figures show how much correlation there will be between each model. (Al-Shaar et al., 2011) state that (Q2) is a predictive significance metric that assesses the degree to which all internal thought indicators generated by the model are predictive. The blindfold approach is used to calculate this figure (Wong, 2013). Verified replication and community-validated methods can be used to compute the Q2 value (Sarstedt et al., 2014). Make the policy decision first. If the Q2 values of any endogenous latent variable are larger than zero, the route model offers a reasonable level of prediction accuracy for this construct (Sarstedt et al., 2014). The dependent variable "Financial Performance" in Table 7 has a Q2 value of 0.294, indicating a 49.3% prediction accuracy for this construct in the model. This suggests that the route model offers a reasonable level of forecast accuracy for the concept of "financial performance." Table 8 shows that the endogenous latent variable "financial performance" has a Q2 value of 0.294, indicating a 49.3% predictive accuracy for this model component. This displays the route model's average forecast accuracy for the idea of "Financial Performance."

Table 8 Hypothesis testing

	beta	(M)	S.d	T	P values	decision
Corporate social responsibility -> Financial performance	-0.084	-0.075	0.089	0.940	0.347	Not Supported
Financial analysis -> Financial performance	0.234	0.242	0.097	2.423	0.015	Supported
financial management -> Financial performance	0.205	0.202	0.091	2.264	0.024	Supported
financial planning -> Financial performance	0.346	0.339	0.104	3.323	0.001	Supported
financial management x financial planning -> Financial performance	0.002	-0.008	0.108	0.021	0.983	Not Supported
financial management x Corporate social responsibility -> Financial performance	0.047	0.056	0.081	0.586	0.558	Not Supported
financial management x Financial analysis -> Financial performance	-0.092	-0.071	0.091	1.014	0.311	Not Supported

3.1. The direct effect between the study variables

Table 7 shows that the direct effect between corporate social responsibility -> financial performance, as the relationship between corporate social responsibility -> financial performance is negative, as it was (beta value = -0.084; T = 0.940; P > 0.347), where the beta value is Negative and the value of T is greater than 2, in addition to (P = >0.05), which means rejecting the direct hypothesis which states that corporate social responsibility positively and directly affects financial performance. It was noted through the analysis that the direct effect between financial analysis -> financial performance is positive. There is a positive and significant relationship, where the value of (beta value = -0.234; T = 2.423; P = 0.015), and all betas are positive, and therefore the value of T is greater than 2, in addition to the value of P < 0.05, which means accepting the hypothesis that states that Financial analysis positively and directly affects financial performance. It was also noted through the analysis that there is a direct effect between the modifying variable represented by financial management -> financial performance, and there is a positive and significant relationship amounting to (beta value = 0.205; T = 2.264; P < 0.05), meaning that the hypothesis was accepted that states: Financial management positively and directly affects financial performance. It was also noted through the analysis that there is a direct effect between financial planning -> financial performance, as it was (beta value = 0.346; T = 3.323; P < 0.05), meaning that the hypothesis was accepted, which states that financial planning positively and directly affects financial performance. .

3.2. The indirect effect between the study variables

Regarding the relationship and the indirect effect between the variables of the study, it was determined through analysis that the fourth hypothesis, which states that financial planning positively and indirectly affects financial performance when financial management uses a modified variable. The study proved that financial planning does not positively and indirectly affect financial performance. Financial performance when using financial management is a modified variable. However, the relationship between them is positive (beta value = 0.002; T = 0.021; P > 0.05), which means that the

hypothesis is rejected. Regarding the fifth hypothesis, which states that corporate social responsibility positively and indirectly affects financial performance when financial management uses a modified variable, the study confirmed that

(Beta value = 0.047; $T = 0.586$; $P > 0.05$). From the results, it was observed that the fifth hypothesis was rejected, as the value of T is less than 2, and $P > 0.05$, but the relationship between corporate social responsibility and financial performance when using the financial management variable is positive. Regarding the sixth hypothesis, which states that financial analysis positively and indirectly affects financial performance when financial management uses a modified variable, the study confirmed that (beta value = -0.092; $T = 1.014$; $P > 0.05$). From the results, it was observed that the sixth hypothesis was rejected, as the value of T is less than 2, and $P > 0.05$, but the relationship between financial analysis and financial performance when financial management uses a modified variable is negative.

3.3. Results

Through analysis, the results showed that the relationship between corporate social responsibility -> financial performance is negative, with a negative beta value and a T value greater than 2, in addition to ($P = >0.05$), meaning that corporate social responsibility positively and directly affects financial performance, but The relationship between them is negative. It was noted through the analysis that the direct effect between financial analysis -> financial performance is positive. There is a positive and significant relationship, and all betas are positive, and therefore the value of T is greater than 2, in addition to the value of $P < 0.05$, meaning that financial analysis positively and directly affects financial performance. It was also noted through the analysis that there is a direct effect between the modified variable represented by financial management -> financial performance, and there is also a positive and significant relationship, meaning that financial management positively and directly affects financial performance. It was also noted through the analysis that there is a direct effect between financial planning -> financial performance, meaning that financial planning positively and directly affects financial performance.

Regarding the relationship and the indirect effect between the variables of the study, it was determined through analysis that the fourth hypothesis, which states that financial planning positively and indirectly affects financial performance when financial management uses a modified variable. The study proved that financial planning does not positively and indirectly affect financial performance. Financial performance when using financial management is a modified variable. However, the relationship between them is positive. Regarding the fifth hypothesis, which states that corporate social responsibility positively and indirectly affects financial performance when financial management uses a modified variable, and through the results it was observed that it does not affect positively, but the relationship between corporate social responsibility and financial performance when financial management uses a modified variable is positive. Regarding the sixth hypothesis, which states that financial analysis positively and indirectly affects financial performance when financial management uses a modified variable, the study confirmed that there is no effect, and from the results it was noted that the sixth hypothesis was rejected, as the value of T is less than 2, and $P > 0.05$. The relationship between financial analysis and financial performance when using financial management is a negative variable.

4. Conclusion

It was noted through the analysis that there is a direct effect between the modified variable represented by financial management and financial performance. There is also a positive and significant relationship, as it was noted through the analysis that there is a direct effect between financial planning and financial performance, meaning that financial planning has a positive and direct impact on financial performance. Regarding the relationship and indirect effect between the study variables, it was shown through analysis that all independent variables do not positively affect financial performance when the financial management uses a modified variable.

Compliance with ethical standards

Disclosure of conflict of interest

No conflict of interest to be disclosed.

References

- [1] Battilana, J., & Lee, M. (2014). Advancing research on hybrid organizing—Insights from the study of social enterprises. *Academy of Management Annals*, 8(1), 397-441.

- [2] Bénabou, R., & Tirole, J. (2010). Individual and corporate social responsibility. *Economica*, 77(305), 1-19.
- [3] Besley, T., & Ghatak, M. (2017). Profit with purpose? A theory of social enterprise. *American Economic Journal: Economic Policy*, 9(3), 19-58.
- [4] Borocki, J., Radisic, M., Sroka, W., Greblikaite, J., & Androniceanu, A. (2019). Methodology for strategic posture determination of SMEs. *Engineering Economics*, 30(3), 265-277.
- [5] Bugg-Levine, A., Kogut, B., & Kulatilaka, N. (2012). A new approach to funding social enterprises. *Harvard business review*, 90(1/2), 118-123.
- [6] Christie, M. J., & Honig, B. (2006). Social entrepreneurship: New research findings. *Journal of World Business*, 41(1), 1-5.
- [7] Cohen, J. (2013). *Statistical power analysis for the behavioral sciences*. Academic press.
- [8] Dohnalová, M. (2009). Sociální ekonomika-vybrané otázky. VÚPSV.
- [9] Duháček Šebestová, J., & Krejčí, P. (2021). How Do Social Enterprises Deliver Tailored Support to Minority Entrepreneurs?. *The Palgrave Handbook of Minority Entrepreneurship*, 439-463.
- [10] Duháček Šebestová, J., & Krejčí, P. (2021). How Do Social Enterprises Deliver Tailored Support to Minority Entrepreneurs?. *The Palgrave Handbook of Minority Entrepreneurship*, 439-463.
- [11] Durieux, M., & Stebbins, R. (2010). *Social entrepreneurship for dummies*. John Wiley & Sons.
- [12] European Commission (1989). The Communication, 'business in the social economy sector: Europe's frontier-free market'. Retrieved February 20, 2021, from <https://eurlex.europa.eu/legalcontent/EN/TXT/?uri=celex%3A51990AC1046>.
- [13] European Commission (2011). Social Business Initiative (COM(2011) 682 final). Retrieved November 10, 2020, from <http://eurlex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0682:FIN:en:PDF>
- [14] Fowler, A. (2000). NGOs as a moment in history: beyond aid to social entrepreneurship or civic innovation?. *Third world quarterly*, 637-654.
- [15] Gawell, M. (2013). Soci (et) al entrepreneurship and different forms of social enterprise. In *Social entrepreneurship: Leveraging economic, political, and cultural dimensions* (pp. 23-41). Cham: Springer International Publishing.
- [16] Groot, A., & Dankbaar, B. (2014). Does social innovation require social entrepreneurship?. *Technology Innovation Management Review*, 4(12).
- [17] Hair, J. F., Risher, J. J., Sarstedt, M., & Ringle, C. M. (2019). When to use and how to report the results of PLS-SEM. *European business review*, 31(1), 2-24.
- [18] Hair, J. F., Risher, J. J., Sarstedt, M., & Ringle, C. M. (2019). When to use and how to report the results of PLS-SEM. *European business review*, 31(1), 2-24.
- [19] Harding, R. (2004). Social enterprise: the new economic engine?. *Business strategy review*, 15(4), 39-43.
- [20] Hervieux, C., Gedajlovic, E., & Turcotte, M. F. B. (2010). The legitimization of social entrepreneurship. *Journal of Enterprising Communities: people and places in the global economy*, 4(1), 37-67.
- [21] Hair, J., Hollingsworth, C. L., Randolph, A. B., & Chong, A. Y. L. (2017). An updated and expanded assessment of PLS-SEM in information systems research. *Industrial management & data systems*, 117(3), 442-458.
- [22] Huang, X., Schwenke, D. W., Freedman, R. S., & Lee, T. J. (2017). Ames-2016 line lists for 13 isotopologues of CO₂: Updates, consistency, and remaining issues. *Journal of Quantitative Spectroscopy and Radiative Transfer*, 203, 224-241.
- [23] Katz, R. A., & Page, A. (2010). The role of social enterprise. *Vt. L. Rev.*, 35, 59.
- [24] Kozma, T. (2017). Cooperation in the supply chain network. In *Forum Scientiae Oeconomia* (Vol. 5, No. 3, pp. 45-58). Wydawnictwo Naukowe Akademii WSB.
- [25] Krejčí, P., & Šebestová, J. (2018). Social innovation ties: A dilemma of product and employee orientation. *Polish Journal of Management Studies*, 17(2), 123-133.
- [26] Lahtinen, S., Kuusela, H., & Yrjölä, M. (2018). The company in society: when corporate responsibility transforms strategy. *Journal of Business Strategy*, 39(4), 11-18.

- [27] Lin-Hi, N., Hörisch, J., & Blumberg, I. (2015). Does CSR matter for nonprofit organizations? Testing the link between CSR performance and trustworthiness in the nonprofit versus for-profit domain. *Voluntas: International Journal of Voluntary and Nonprofit Organizations*, 26, 1944-1974.
- [28] Lodsgård, L., & Aagaard, A. (2017). Creating value through CSR across company functions and NGO collaborations: A Scandinavian cross-industry case study. *Scandinavian Journal of Management*, 33(3), 162-174.
- [29] Lortie, J., Cox, K. C., & Roundy, P. T. (2017). Institutional channeling and social entrepreneurship opportunity recognition. In *Academy of Management Proceedings* (Vol. 2017, No. 1, p. 11018). Briarcliff Manor, NY 10510: Academy of Management.
- [30] Mair, J., & Marti, I. (2006). Social entrepreneurship research: A source of explanation, prediction, and delight. *Journal of world business*, 41(1), 36-44.
- [31] Martin, R. L., & Osberg, S. (2007). Social entrepreneurship: The case for definition.
- [32] Moravcikova, D., & Kliestikova, J. (2017). Brand building with using phygital marketing communication. *Journal of Economics, Business and Management*, 5(3), 148-153.
- [33] Mulgan, G. (2006). The process of social innovation. *innovations*, 1(2), 145-162.
- [34] Pakšiová, R. (2017). The Critical analysis of profit for its allocation decision-making. *Scientific Annals of Economics and Business*, 64(Special), 41-56.
- [35] Palová, Z., & Šebestová, J. (2020). Competencies, skills, and goals needed for social enterprises: case of the Czech Republic. In *Developing Entrepreneurial Competencies for Start-Ups and Small Business* (pp. 109-128). IGI Global.
- [36] Pope, S., Bromley, P., Lim, A., & Meyer, J. W. (2018). The pyramid of nonprofit responsibility: The institutionalization of organizational responsibility across sectors. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations*, 29, 1300-1314.
- [37] Popescu, C. R. G., & Popescu, G. N. (2019). An exploratory study based on a questionnaire concerning green and sustainable finance, corporate social responsibility, and performance: Evidence from the Romanian business environment. *Journal of Risk and Financial Management*, 12(4), 162.
- [38] Rahman, A., Sultana, N., & Mizanur Rahman, M. (2020). CSR vs Social Business for Sustainable Development. In *Governance and Sustainability* (pp. 113-130). Emerald Publishing Limited.
- [39] Roundy, P. T., & Bonnal, M. (2020). Social entrepreneurship and economic thought: a path to rapprochement. *Global Business and Economics Review*, 23(3), 257-279.
- [40] Saeed, S., Yousafzai, S., Paladino, A., & De Luca, L. M. (2015). Inside-out and outside-in orientations: A meta-analysis of orientation's effects on innovation and firm performance. *Industrial Marketing Management*, 47, 121-133.
- [41] Santos, F., Pache, A. C., & Birkholz, C. (2015). Making hybrids work: Aligning business models and organizational design for social enterprises. *California management review*, 57(3), 36-58.
- [42] Santos, F., Pache, A. C., & Birkholz, C. (2015). Making hybrids work: Aligning business models and organizational design for social enterprises. *California management review*, 57(3), 36-58.
- [43] Sarstedt, M., Ringle, C. M., Smith, D., Reams, R., & Hair Jr, J. F. (2014). Partial least squares structural equation modeling (PLS-SEM): A useful tool for family business researchers. *Journal of family business strategy*, 5(1), 105-115.
- [44] Šebestová, J. D., Krejčí, P., & Rylková, Ž. (2022). What Situations Cause Crucial Financial Decisions within Social Businesses?. *Central European Business Review*, 11(3), 39.
- [45] Šebestová, J., Šperka, R., Maľacka, J., & Łuczka, T. (2017, December). Co-working centres as a potential supportive network for cross-border business cooperation. In *Forum Scientiae Oeconomia* (Vol. 5, No. 4, pp. 23-34).
- [46] Šedivý, M. (2009). Úspěšná nezisková organizace. Grada Publishing as.
- [47] Trivedi, C. (2010). Towards a social ecological framework for social entrepreneurship. *The Journal of entrepreneurship*, 19(1), 63-80.
- [48] Tucker, S. (2014). Social innovation for public service excellence. UNDP Global Centre for Public Service Excellence.

- [49] Wang, T., Long, L., Zhang, Y., and He, W. (2019). A social exchange perspective of employee–organization relationships and employee unethical pro- organizational behavior: the moderating role of individual moral identity. *J. Bus. Ethics* 159, 473–489. doi: 10.1007/s10551-018-3782-9.
- [50] Zott, C., Amit, R., & Massa, L. (2011). The business model: recent developments and future research. *Journal of management*, 37(4), 1019-1042.