| **RESEARCH ARTICLE**

The Effect of Corporate Social Responsibility on Competitive Advantage through Organizational Learning in the Jordanian Industrial Sector

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| **ABSTRACT**

This study not only attempts to stress the direct effect of corporate social responsibility on competitive advantage but also the mediating effect of organizational learning at Jordanian industrial companies. In order to evaluate the relationships, the researcher uses a quantitative research method in which a questionnaire is designed based on previous studies. The questionnaire included 38 Likert scale items distributed to 325 top and middle managers working at Jordanian industrial companies registered on ASE. Data is analyzed using SPSS. The results show that only two dimensions of corporate social responsibility (public, customer, and employee orientation, and fair operation) significantly impact competitive advantage. Also, it has been found that organizational learning mediates the impact of two dimensions of corporate social responsibility (public, customer, and employee orientation, and fair operation) on competitive advantage. The originality of this study stems from the mediating impact of organizational learning on the relationship between corporate social responsibility and competitive advantage, particularly in the manufacturing industry of Jordan.   The researcher made some recommendations to management in which using organizational learning capabilities can explain the influence of corporate social responsibility on taking advantage of corporate resources.

| **KEYWORDS**

Corporate Social Responsibility, Competitive Advantage, Organizational Learning, Jordanian Industrial Companies, ASE.

| **ARTICLE INFORMATION**

1. Introduction

Corporate social responsibility (CSR) has started to appear in industries since the eighties. Its practices were volunteered by some companies, while other firms enforced to engage in its practices. However, CSR in Jordanian industrial companies needs to be investigated thoroughly so that firms can engage in its practices to gain a competitive advantage and survive in the industry. The father of CSR, Howard R. Bowen (1953), published a book named "Social Responsibilities of the Businessman," which mainly focuses on how firms' actions can influence people's lives in different ways. Bowen claims that social responsibility is not a remedy for all firms' social problems, but a lead that thrives businesses in the future. Many research investigated how CSR can influence competitive advantage (Nyuur et al., 2019, Mobarak and Albahussain 2014, Battaglia et al., 2014, Eyas and Arefayne 2020, Purwanto 2010, Cader et al., 2022) regardless of any other variables that could explain the relationship. Based on Gómez, Donate-Manzanares, and Škerlavaj (2010), CSR needs to be integrated into some other variables, such as knowledge transfer, HR practices, learning, and training in order to prosper the organizations.

Indeed, CSR needs organizational learning to implement and apply its practices. By embracing the practices of CSR, which requires applying what benefits the society beyond organizations' profit along with the implementation of organizational learning that encourage knowledge transfer and supports learning all over the organizations' levels, organizations can create superior edges that are difficult to imitate by competitors. This study explores how organizational learning can mediate the relationship between

CSR and competitive advantage in industrial companies registered on ASE. The originality of the mediating impact of organizational learning can contribute to the management practices of organizations and academic research.

2. Theoretical Background and Conceptual Model

2.1. Corporate Social Responsibility and Competitive Advantage

The twentieth century has seen a sincere interest in social responsibility and all related topics. According to Vogel (2005), this interest focuses on the relationship between CSR and the organizations' performance. The assumption is also approved by Carroll and Shabana (2010), who claimed that the importance of CSR in the 2000s ''doing good to do well'' which cannot be done with the absence of integrating institutional supports and large markets. According to Gardiner et al., (2003), CSR is an essential antecedent of competitive advantage and corporate image. CSR is a marketing strategy that can change the competitive status of firms (McWilliams et al., 2006). Porter and Kramer (2006) revealed that CSR activities can be an opportunity that has a long-term positive effect on competitive advantage. Jonker and Roome (2005) claim that CSR can provide firms with a unique ability that leads to gain competitive advantage. Branco and Rodrigues (2006) argue that firms engage in CSR because they think about it as a way for a competitive advantage.

Furthermore, Zadek (2006) developed the concept of responsible competitiveness to approve that CSR can intensify competitiveness in regional or local markets. By selecting 131 small and medium enterprises from North Africa, multiple linear regression is conducted to find that CSR has a significant direct influence on competitiveness and a significant indirect influence through responsible innovation dimensions (Hadj, 2020).

Porter & Kramer (2008) found that CSR can enhance organizational success and lead to some strategic competitive advantage. In the same way, Opoku-Dakwa et al., (2018) conducted a study to evaluate the effect of CSR initiatives on employee engagement. The results show that supporting CSR initiatives leads to improve employee engagement.

Moreover, Nyuur, Ofori, and Millicent (2019) conducted a study in Ghana to target developing countries. Their study sample includes 179 management employees working in five different sectors. Using quantitative and qualitative approaches, they found that CSR directly and positively affects competitive advantage.

Based on the above discussion, the researcher suggests the second main hypothesis:

H1: *Corporate Social Responsibility has a significant effect on Competitive Advantage.*

2.2. Corporate Social Responsibility, Organizational Learning, and Competitive Advantage

Gómez et al., (2010), in their case study, integrate CSR into the organization strategy in order to gain a competitive advantage. Their model contained three stages: Introduction, Implementation, and generalization. They argue that in the implementation and generalization stages, several organizational capabilities are needed to accomplish, such as knowledge transfer, HR practices, learning, and training.

However, several scholars argue that organizational learning is needed for implementing CSR practices (e.g., Cramer 2005, and Maon et al., 2010). Several management theories, such as dynamic capability, stakeholder, and sustainability, claim that organizational learning is a crucial business strategy for adopting and implementing CSR. Hoivik (2011) and Fortis (2018) argue that organizational learning and knowledge dissemination are sources of implementing sustainable strategies such as CSR (Valdez-Juárez, Gallardo-Vázquez, and Ramos-Escobar 2019). (Zeimers et al., 2018) found a relationship between organizational learning and CSR by claiming that CSR requires learning to integrate CSR practices into the organization.

In the study titled "Organizational Learning and CSR Drivers of Performance in SMEs in Northwestern Mexico", Valdez-Ju arez et al., (2019) found that organizational learning plays a mediating role between CSR and financial performance. Organizational learning can strengthen the effect of CSR practices and enhance the financial performance of the firms. Moreover, Zhao et al., (2019) found that CSR has a direct impact on competitive advantage, and under a dynamic environment, CSR affects competitive advantage indirectly through organizational learning capability.

Based on the above discussion, this study hypothesized that

H2: *Organizational Learning mediates the relationship between Corporate Social Responsibility and Competitive Advantage.*

2.3. Proposed Structural Model

The researcher developed a framework (Figure 1.1) to fill a gap in previous studies regarding the study variables (Corporate Social Responsibility, Competitive Advantage, Organizational Learning) where corporate social responsibility is adopted from (Zhao et al. 2019), competitive advantage is adopted from (Gomez 2005), and organizational learning is evaluated based on (Chen et al., 2006)

Figure.1.1. Research Model
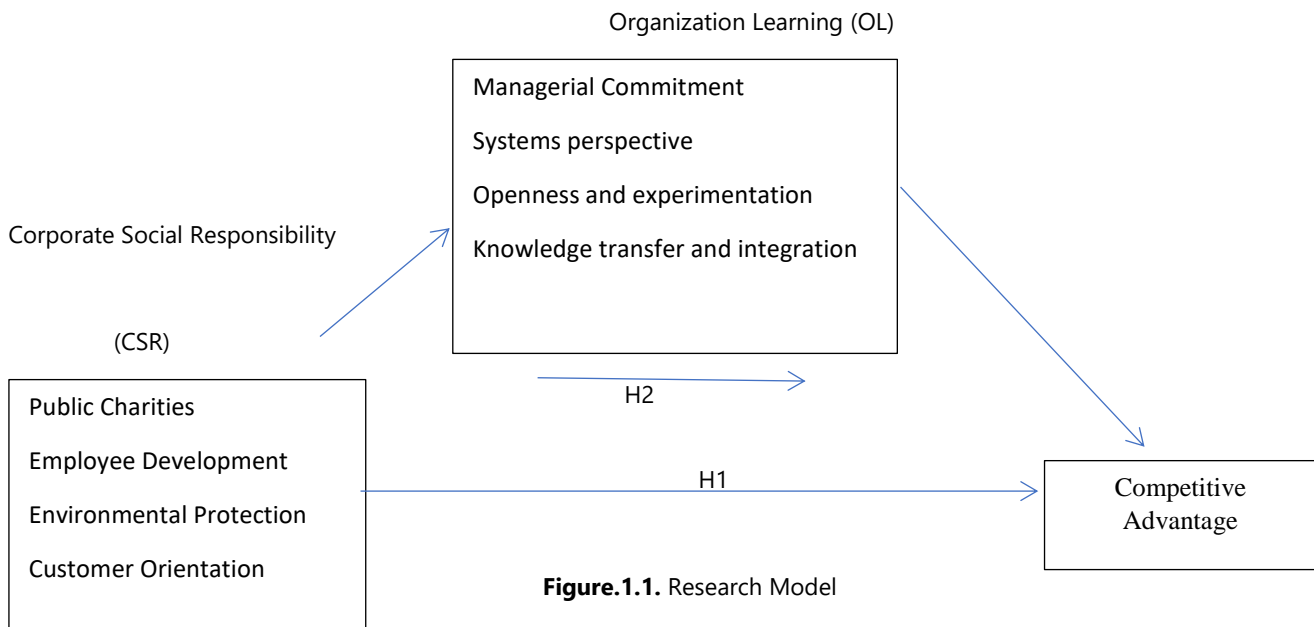
3. Research Methodology

As the researcher intends to find the causal relationship between the study's variables, the quantitative methodology is used. Exploratory factor analysis is used to verify the variables' validity while evaluating the study hypotheses is based on the multivariate linear regression test and Baron and Kenney's approach.

3.1. Data Collection

The target population of this study includes 1500 middle and top managers working at the 47 Jordanian industrial companies listed on Amman Stock Exchange ASE. The sample size is calculated based on the random sampling method with a 95% confidence level. 312 individualized questionnaires were collected, which is enough to represent the study population.

4. Data Analysis and Findings

In order to examine the study hypotheses and questions, a few statistical tests are used; frequency distribution measures to describe the characteristics of the study sample; factor analysis to clarify the relationship between variables and examine the questionnaire validity; a reliability test using Cronbach's Alpha coefficient was used to evaluate the coefficient of internal consistency of this study; and finally multiple linear regression analysis to confirm the validity of the research hypotheses.

4.1. Demographic Data Analysis

Table 1 shows the characteristics of the study sample in terms of gender, age, job title, experience, and education.

Table 1. Demographic Analysis

		Frequency	Percentage
Gender	Female	192	59.1
	Male	133	40.9
Age	26 or less	8	2.5
	27 to 35	117	36.0
	36 to 45	126	38.8
	46 and more	74	22.8

Job Title	Managers	66	20.3
	Head of department	123	37.8
	Supervisor	136	41.8
Experience	5 years and less	9	2.8
	6 to 10 year	118	36.3
	11 to 15 years	123	37.8
	16 years and above	75	23.1
Education	College Degree	5	1.5
	Bachelor's degree	256	78.8
	Graduate degree	64	19.7

4.2. Factor Analyses

4.2.1. Factor Analysis- Corporate Social Responsibility

We used the Kaiser-Meyer-Olkin measure (KMO) and Bartlett test to examine sample adequacy. The results extracted from our analysis are (KMO=0.832, Bartlett test=17083.225, df= 105, p=0.000) (Table 5), which thus holds. Factor analysis test using principal component analysis and Varimax rotation found only three components named Public, Customer, and Employee Orientation, Fair Operation, and Environmental Protection with 94.151% as a cumulative variance (Table 2). The analysis result of this study showing in Table 2, found that all stability coefficients are above 0.900, which is satisfactory.

Table 2. Factor Analysis Results of Corporate Social Responsibility

Factor / Item	Factor Loading	Variance (%)	Alpha
Public, Customer, and Employee Orientation		38.478	.972
PCEO_42	.883		
PCEO_41	.883		
PCEO_43	.875		
PCEO_33	.702		
PCEO_34	.700		
PCEO_32	.699		
PCEO_29	.668		
PCEO_30	.666		
PCEO_31	.659		
Environmental Protection		27.522	.998
EP_38	.889		
EP_40	.887		
EP_39	.885		
Fair Operation		24.336	.995
FO_36	.893		
FO_37	.890		
FO_35	.887		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy			.832
Bartlett's Test of Sphericity	**Approx. Chi-Square**		17083.225
	df		105
	p-value		.000

4.2.2. Factor Analysis- Competitive Advantage

The results of the Kaiser-Meyer-Olkin measure (KMO) and Bartlett test extracted from our analysis are (KMO=.928, Bartlett test=6004.684, df=28, p=0.000), which thus holds. Factor analysis tests using principal component analysis and Varimax rotation found only one component named Competitive Advantage with 94.080% as a cumulative variance (Table 3). Regarding the Reliability test, as shown in Table 3, the test found that the alpha value is 0.991, which is satisfactory.

Table 3. Factor Analysis Results of Competitive Advantage

Factor / Item	Factor Loading	Variance (%)	Alpha
Competitive Advantage		.967	.991
CA_45	.977		
CA_50	.975		
CA_51	.973		
CA_49	.973		
CA_47	.967		
CA_44	.967		
CA_48	.965		
CA_46	.963		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy			.928
Bartlett's Test of Sphericity	**Approx. Chi-Square**		6004.684
	df		28
	p-value		.000

4.2.3 Factor Analysis - Organizational Learning

The results of the Kaiser-Meyer-Olkin measure (KMO) and Bartlett test extracted from our analysis are (KMO=.896, Bartlett test= 15761.964, df= 120, p=0.000), which thus holds. Factor analysis of organizational learning extracts two components named Managers commitment and openness and System and knowledge perspectives. The two dimensions' cumulative variance is 89.813 % (Table 4). Besides, All alpha values are above 0.900, which are all satisfactory.

Table 4. Factor Analysis Results of Organizational Learning

Factor / Item	Factor Loading	Variance (%)	Alpha
Managers Commitment and Openness		49.557	.989
MCO_62	.882		
MCO_61	.874		
MCO_60	.870		
MCO_63	.867		
MCO_53	.834		
MCO_58	.826		
MCO_52	.825		
MCO_55	.816		
MCO_56	.805		
System and knowledge perspectives		40.255	.975
SKP_65	.877		
SKP_64	.864		
SKP_66	.863		
SKP_67	.860		
SKP_57	.736		
SKP_58	.730		
SKP_59	.726		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy			.896
Bartlett's Test of Sphericity	**Approx. Chi-Square**		15761.964
	df		120
	p-value		.000

4.3. Hypotheses Test

4.3.1. Results of Testing the First Main Hypothesis

For testing the first main hypothesis, multiple linear regression assumptions are tested and were satisfactory. Based on the calculated value (F) (Table 5), there is significant evidence at ($\alpha \leq 0.05$) that the dimensions of CSR (Public, Customer, and Employee Orientation, Fair Operation) have an impact on the competitive advantage. Moreover, table 5 shows that the independent variable

(CSR) explains 67.1% of the variation in the dependent variable (Competitive Advantage). Therefore, the researcher can't reject the second hypothesis of this study, which is:

H1: There is a statistically significant effect of corporate social responsibility on competitive advantage.

Table 5. Multiple Linear Regression of Model 1

The

Dependent Variable	Independent Variables	β	Std. Error	t-value	p-value	VIF
Competitive Advantage	Public, Customer, and employee Orientation	.594	.064	10.698	.000	3.007
	Fair Operation	.200	.052	4.286	.000	2.132
	Environmental Protection	.088	.056	1.805	.072	2.298

R= .819 R^2 **= .671**   **Adjusted** R^2 **= .668**   **F: 218.189**   **p: .000**

results of Table 5 show that Public, Customer, and employee Orientation and fair Operation, two dimensions of the independent variable (CSR) have a statistically significant effect on the dependent variable (Competitive Advantage) at ($\alpha \leq 0.05$). On the other hand, the third dimension of CSR (Environmental Protection) does not significantly affect the dependent variable (Competitive Advantage) at ($\alpha \leq 0.05$).

Based on the results of Table 5, the researcher can't reject the following sub-hypotheses of the second main hypothesis

H1-1: There is a statistically significant effect of public, customer, and employee orientation on competitive advantage.

H1-2: There is a statistically significant effect of fair operation on competitive advantage.

4.3.2. Results of Testing the Second Main Hypothesis
In order to test the second main hypothesis, which states that organizational learning mediates the relationship between CSR and competitive advantage, Baron and Kenney's approach is adopted.

4.3.2.1 Results of Baron and Kenny- step1
This step has already been tested where the regression assumptions are met, and the entire model is significant (see section 4.3.1). Two dimensions (Public, Customer, and employee orientation, and Fair operation) of the independent variable (CSR) significantly affect competitive advantage (table 5).

4.3.2.2 Results of Baron and Kenny- step2
Baron and Kenny's second step tests the effect of the independent variable (CSR) on the mediating variable (organizational learning), which includes two dimensions (Managers commitment and openness, System and knowledge perspectives).

Table 6. Multiple Linear Regression of Model 2

Dependent Variable	Independent Variables	β	Std. Error	t-value	p-value	VIF
Managers commitment and openness	Public, Customer, and employee Orientation	.594	.064	10.698	.000	2.080
	Fair Operation	.200	.052	4.286	.000	2.080

R=.790 R^2 *= .624*   ***Adjusted*** R^2 *= .621*   **F: 266.958**   **p: .000**

Based on the calculated value (F) (table 6), there is significant evidence at (α ≤ 0.05) that the dimensions of CSR (Public, Customer, and Employee Orientation and Fair Operation) have an impact on the first dimension (Managers Commitment and Openness) of the mediation variable (Organizational Learning). Moreover, table 6 shows that the independent variable (CSR) explains 62.4% of the variation in the first dimension of the mediating variable (Managers commitment and openness). Therefore, the researcher can proceed to the next analysis.

Regarding the second step of Baron and Kenney to test the effect of CSR on the second dimension of organizational learning (System and knowledge perspectives), table 7 shows that there is significant evidence at (α ≤ 0.05) that the dimensions of CSR (Public, Customer, and Employee Orientation and Fair Operation) have an impact on the second dimension of organizational learning (System and knowledge Perspectives).

Table 7. Multiple Linear Regression of Model 3

Dependent Variable	Independent Variables	β	Std. Error	t-value	p-value	VIF
System and knowledge perspectives	Public, Customer, and employee Orientation	.737	.052	16.359	.000	2.080
	Fair Operation	.121	.050	2.684	.008	2.080

R= .828 R^2 *= .686*   ***Adjusted*** R^2 *= .684*   **F: 351.545**   **p: .000**

Moreover, Table 7 shows that the independent variable (CSR) explains 68.6% of the variation in the dependent variable (System and Knowledge Perspectives).

4.3.2.3 Results of Baron and Kenny- step3
The results of Tables 8 and 9 show that managers commitment and openness and system and knowledge perspectives, the dimensions of the mediating variable (Organizational Learning) have a statistically significant effect on the dependent variable (Competitive Advantage) at (α ≤ 0.05). This can be concluded by the significantly calculated t values and Beta Values at (α ≤ 0.05). Moreover, the results revealed in Tables 8 and 9 show that the first and the second dimension of organizational learning (Managers Commitment and Openness, System and Knowledge Perspectives) explain 77.5%, and 80.1%, respectively of the variation in the dependent variable (Competitive Advantage).

Table 8. Multiple Linear Regression of Model 4

Dependent Variable	Independent Variables	β	Std. Error	t-value	p-value
Competitive Advantage	Managers commitment and openness	.870	.026	33.459	.000

R=.881 R^2 *= .776* ***Adjusted R^2 = .775*** ***F: 1119.532*** ***p: .000***

Table 9. Multiple Linear Regression of Model 5

Dependent Variable	Independent Variables	β	Std. Error	t-value	p-value
Competitive Advantage	System and knowledge perspectives	.899	.025	36.135	.000

R=.895 R^2 *= .802* ***Adjusted R^2 = .801*** ***F: 1305.753*** ***p: .000***

4.3.2.4 Results of Baron and Kenny- step4

Based on the calculated value (F) (Table 10), there is significant evidence at ($\alpha \leq 0.05$) that applying the dimensions of CSR (Public, Customer, and Employee Orientation, Fair Operation) and the first dimension of organizational learning (Managers Commitment and Openness) have an impact on the competitive advantage. Moreover, table 10 shows that the independent variable (CSR) and the first dimension (Managers Commitment and Openness) of mediating variable (Organizational Learning) explain together 81.7% of the variation in the dependent variable (Competitive Advantage). However, table (10) shows that the second dimension of the independent variable (Fair Operation) has no significant effect on the dependent variable (competitive advantage)

Based on the calculated value (F) (Table 11), there is significant evidence at ($\alpha \leq 0.05$) that applying the dimensions of CSR (**Public, Customer, and Employee Orientation, and Fair Operation**) and the second dimension of organizational learning (**System and Knowledge Perspectives**) have an impact on the competitive advantage. Moreover, Table 11 shows that the independent variable (**CSR**) and the second dimension (**System and Knowledge Perspectives**) of mediating variable (Organizational Learning) explain together 82.3% of the variation in the dependent variable (Competitive Advantage). The results of table 11 show that Public, Customer, and Employee Orientation, and Fair Operation), the dimensions of the independent variable (CSR), and the second dimension of mediating variable (System and Knowledge Perspectives) have a statistically significant effect on the dependent variable (Competitive Advantage) at ($\alpha \leq 0.05$). That can be exerted by the significantly calculated t values and Beta Values at ($\alpha \leq 0.05$).

Table 10. Multiple Linear Regression of Model 6

Dependent Variable	Independent Variables	β	Std. Error	t-value	p-value	VIF
Competitive Advantage	Public, Customer, and employee Orientation	.295	.047	7.215	.000	2.924
	Fair Operation	.037	.040	1.022	.307	2.289
	Managers commitment and openness	.630	.038	16.186	.000	2.658

R= .904 R^2 *= .817*   *Adjusted R^2 = .815*   *F: 477.646*   *p: .000*

Table 11. Multiple Linear Regression of Model 7

In

Dependent Variable	Independent Variables	β	Std. Error	t-value	p-value	VIF
Competitive Advantage	Public, Customer, and employee Orientation	.131	.053	2.869	.004	3.808
	Fair Operation	.129	.038	3.755	.000	2.126
	System and knowledge perspectives	.703	.042	16.782	.000	3.184

R=.907 R^2 *= .823*   *Adjusted R^2 = .821*   *F: 497.373*   *p: .000*

order to extract the results of the mediating effect using the Baron & Kenney approach, the researchers compared Betas' values in the first step and those in the last steps. Table 12, and Table 13 compare Beta values before and after controlling the mediating variable and show that the beta value of Public, Customer, and employee orientation is significant after and before the first dimension of the mediating variable (Managers commitment and openness) is controlled. On the other hand, the beta value of fair operation became insignificant after the mediating variable (Managers commitment and openness) has controlled. However, the beta value of public, customer, and employee orientation after controlling the first dimension of the mediating variable (Managers commitment and openness) are reduced. Therefore, it can be concluded that managers commitment and openness partially mediate the relationship between public, customer, and employee orientation and competitive advantage. Besides, Managers commitment and openness fully mediate the relationship between Fair operation and Competitive Advantage.

Table 13 shows that the beta values of all CSR dimensions (Public, Customer, and Employee Orientation, and Fair Operation) are significant after and before controlling the second dimension of the mediating variable (System and Knowledge Perspectives). However, the beta values after controlling the second dimension of the mediating variable (System and Knowledge Perspectives) are reduced. Therefore, it can reveal that system and knowledge perspectives partially mediate the relationship between CSR (Public, Customer, and Employee Orientation, and Fair Operation) and Competitive Advantage.

Table 13. Betas of CSR Dimensions before and after controlling the Managers commitment and openness variable

Independent Variable	Beta Coef before controlling the mediating variable	Significance relationship from the first step	Beta Coef after controlling the mediating variable	Significance relationship from the fourth step	Results
Public, Customer, and employee orientation	.650	Significant	.295	Significant	Partial Mediation
Fair Operation	.214	Significant	.037	Insignificant	Full Mediation

Table 4.31. Betas of CSR Dimensions before and after controlling the System and knowledge perspectives variable

Independent Variable	Beta Coef before controlling the mediating variable	Significance relationship from the first step	Beta Coef after controlling the mediating variable	Significance relationship from the fourth step	Results
Public, Customer, and employee orientation	.650	Significant	.131	Significant	Partial Mediation
Fair Operation	.214	Significant	.129	Significant	Partial Mediation

Based on the above, the researcher can't reject the following sub-hypotheses

H2-1: Managers commitment and openness mediates the relationship between public, customer, and employee orientation and competitive advantage.

H2-2: Managers commitment and openness mediate the relationship between fair operation and competitive advantage.

H2-3: System and knowledge perspectives mediate the relationship between public, customer, and employee orientation and competitive advantage.

H2-4: System and knowledge perspectives mediate the relationship between fair operation and competitive advantage.

5. Conclusions, Implications, and Future Research

Although many articles investigate the impact of CSR on competitive advantage, this study asks whether and how CSR impacts competitive advantage through organizational learning, which still has not been fully addressed in the Middle East area, particularly in the manufacturing sector of Arab countries. Zhao et al., (2019) found that CSR indirectly affects competitive advantage by enhancing dynamic capability by studying 112 firms in China. In contrast, this study shed light on only one dynamic capability, which is organizational learning. Organizational learning has been studied thoroughly taking into account all of its factors to find that managers commitment and openness and System and knowledge perspectives of organizational learning have a mediating effect on the relationship between CSR and competitive advantage.

However, the finding affirms the role of CSR in contributing to the competitive advantage with a partial and full mediation of organizational learning factors. First, results revealed that environmental protection does not significantly affect competitive advantage. That can be explained by the nature of Jordan. As it is a developing country, environmental protection is not a priority; hence, it does not gain a competitive position. According to Hadadin & Tarawneh (2007), environmental protection in Jordan requires increasing population and company awareness. Second, the analysis supports some studies in finding a direct effect of CSR on competitive advantage (e.g. Porter & Kramer 2008, Opoku-Dakwa et al., 2018, Nyuur et al.,2019). Third, the results of evaluating the mediating effect of organizational learning contribute to the literature by discussing how Public, Customer, and employee orientation and fair operation support the influential relationship between CSR and competitive advantage. This study contributes to the literature by providing evidence that CSR practices are essential to obtain superior positions in markets.

Regarding the managerial implications, the study approves that CSR includes vital capabilities that influence competitive advantage, which is considered an important measure of organizational performance. Committing to CSR practices including the company's orientation towards improving the welfare of the community and enhancing the strategic position of the company itself can lead to better recognition and reputation as well as increased sales and customer satisfaction. CSR can lead to better financial performance, retain powerful employees, gain a good reputation, and attract and satisfy more customers. Therefore, the researcher can recommend that managers and owners of manufacturing companies in Jordan should adopt the social practices of CSR that emphasize caring for the public, customers, and employees and applying fair operations through disclosing information, obeying regulations, and applying legal actions to achieve an edge.

Management in organizations needs to include organizational learning practices in the practices of CSR. When CSR and organizational learning are applied jointly in a proper way, organizations can be more competitive. Organizational learning dedicating time and resources to building a learning culture makes organizations more competitive.

For future research, researchers can explore various control variables to explain the relationships between CSR and competitive advantage. For example, intellectual capital, information technology, strategic position, customer satisfaction, and reputation which are related to both CSR and competitive advantage can facilitate the relationship. Another suggestion for future research is to apply the topic in a case study. A case study could deeply explain the interaction between variables. Through monitoring firm parameters, researchers can evaluate the variables and their determinants using a qualitative method. Lastly, the study instrument for data collection is restricted to some factors. Researchers can adopt different instruments to measure the relationships of this study.

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