



THE EFFECT OF EMPLOYEE FINANCING DIVERSITY AND CORPORATE SOCIAL RESPONSIBILITY ON SUSTAINABLE FIRM PERFORMANCE

ABDUL RAHEEM¹, ZAHRA KARIM SIKAPURIA², MUHAMMAD WAQAS NAZIR³,
SHAHZADI HUMBHI⁴, KASHIF LODHI⁵, ZUHAIB NISHTAR⁶

ABSTRACT

This study delves into the intricate dynamics between Employee Financing Diversity (EFD), Corporate Social Responsibility (CSR), and Sustainable Firm Performance (SFR) within the contemporary corporate landscape. Employing a quantitative methodology involving a sample of 200 participants, this research uncovers pivotal insights into the reciprocal influence of these variables and their profound impact on organizational trajectories. The findings illuminate robust, positive associations between EFD and both CSR and SFR. EFD emerges as a driving force behind the augmentation of Corporate Social Responsibility initiatives, which, in turn, exert a potent influence on Sustainable Firm Performance. These outcomes underscore the imperative for organizations to not only concentrate on conventional diversity benchmarks but also to consider financial diversity when designing their workforce structures. Furthermore, the study underscores the paramount role of Corporate Social Responsibility in catalyzing advancements in Sustainable Firm Performance. It accentuates the significance of ethical business conduct, environmental stewardship, community engagement, and stakeholder accountability. Businesses that prioritize the synergistic cultivation of Employee Financing Diversity and CSR are strategically positioned to secure a competitive edge, attracting a diverse customer base, socially conscious investors, and a highly skilled workforce. The implications of this research extend to policymakers, highlighting the necessity of fostering responsible corporate behaviors and financial inclusivity. The study also beckons further investigation into the underlying mechanisms governing these intricate relationships. Acknowledging its limitations, this study encourages subsequent research endeavors to explore causal pathways and mediating factors. In conclusion, this study fortifies the proposition that socially responsible and diversified corporate practices are pivotal in shaping a more sustainable and equitable future for both businesses and society.

KEYWORDS: Employee Financing Diversity, Corporate Social Responsibility, Sustainable Firm Performance

1. INTRODUCTION

In the modern business landscape, the pursuit of sustainable firm performance has emerged as a paramount objective for organizations across the globe. This pursuit extends far beyond traditional profit-centric motives and encompasses a broader, multifaceted perspective that takes into account social, environmental, and economic dimensions (Freeman, 1984). Two key factors that have garnered substantial attention in this context are Employee Financing Diversity (EFD) and Corporate Social Responsibility (CSR). The interplay between these factors as well as their potential influence on a company's sustainable performance is a subject of growing significance in both academic research and practical business application (Friedman, 1970).

Employee Financing Diversity refers to the diversity in the financial background and socioeconomic status of an organization's workforce. It encompasses a range of attributes such as educational qualifications, income levels, and access to financial resources, reflecting the variety of economic perspectives within the employee base. Conversely, Corporate Social Responsibility represents a corporation's dedication to conducting its operations in an ethical and socially accountable fashion (Irala, 2018; Sulehri et al., 2023). This encompasses actions and policies aimed at minimizing negative impacts on society and the environment, while also contributing positively to these spheres. EFD and CSR are two separate but interconnected dimensions that, when addressed strategically, can significantly impact a company's performance sustainability.

¹ Department of Disaster Management and Development Studies, University of Balochistan, Quetta, Pakistan, a.raheemalizai@gmail.com

² Senior Nursing Instructor, School of Nursing, SIMS-SIUT, Karachi, Pakistan, zahrar2009@gmail.com

³ School of Management and Economics, Xidian University, China, waqasarain4@gmail.com

⁴ Lecturer, Department of Library and Information Science, University of Balochistan, Quetta, Pakistan, shahzadihumbhi@gmail.com

⁵ Department of Management, Economics and Quantitative Methods, Università degli Studi di Bergamo via dei Caniana 2, 24127 Bergamo (BG), Italy

⁶ Department of electrical engineering and New energy, China Three Gorges University, China zuhaib.nishtar1991@gmail.com

This research seeks to explore the complex interrelationships between Employee Financing Diversity, Corporate Social Responsibility, as well as sustainable firm performance. It aims to unravel the potential positive or negative influences that EFD and CSR can have on each other, as well as their combined impact on a company's long-term viability. To do so, this introductory section will delve into the importance of sustainable firm performance, elucidate the individual constructs of Employee Financing Diversity as well as Corporate Social Responsibility, and highlight their evolving roles in the modern business landscape (Jensen & Meckling, 1976).

1.1. THE SIGNIFICANCE OF SUSTAINABLE FIRM PERFORMANCE

Sustainable firm performance, often referred to as sustainability performance, is a multifaceted concept that extends beyond traditional economic measures (Aupperle, et al., 1985). It encapsulates the ability of an organization to maintain or enhance its performance over time while simultaneously addressing societal and environmental concerns. Several key elements make up sustainable firm performance:

- a. **Economic Sustainability:** This aspect includes financial stability, profitability, and the ability to generate long-term economic value for shareholders. Companies must be financially resilient to survive in the dynamic global marketplace.
- b. **Environmental Sustainability:** Organizations are increasingly accountable for their environmental footprint. This includes reducing carbon emissions, conserving natural resources, and adopting eco-friendly practices.
- c. **Social Sustainability:** Companies need to address social concerns by fostering positive associations with workers, clients, providers, and the networks wherein they work. Social sustainability also encompasses aspects like diversity, inclusion, and ethical labor practices.
- d. **Ethical Governance:** Transparent, accountable, and ethical governance is crucial for sustainable firm performance. Companies must demonstrate a commitment to integrity, fairness, and ethical decision-making.

The pursuit of sustainable firm performance is rooted in the recognition that businesses have a responsibility beyond profit maximization. They must consider the broader implications of their actions on society and the planet (Bansal, & Roth, 2000). Furthermore, studies have demonstrated a growing body of evidence indicating that companies that excel in sustainability performance frequently surpass their competitors in financial gains, customer loyalty, and reputation (Bertrand & Schoar, 2003; Ali et al., 2023). Consequently, there is mounting pressure on businesses to incorporate sustainability into their fundamental strategies, driven not solely by moral responsibility but also by strategic necessity.

1.2. EMPLOYEE FINANCING DIVERSITY (EFD)

Employee Financing Diversity, an emerging concept in the realm of diversity and inclusion, focuses on the economic and financial disparities within an organization's workforce (Carroll, 1999). It acknowledges that individuals come from diverse backgrounds with varying levels of financial resources and access to opportunities. Key components of EFD include:

- a. **Educational Background:** Employees may have diverse educational experiences, with varying levels of academic qualifications and access to educational resources.
- b. **Income Levels:** EFD considers the range of incomes among employees, recognizing that people may come from different economic backgrounds and financial situations.
- c. **Access to Financial Resources:** Employees may have differing degrees of access to financial tools, such as investment opportunities, retirement plans, and financial education.

EFD is a holistic perspective that emphasizes the importance of acknowledging and valuing the financial diversity of employees. This diversity extends beyond traditional diversity categories like gender, race, and ethnicity and brings attention to the socio-economic disparities that can exist within a workforce (Cox & Blake, 1991).

1.3. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Corporate Social Responsibility is a concept that has evolved over the years and is now a central focus for businesses around the world. CSR is about going beyond the pursuit of profit and considering the broader impact a company has on society and the environment. Key elements of CSR include:

- a. **Ethical Business Practices:** CSR requires businesses to operate ethically and transparently. This includes fair labor practices, ethical sourcing, and honesty in advertising and customer relations.
- b. **Environmental Stewardship:** Companies are increasingly accountable for their environmental impact. CSR initiatives encompass reducing carbon emissions, conserving resources, and adopting sustainable practices.
- c. **Community Engagement:** CSR encourages businesses to actively engage with the communities they serve. This includes philanthropic initiatives, volunteering, and community development projects.
- d. **Stakeholder Accountability:** Companies are expected to be accountable to all relevant stakeholders, extending beyond shareholders, encompass employees, clientele, suppliers, and the wider community. Recently, Corporate Social Responsibility (CSR) has evolved into a strategic instrument for companies to elevate their brand image, draw and retain skilled professionals, and connect with ethically aware consumers. It transcends mere regulatory adherence, transforming into a pathway for gaining a competitive edge and cultivating enduring sustainability (Kim et al., 1993).

1.4. THE EVOLVING ROLES OF EFD AND CSR IN BUSINESS

The evolving landscape of business has brought about significant changes in the roles of Employee Financing Diversity and Corporate Social Responsibility. Both concepts have evolved from being mere moral obligations or compliance measures into integral components of a company's overall strategy (Krueger, 2003).

a. EFD's Changing Role: Employee Financing Diversity has gained prominence in recent years due to a growing recognition of its impact on innovation, employee engagement, and business performance. Companies have come to realize that a diverse workforce, encompassing varying financial backgrounds, can bring fresh perspectives and creativity to problem-solving. Additionally, it promotes social equity and inclusion within organizations.

b. CSR as a Competitive Advantage: CSR has shifted from being a philanthropic endeavor to a key driver of competitive advantage. Businesses that actively engage in CSR activities are seen as more socially responsible and attractive to customers, investors, and potential employees. CSR can enhance a company's reputation and brand loyalty, potentially proceeding towards the financial benefits.

c. Intersection of EFD and CSR: There is a growing recognition of the intersection between EFD and CSR. A diverse workforce, which includes employees from different financial backgrounds, can play a pivotal role in shaping a company's CSR initiatives. Employees from diverse economic backgrounds may offer unique perspectives on social and environmental responsibility, potentially leading to more innovative CSR programs.

Understanding the changing roles of EFD and CSR is vital for companies seeking to integrate them into their overall strategy. By recognizing the synergies between these two concepts, businesses can unlock new possibilities for sustainable firm performance (Margolis et al., 2009). In conclusion, this introductory section sets the stage for a comprehensive exploration of the impact of Employee Financing Diversity as well as Corporate Social Responsibility on sustainable firm performance. The significance of sustainable firm performance is underscored, emphasizing the economic, environmental, social, and ethical dimensions that encompass it. Employee Financing Diversity and Corporate Social Responsibility are introduced as two key constructs with evolving roles in the modern business landscape (McWilliams & Siegel, 2001). Their interplay and combined influence on a company's long-term viability will be the focus of this research, shedding light on how businesses can navigate the complexities of sustainability in the 21st century (Mitchell et al., 1997).

2. LITERATURE REVIEW

2.1. EMPLOYEE FINANCING DIVERSITY (EFD)

Research suggests that Employee Financing Diversity (EFD) is a multifaceted concept with the potential to influence organizational performance positively. A study by Kacmar et al. (2013) found that diverse educational backgrounds and income levels among employees can lead to increased innovation and problem-solving capabilities within organizations. This supports the idea that financial diversity can contribute to sustainable firm performance by fostering creativity and adaptability (Kacmar et al., 2013).

2.2. INCLUSION AND EFD

Inclusion is a critical aspect of EFD. Diverse financial backgrounds are only valuable when employees from different socioeconomic groups feel included and valued within the organization. Research by Kochan et al. (2003) underscores the importance of fostering an inclusive workplace culture to unlock the full potential of EFD. Inclusive practices can lead to higher job satisfaction, lower turnover, and increased organizational performance (Kochan et al., 2003).

2.3. EFD AND SOCIAL EQUITY

EFD also plays a role in promoting social equity within organizations. A diverse financial workforce can help mitigate income disparities and enhance opportunities for employees from less privileged backgrounds. According to a study by Dass and Parker (1999), this can lead to increased commitment, motivation, and overall performance among employees, thus contributing to sustainability (Dass & Parker, 1999).

2.4. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Extensive research has delved into the connection between Corporate Social Responsibility (CSR) and company performance. A comprehensive meta-analysis conducted by Orlitzky et al., (2003) identified a positive association between CSR initiatives and financial performance. Drawing from an analysis of 52 studies, this meta-analysis indicates that CSR can exert a beneficial influence on a company's financial performance, a pivotal component of sustainable organizational success (Orlitzky et al., 2003).

2.5. CSR AND REPUTATION

CSR initiatives are known to enhance a company's reputation, which can significantly contribute to sustainable firm performance. A literature (Sen & Bhattacharya, 2001) demonstrated that positive CSR actions lead to stronger brand loyalty and reputation. A robust reputation can attract customers, investors, and talent, ultimately benefiting the company's financial performance (Sen & Bhattacharya, 2001).

2.6. STAKEHOLDER ENGAGEMENT AND CSR

The engagement of various stakeholders is a critical dimension of CSR. Research by Peloza and Shang (2011) highlights the importance of engaging with stakeholders in CSR activities. When companies actively involve their stakeholders, they

are more likely to experience enhanced financial performance, further supporting the link between CSR and sustainability (Peloza & Shang, 2011).

2.7. THE INTERPLAY OF EFD AND CSR

EFD as a Driver of CSR Innovation, The intersection between Employee Financing Diversity and Corporate Social Responsibility is an area of growing interest. A diverse workforce, which includes employees from varying financial backgrounds, can bring unique perspectives to CSR initiatives. Scholars like Treviño and Mixon (2004) argue that EFD can serve as a driver for innovative CSR programs. Such innovation can lead to more effective CSR activities, thereby contributing to sustainable firm performance (Treviño & Mixon, 2004).

2.8. EFD AS A CATALYST FOR ETHICAL CSR PRACTICES

Employee Financing Diversity can also expertise to the ethical aspect of CSR. A intense workforce is more likely to encourage ethical business practices, which is a fundamental dimension of CSR. Research by Ferrell and Ferrell (2011) highlights the importance of ethics in CSR, and EFD can be a catalyst in fostering ethical behavior within organizations (Ferrell & Ferrell, 2011).

2.9. CRITIQUE AND FUTURE RESEARCH DIRECTIONS

While the literature reviewed suggests positive relationships between Employee Financing Diversity, Corporate Social Responsibility, as well as sustainable firm performance, it is important to acknowledge that the field is complex, and the outcomes may vary by industry, company size, and region. Additionally, several questions remain unanswered, warranting further investigation:

What specific mechanisms mediate the relationship between EFD and sustainable firm performance?

How do contextual factors, such as the industry and regional differences, influence the impact of EFD and CSR on organizational performance?

Are there potential trade-offs or challenges in managing both EFD and CSR simultaneously?

In conclusion, this literature review demonstrates the growing interest in the interplay between Employee Financing Diversity, Corporate Social Responsibility, and sustainable firm performance. While EFD can enhance innovation and promote social equity, CSR initiatives can contribute to a company's reputation as well as financial performance. The intersection of EFD and CSR holds the promise of unlocking new possibilities for businesses to achieve sustainability in the 21st century. However, further research is needed to delve deeper into the complex relationships and contextual factors that shape these dynamics.

2.10. HYPOTHESES

Hypothesis 1 (H1): There is a positive relationship between Employee Financing Diversity (EFD) and sustainable firm performance.

Hypothesis 2 (H2): There is a positive relationship between Corporate Social Responsibility (CSR) and sustainable firm performance.

Hypothesis 3 (H3): Employee Financing Diversity (EFD) positively influences the quality and innovativeness of Corporate Social Responsibility (CSR) initiatives.

Hypothesis 4 (H4): The positive relationship between Employee Financing Diversity (EFD) and sustainable firm performance is partially mediated by Corporate Social Responsibility (CSR).

2.11. OBJECTIVES

To Investigate the Relationship Between EFD and Sustainable Firm Performance: The primary aim of this study is to explore the correlation between Employee Financing Diversity (EFD) and the sustainability of firm performance, encompassing dimensions of economic, environmental, and social sustainability.

To Analyze the Connection Between CSR and Sustainable Firm Performance: This research endeavors to scrutinize the association between Corporate Social Responsibility (CSR) and the sustainability of firm performance, with a specific focus on its influence on economic, environmental, and social sustainability aspects.

To Explore the Impact of EFD on CSR Initiatives: An objective of this study is to delve into how Employee Financing Diversity (EFD) may shape the quality and ingenuity of Corporate Social Responsibility (CSR) initiatives, with the aim of comprehending EFD's contribution to the effectiveness of CSR endeavors.

To Investigate the Mediating Role of CSR in the EFD-Sustainability Relationship: This study seeks to examine whether CSR functions as a mediating factor in the connection between Employee Financing Diversity (EFD) and sustainable firm performance. The goal is to discern if CSR acts as an intermediary in translating the effects of EFD into sustainable outcomes.

To Offer Practical Business Insights: Beyond academic exploration, this study intends to furnish practical recommendations and insights for enterprises on how to strategically harness EFD and CSR to bolster their sustainable firm performance. This objective involves providing guidance and best practices for organizations to implement and enhance their EFD and CSR strategies effectively.

To Contribute to the Existing Body of Knowledge: Finally, this research aims to make a valuable contribution to the expanding literature in the domains of diversity and inclusion, corporate social responsibility, and sustainability by supplying empirical evidence on the interrelation between EFD, CSR, and sustainable firm performance. The goal is to

enhance comprehension of the intricate interplay among these factors within a corporate context and identify potential avenues for future research.

2.12. SIGNIFICANCE

This study enriches the existing academic discourse by delving into the intricate connections among EFD, CSR, and sustainable firm performance. It advances our comprehension of these multifaceted constructs, presenting valuable insights for researchers and scholars engaged in the realms of diversity and inclusion, CSR, and sustainability. The outcomes of this research hold tangible implications for businesses, illuminating the strategic integration of EFD and CSR into organizational practices to enhance sustainable firm performance. By furnishing actionable recommendations, this study can serve as a compass for businesses aiming to optimize their strategies pertaining to workforce diversity and CSR. The achievement of sustainable firm performance, spanning economic and environmental facets, plays a pivotal role in mitigating the adverse impacts of businesses on the environment and society. Grasping how EFD and CSR can positively shape these dimensions assumes significant relevance in addressing pressing global challenges, including climate change and social inequality (Peloza & Shang, 2011). This study aligns with the broader societal goal of fostering social inclusion and equity. By examining the role of EFD in influencing CSR and sustainable firm performance, it highlights the potential for businesses to contribute positively to social equity, particularly in terms of economic diversity within the workforce. As the global business landscape evolves, companies are increasingly recognizing that CSR and diversity are not just moral imperatives but also sources of competitive advantage (Porter, & Kramer 2006). By demonstrating how EFD and CSR can enhance firm performance, the study emphasizes that sustainable and socially responsible business practices can lead to a stronger market position. In a world where employees and consumers are placing a premium on ethical and socially responsible practices, the study's findings can help businesses attract and retain talent, enhance customer loyalty, and build a positive reputation. Understanding the synergies between EFD and CSR can be a competitive advantage in talent recruitment and customer engagement (Rynes et al., 2002). The results of this study may inform and influence policy development and corporate regulation. By showcasing the potential positive outcomes of EFD and CSR, policymakers may consider implementing incentives or regulations that encourage companies to invest in these areas, further promoting sustainable practices (Sachs, 2015). In a rapidly changing business environment, firms are increasingly focusing on long-term viability and resilience. Understanding the interplay between EFD, CSR, and sustainable firm performance can provide insights into creating adaptable, enduring, and responsible organizations that can thrive in the face of uncertainties (Sen, & Bhattacharya, 2001).

To summarize, the importance of this study resides in its capacity to connect academic research with real-world implementation. By elucidating the intricate interplay among Employee Financing Diversity, Corporate Social Responsibility, and sustainable firm performance, the study provides a guide for businesses to engage in responsible practices, attain sustainable prosperity, and make a positive contribution to society and the environment. It also contributes to the ongoing discourse on social responsibility, diversity, and sustainability, offering insights into how these dimensions can be harnessed to create a better, more equitable, and environmentally responsible business world (Sharma & Henriques, 2005).

3. METHODOLOGY

The quantitative methodology employed in the present study involved the collection and analysis of numerical data of 250 employees to investigate the relationships between Employee Financing Diversity (EFD), Corporate Social Responsibility (CSR), as well as sustainable firm performance. In this study, a cross-sectional research design was employed to gather data at a specific moment in time, providing a snapshot of the relationships between EFD, CSR, and sustainable firm performance. Data for this study were gathered through a structured questionnaire administered to employees and executives within various organizations. The questionnaire included items related to EFD, CSR initiatives, and firm performance. A purposive sampling method was used to select a diverse range of organizations from different sectors.

Dependent Variable: Sustainable firm performance, which encompassed economic, environmental, and social sustainability indicators.

Independent Variables: EFD, measured through variables such as educational background diversity, income level diversity, and access to financial resources diversity; CSR activities, including ethical business practices, environmental stewardship, community engagement, and stakeholder accountability.

Control Variables: Company size, industry sector, and geographical location.

4. DATA ANALYSIS

To provide an overview of the sample, Employee Financing Diversity (EFD), Corporate Social Responsibility (CSR) activities, and sustainable firm performance, descriptive statistics were employed. The relationships between EFD, CSR, and sustainable firm performance were assessed through correlation analysis. To examine the hypotheses and explore the direct and mediating impacts of CSR on the association between EFD and sustainable firm performance, multiple regression analysis was conducted. Ethical guidelines were rigorously followed during the data collection process. All

participants provided informed consent, and their confidentiality and anonymity were diligently preserved. The study meticulously adhered to ethical standards, prioritizing the well-being and privacy of the participants.

5. RESULTS

Table 1: Demonstration of Descriptive statistics of study variables

Variables	items	α	M	SD	Skewness	Kurtosis
EFD	10	.79	21.01	8.08	.21	1.0
CSR	5	.81	20.08	4.43	.71	1.31
SFR	5	.80	13.18	5.11	.76	1.12

EFD= Employee Financing Diversity, CSR= Corporate Social Responsibility, SFR= Sustainable Firm Performance

Table 1 represented the descriptive analysis of study variables such that EFD has a mean of 21.01, indicating that, on average, participants scored 21.01 out of the maximum possible score on the EFD scale. CSR has a mean of 20.08, which suggests that the average score for CSR is 20.08 out of the maximum possible score. SFR has a mean of 13.18, indicating the average score for SFR is 13.18. For EFD, the standard deviation is 8.08, indicating that scores on the EFD scale vary by approximately 8.08 points around the mean. For CSR, the standard deviation is 4.43, suggesting that scores on the CSR scale have less variability compared to EFD. SFR has a standard deviation of 5.11, indicating moderate variability in the scores for Sustainable Firm Performance. EFD has a skewness of 0.21, which is slightly positively skewed, indicating a slight tail to the right. CSR has a skewness of 0.71, suggesting a moderate positive skewness, meaning the distribution is somewhat skewed to the right. SFR has a skewness of 0.76, indicating a similar moderate positive skewness. EFD has a kurtosis of 1.0, which is close to the expected value of 3 for a normal distribution, indicating a relatively normal distribution. CSR has a kurtosis of 1.31, slightly higher than 3, suggesting a moderately peaked distribution. SFR has a kurtosis of 1.12, also indicating a distribution that is slightly more peaked than a normal distribution but not excessively so. In summary, the descriptive statistics in Table 1 provide an overview of the central tendency, variability, skewness, and kurtosis of the study variables. EFD, CSR, and SFR all have reasonably high internal consistency (as indicated by Cronbach's alpha) and show some degree of positive skewness with slightly peaked distributions. These statistics offer insights into the characteristics of the data and are crucial for understanding the distribution and properties of the study variables.

Table 2: Demonstration of Correlation among Study Variables

Variables	EFD	CSR	SFR
EFD	-	.37**	.36**
CSR		-	.69**
SFR			-

EFD= Employee Financing Diversity, CSR= Corporate Social Responsibility, SFR= Sustainable Firm Performance

Table 2 exhibits the correlation coefficients among the variables under investigation: Employee Financing Diversity (EFD), Corporate Social Responsibility (CSR), and Sustainable Firm Performance (SFR). The correlation between EFD and CSR is both positively oriented and statistically significant ($r = 0.37, p < 0.01$). This observation signifies a moderate affirmative relationship between Employee Financing Diversity and Corporate Social Responsibility. In simpler terms, an upswing in Employee Financing Diversity tends to coincide with an increase in Corporate Social Responsibility initiatives. Similarly, the correlation between EFD and SFR is also positively aligned and statistically significant ($r = 0.36, p < 0.01$). This infers a moderate affirmative connection between Employee Financing Diversity and Sustainable Firm Performance. As Employee Financing Diversity rises, there is a corresponding tendency for an improvement in Sustainable Firm Performance. Conversely, the correlation between CSR and SFR is not only positively inclined but also highly significant ($r = 0.69, p < 0.01$). This reveals a robust affirmative relationship between Corporate Social Responsibility and Sustainable Firm Performance. When Corporate Social Responsibility initiatives witness an escalation, there is a marked inclination for Sustainable Firm Performance to experience an upturn. Table 2 effectively illustrates the associations between the variables under scrutiny. EFD exhibits a moderate positive relationship with both CSR and SFR, indicating that heightened levels of Employee Financing Diversity correspond with more robust Corporate Social Responsibility efforts and enhanced Sustainable Firm Performance. Additionally, the strong positive relationship between CSR and SFR suggests that an augmented investment in Corporate Social Responsibility initiatives within companies is often linked to an elevation in Sustainable Firm Performance. These correlations yield valuable insights into the potential interactions among EFD, CSR, and SFR within the context of this study.

Table 3 reveals the outcomes of a regression analysis concerning the variables examined in this study: Employee Financing Diversity (EFD) and Corporate Social Responsibility (CSR). The table includes key coefficients and statistical measures that help interpret the results. In this context, the "constant" is recorded as 119.12, representing the estimated value of the dependent variable when all independent variables (EFD and CSR) are set to zero. The coefficient for CSR (Corporate Social Responsibility) stands at 2.42, indicating that, all else being equal, a one-unit increase in CSR corresponds to a 2.42-unit predicted rise in the dependent variable, presumably Sustainable Firm Performance (SFR). On the other hand, the coefficient for EFD (Employee Financing Diversity) is 0.47, implying that, holding other variables constant, each unit increase in EFD predicts a 0.47-unit increase in the dependent variable, which is SFR. Examining the standardized coefficients, we observe that CSR, represented by $\beta = 0.63$, holds a higher influence on the dependent variable in standard deviation units compared to EFD with $\beta = 0.34$. The t-values for CSR (0.01) and EFD (0.05) both significantly deviate from zero, as indicated by p-values below 0.01 or 0.05. This affirms the statistical significance of both CSR and EFD as predictors of the dependent variable. Notably, the p-values for CSR and EFD are remarkably small ($p < 0.01$), underscoring their substantial statistical significance in forecasting the dependent variable. The standard error for CSR is 0.34, while for EFD, it is 0.43. Moreover, the 95% confidence intervals for CSR and EFD, [1.95, 2.69] and [1.05, 2.31] respectively, offer a plausible range for the coefficients. The multiple correlation coefficient (R) records a value of 0.68, signifying the overall strength of the relationship between the independent variables (CSR and EFD) and the dependent variable, presumably SFR. Furthermore, the F-statistic registers at 230.42, underscoring the statistical significance of the entire model. In essence, this indicates that, collectively, EFD and CSR elucidate a noteworthy portion of the variance in SFR. In conclusion, the findings suggest that both Employee Financing Diversity (EFD) and Corporate Social Responsibility (CSR) are substantial predictors of Sustainable Firm Performance (SFR). CSR, with its higher standardized coefficient, exhibits a more pronounced influence on SFR compared to EFD. The model as a whole, as indicated by the F-statistic, is statistically significant ($F = 230.42$), emphasizing that EFD and CSR together account for a significant portion of the variance in SFR.

Table 3: Demonstration of Regression analysis among study variables

Variables	B	β	t	p	S.E	95% CL	
						LL	UL
Constant	119.12		.02	.00	9.06	19.01	89.18
CS	2.42	.63	.01	.00	.34	1.95	2.69
CR	.47	.34	.05	.00	.43	1.05	2.31
R	.68						
F	230.42						

EFD= Employee Financing Diversity, CSR= Corporate Social Responsibility

6. DISCUSSION

The overall discussion of the study on the impact of Employee Financing Diversity (EFD) as well as Corporate Social Responsibility (CSR) on Sustainable Firm Performance (SFR) reveals important insights into the relationships among these variables and their implications for businesses and society (Waddock & Graves, 1997). The study identified positive relationships between EFD and CSR, EFD and SFR, as well as CSR and SFR. These relationships were supported by statistically significant correlations and regression coefficients (Wood, 1991). Employee Financing Diversity was found to have a moderate positive effect on both CSR and SFR, while CSR exhibited a strong positive effect on SFR. These findings suggest that fostering diversity among employees and engaging in responsible corporate practices can lead to enhanced firm performance. All relationships were statistically significant, with low p-values and confidence intervals that did not include zero. This indicates that the observed associations are unlikely to be due to chance. The robust positive correlation between CSR and SFR highlights the crucial role played by Corporate Social Responsibility in enhancing sustainable firm performance. Companies actively involved in CSR endeavors are likely to experience the advantages of improved economic, environmental, and social sustainability. Notably, this study's findings underscore the potential synergies that can be harnessed by integrating Employee Financing Diversity and Corporate Social Responsibility. This proposition urges businesses to expand their focus beyond conventional diversity considerations and also take into account diversity in financial backgrounds when shaping their workforce. Businesses that prioritize both Employee Financing Diversity and CSR may position themselves for a competitive edge (Waddock & Graves, 2003). Such companies not only tend to excel in performance but also attract a diverse customer base, draw the interest of socially conscious investors, and secure a skilled and loyal workforce. Furthermore, this study holds significance for policymakers and regulatory bodies. It suggests the promotion and incentivization of Corporate Social Responsibility practices, as they have been demonstrated to yield positive effects on firm performance. Likewise, encouraging initiatives that foster Employee Financing Diversity can contribute to the advancement of economic equity (Windsor, 2001). Additionally, the study serves as a gateway to future research endeavors aimed at delving into the mechanisms and specific practices underpinning the observed relationships. Subsequent studies can explore the mediating

factors and causal pathways between EFD, CSR, and SFR, offering a more nuanced comprehension of these intricate dynamics.

7. CONCLUSION

In summary, the results of this study accentuate the significance of both Employee Financing Diversity and Corporate Social Responsibility in nurturing sustainable firm performance (Zhu et al., 2009). They underscore the capacity for businesses to prosper not only economically but also in terms of environmental and social dimensions by embracing these core principles. These revelations carry extensive implications for organizations, policymakers, and researchers operating within the realms of diversity, social responsibility, and sustainability. As businesses and society grapple with multifaceted challenges, this study underscores the paramount role of responsible and diversified corporate practices in shaping a more sustainable and equitable future.

7.1. LIMITATIONS

It is imperative to recognize specific constraints associated with the quantitative approach. These constraints encompass the potential for response bias, the specificity of the sample, and the inherent limitation of the cross-sectional data, which constrains the capacity to establish causal relationships. In hindsight, the quantitative methodology employed in this research enabled the investigation of the intricate interactions among Employee Financing Diversity, Corporate Social Responsibility, and sustainable firm performance. It supplied empirical support for the associations between these factors, thereby providing valuable perspectives on how organizations can harness EFD and CSR approaches to elevate their enduring sustainability and socially responsible initiatives.

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