

An Investigation of Corporate Social Responsibility and Financial Performance in Taiwan

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ABSTRACT

Corporate social responsibility (CSR) and business ethics (BE) have great impacts on the firm itself and on an entire society. Both of them in the United States have a long history. Although the concept of CSR has been gradually accepted by Taiwan's large businesses, most firms performed CSR poorly and socially responsible investment (SRI) is still new to Taiwan's managers and investors. This study explores the relationship between CSR and corporate financial performance (CFP) in Taiwan by forming two simulated (SRI) portfolios (one manufacturing industry and one non-manufacturing industry) based on the voting results from 130 corporate managers who were chosen from among the top 1,000 firms in Taiwan. The empirical results are as follows: (1) The relationship between social performance and financial performance is positively significant. (2) The simulated CSR portfolios have better performance than the portfolios in which the companies do not perform adequate social responsibilities (non-CSR) by all five performance measures. This study concludes that investors, fund managers and government in Taiwan should emphasize CSR and SRI, and encourage enterprises to improve their corporate social performance in Taiwan.

Key words: *business ethics (BE), corporate financial performance (CFP), corporate social performance (CSP), corporate social responsibility (CSR), ethical fund (EF), socially responsible investment (SRI).*

I. Introduction

For the past three years, many firms and financial institutions in Taiwan have experienced financial distresses, mainly because of the managers did not perform corporate social responsibility (CSR) and business ethics (BE). For example, in the first six months of the year 2000, some financial institutions had illegally extended huge numbers of improper loans to certain companies. Some managers in publicly traded companies took millions of dollars for their own personal use, some other managers manipulated their company's stock price by announcing artificially inflated performance figures on company earnings. Consequently, the investors experienced severe losses in the stock market as the stock prices of these firms and financial institutions

dropped dramatically. Additionally, the earthquake which occurred in Taiwan on September 21, 1999 killed more than twenty-four hundred people and caused thousands of buildings to collapse. This was partly due to the unbelievably low quality of building construction, which also indicated that some managers in these construction firms had been very irresponsible and unethical. Examples such as these demonstrate that any manager who is not socially responsible or is doing unethical practices might not only ruin the entire company but also had a very deep and lasting negative effect on the whole society. Just as Dr. Morris C. Chang, the Chairman of the Board of the Taiwan Semiconductor Manufacturing Corporation (TSMC), said in 1999, "Honesty and integrity are very important in operating a business and in its permanent value". These concerns

have caused a number of pleas for CSR in Taiwan's business. We suggest that Taiwan's entrepreneurs should not only pay more attention to CSR than before, but also refrain from practicing unethical business.

There was an impressive history associated with the evolution of the concept, definition and empirical research on CSR in the United States. We believe that corporations in Taiwan should also act "justly" as a proper citizen should do. If most of Taiwan's businesses could emphasize CSR, then it would lower the opportunity of financial difficulties and reduce the losses to investors.

Socially responsible investment (SRI) has also developed a long history in the United States, yet it is a completely new idea to Taiwanese investors. Back in 1928, the Pioneer group in the United States launched a social screen in investing. In 1972, the Dreyfus Corporation became the first traditional money-management investment firm to operate a socially screened fund - the Dreyfus Third Century Fund. This fund not only divested of companies involved in businesses whose records on ethics, human rights, animal welfare, and producing armaments were poor, but also concentrated on investing in companies that respected human rights and the environment as well as those engaged in non-nuclear, non-military and non-tobacco-related activities. From then on, the ethical fund has grown rapidly. According to the 2000 Nelson's Directory of Investment Managers, the total assets of SRI institutions in the United States in 1999 amounts to US \$2.16 trillion, which increased dramatically from \$40 billion in 1984 when the Social Investment Forum (SIF) conducted the first industry-wide survey. Also, according to the SIF, on January 25, 2000 about 70% of socially screened mutual funds with \$100 million or more in assets earned the highest marks on performance from either Lipper or Morningstar data or both. Hence, it implies that one major reason for the dramatic growth is that SRI can match profit with morals. The motivation for this study is as follows: First, as the world trend of emphasizing SRI has steadily developed, a country like Taiwan, R.O.C., which is marching toward becoming a well-developed country, should not stand alone with unethical or irresponsible practices any more. Secondly, many listed companies in Taiwan suffered from financial distress as the managers of these firms did not perform CSR and BE adequately, and caused a huge loss to indi-

vidual stock investors due to the dramatic plunge in stock prices. Taiwanese investors should stand up and refuse to invest in those social irresponsible firms in order to reduce their future potential losses. Thirdly, to investigate whether the profitable investments and a healthy conscience can grow together in Taiwan. The purposes of this work are as follows: (1) to explore which enterprises in Taiwan performed CSR and BE well from the managers' point of view. (2) to investigate and compare the financial performance of the CSR firms with the firms which did not emphasize CSR (non-CSR firms).

II. Literature Review

This study categorizes previous literature in terms of the study of (1) the concept and development of social responsibility; (2) the relationship between CSR and corporate financial performance (CFP); (3) the concept, theory and development of SRI, and (4) the empirical studies on the financial performance of SRI. First, regarding the concept and development of CSR. Bowen¹ (1953) referred to social responsibility as "the obligations of businessman to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of social values and social satisfaction". He also contended that the businessman should be actuated by the motives of serving society rather than maximizing profit as the sole purpose of enterprise. McGuire (1963), Manne (1972), Steiner and Steiner (1981), and Carroll (1996), all argued that social responsibility assumed that corporations had not only economic and legal obligations, but also certain responsibilities to society which extended beyond those obligations. Davis (1967) suggested that, in our pluralistic society, the businessman must be socially responsible for his actions. On the other hand, Friedman (1970) proposed that a corporation's only social responsibility is to increase profits. Seithi (1975) classified CSR into three categories: social obligation, social duty and social reaction. Davis and Blomstorm (1975) deemed that CSR is the duty of the decision makers, who have to take actions to protect and advance social welfare when they accomplish self-benefits. Davis (1975) examined five proposals for social responsibility, collectively called "the social responsibility model". Carroll² (1979) proposed a three-dimensional conceptual model of corporate performance, which can be used to assist managers conceptualize the key issues in CSP to systematize thinking about social issues and to make better planning and diagnosis in the social performance field. Dalton and Cosier (1982) proposed the four faces of social responsibility, they believed that no approach

¹ Bowen, Howard, R., 1953, *Social Responsibility of the Businessman*, Harper and Row Company.

² Carroll Archie, B., 1979, "A Three-Dimensional Conceptual Model of Corporate Performance," *Academy of Management Review* Vol. 4, No. 4, 467-505.

any company takes to the important topic of CSR is free from criticism, but one approach aids both the company and society in the long run. Anderson Jr. (1986) argued that a company's social responsibility program had three major areas: complying with laws, setting and abiding by moral and ethical standards, and philanthropic giving. Epstein (1987) contended that the corporate social policy process concept should assist the leaders of enterprises to incorporate value and social performance consideration into ongoing organizational policies and practices by providing an integrative framework which draws upon key elements of BE, CSR and social responsiveness³. McGuire, Schneeweis and Branch (1990) suggested that financial measure of both risk and return affected perception of a firm's quality. Bowie (1991) argued that theorists must consider reciprocity and moral pluralism if they are to assist managers fulfill CSR. Carroll (1999) reviewed and summarized the evolution of the concept and definition of CSR.

Secondly, numerous empirical studies of CSR have focused on the relationship between social responsibilities and economic performance. This study classifies the previous research into three categories: positive, negative and no significant relationship: (1) The following articles found a positive relationship between a company's degree of CSR and its CFP. For example, Moskowitz (1972), Paret and Eilbirt (1975), Spicer (1978), Preston (1978), Cochran and Ward (1984), Posnikoff (1997), Ruf et al. (1998), and Stanwick and Stanwick (1998), all demonstrated that there was a positive relationship between CSR and CFP. (2) Regarding the negative relationship result: Vance (1975) and Mahapatra (1984) demonstrated that a negative relationship between CSR and CFP existed. (3) There are some researchers who obtained insignificantly statistical relationship results as follows: Fogler and Nutt (1975), Alexander and Buchholz (1978), Aldaq and Bartol (1978), Abbott and Monsen (1979), Chen and Metcalf (1980), Aupperle, Carroll and Hatfield (1985), Wokutch and Spencer (1987), O'Neill, Saunders and McCarthy (1989), and McWilliams and Siegel (1997), all argued that no significantly positive or negative relationship between CSR and profitability had been found. Ullmann (1985) pointed out the primary reasons for the inconsistencies among the findings and suggested a strategic framework and methodological improvements to achieve more compatible results. Lerner and Fryxell

(1988) examined corporate social performance (CSP) as a multi-dimensional concept and relates each dimension to a variety of explanatory variables. Herremans et al. (1992) based on the framework developed by Ullmann to test the ability of stakeholder theory, and found that measures of stakeholder power, strategic posture and economic performance were significantly related to levels of corporate social disclosures. Griffin and Mahon (1997) found that a prior use of measures might actually predetermined the relationship result between CSP and CFP.

Thirdly, regarding the concept, theory and development of SRI, Domini and Kinder (1984) proposed three approaches to ethical investing: the avoidance, the positive and the activist approach. Kinder, Lydenberg and Domini (1993) presented an overview of the evolution of social screens investment for relationships between corporations and society. Kurz and DiBartolomeo (1993) found that social responsibility screening had become the fastest going investment approach offered to investors in the U.S. market. Meeker-Lowry (1995) believed that the best way to invest ethically was to integrate one's life value and goals with investment decisions. Diltz (1995) found that environmental and military screens had a positively significant impact on portfolio performance. Waddock and Graves (1997a) provided an integrative conceptual framework for linking the CFP with CSP. Ellmen (1998) employed profiles of all Canadian ethical mutual funds, including ratings for financial performance and top companies for ethical investment. Miller (1998) argued that most of the world's leading companies recognized that making a profit was no longer enough, they had a broader role to invest in society. Williams (1999) described the diversity of ethical concerns in the U.K. as identified by three specialist indices.

Fourthly, concerning the empirical studies on ethical investing, this work categorized the previous studies into two areas: the rate of return on SRI is (1) greater than or equal to, and (2) smaller than that on the popular indices. First, the following studies found SRI has better or equal returns compared with popular indices or non-screened funds: for example, Moskowitz (1972), Grossman and Sharpe (1986), Clayman (1987), Hamilton and Statman (1993), Clayman (1994), Sparkes (1995), Kurtz (1997), D'Antonio et al. (1997), Guerard (1997), Kinder, Lydenberg and Domini (1997), Dhrymes (1998), Hutton, D'Antonio and Johnson (1998), Waddock, Graves and Gorski (1998), Gottsman and Kessler (1998), Kurtz and Luck (1999), Waddock and Graves (2000), all found that the rate of return on SRI is greater than (or at least equal to) one popular stock index. However, Wilk (1992), Saucer (1997) and

³ Epstein, Edwin M., 1987, "The Corporate Social Policy Process: Beyond Business Ethics, Corporate Social Responsibility and Corporate Social Responsiveness," *California Management Review*, Vol. 29, No. 3, pp. 99-114.

Table 1. The Items of CSR

The Underlying Subject	The Indicator of CSR
Stockholders	protect the benefits of investors.
Employee	emphasize the training and education of the employee.
Customers	provide safe and reliable quality products.
Community	emphasize environment clearness.
Government	pay tax legally.
Social activity	participate in social activity enthusiastically.

Resources: this study

Statman (1999) found that SRI has a lower rate of return than one common index during certain periods of time.

III. Methodology

This study adopted different research methods based on the type of data obtained: (1) to explore the CSR by sample survey method, this work sent questionnaires to 350 managers from among the top 1,000 firms in Taiwan, of which 190 managers were selected from the manufacturing firms and 160 executives were chosen from the service companies and financial institutions, based on Common Wealth magazine 1999's special issue of top 1,000 companies; (2) to collect the financial data of each corporation from the Taiwan Economic Journal. The sample period is a 3-year period from September 30, 1996 to September 30, 1999.

Voting target: in order to reduce the bias of the result, this work chose the voting target companies based on the following criteria: (1) the firms have been listed on the exchange for more than three years; (2) the firms should be ranked within the top 200 manufacturing firms, top 500 service companies or top 100 financial institutions.

According to these two criteria, this study picks up 225 voting target firms (i.e. 119 manufacturing companies and 106 non-manufacturing firms). The risk-free rate is defined as the one-month term deposit interest rate of the National Taiwan Bank. The content of the questionnaire was classified into two categories: the first part is a closed-end questionnaire, which is designed to recognize the viewpoint of the managers working in top 1,000 manufacturing or non-manufacturing firms, each manager might vote for the 20 firms which they deemed as the CSR firms in the same industry based on the criteria listed in Table 1.

The second part is an open-ended questionnaire, which is designed to vote for the companies which are deemed as the CSR firms by manufacturing or non-manufacturing companies.

Then we formed two simulated CSR firms' portfolios based on the top 40 manufacturing companies and the top 40 non-manufacturing companies, respectively, from the managers working in manufacturing firms or non-manufacturing firms, respectively, based on the rank of the voting numbers. Then this study applies regression to analyze the data. First, this work tests the association of the rate of return of the ethical firms with that on Taiwan Stock Exchange Index (TAIEX):

$$R_{i,t} = \alpha_i + \beta_i R_{m,t} + \varepsilon_{i,t}, \quad (1)$$

where $R_{i,t}$ is the rate of return on individual stock i at time t , and $i=1,2,\dots,n$, $\varepsilon_{i,t}$ is the error term at time t , α_i is the intercept term, β_i is the coefficient of the rate of return on TAIEX, $R_{m,t}$ is the rate of return on TAIEX from September 30, 1996 to September 30, 1999. Then this study tests the association of the rate of return on assets with the number of votes obtained as the CSR firms, in order to understand the relationship between CFP and CSP. Finally, this work uses five performance measures to examine the investment accomplishment of the CSR portfolio, non-CSR portfolio and all sample portfolio, respectively. The five indicators are the Jensen measure, the amended Jensen measure, the Treynor measure, the Sharpe measure and the MCV measure.

(A) Jensen measure: This performance measure provides us the relationship between the expected rate of return and the risk of the CSR portfolio. The higher the Jensen measure, the better the portfolio performs. The Jensen measure is written as

$$J_p = (R_p - R_f) - \beta_p (R_m - R_f), \quad (2)$$

where J_p shows the Jensen measure of portfolio p ; R_p indicates the rate of return on market m ; R_f expresses the risk-free rate and β_p represents the market risk of portfolio p .

(B) The amended Jensen measure: This measure was proposed by Smith-Tito (1963), which evaluates the risk premium under systematic risk. The higher the amended

Jensen measure, the better the portfolio performs. The amended Jensen measure is written as

$$J'_p = \frac{(R_p - R_f)}{\beta_p} - (R_m - R_f), \quad (3)$$

where J'_p indicates the amended Jensen measure of portfolio p .

(C) Sharpe measure: This measure was proposed by Sharpe according to the post-capital market line (CML). Sharpe used the standard deviation of the rate of return on an investment portfolio to measure total financial risk as he assumed that the investors had not diversified their risks. The higher the Sharpe indicator, the better the portfolio performs. The Sharpe measure is written as

$$S_p = \frac{R_p - R_f}{\sigma_p}, \quad (4)$$

where S_p indicates the Sharpe measure of portfolio p ; σ_p is the standard deviation of portfolio p .

(D) Treynor measure: Treynor also developed a performance measure according to the post CML. However, he used the β coefficient of the rate of return on a portfolio to measure systematic risk. The higher the Treynor indicator, the better the portfolio performs. The Treynor measure is written as

$$T_p = \frac{R_p - R_F}{\beta_p}, \quad (5)$$

where T_p is the Treynor indicator of portfolio p .

(E) MCV measure: This measure was proposed by Moses, Cheyney and Veit (1987). They considered the risk premium of market portfolio, the investment portfolio's ability of risk diversification and the ability to pick the stocks. The MCV measure is written as

$$MCV_p = \frac{J_p}{D_p}, \quad (6)$$

where MCV_p is MCV measure of portfolio p ; J_p is the Jensen measure of portfolio p and D_p is the unsystematic risk of portfolio p . The MCV indicator measures the excess premium of the unsystematic risk of portfolio p . The higher the MCV indicator, the better the portfolio performs.

IV. Empirical Results

This study received responses from 137 out of 350 questionnaires, therefore, the recovered rate is 39%. After deleting 7 incomplete questionnaires, there remain 130 viable questionnaires, thus the effectively recovered rate is 37%. There are 54 questionnaires from the managers working in manufacturing industry, and 76

Table 2. The Association Between the ROA on Sample Firms and the Extent of CSR

	α_i (t-value)	$\beta_{i,t}$ (t-value)
Manufacturing firms	-0.404 (-0.961)	0.000273 (4.373)
Non-Manufacturing firms	0.708 (4.698)	0.00093 (4.379)
Adjusted $R^2 = 0.018$, for manufacturing firms and $R^2 = 0.023$ for non-manufacturing firms, $N = 1392$ for manufacturing firms and $N=1272$ for non-manufacturing firms.		

Sources: this study

ones from the managers in operating in non-manufacturing companies.

Of the manufacturing companies, the highest rank for CSR belongs to TSMC. TSMC received the largest vote in all 6 categories. It shows that the managers confirmed Dr. Morris C. Chang's belief in honesty, integrity, and the business's permanent operation concept. This study defines the top 40 voting numbers in manufacturing or non-manufacturing firms as the "CSR firms", and the bottom 40 voting numbers in manufacturing or non-manufacturing firms as "non-CSR firms". Among the top forty non-manufacturing institutions, the Evergreen Overseas company ranked first in the service industry and China Trust Banking Corporation ranked first among the financial institutions. Then this study uses Return on Assets (ROA) as the indicator of corporate financial performance, to explore the relationship between CSR and CFP. Since the study period starts from September 30, 1996 to September 30, 1999, there are a total of 807 daily data of the 225 sample companies, 807 daily data of TAIEX, 807 daily data of each CSR company. The average rate of return on TAIEX is -0.02529, which is smaller than that on total 80 CSR firms' 0.01049.

Table 2 presents the association between the financial performance and the extent of CSR. The extent of CSR is based on the voting numbers for CSR of sample firms. The result demonstrates that the voting numbers of CSR for both the manufacturing firms and non-manufacturing firms have significantly positive relationships with the ROA. It implies that the better the firms perform CSR, the better their CFP.

Table 3 presents the regression result for equation (1) and indicates the rate of return on CSR firms (both manufacturing and non-manufacturing firms) has a significantly positive relationship with that on market.

Table 3. Analysis of Indirect Effects through β

	Constant (α_i)	$R_{m,t}$ ($\beta_{i,t}$)
Manufacturing firms	0.000464 (3.997)	1.036 (105.955)
Non-Manufacturing firms	-0.0001 (-0.771)	0.386 (76.868)

Adjusted R-Square = 0.342 for manufacturing firms and 0.357 for non-manufacturing firms. N = 32,280 for both manufacturing & non-manufacturing firms. Notes: Dependent variables = $R_{i,t}$ which represents the CSR firms, parenthesis demonstrates t-value.

Sources: this study

Table 4. Jensen Measure

	CSR Portfolio	Non-CSR Portfolio	All Sample Portfolio
Manufacturing firms	0.0674	-1.2575	0.0599
Non-Manufacturing firms	-0.0661	-3.1416	-0.0901

Sources: this study

Table 5. Amended Jensen Measure

	CSR Portfolio	Non-CSR Portfolio	All Sample Portfolio
Manufacturing firms	0.071592	-1.3374	0.0503
Non-Manufacturing firms	-0.104964	-4.8822	-1.0011

Sources: this study

V. The Performance Analysis of the Simulated CSR Portfolio

This study calculates the weight of each CSR firm by dividing the capital amount of each CSR firm by the total capital amounts of 40 CSR manufacturing firms. Then this work calculates the Jensen measure, the amended Jensen measure, the Sharpe measure, the Treynor measure and MCV measure to evaluate the performance of the simulated portfolio of 40 CSR manufacturing firms and that of 40 CSR non-manufacturing firms respectively.

Table 4 and Table 5 show the Jensen measure and the amended Jensen measure respectively, both of them indicate that the performance of the CSR portfolio is better than the non-CSR portfolio and all sample portfolio in both manufacturing firms and non-manufacturing firms. For example, the Jensen measure of

Table 6. The Sharpe Measure

	CSR Portfolio	Non-CSR Portfolio	All Sample Portfolio
Manufacturing firms	-0.0035	-0.9357	-0.0122
Non-Manufacturing firms	-0.0598	-0.9226	-0.0620

Sources: this study

Table 7. The Treynor Measure

	CSR Portfolio	Non-CSR Portfolio	All Sample Portfolio
Manufacturing firms	-0.0080	-6.7855	-0.0144
Non-Manufacturing firms	-0.1846	-10.3317	-0.2001

Sources: this study

Table 8. MCV Measure

	CSR Portfolio	Non-CSR Portfolio	All Sample Portfolio
Manufacturing firms	-0.0080	-6.7855	-0.0144
Non-Manufacturing firms	-0.1846	-10.3317	-0.2001

Sources: this study

CSR portfolio for manufacturing firms is 0.0674, which is higher than that of non-CSR portfolio's -1.2575 and that of all sample portfolio's 0.0599.

Table 6 and Table 7 demonstrate that the Sharpe measure and the Treynor measure are negative for all kinds of the portfolio in this study. However, the CSR portfolio obtained by both measures outperformed the non-CSR portfolio and all sample portfolio for both manufacturing and non-manufacturing firms. For instance, the Sharpe measure of CSR portfolio for manufacturing firms is -0.0035, which is higher than that of non-CSR portfolio's -0.9357 and that of all sample portfolio's -0.0122.

Table 8 expresses the MCV measure of CSR portfolio is higher than that of the other two portfolios. The result is the same as the other four measures. For example, the MCV measure of CSR portfolio for manufacturing firms is -0.0080, which is higher than that of non-CSR portfolio's -6.7855 and that of all sample portfolio's -0.0144.

VI. Conclusion

During the past decade, most of the previous researchers showed that the SRI outperformed con-

ventional mutual funds. Although Taiwan has not had any SRI or ethical fund until now, yet more and more enterprises paid attention to social responsibility and their business reputations. This study formed two simulated CSR portfolios consisting of top 40 voting manufacturing and top 40 voting non-manufacturing companies for social responsibility respectively. After evaluating the financial performance and comparing the CSR portfolio with the non-CSR portfolio and all sample portfolio, this work finds that the simulated CSR portfolio performed better than simulated non-CSR portfolio and all sample portfolio in all five performance measures. Two possible explanations for a positive relationship between CSR and CFP in Taiwan are as follows: (1) the managers usually perform CSR when they are certain that the business is profitable; (2) the CSR-firms have positive returns even in depression period because the CSR firms have good reputations. This result implies that the investors in Taiwan should invest in the CSR companies and divest of non-CSR firms.

This study also finds that the voting numbers are positively correlated with the financial performance. It suggests that if a firm is deemed as a CSR firm, its financial performance is likely better than a non-CSR firm. This work proves the rate of return on CSR firms have a significantly positive correlation with that of TAIEX.

In conclusion, this work suggests that all the businesses in Taiwan should devote themselves to fulfilling CSR and BE. This study also recommends that the government, fund managers and investors should all work together to encourage and supervise the enterprises to improve their CSR in order to advance the quality of life in Taiwan.

Appendix A

The Top 40 Voting CSR Manufacturing Firms in Taiwan

1. Taiwan Semiconductor Manufacturing Corporation (TSMC).
2. Acer Incorporated.
3. China Motor Company.
4. UNI-resident Enterprise Corporation.
5. United Micro Electronics Company.
6. China Steel Company.
7. Formosa Plastic Corporation.
8. Nanya Plastic Corporation.
9. Tatung Company.
10. Yulon Company.
11. TECO Electric and Machinery Company.
12. RITEK Corporation.

13. Hon Hai Precision Ind. Co.
14. Delta Electronics Inc.
15. Compal Electronics Inc.
16. Far Eastern Textile Co.
17. Taiwan Cement Company.
18. Winbond Electronics Co.
19. Macronix International Co.
20. Advanced Semiconductor Engineering.
21. Formosa Chemical and Fiber Co.
22. Mosel Vitelic Inc.
23. Mitac International Computer Inc.
24. First International Computer Inc.
25. Lite-ON Electronic Co.
26. CMC Magnetics Corp.
27. Yuen Foong Yu Paper Manufacturing Co.
28. Sampo Co.
29. Compeq Manufacturing.
30. Pacific Electric Wire and Cable Co.
31. Silicon Inc.
32. TonYi Industrial Corp.
33. Accton Technology Corp.
34. Taiwan Spinning Co.
35. Tay-Shan Enterprises Co.
36. Kinpo Electronics Inc.
37. Shihlin Electric & Engineering.
38. Asia Cement Corporation.
39. Yungtay Engineering Co.
40. Wei Chuan Foods Corporation.

Appendix B

The Top 40 Voting CSR Non-manufacturing Firms in Taiwan

1. Evergreen Transportation Co.
2. China Trust Bank.
3. East Sun Commercial Bank.
4. Aurora Corp.
5. Taishing International Commercial Bank.
6. ICBC
7. Shin Kong Life Insurance Co.
8. Far East Department Store
9. CEC Co.
10. Bank Sinopac Co.
11. Synnex Tech.
12. First Bank.
13. Cathy Construction.
14. China Airlines.
15. Yang Ming Marine Co.
16. Systex.
17. Ambassador Hotel.
18. Hwa Nan Bank.
19. Chang Hwa Bank.
20. Mercuries Data Systems Ltd.

21. Li-Rong Marine Co.
22. Fubon Bank.
23. China Life Insurance Co.
24. Evergreen Transportation.
25. Taiwan Secom.
26. China Farmers Bank.
27. Cannon Enterprises.
28. Pacific Construction Co.
29. Cathy Life Insurance Co.
30. CTCL Engineering Co.
31. FuHwa Securities & Finance Co.
32. Fai Eastern International Bank
33. Ann commercial Bank.
34. Wan Hai Lines Ltd.
35. Grand commercial Bank.
36. LeoFoo Development Co.
37. Great Taipei Gas Co.
38. Ruentex Construction.
39. China Bill Finance Corp.
40. Test Rite

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探討台灣企業的社會責任與財務績效關係之研究

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摘 要

企業的社會責任與企業倫理對公司本身以及對整個社會都會有重大及深遠的影響，這兩者在美國都有很長久的歷史。雖然企業社會責任的觀念在過去十年來已逐漸為台灣的大企業所接受，但仍有許多公司並未確實的履行社會責任，而台灣的投資人及管理人員也對於社會責任投資(SRI)非常陌生，本研究藉著組成兩個投資組合（一個為製造業，另一為非製造業）來探討台灣的企業社會責任與財務績效之關係。這兩個組合經過130家天下雜誌公佈的一千大企業的經理人投票選舉結果所組成，本研究發現下列幾點：(1)台灣的社會責任與財務績效呈現正面顯著地相關的關係；(2)經過五個績效評比測試後，發現模擬的企業投資組合之財務績效與投資風險均較不強調社會責任的企業為佳。本研究之結論為台灣的投資大眾、基金經理人及政府機構應同心合意強調社會責任與倫理投資之重要性，並且鼓勵台灣的企業設法改進其公司的社會責任。

關鍵詞：公司社會責任、社會責任投資、社會責任基金、公司財務績效。

