


Chapter 14


Corporate Social Responsibility Influence on Green Financial Stewardship by Mediation of Cost Leadership in Case of Ethiopia

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ABSTRACT

The objective of this investigation is to investigate the association among Corporate Social Responsibility (CSR), leadership in terms of cost, as well as green Financial Stewardship. It addresses how Corporates can fully assimilate corporate social responsibility (CSR) into their strategic objectives to augment operational as well as financial performance. Quantitative investigation strategy with surveys was employed to investigate the associations among CSR practices, leadership in terms of cost techniques, as well as financial outcomes across diverse industries. As well,

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it uses statistical techniques to evaluate how Leadership in terms of cost mediates the link among Financial Stewardship and CSR. Key outcomes demonstrate that CSR positively promotes Financial Stewardship through its influence on Leadership in terms of cost. Organizations that strategically assimilate their CSR strategies with leadership in terms of cost strategies achieve considerable gains in financial performance. As outcomes, corporate social responsibility (CSR) should be seen as a strategic asset.

INTRODUCTION

With corporations realizing their function in solving urgent social and environmental issues, the association among environmental sustainability and corporate social responsibility (CSR) has become more important on a worldwide scale (Soewarno et al., 2021). In a world where social injustice, resource depletion, and climate paradigm shift are major issues, corporate social responsibility (CSR) has grown from a side issue to a crucial component of corporates strategy (Mishra & Sant, 2024). The concept of CSR recognized that their practices had an influence on interested parties other than shareholders, such as communities and the environment (Muchlish & Abbas, 2024). One framework or set of norms that reflects this shift is the Strategic objectives of the United Nations, which emphasize the need for moral corporates conduct to promote sustainable development (Park, 2024). The benefits of CSR on stakeholder involvement, brand reputation, and organizational performance have been well-documented in empirical literature. As per to several investigations, corporates that actively participate in CSR strategies frequently see increases in staff morale, customer loyalty, as well as financial performance (Gulema & Roba, 2021). However, investigation on the precise processes via which CSR promotes Green Financial Stewardship is noticeably lacking, especially in developing nations like Ethiopia (Abebe Mamo et al., 2024; Park, 2024). Although previous investigation emphasizes the advantages of corporate social responsibility (CSR), it sometimes ignores the mediating elements that support these associations, such leadership in terms of cost, which is essential for corporatizes function in resource-constrained settings. Due to a lack understanding, and insufficient legal frameworks, many organizations especially those in emerging markets find it challenging to incorporate CSR into their main corporates operations (Alemnew Belay et al., 2024; Kim et al., 2023).

CSR is very important for Green Financial Stewardship, especially in Ethiopia's changing economy (Abebe Mamo et al., 2024). Companies may efficiently balance cost leadership with encouraging sustainable practices by combining CSR with Green Financial Management (Park, 2024). This method encourages companies to spend

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