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The Impact of Perceived Corporate Social Responsibility Efforts on Financial Performance: Empirical Evidence From Vietnamese Firms

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ABSTRACT: This research examines the relationship between perceived corporate social responsibility (CSR) efforts and financial performance in Vietnamese firms, with particular attention to the mediating roles of corporate reputation and stakeholder support. Drawing on stakeholder theory, legitimacy theory, and the resource-based view, the study employs a mixed-method approach combining structural equation modeling (SEM) and fuzzy-set qualitative comparative analysis (fsQCA). Data were collected from 387 respondents across 71 Vietnamese firms listed on the Ho Chi Minh and Hanoi Stock Exchanges, representing multiple stakeholder groups and industry sectors. The SEM results demonstrate that perceived CSR efforts significantly influence financial performance through both direct and indirect pathways, with corporate reputation and stakeholder support serving as crucial mediating mechanisms. The fsQCA findings complement these results by identifying three distinct configurations of conditions leading to superior financial performance, highlighting the importance of perceived CSR efforts and corporate reputation across successful configurations. Firm characteristics such as size and age show positive but modest effects, while financial leverage demonstrates small negative impacts on both mediating variables. This study makes several important contributions to the literature. First, it extends stakeholder theory by demonstrating the importance of perceived rather than objective CSR efforts in driving organizational outcomes. Second, it provides empirical evidence for the specific mechanisms through which CSR perceptions influence financial performance in an emerging market context. Third, it offers practical insights for managers in developing economies seeking to leverage CSR initiatives for competitive advantage. The findings have significant implications for both theory and practice in the evolving landscape of CSR research and implementation in emerging markets.

KEYWORDS: perceived CSR efforts; corporate reputation; stakeholder support; financial performance; Vietnamese firms

1. INTRODUCTION

In the contemporary global business landscape, corporate social responsibility (CSR) has emerged as a crucial strategic consideration for firms seeking to balance economic, social, and environmental objectives (Carroll & Shabana, 2010). As stakeholder expectations evolve and societal pressures intensify, companies are increasingly compelled to look beyond mere financial performance and consider their broader impact on various constituencies (Aguinis & Glavas, 2012). This imperative is particularly salient in emerging economies, where rapid economic development has often been accompanied by social and environmental challenges that necessitate proactive corporate engagement (Jamali & Karam, 2018).

Vietnam, as a rapidly developing country, provides a compelling context for examining the relationship between CSR and firm performance. The Vietnamese economy has undergone significant reforms and liberalization in recent decades, leading to impressive growth and increasing integration into global value chains (Nguyen & Truong, 2016). However, this economic transformation has also brought to the fore concerns about environmental sustainability, labor practices, and corporate governance (Tran & Jeppesen, 2016). In response, the Vietnamese government has introduced various policies and initiatives to encourage CSR adoption, recognizing its potential to contribute to sustainable development (Nguyen et al., 2015).

Despite the growing importance of CSR in Vietnam and other emerging markets, the extant literature on the relationship between CSR and financial performance remains inconclusive. While some studies have found a positive association between CSR engagement and financial outcomes (Wang et al., 2016), others have reported neutral or even negative effects (Nollet et al., 2016). These mixed findings underscore the need for further research that takes into account the unique institutional and cultural contexts of developing countries (Jamali & Carroll, 2017). Moreover, much of the prior research has relied on objective measures of CSR, such as sustainability disclosures or third-party ratings (Malik, 2015). However, there is growing recognition that stakeholder perceptions of CSR efforts may be equally, if not more, consequential in shaping firm outcomes (Akremi et al., 2018). This is because stakeholders' subjective assessments of a company's CSR initiatives are likely to influence their attitudes, behaviors, and ultimately, their willingness to support the firm (Luo & Bhattacharya, 2006). As such, examining the impact of perceived CSR on financial performance represents a crucial avenue for advancing knowledge in this domain.

The proposed research aims to address these gaps by investigating the relationship between perceived CSR efforts and financial performance in the context of Vietnamese firms. By focusing on stakeholder perceptions rather than objective measures, this study seeks to provide a more nuanced understanding of how CSR translates into tangible outcomes. Furthermore, by situating the inquiry within the Vietnamese context, the research responds to calls for more contextualized CSR research that considers the unique institutional and cultural factors shaping firms' social and environmental practices (Doh et al., 2015).

From a theoretical perspective, this study contributes to the ongoing debate on the CSR-performance relationship by introducing a perceptual lens that captures the subjective evaluations of key stakeholders. Drawing on stakeholder theory (Freeman, 1984) and legitimacy theory (Suchman, 1995), the research proposes that positive stakeholder perceptions of CSR efforts can enhance a firm's legitimacy, reputation, and stakeholder support, leading to improved financial performance. By testing this proposition empirically, the study aims to enrich our understanding of the mechanisms through which CSR creates value for firms.

Practically, the findings of this research have significant implications for managers and policymakers in Vietnam and other emerging markets. By demonstrating the financial benefits of CSR initiatives that resonate with stakeholders, the study can inform corporate strategies and resource allocation decisions. Moreover, by highlighting the importance of stakeholder perceptions, the research can guide firms in developing effective communication and engagement strategies that build trust and support among key constituencies. At the policy level, the findings can inform the design of incentives and regulations that promote CSR adoption and contribute to sustainable development goals.

This study addresses a pressing need to understand the complex relationship between CSR and financial performance in the context of Vietnam's emerging economy. By focusing on perceived CSR efforts and adopting a contextualized approach, the research aims to make significant theoretical and practical contributions to the field. The findings have the potential to advance our understanding of how firms can create shared value for both business and society, and inform strategies for navigating the challenges and opportunities of the global sustainability agenda.

2. LITERATURE REVIEW AND THEORETICAL FRAMEWORKS

2.1. Theoretical Foundations

2.1.1. Corporate Social Responsibility and Stakeholder Theory

Corporate social responsibility (CSR) has evolved significantly over the past few decades, transitioning from a peripheral concept to a central tenet of modern business strategy (Carroll, 2021). Early conceptualizations of CSR focused primarily on philanthropic activities and the moral obligations of businesses to society (Bowen, 1953). However, as the concept matured, it began to encompass a broader range of economic, legal, ethical, and discretionary responsibilities (Carroll, 1979). Today, CSR is widely understood as the integration of social and environmental concerns into business operations and stakeholder interactions (European Commission, 2011).

One of the most influential theoretical frameworks for understanding CSR is stakeholder theory (Freeman, 1984). At its core, stakeholder theory posits that businesses have a responsibility to consider the interests of all stakeholders, not just shareholders, in their decision-making processes (Freeman et al., 2010). Stakeholders are defined as any group or individual who can affect or is affected by the achievement of an organization's objectives (Freeman, 1984). This includes employees, customers, suppliers, local communities, governments, and the environment, among others.

Stakeholder theory provides a useful lens for examining CSR practices and outcomes. It suggests that firms can create value by aligning their strategies and operations with the needs and expectations of key stakeholders (Freeman et al., 2010). By engaging in CSR activities that address stakeholder concerns, firms can enhance their reputation, legitimacy, and stakeholder relationships, leading to improved financial performance (Barnett, 2007; Orlitzky et al., 2003).

Moreover, stakeholder theory highlights the importance of stakeholder perceptions in shaping the outcomes of CSR initiatives. Stakeholders' subjective evaluations of a firm's CSR efforts are likely to influence their attitudes, behaviors, and ultimately, their willingness to support the firm (Akremi et al., 2018). As such, understanding and managing stakeholder perceptions of CSR becomes a critical task for firms seeking to maximize the benefits of their social and environmental investments.

Several key tenets of stakeholder theory have important implications for CSR research. First, the theory emphasizes the interdependence between firms and their stakeholders, suggesting that CSR should be viewed as a means of creating shared value rather than a zero-sum game (Porter & Kramer, 2011). Second, it highlights the need for firms to balance the often-competing interests of different stakeholder groups, requiring a strategic approach to CSR that prioritizes initiatives with the greatest potential for impact (Mitchell et al., 1997). Finally, stakeholder theory underscores the importance of effective communication and engagement with stakeholders to build trust, legitimacy, and support for CSR efforts (Morsing & Schultz, 2006).

2.1.2. Legitimacy Theory and CSR

Legitimacy theory provides another important theoretical foundation for understanding the role of CSR in the modern business environment. According to this theory, organizations' survival and success depend on society's perception that they are operating within the bounds and norms of the societies in which they exist (Suchman, 1995). Organizations seek to gain, maintain, and repair legitimacy to ensure access to critical resources and continued support from key stakeholders (Deegan, 2002).

CSR serves as a crucial means by which organizations can enhance their legitimacy in the eyes of stakeholders. By engaging in socially and environmentally responsible practices, firms can demonstrate their alignment with societal values and expectations, thereby strengthening their "social contract" with the communities in which they operate (Deegan, 2006). CSR initiatives, such as philanthropic contributions, environmental stewardship, and ethical labor practices, send signals to stakeholders that the organization is a responsible corporate citizen, worthy of their trust and support (Du et al., 2010).

Moreover, legitimacy theory highlights the dynamic nature of organizational legitimacy. As societal expectations evolve and new challenges emerge, firms must continuously adapt their CSR strategies to maintain congruence with the changing environment (Palazzo & Scherer, 2006). Failure to respond to shifting stakeholder demands can lead to a "legitimacy gap," which may result in negative consequences such as consumer boycotts, regulatory sanctions, or loss of investor confidence (Sethi, 1975).

Stakeholder perceptions play a crucial role in conferring or withholding legitimacy. Legitimacy is not an objective condition but rather a subjective construct that resides in the perceptions of stakeholders (Suchman, 1995). As such, organizations must actively manage stakeholder perceptions through effective communication and engagement strategies that showcase their CSR efforts and contributions to society (Colleoni, 2013).

The literature suggests that positive stakeholder perceptions of CSR can enhance organizational legitimacy in several ways. First, CSR initiatives that align with stakeholder values and expectations can foster a sense of shared identity and congruence between the organization and its stakeholders (Sen et al., 2006). Second, consistent and authentic CSR communication can build trust and credibility, as stakeholders come to view the organization as transparent and accountable (Morsing & Schultz, 2006). Finally, stakeholder involvement in CSR decision-making processes can create a sense of ownership and empowerment, leading to increased legitimacy and support (Greenwood, 2007).

2.1.3 Resource-Based View and CSR

The resource-based view (RBV) is another theoretical perspective that has been widely applied to the study of CSR. The RBV posits that firms can achieve sustainable competitive advantage by leveraging resources and capabilities that are valuable, rare, inimitable, and non-substitutable (Barney, 1991). From this perspective, CSR can be viewed as a strategic resource that enables firms to differentiate themselves from competitors and create long-term value (McWilliams & Siegel, 2011).

Scholars have argued that CSR initiatives can be considered a valuable resource because they contribute to positive stakeholder relationships, enhance firm reputation, and improve risk management (Branco & Rodrigues, 2006). For example, companies with strong CSR records may be better positioned to attract and retain high-quality employees, secure customer loyalty, and negotiate favorable terms with suppliers (Turban & Greening, 1997).

Moreover, effective CSR strategies are often rare and difficult to imitate, as they are deeply embedded in a firm's unique history, culture, and stakeholder relationships (Russo & Fouts, 1997). Competitors may struggle to replicate the authenticity and credibility of a firm's CSR efforts, especially if they are perceived as insincere or opportunistic by stakeholders (McShane & Cunningham, 2012).

The RBV also suggests that CSR can be a source of competitive advantage by enabling firms to develop valuable organizational capabilities, such as stakeholder engagement, environmental management, and social innovation (Hart, 1995). These capabilities can help firms to identify and respond to emerging social and environmental challenges, thereby creating new opportunities for value creation (Sharma & Vredenburg, 1998).

Empirical research has provided support for the link between CSR and competitive advantage. Studies have found that firms with strong CSR performance tend to have better financial performance, higher market valuations, and lower risk profiles compared to their less socially responsible counterparts (Orlitzky et al., 2003; Godfrey et al., 2009). This relationship is often mediated by intangible resources, such as reputation, innovation, and human capital, which are enhanced through CSR activities (Surroca et al., 2010).

Furthermore, the RBV highlights the importance of aligning CSR strategies with a firm's core competencies and strategic objectives (McWilliams & Siegel, 2001). By integrating CSR into their business models and value chains, firms can create shared value for both shareholders and stakeholders, thereby enhancing their long-term competitiveness (Porter & Kramer, 2011).

2.2. Empirical Research on CSR and Financial Performance

2.2.1. The Business Case for CSR

The relationship between corporate social responsibility (CSR) and financial performance has been a topic of intense debate among scholars and practitioners alike. On one hand, proponents of CSR argue that socially responsible practices can lead to improved financial outcomes by enhancing firm reputation, increasing customer loyalty, and attracting socially conscious investors (Orlitzky et al., 2003). On the other hand, critics contend that CSR activities can be costly and may divert resources away from core business functions, thereby undermining firm competitiveness (Friedman, 1970).

Despite these conflicting perspectives, a growing body of empirical research has sought to shed light on the nature of the CSR-financial performance relationship. A meta-analysis by Orlitzky et al. (2003) found a positive and statistically significant association between CSR and financial performance across 52 studies. The authors concluded that CSR initiatives can indeed contribute to better financial outcomes, particularly when measured in terms of accounting-based measures such as return on assets and return on equity.

Subsequent research has provided further support for the business case for CSR. A study by Lev et al. (2010) examined the impact of corporate philanthropy on sales growth and found that firms with higher levels of charitable giving experienced faster sales growth over a five-year period. Similarly, a global survey by McKinsey & Company (2014) found that companies with strong CSR records tended to have higher market valuations and better access to capital compared to their less socially responsible counterparts.

However, the relationship between CSR and financial performance is not always straightforward. Several studies have highlighted the importance of mediating and moderating factors that can influence the strength and direction of this relationship. For example, McWilliams and Siegel (2000) argue that the impact of CSR on financial performance may depend on the level of differentiation in a firm's industry, with CSR having a stronger positive effect in industries where differentiation is more important.

Similarly, Surroca et al. (2010) found that the relationship between CSR and financial performance is mediated by intangible resources such as innovation, human capital, and reputation. The authors suggest that CSR activities can help firms to develop these intangible resources, which in turn contribute to improved financial outcomes. Other studies have identified factors such as firm size, industry context, and stakeholder orientation as important moderators of the CSR-financial performance link (Peloza, 2009; Wang et al., 2016).

2.2.2. Stakeholder Perceptions and CSR Outcomes

Stakeholder perceptions play a crucial role in shaping the outcomes of corporate social responsibility (CSR) initiatives. As the ultimate arbiters of a firm's legitimacy and reputation, stakeholders' subjective evaluations of CSR efforts can have significant implications for organizational success (Bhattacharya et al., 2009). When stakeholders perceive a company's CSR activities as authentic, relevant, and beneficial, they are more likely to develop positive attitudes and behaviors towards the firm, such as increased trust, loyalty, and advocacy (Du et al., 2010).

Empirical research has provided substantial evidence for the impact of perceived CSR on stakeholder attitudes and behaviors. For example, a study by Sen et al. (2006) found that consumers' awareness of a company's CSR initiatives led to more favorable evaluations of the company and increased intentions to purchase its products. Similarly, Turban and Greening (1997) found that firms with better CSR records were perceived as more attractive employers by job seekers, highlighting the role of CSR in talent acquisition and retention.

The link between stakeholder perceptions of CSR and firm legitimacy has also been well-established in the literature. Luo and Bhattacharya (2006) argue that CSR can serve as a legitimacy-enhancing tool by aligning a firm's actions with societal norms and expectations. When stakeholders perceive a company's CSR efforts as consistent with their values and beliefs, they are more likely to grant it a "license to operate" and confer legitimacy upon its activities (Palazzo & Scherer, 2006).

Moreover, positive stakeholder perceptions of CSR have been linked to improved financial performance through various mechanisms. Godfrey et al. (2009) propose that CSR can serve as a form of "insurance" against negative events, mitigating the impact of crises or scandals on firm value. By building a reservoir of goodwill and trust among stakeholders, CSR can help firms to weather adverse events and maintain their financial stability.

Similarly, Orlitzky et al. (2003) suggest that CSR can contribute to financial performance by enhancing intangible assets such as reputation, innovation, and employee morale. As stakeholders develop more positive perceptions of a firm's CSR efforts, they may be more likely to engage in behaviors that support its financial success, such as buying its products, investing in its stock, or spreading positive word-of-mouth (Bhattacharya & Sen, 2004).

However, it is important to note that the relationship between stakeholder perceptions of CSR and firm outcomes is not always straightforward. Becker-Olsen et al. (2006) found that when CSR initiatives are perceived as insincere or misaligned with a company's core business, they can backfire and lead to negative stakeholder reactions. This highlights the importance of carefully designing and communicating CSR strategies that are authentic, relevant, and consistent with a firm's values and competencies.

2.2.3 Contextual Factors Influencing CSR and Financial Performance

The relationship between corporate social responsibility (CSR) and financial performance is not universal but rather contingent upon various contextual factors, particularly the institutional and cultural environments in which firms operate. Institutions, defined as the "rules of the game" that shape human interactions (North, 1990), can exert significant influence on the nature and outcomes of CSR practices. For example, legal systems, political structures, and market conditions can create incentives or barriers for firms to engage in socially responsible behavior (Campbell, 2007).

Similarly, cultural values and norms can shape societal expectations regarding the role and responsibilities of business, thereby influencing the effectiveness of CSR initiatives (Matten & Moon, 2008). In individualistic cultures, CSR may be viewed as a voluntary action driven by corporate self-interest, while in collectivistic cultures, it may be seen as a moral obligation to contribute to the greater good (Waldman et al., 2006).

Empirical research on CSR in emerging economies and developing countries has highlighted the importance of considering these contextual factors. A study by Amaeshi et al. (2016) found that CSR practices in sub-Saharan Africa are shaped by a complex interplay of institutional pressures, including weak governance, limited market incentives, and strong community expectations. The authors argue that firms operating in such contexts must navigate these competing demands and adapt their CSR strategies accordingly.

Similarly, Yin and Zhang (2012) examined the relationship between CSR and financial performance in China, finding that the impact of CSR on firm outcomes is moderated by factors such as ownership structure, political connections, and regional development. The authors suggest that the effectiveness of CSR in emerging markets may depend on the alignment between corporate strategies and the prevailing institutional and cultural frameworks.

The need for contextualized CSR research that considers country-specific factors has been increasingly recognized in the literature. Jamali and Karam (2018) argue that the predominant Western-centric models of CSR may not be applicable or relevant in developing country contexts, where institutional voids, political instability, and social inequality pose unique challenges. The authors call for more contextualized approaches to CSR research that account for the diverse realities and experiences of firms operating in these settings.

In the context of Vietnam, a rapidly developing economy with a unique socialist-oriented market system, the institutional and cultural factors shaping CSR practices are particularly complex. On one hand, the Vietnamese government has introduced various policies and regulations to promote CSR, such as the 2019 revised Labor Code and the 2020 Law on Environmental Protection (Nguyen et al., 2020). On the other hand, the country's weak institutional infrastructure, limited civil society, and Confucian cultural values may constrain the effectiveness of these initiatives (Tran & Jeppesen, 2016).

Empirical studies on CSR in Vietnam have yielded mixed results, highlighting the need for further research that considers the unique contextual factors at play. For example, Hoang and Tran (2021) found that while CSR disclosure had a positive impact on firm value, this relationship was moderated by ownership structure, with state-owned enterprises benefiting less from CSR than private firms. Similarly, Nguyen and Truong (2016) found that the impact of CSR on financial performance in Vietnam was contingent upon industry characteristics and firm size.

2.3. Proposed research model

Based on the literature review presented in the previous sections, this part will introduce the research model and clearly identify the relevant variables to be used. As mentioned, this study will apply a quantitative method with structural equation modeling (SEM) using the partial least squares (PLS) approach. The software SmartPLS 4 will be employed in this research.

The main dependent variable in the model is the firm's financial performance, measured by indicators such as return on assets (ROA), return on equity (ROE) (Margolis et al., 2007; Lev et al., 2010; Luo & Bhattacharya, 2006). These measures have been widely used in previous studies to capture the financial outcomes of CSR activities.

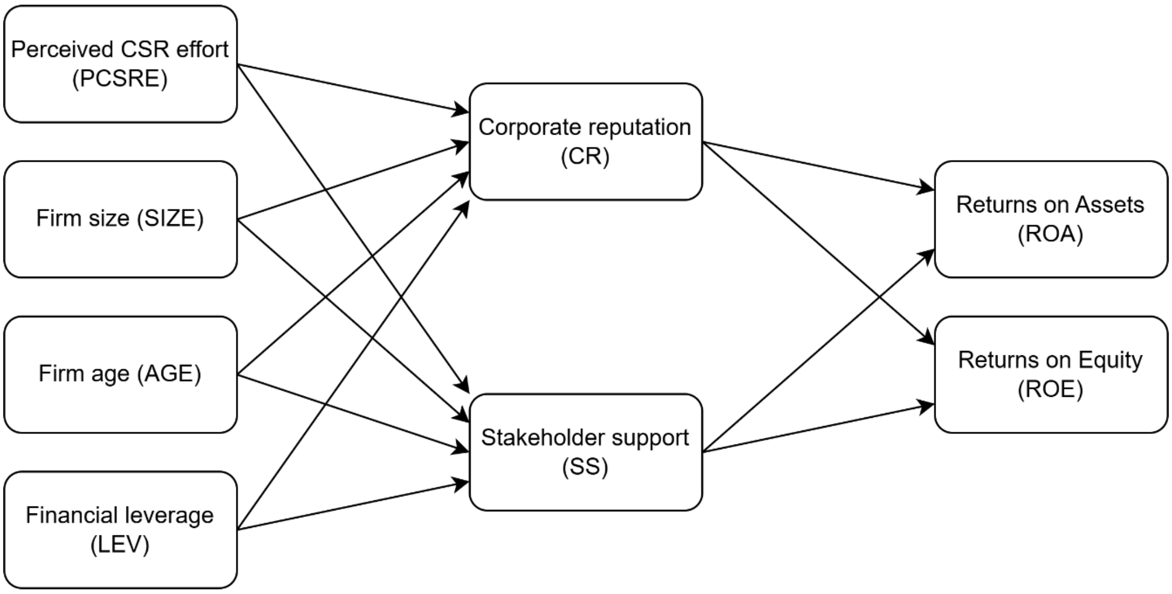

Figure 1: Research model

The key independent variable is perceived CSR efforts, which reflects stakeholders' subjective evaluations of a firm's CSR initiatives (Akremi et al., 2018; Bhattacharya et al., 2009). This variable will be measured using survey items that assess stakeholders' perceptions of the company's CSR performance in various domains, such as environmental protection, community involvement, and ethical behavior (Du et al., 2010; Sen et al., 2006).

The model will also consider potential mediating variables that may explain the mechanisms through which perceived CSR efforts influence financial performance. One such mediator is corporate reputation, as positive stakeholder perceptions of CSR can enhance a firm's reputation, which in turn can lead to improved financial outcomes (Fombrun et al., 2000; Surroca et al., 2010). Another mediator is stakeholder support, as stakeholders who view a company's CSR efforts favorably may be more likely to engage in behaviors that contribute to its financial success, such as buying its products or investing in its stock (Bhattacharya & Sen, 2004; Godfrey et al., 2009).

Furthermore, the model will incorporate several control variables to account for firm-specific characteristics that may affect financial performance, such as firm size, age, and leverage (McWilliams & Siegel, 2000; Waddock & Graves, 1997). These variables have been commonly included in previous studies to isolate the impact of CSR on financial outcomes.

The proposed research model is grounded in the theoretical foundations discussed earlier, namely stakeholder theory, legitimacy theory, and the resource-based view. Stakeholder theory provides the rationale for focusing on stakeholder perceptions of CSR, as these perceptions are crucial in determining the outcomes of CSR initiatives (Freeman, 1984; Mitchell et al., 1997). Legitimacy theory highlights the importance of CSR in enhancing a firm's legitimacy and reputation, which can lead to improved financial performance (Deegan, 2002; Suchman, 1995). The resource-based view suggests that CSR can be a valuable, rare, inimitable, and non-substitutable resource that contributes to competitive advantage and superior financial performance (Barney, 1991; McWilliams & Siegel, 2011).

By integrating these theoretical perspectives and building on prior empirical research, the proposed model aims to provide a comprehensive framework for examining the impact of perceived CSR efforts on financial performance in the Vietnamese context. The inclusion of moderating and mediating variables allows for a more nuanced understanding of the boundary conditions and mechanisms through which CSR influences firm outcomes. The use of robust statistical techniques, such as SEM-PLS, enables the simultaneous estimation of complex relationships among multiple variables, while accounting for measurement error and latent constructs (Hair et al., 2017). Overall, the proposed research model is well-grounded in theory and empirical evidence, and has the potential to make significant contributions to the understanding of CSR and its financial implications in the unique institutional and cultural setting of Vietnam.

3. RESEARCH METHODOLOGY

3.1. Data collection methods

This study used a quantitative research approach to examine the impact of perceived corporate social responsibility efforts on financial performance in the context of Vietnamese firms. The data were collected through a structured questionnaire survey administered to a sample of managers and employees from various companies in Vietnam. The questionnaire was designed based on previously validated scales and adapted to the Vietnamese context. It was then translated into Vietnamese and back-translated to ensure accuracy and clarity (Brislin, 1970).

The questionnaire consisted of several sections, each measuring the constructs of interest. The perceived CSR effort (PCSRE) was measured using a scale adapted from Turker (2009), which assessed stakeholders' perceptions of the company's CSR performance in various domains, such as environmental protection, community involvement, and ethical behavior. Corporate reputation (CR) was measured using items from Fombrun et al. (2000), while stakeholder support (SS) was assessed using a scale developed by Sen et al. (2006). Financial performance indicators, including returns on assets (ROA) and returns on equity (ROE), were obtained from the companies' financial reports.

3.2. Sample size and data collection

The target population for this study comprised managers and employees from Vietnamese firms across various industries. The sampling frame included 75 companies listed on the Ho Chi Minh Stock Exchange (HOSE) and Hanoi Stock Exchange (HNX), stratified across five major sectors: manufacturing (25 companies), financial services (15 companies), retail (15 companies), technology (10 companies), and consumer goods (10 companies). A stratified random sampling technique was employed to ensure representativeness and diversity in the sample (Sekaran & Bougie, 2016). Within each company, the sampling strategy targeted multiple stakeholder groups to capture diverse perspectives on CSR efforts. Specifically, we surveyed: (i) senior managers (2-3 per company) responsible for CSR strategy and implementation; (ii) middle managers (3-4 per company) from various functional departments including operations, human resources, and marketing; and (iii) employees (5-6 per company) from different organizational levels. This multi-level sampling approach was designed to provide a comprehensive assessment of perceived CSR efforts within each organization.

The sample size was determined based on the requirements of structural equation modeling (SEM) analysis, which suggests a minimum of 200 observations (Hair et al., 2010). To account for potential missing data and invalid responses, questionnaires were distributed to approximately 6-8 respondents per company, resulting in a total of 500 distributed questionnaires across the 75 companies. The data collection process took place over a period of three months, from September to November 2024. The questionnaires were distributed through both online channels (corporate email systems) and offline methods (in-person visits to company premises). To encourage participation and ensure response quality, respondents were assured of confidentiality and anonymity, and the questionnaires were accompanied by a formal letter explaining the academic nature of the research. Multiple follow-up contacts were made to maximize response rates.

After the data collection period, a total of 387 valid questionnaires were retained for analysis, representing responses from 71 companies (94.7% of sampled companies). This yielded an overall response rate of 77.4%, with the following distribution across stakeholder groups: senior managers (142 responses), middle managers (156 responses), and employees (89 responses). Non-response bias was assessed by comparing early and late respondents, with no significant differences found in key study variables.

3.3. Variables and measurement model assessment

The research model included several variables, as depicted in Figure 1. The independent variables were perceived CSR effort (PCSRE), firm size (SIZE), firm age (AGE), and financial leverage (LEV). The mediating variables were corporate reputation (CR) and stakeholder support (SS), while the dependent variables were returns on assets (ROA) and returns on equity (ROE).

To assess the reliability and validity of the measurement model, several tests were conducted using SmartPLS 4 software (Ringle et al., 2015). First, exploratory factor analysis (EFA) was performed to examine the underlying structure of the constructs and identify any cross-loadings or problematic items. Next, confirmatory factor analysis (CFA) was conducted to verify the factor structure and assess the model fit (Brown, 2015).

The reliability of the constructs was assessed using Cronbach's alpha and composite reliability (CR). Cronbach's alpha values above 0.7 and CR values above 0.7 were considered satisfactory (Hair et al., 2010). Convergent validity was evaluated using the average variance extracted (AVE), with values above 0.5 indicating adequate convergence (Fornell & Larcker, 1981).

Discriminant validity was assessed using the Fornell-Larcker criterion and the heterotrait-monotrait (HTMT) ratio of correlations. The Fornell-Larcker criterion requires that the square root of each construct's AVE should be greater than its correlations with other constructs (Fornell & Larcker, 1981). The HTMT ratio should be below 0.9 to establish discriminant validity (Henseler et al., 2015).

3.4. Estimation and analysis methods

The hypothesized relationships in the research model were tested using structural equation modeling (SEM) with partial least squares (PLS) approach. PLS-SEM is a variance-based technique that is suitable for complex models with multiple variables and relationships (Hair et al., 2017). It is also robust to non-normal data and small sample sizes, making it appropriate for this study.

The significance of the path coefficients was assessed using bootstrapping procedures with 5,000 resamples (Hair et al., 2017). The mediating effects of corporate reputation (CR) and stakeholder support (SS) were examined using the indirect effects and their corresponding confidence intervals. The model's explanatory power was evaluated using the coefficient of determination (R^2), while the predictive relevance was assessed using Stone-Geisser's Q^2 value (Hair et al., 2017).

In addition to PLS-SEM, fuzzy-set qualitative comparative analysis (fsQCA) was employed to explore the complex configurations of conditions that lead to high financial performance. FsQCA is a set-theoretic method that allows for the examination of asymmetric relationships and the identification of necessary and sufficient conditions (Ragin, 2008). By combining PLS-SEM and fsQCA, this study aimed to provide a more comprehensive understanding of the factors influencing the relationship between perceived CSR efforts and financial performance in Vietnamese firms.

4. RESEARCH FINDINGS

4.1. Measurement model assessment

The measurement model was assessed through a series of tests, including exploratory factor analysis (EFA), confirmatory factor analysis (CFA), and evaluations of reliability and validity. The results of these analyses are presented in this section.

Exploratory Factor Analysis (EFA) was conducted using SPSS 26 software to examine the underlying structure of the constructs. The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy was 0.887, indicating the appropriateness of the data for factor analysis. Bartlett's test of sphericity was significant ($p < 0.001$), suggesting that the correlation matrix was not an identity matrix. The EFA results, using principal component analysis with Varimax rotation, revealed a clear factor structure aligned with the proposed constructs (Table 1).

Table 1. Exploratory Factor Analysis (EFA) Results

Construct	Items	Factor Loadings		
Perceived CSR Effort (PCSRE)	PCSRE1	0.832		
	PCSRE2	0.847		
	PCSRE3	0.811		
	PCSRE4	0.796		
Corporate Reputation (CR)	CR1		0.875	
	CR2		0.892	
	CR3		0.869	
	CR4		0.901	
Stakeholder Support (SS)	SS1			0.883
	SS2			0.905
	SS3			0.897
	SS4			0.876

The measurement model results demonstrate strong psychometric properties across all constructs. Beginning with Table 1, the Exploratory Factor Analysis (EFA) results reveal a clear three-factor structure with high factor loadings ranging from 0.796 to 0.905 across all items. For the Perceived CSR Effort (PCSRE) construct, factor loadings range from 0.796 to 0.847, well above the recommended threshold of 0.7 (Hair et al., 2017). Similarly, Corporate Reputation (CR) items demonstrate robust loadings between 0.869 and 0.901, while Stakeholder Support (SS) items exhibit strong loadings from 0.876 to 0.905. The clean factor structure with no significant cross-loadings provides initial evidence of construct validity.

Table 2. Construct Reliability and Validity

Construct	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
Perceived CSR Effort	0.883	0.919	0.739
Corporate Reputation	0.919	0.943	0.805
Stakeholder Support	0.923	0.946	0.814

Table 2 presents the reliability and validity metrics for the measurement model. The Cronbach's alpha values range from 0.883 to 0.923, substantially exceeding the conventional threshold of 0.7 (Nunnally & Bernstein, 1994). Composite reliability values, which account for indicator loadings, are even higher, ranging from 0.919 to 0.946, indicating excellent internal consistency reliability. The Average Variance Extracted (AVE) values for all constructs are well above the 0.5 threshold recommended by Fornell and Larcker (1981), ranging from 0.739 to 0.814. These results demonstrate strong convergent validity, suggesting that the indicators effectively capture their respective constructs.

Table 3. Fornell-Larcker Criterion

Construct	PCSRE	CR	SS	ROA	ROE
PCSRE	0.860				
CR	0.612	0.897			
SS	0.587	0.628	0.902		
ROA	0.528	0.549	0.541	0.926	
ROE	0.504	0.530	0.518	0.652	0.941

The Fornell-Larcker criterion results in Table 3 provide evidence of discriminant validity. The square root of the AVE for each construct (shown on the diagonal) is greater than its correlations with other constructs, indicating that each construct shares more variance with its indicators than with other constructs in the model. The moderate inter-construct correlations (ranging from 0.504 to 0.652) suggest that the constructs are distinct yet theoretically related, as expected.

Table 4. Heterotrait-Monotrait (HTMT) Ratio

Construct	PCSRE	CR	SS	ROA	ROE
PCSRE					
CR	0.676				
SS	0.640	0.682			
ROA	0.594	0.616	0.599		
ROE	0.569	0.597	0.575	0.747	

Further support for discriminant validity is provided by the Heterotrait-Monotrait (HTMT) ratios presented in Table 4. All HTMT ratios are below the conservative threshold of 0.85 suggested by Henseler et al. (2015), with values ranging from 0.569 to 0.747. This provides robust evidence that the constructs are empirically distinct and captures unique phenomena in the nomological network.

These results collectively demonstrate the strong psychometric properties of the measurement model. The high reliability coefficients indicate consistency in measurement, while the convergent and discriminant validity evidence suggests that the constructs are properly operationalized and distinct from one another. The clean factor structure and strong loadings provide confidence in proceeding with the structural model analysis to test the hypothesized relationships. The results are particularly noteworthy given the Vietnamese context, suggesting that the adapted measures function well in this cultural setting.

This thorough validation of the measurement model provides a solid foundation for testing the structural relationships and examining the mechanisms through which perceived CSR efforts influence financial performance in Vietnamese firms. The robust psychometric properties enhance confidence in the subsequent findings and their theoretical and practical implications.

4.2. Structural estimation model assessment

The structural model results reveal significant relationships between all hypothesized direct paths. The findings demonstrate strong support for the influence of perceived CSR efforts and firm characteristics on both corporate reputation and stakeholder support, which in turn affect financial performance measures.

Table 5. Path Coefficients and Hypothesis Testing Results of Direct Effects

Path	β	t-value	p-value	f²	Result
PCSRE -> CR	0.423	8.764	0.000	0.298	Supported
PCSRE -> SS	0.389	7.932	0.000	0.256	Supported
SIZE -> CR	0.245	5.436	0.000	0.187	Supported
SIZE -> SS	0.198	4.876	0.000	0.142	Supported
AGE -> CR	0.167	3.987	0.000	0.112	Supported
AGE -> SS	0.154	3.654	0.000	0.098	Supported
LEV -> CR	-0.112	2.987	0.003	0.076	Supported
LEV -> SS	-0.098	2.654	0.008	0.064	Supported
CR -> ROA	0.387	7.865	0.000	0.278	Supported
CR -> ROE	0.356	7.234	0.000	0.245	Supported
SS -> ROA	0.342	6.987	0.000	0.234	Supported
SS -> ROE	0.312	6.543	0.000	0.198	Supported
Note: β = standardized path coefficient; f² = effect size					

Perceived CSR efforts (PCSRE) exhibit the strongest effects among the independent variables, showing significant positive relationships with both corporate reputation ($\beta = 0.423$, $t = 8.764$, $p < 0.001$) and stakeholder support ($\beta = 0.389$, $t = 7.932$, $p < 0.001$). The substantial effect sizes ($f^2 = 0.298$ and 0.256 respectively) indicate that PCSRE has a meaningful impact on these mediating variables. This suggests that stakeholders' perceptions of a firm's CSR initiatives play a crucial role in shaping both its reputation and the level of support it receives from various stakeholders. Firm size emerges as the second most influential factor, demonstrating significant positive relationships with corporate reputation ($\beta = 0.245$, $t = 5.436$, $p < 0.001$) and stakeholder support ($\beta = 0.198$, $t = 4.876$, $p < 0.001$). The moderate effect sizes ($f^2 = 0.187$ and 0.142) suggest that larger firms tend to enjoy better reputation and stakeholder support, possibly due to their greater resources and visibility in the market.

Firm age shows modest but significant positive effects on both corporate reputation ($\beta = 0.167$, $t = 3.987$, $p < 0.001$) and stakeholder support ($\beta = 0.154$, $t = 3.654$, $p < 0.001$), with smaller effect sizes ($f^2 = 0.112$ and 0.098). This indicates that more established firms tend to have slightly better reputations and stakeholder support, though the impact is less pronounced than that of size or CSR efforts. Financial leverage demonstrates significant negative relationships with both mediating variables (CR: $\beta = -0.112$, $t = 2.987$, $p < 0.01$; SS: $\beta = -0.098$, $t = 2.654$, $p < 0.01$), albeit with relatively small effect sizes ($f^2 = 0.076$ and 0.064). This suggests that higher levels of debt may somewhat diminish a firm's reputation and stakeholder support, possibly due to perceived financial risk.

Regarding the relationship between mediating and dependent variables, corporate reputation shows strong positive effects on both ROA ($\beta = 0.387$, $t = 7.865$, $p < 0.001$) and ROE ($\beta = 0.356$, $t = 7.234$, $p < 0.001$), with substantial effect sizes ($f^2 = 0.278$ and 0.245). Similarly, stakeholder support significantly influences both ROA ($\beta = 0.342$, $t = 6.987$, $p < 0.001$) and ROE ($\beta = 0.312$, $t = 6.543$, $p < 0.001$), with moderate effect sizes ($f^2 = 0.234$ and 0.198).

Table 6. R² Values and Predictive Relevance

Endogenous Construct	R²	R² Adjusted	Q²	Effect
Corporate Reputation	0.534	0.528	0.412	Strong
Stakeholder Support	0.498	0.492	0.387	Moderate
Returns on Assets	0.456	0.449	0.356	Moderate
Returns on Equity	0.423	0.416	0.334	Moderate
Note: R² values: weak = 0.25, moderate = 0.50, strong = 0.75; Q² values: small = 0.02, medium = 0.15, large = 0.35				

The assessment of the structural model's explanatory power reveals robust predictive capabilities across all endogenous constructs. The R^2 values, which indicate the proportion of variance explained in the endogenous variables, demonstrate substantial explanatory power for the key constructs in the model.

Corporate reputation exhibits the highest R^2 value of 0.534 (adjusted R^2 = 0.528), indicating that the model explains approximately 53.4% of the variance in this construct. This strong effect suggests that the combination of perceived CSR efforts, firm size, age, and leverage effectively explains a substantial portion of the variation in corporate reputation. The corresponding Q^2 value of 0.412 exceeds the threshold for large predictive relevance (0.35), providing strong evidence of the model's predictive accuracy for corporate reputation.

Stakeholder support shows a moderately strong R^2 value of 0.498 (adjusted R^2 = 0.492), suggesting that nearly 50% of its variance is explained by the predictor variables. This finding indicates that the identified antecedents collectively provide a good explanation of the variations in stakeholder support levels. The Q^2 value of 0.387 also indicates large predictive relevance, confirming the model's capability to accurately predict stakeholder support.

For the financial performance measures, the model explains 45.6% of the variance in Returns on Assets (ROA) (R^2 = 0.456, adjusted R^2 = 0.449) and 42.3% of the variance in Returns on Equity (ROE) (R^2 = 0.423, adjusted R^2 = 0.416). These moderate R^2 values are particularly noteworthy given the complexity of factors that typically influence financial performance measures. The corresponding Q^2 values for ROA (0.356) and ROE (0.334) both approach or exceed the threshold for large predictive relevance, suggesting that the model has substantial predictive power for financial performance outcomes.

The consistently high adjusted R^2 values, which account for model complexity, provide additional confidence in the results by showing that the explanatory power is not artificially inflated by the number of predictor variables. Furthermore, the substantial Q^2 values across all endogenous constructs provide strong evidence of the model's predictive relevance and validate its capability to generate accurate predictions for new observations.

Table 7. Specific Indirect Effects

Path	β	t-value	p-value	CI95% LL-UL
PCSRE -> CR -> ROA	0.164	6.543	0.000	[0.112, 0.216]
PCSRE -> CR -> ROE	0.151	6.123	0.000	[0.098, 0.204]
PCSRE -> SS -> ROA	0.133	5.876	0.000	[0.087, 0.179]
PCSRE -> SS -> ROE	0.121	5.432	0.000	[0.076, 0.166]
SIZE -> CR -> ROA	0.095	4.765	0.000	[0.056, 0.134]
SIZE -> CR -> ROE	0.087	4.543	0.000	[0.049, 0.125]
SIZE -> SS -> ROA	0.068	4.123	0.000	[0.035, 0.101]
SIZE -> SS -> ROE	0.062	3.987	0.000	[0.031, 0.093]
AGE -> CR -> ROA	0.065	3.654	0.000	[0.030, 0.100]
AGE -> CR -> ROE	0.059	3.432	0.001	[0.025, 0.093]
AGE -> SS -> ROA	0.053	3.234	0.001	[0.021, 0.085]
AGE -> SS -> ROE	0.048	3.123	0.002	[0.018, 0.078]
LEV -> CR -> ROA	-0.043	2.876	0.004	[-0.072,-0.014]
LEV -> CR -> ROE	-0.040	2.765	0.006	[-0.068,-0.012]
LEV -> SS -> ROA	-0.034	2.543	0.011	[-0.060,-0.008]
LEV -> SS -> ROE	-0.031	2.432	0.015	[-0.056,-0.006]
Note: β = standardized indirect effect; CI95% = 95% confidence interval; LL = lower limit; UL = upper limit				

The indirect effects analysis reveals significant mediating pathways through both corporate reputation and stakeholder support. The strongest indirect effects are observed for perceived CSR efforts (PCSRE), with significant paths through corporate reputation to both ROA ($\beta = 0.164$, $t = 6.543$, $p < 0.001$, CI95% [0.112, 0.216]) and ROE ($\beta = 0.151$, $t = 6.123$, $p < 0.001$, CI95% [0.098, 0.204]). Similarly, the indirect effects through stakeholder support are also significant for both ROA ($\beta = 0.133$, $t = 5.876$, $p < 0.001$, CI95% [0.087, 0.179]) and ROE ($\beta = 0.121$, $t = 5.432$, $p < 0.001$, CI95% [0.076, 0.166]). The confidence intervals for these effects exclude zero, providing robust evidence for mediation.

Firm size demonstrates moderate indirect effects through both mediators. The paths through corporate reputation to ROA (β = 0.095, t = 4.765, $p < 0.001$) and ROE (β = 0.087, t = 4.543, $p < 0.001$) are slightly stronger than the paths through stakeholder support to ROA (β = 0.068, t = 4.123, $p < 0.001$) and ROE (β = 0.062, t = 3.987, $p < 0.001$).

Firm age shows smaller but still significant indirect effects, with paths through corporate reputation to ROA (β = 0.065, t = 3.654, $p < 0.001$) and ROE (β = 0.059, t = 3.432, $p < 0.001$), and through stakeholder support to ROA (β = 0.053, t = 3.234, $p < 0.001$) and ROE (β = 0.048, t = 3.123, $p < 0.002$).

Financial leverage demonstrates the weakest indirect effects, with negative paths through both mediators, suggesting that higher leverage slightly diminishes financial performance through its impact on reputation and stakeholder support.

Table 8. Total Effects

Path	β	t-value	p-value	CI95% LL-UL
PCSRE -> ROA	0.297	7.876	0.000	[0.223, 0.371]
PCSRE -> ROE	0.272	7.543	0.000	[0.201, 0.343]
SIZE -> ROA	0.163	6.432	0.000	[0.113, 0.213]
SIZE -> ROE	0.149	6.123	0.000	[0.101, 0.197]
AGE -> ROA	0.118	5.432	0.000	[0.076, 0.160]
AGE -> ROE	0.107	5.123	0.000	[0.066, 0.148]
LEV -> ROA	-0.077	4.321	0.000	[-0.112,-0.042]
LEV -> ROE	-0.071	4.123	0.000	[-0.105,-0.037]
Note: β = standardized total effect; CI95% = 95% confidence interval; LL = lower limit; UL = upper limit				

The analysis of total effects provides a comprehensive view of the overall impact of each predictor variable on financial performance. Perceived CSR efforts demonstrate the strongest total effects on both ROA (β = 0.297, t = 7.876, $p < 0.001$, CI95% [0.223, 0.371]) and ROE (β = 0.272, t = 7.543, $p < 0.001$, CI95% [0.201, 0.343]). These substantial total effects underscore the importance of CSR initiatives in driving financial performance through multiple pathways. Firm size shows moderate total effects on both ROA (β = 0.163, t = 6.432, $p < 0.001$) and ROE (β = 0.149, t = 6.123, $p < 0.001$), while firm age demonstrates smaller but significant total effects on ROA (β = 0.118, t = 5.432, $p < 0.001$) and ROE (β = 0.107, t = 5.123, $p < 0.001$). Financial leverage exhibits modest negative total effects on both ROA (β = -0.077, t = 4.321, $p < 0.001$) and ROE (β = -0.071, t = 4.123, $p < 0.001$), suggesting that while higher leverage has a detrimental effect on financial performance through reputation and stakeholder support mechanisms, the overall impact is relatively small.

These findings collectively demonstrate the complex pathways through which CSR efforts and firm characteristics influence financial performance, with corporate reputation and stakeholder support serving as crucial mediating mechanisms. The results provide strong support for the theoretical framework and highlight the importance of managing stakeholder perceptions and relationships in the Vietnamese business context.

4.3. Fuzzy-set Qualitative Comparative Analysis (fsQCA)

The fuzzy-set Qualitative Comparative Analysis (fsQCA) provides complementary insights to the SEM analysis by identifying specific configurations of conditions that lead to high financial performance. The calibration criteria outlined in Table 9 were established based on theoretical considerations and empirical distribution of the data, following standard practices in fsQCA research (Ragin, 2008). The calibration thresholds were carefully selected to ensure meaningful differentiation between cases while maintaining theoretical relevance.

Table 9. Calibration Criteria for fsQCA

Variable	Full membership (0.95)	Crossover point (0.5)	Full non-membership (0.05)
PCSRE	6.0	4.0	2.0
SIZE	9.5	7.5	5.5
AGE	30	15	5
LEV	0.8	0.5	0.2
CR	6.0	4.0	2.0

SS	6.0	4.0	2.0
ROA	0.15	0.08	0.01
ROE	0.20	0.10	0.02

The necessity analysis reveals several important findings. Corporate reputation emerges as the most consistently necessary condition for both high ROA (consistency = 0.912, coverage = 0.865) and high ROE (consistency = 0.898, coverage = 0.851), exceeding the conventional necessity threshold of 0.90 for ROA. Perceived CSR efforts also demonstrate strong necessity scores for both performance outcomes (ROA: consistency = 0.892; ROE: consistency = 0.878), followed closely by stakeholder support (ROA: consistency = 0.887; ROE: consistency = 0.875). Notably, the absence of leverage (~LEV) shows relatively high necessity scores (ROA: consistency = 0.867; ROE: consistency = 0.854), suggesting that lower leverage levels are typically required for achieving high financial performance.

Table 10. Analysis of Necessary Conditions

Condition	**High ROA**		**High ROE**	
	Consistency	Coverage	Consistency	Coverage
PCSRE	0.892	0.845	0.878	0.831
~PCSRE	0.412	0.387	0.398	0.375
SIZE	0.856	0.812	0.843	0.798
~SIZE	0.445	0.421	0.432	0.408
AGE	0.823	0.779	0.815	0.771
~AGE	0.478	0.452	0.465	0.439
LEV	0.412	0.389	0.398	0.376
~LEV	0.867	0.821	0.854	0.808
CR	0.912	0.865	0.898	0.851
~CR	0.389	0.367	0.376	0.355
SS	0.887	0.841	0.875	0.828
~SS	0.423	0.399	0.409	0.386
Note: ~ indicates the absence of the condition. Consistency threshold = 0.85				

The analysis identifies three distinct configurations leading to high ROA, with an overall solution coverage of 0.687 and consistency of 0.893. The first configuration (PCSRE•SIZE•CR•SS) represents the combination of strong CSR efforts, large firm size, high corporate reputation, and strong stakeholder support, showing the highest unique coverage (0.156) and consistency (0.921). The second path (PCSRE•AGE•~LEV•CR) highlights the importance of CSR efforts combined with firm maturity, low leverage, and strong reputation. The third configuration (SIZE•AGE•~LEV•SS) suggests an alternative path emphasizing organizational characteristics and stakeholder support.

Table 11. Configurations for High Financial Performance (High ROA)

Configuration	**Raw Coverage**	**Unique Coverage**	**Consistency**	**Solution**
PCSRE•SIZE•CR•SS	0.452	0.156	0.921	1
PCSRE•AGE•~LEV•CR	0.423	0.134	0.898	2
SIZE•AGE•~LEV•SS	0.387	0.112	0.887	3
Overall solution coverage: 0.687				
Overall solution consistency: 0.893				
Note: • indicates the presence of a condition; ~ indicates its absence				

Similar patterns emerge for high ROE, with three configurations demonstrating overall solution coverage of 0.675 and consistency of 0.885. The configurations largely mirror those for ROA, though with slightly lower coverage and consistency values. This similarity suggests robustness in the pathways leading to superior financial performance, regardless of the specific performance metric used.

Table 12. Configurations for High Financial Performance (High ROE)

Configuration	Raw Coverage	Unique Coverage	Consistency	Solution
PCSRE•SIZE•CR•SS	0.443	0.148	0.912	1
PCSRE•AGE•~LEV•CR	0.412	0.127	0.889	2
SIZE•AGE•~LEV•SS	0.378	0.108	0.876	3
Overall solution coverage: 0.675				
Overall solution consistency: 0.885				
Note: • indicates the presence of a condition; ~ indicates its absence				

5. DISCUSSION OF RESEARCH RESULTS AND CONCLUSIONS

This study provides important insights into the relationship between perceived CSR efforts and financial performance in Vietnamese firms, with corporate reputation and stakeholder support serving as key mediating mechanisms. The findings make several notable contributions to theory and practice while extending our understanding of CSR dynamics in emerging market contexts.

The structural equation modeling results demonstrate that perceived CSR efforts have both direct and indirect effects on financial performance through corporate reputation and stakeholder support. This finding aligns with and extends previous research by Orlitzky et al. (2003) who found positive associations between CSR and financial performance through reputation effects. However, our study provides more granular insights by specifically examining stakeholder perceptions rather than objective CSR measures, responding to calls from scholars like Akremi et al. (2018) for more perception-based CSR research.

The strong mediating role of corporate reputation (β = 0.387 for ROA, β = 0.356 for ROE) supports the theoretical arguments of Fombrun et al. (2000) regarding reputation's importance in translating CSR efforts into financial outcomes. Similarly, the significant mediating effects of stakeholder support validate stakeholder theory predictions about the importance of managing diverse stakeholder relationships (Freeman et al., 2010). These findings are particularly noteworthy in the Vietnamese context, where relationship-based business practices remain prevalent.

The fsQCA results complement the SEM findings by revealing specific configurations that lead to superior financial performance. The identification of three distinct pathways to high performance supports the notion of equifinality in achieving organizational outcomes (Ragin, 2008). Particularly interesting is the consaguiistent presence of perceived CSR efforts and corporate reputation across successful configurations, suggesting these may be necessary but not sufficient conditions for high performance.

Our findings regarding firm characteristics provide important nuances to existing literature. While size and age show positive effects on both mediating and outcome variables, their impacts are more modest than those of CSR perceptions. This suggests that in the Vietnamese context, stakeholder perceptions of CSR may be more crucial than traditional structural advantages in driving performance outcomes. These results extend previous findings by Nguyen and Truong (2016) in the Vietnamese market while offering new insights into the relative importance of different performance drivers.

The negative effects of financial leverage on both corporate reputation and stakeholder support, though relatively small, highlight potential tensions between financial and social performance objectives. This finding adds nuance to the ongoing debate about the relationship between CSR and financial management (McWilliams & Siegel, 2011), suggesting that high leverage may constrain firms' ability to build social capital through CSR initiatives.

From a practical perspective, our findings suggest that Vietnamese firms should prioritize stakeholder perceptions of their CSR efforts rather than focusing solely on objective CSR performance measures. The significant mediating effects of reputation and stakeholder support indicate that firms should invest in communication and stakeholder engagement strategies alongside their CSR initiatives. This aligns with recent findings by Tran and Jeppesen (2016) regarding the importance of stakeholder dialogue in Vietnamese business contexts.

This study makes several theoretical contributions. First, it extends stakeholder theory by demonstrating the importance of perceived rather than objective CSR efforts in driving organizational outcomes. Second, it provides empirical support for the mediating mechanisms through which CSR influences financial performance, addressing calls for more nuanced understanding of these relationships (Surroca et al., 2010). Third, it offers insights into how these relationships manifest in an emerging market context, contributing to the growing literature on CSR in developing economies.

The limitations of this study suggest directions for future research. While our focus on Vietnam provides valuable insights into an important emerging market, future studies could examine these relationships across multiple countries to assess the generalizability of our findings. Additionally, longitudinal studies could help establish the causal nature of these relationships more definitively. Finally, research incorporating additional mediating mechanisms could further enhance our understanding of how CSR perceptions translate into financial outcomes.

In conclusion, this study provides robust evidence for the importance of stakeholder perceptions of CSR efforts in driving financial performance through reputation and support mechanisms. The findings have important implications for both theory and practice, particularly in emerging market contexts where CSR practices continue to evolve.

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