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Corporate social responsibility, balanced scorecard system and financial performance in the service sector: The case of Vietnam

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A B S T R A C T

This study attempts to provide empirical findings for the advantages of implementing Balanced Scorecard System (BSC) combined with Corporate Social Responsibility (CSR) for service providers in determining the effects of BSC and CSR on businesses performance (BP). The concept of BSC is employed to evaluate the perceived importance of the relationship between the BSC and BP to facilitate the goals of service providers. BSC covers key perspectives, including financial perspective, customer perspective, internal process perspective, growth and ideal learning perspective towards service quality. CSR can influence goals of business directly and indirectly by different paths, including: Firstly, from CSR to Goals directly; secondly, from CSR to the Financial dimension and then to Goals; thirdly, from CSR to Learning & Growth and to Goals; and fourthly, from CSR through Learning & Growth, including causal relationship effects that affect the Financial dimension, then to Goals. To achieve the objectives, the study designs a questionnaire and distributes it randomly to three major groups of stakeholders (i.e., two hundred customers, seventy employees and thirty managers). This study uses CSR variable and BSC perspective variables which is frequently employed to assess the performance of financial perspective, customer perspective, internal business process perspective, learning and growth perspective. Using ordinary least squares regression and the sample of three groups of stakeholders, the results show that the changes towards sustainability occur in this country. The stakeholders of firms hold the perception that CSR can help firms reach their goals and visions. Secondly, the study contributes to the literature of performance measurement systems in the service industry. Our findings provide empirical evidence for the suggestion that BSC can help service firms achieve their goals and visions. The combination of CSR and BSC in this study can become a foundation to discover more for service firms in developing countries. Thirdly, our approach concentrates on important stakeholders, which can illustrate differences in the perceptions of important stakeholders about CSR, BSC dimensions, goals, and visions. Furthermore, this helps to enhance the chances to develop the appropriate visions and goals for their business.

1. Introduction

At the start of the 21st century, there was a growing attention in Corporate Social Responsibility (CSR) in the hospitality industry. While many studies about CSR only focus on developed countries (Henderson, 2007), notwithstanding, there is still a lack of empirical studies on the link between CSR and financial

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performance of firms (Godfrey & Hatch, 2007; Margolis & Walsh, 2003; McWilliams & Siegel, 2000). The association between CSR and financial performance of firms is different in the studies of Claver-Cortés et al. (2007); Kirk (1995); Nicolau (2008); Rodríguez and Cruz (2007); Kang et al. (2010) and Lee and Park (2009). Garay and Font (2012) examine the impacts of CSR on the financial performance of small and medium firms. The differences in findings and methodology issues raise the demand of refining the theory with more suitable models. Moreover, literature provides little emphasis on CSR in areas such as Vietnam and how service firms can use CSR to reach their business targets and to ensure sustainability. Therefore, this study is conducted to fill the gap in the literature by identifying how CSR affects performance and the goal achievement of small and medium service firms in Vietnam.

To evaluate the performance of service firms, this study uses the balanced scorecard (BSC), a common tool in the field of business management. According to Huckestein and Duboff (1999); McPhail, Herington, and Guilding (2008); Fisher, McPhail, and Menghetti (2010); and Chen et al. (2011), BSC is a good measurement for business performance. Nevertheless, the application of BSC is challenged for small and medium firms because of difficulties in defining main performance dimensions (Hudson et al., 2001; Garengo et al. (2005). Particularly, BSC demands the inclusion of visions and goals, and these are frequently neglected by small and medium firms. In addition, these small and medium firms are exposed to more risks than large firms regarding decision making, information controlling, and financial instability. Consequently, it is essential to have a systematic management tool such as BSC which can help them stay strongly in the competitive market as nowadays. There are some criticisms about BSC and its suitability. Most commonly, BSC merely takes into account three types of stakeholders, including shareholders, customers, and employees while ignoring environmental and social issues (Brignall, 2002). These two issues are intimately linked with CSR. CSR is a complicated concept which is the voluntary contribution of firms to economic, social and environmental enhancement. Figge et al. (2002) and Figge et al. (2001) introduce a more thorough approach known as Sustainability Balanced Scorecard (SBSC). It incorporates environmental and social aspects into firms' strategies. However, this theoretical hypothesis has received little empirical support.

The study attempts to extend the existing literature in certain areas. Firstly, it identifies how CSR influences the service industry in a developing country. The study tries to find whether CSR has direct or indirect impacts on the service industry. More clearly, if there is an indirect impact on the service industry, it further investigates to discover the pathways through which CSR influences business. Secondly, the study is based on the SBSC model by integration the concept of CSR into BSC, and it firstly captures differences in interests of stakeholders. It assesses shareholders, managers and customers separately. By this way, the study can get insights into different perceptions of each group of stakeholders about CSR, dimensions of BSC, and visions of service firms. Generally, the objective of this study is to promote CSR in the service industry by supporting empirically for the benefits of CSR to firms and providing an effective tool for performance management and sustainable development.

2. Theoretical background

2.1. Corporate social responsibility (CSR) and business performance

There are various definitions of CSR, but the concept is still complicated (Carroll & Shabana, 2010). Especially, Dahlsrud (2008) lists 37 different definitions of CSR even though this number does not reflect the true number of definitions since some are omitted (Carroll & Shabana, 2010). The most common one is defined as "Triple Bottom Line" by Elkington and Rowlands (1999). According to Elkington and Rowlands (1999), firms are sustainable when they achieve economic development, social justice and environmental quality. Following this, Van Marrewijk (2003) makes it clearer by economic, environmental and social responsibility. This study is based on the definition of Van Marrewijk (2003) because this definition takes into account the stakeholders.

Studies about CSR in the service industry are mainly based in Western countries (Claver-Cortés et al., 2007; Kang et al., 2010; Lee & Park, 2009; Nicolau, 2008; Garay & Font, 2012). For example, Kirk (1995) surveys Edinburgh in the UK, showing that CSR had less benefits than marketing. By contrast, Rodríguez and Cruz (2007) reveal that firms having more CSR activities had greater financial returns in Spain. This positive association is confirmed in the study of Nicolau (2008). Lee and Park (2009) use the sample of 85 firms from S&P 500, Russell 1000, and Russell 2000 and confirm that CSR positively affects profitability of hotels while there is no significant relationship for casinos. Kang et al. (2010) employ the data from S&P 500 and Russell 3000 and find the positive relationship between CSR and firm value in the hotel and restaurant industry.

Recently, studies concentrate on small and medium firms which consider CSR as a strategy to sustainability instead of philanthropy. Garay and Font (2012) investigate 400 small and medium firms in Catalonia, Spain and indicate that CSR has favorable influences on economic performance and competitiveness of firms.

2.2. Balance scorecard (BSC) and sustainable balanced scorecard (SBSC)

The balanced scorecard is developed by Kaplan and Norton (1996), and it is amongst the most common tools in the world of business. The foundation of BSC is based on a number of theories, such as the shareholder value, principle agent framework, uncertainty and multi-period optimization, and stakeholder theory (Kaplan, 2012). The BSC measures performance by four dimensions including Financial, Customers, Internal Business, and Learning & Growth to have a balanced assessment of the organization (Kaplan & Norton, 1992). In accordance with Kaplan and Norton (1992), Kaplan and Norton (1996), Kaplan et al. (2001), and Kaplan and Norton (2004), BSC begins with an examination of goals and visions. After that, firms conduct a systematic evaluation of related factors which are required to satisfy planned strategies based on the evaluation of the profit chain and value chain (Heskett et al., 1994; Porter & Advantage, 1985). It then follows the identification of important performance variables which are needed to accomplish visions and missions. One special feature of the BSC is the causal relationship between its dimensions (Kaplan & Norton, 2004; Kaplan et al., 2001). To illustrate, well-trained employees (Learning & Growth) reduce faults and process time, leading to improvement in services and customer management (Internal Business). Moreover, it enhances customer experience (Customers), and eventually leads to higher profits (Financial). All dimensions in the BSC are connected with each other. The Learning & Growth, Internal Business, and Customers dimensions are leading factors and their impacts are shown in Financial dimension as follows (Fig. 1):

Fig. 1. Flows of Learning & Growth, Internal Business, Customers, and Financial Performance

The BSC dimensions can be incremented to make it more suitable with business goals and strategies (Kaplan, 2012). Figge et al. (2001, 2002) introduce environmental and social aspects into firms' strategies. This is a more comprehensive approach and it is known as the Sustainability Balanced Scorecard (SBSC). Figge et al. (2001, 2002) confirm that SBSC is able show a link between short-term financial results and long-term resources like sustainability. It connects non-financial activities with common BSC dimensions, having the causal paths toward long-term strategies of firms. Moreover, the SBSC displays the considerable effects of non-market perspectives on the Learning & Growth, Internal Business, Customer and Financial dimensions (Fig. 2).

Fig. 2. SBSC, short-term financial results and long-term resources
Source: Author's compilation

2.3. Corporate social responsibility (CSR), Sustainability Balanced Scorecard (SBSC), and business performance

Many studies find that CSR activities are associated with better business performance. For example, Lin et al. (2009) and Rodríguez and Cruz (2007) show that CSR has a positive relationship with financial performance of firms. In addition, Kim et al. (2012) conclude that CSR is associated with earnings quality of firms. Furthermore, Pivato et al. (2008) emphasize that CSR has a significant impact on consumers' trust which eventually affects consumer behaviors. SBSC is introduced by Figge et al. (2002) and Figge et al. (2001) with the focus on environmental and social aspects of firms' strategies. SBSC connects non-financial activities with common BSC dimensions, having the causal paths toward long-term strategies of firms. Unlike BSC, the Sustainability BSC adds non-financial factors in measuring performance with four dimensions including Financial, Customers, Internal Business, and Learning & Growth. Therefore, SBSC takes CSR activities into account when evaluating business performance of firms and links CSR with business performance (Fig. 3).

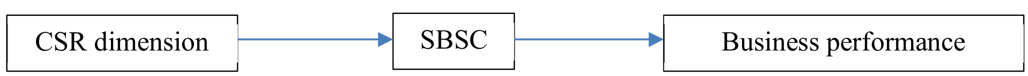

Fig. 3. Relationship between CSR, SBSC and business performance
Source: Author's compilation

3. Hypotheses development

3.1. Balanced scorecard and causal relationships among dimensions

As mentioned earlier, the causal relationship between dimensions of BSC goes from Learning & Growth through Internal Business to Customers and lastly to the Financial dimension (Kaplan & Norton, 1992; Kaplan et al., 2001; Kaplan & Norton, 2004). Testing causal relationship helps to provide more accurate results. Three hypotheses of the study are presented as below:

H_1. There is a positive relationship between the Learning & Growth and Internal Business dimensions.
H_2. There is a positive relationship between the Internal Business and Customer dimensions.
H_3. There is a positive relationship between the Customer and Financial dimensions.

3.2. Effects of CSR on balanced scorecard dimensions

Following the SBSC model of Figge et al. (2002) and Figge et al. (2001), the CSR dimension has an influence on four dimensions of the BSC. Four relevant hypotheses are presented as follows:

H_4. There is a positive relationship between the CSR and Financial dimension.
H_5. There is a positive relationship between the CSR and Customer dimension.
H_6. There is a positive relationship between the CSR and Internal Business dimension.

H_7. There is a positive relationship between the CSR and Learning & Growth dimension.

3.3. Effect of CSR on Goals

CSR can improve performance of the service industry and help to fulfill its goals directly and indirectly. CSR has indirect effects through operational cost control, stronger brands, close relationship with stakeholders and the community (Dwyer, 2005). It also has direct effects on goal fulfilment if the goal emphasizes economic, social and environmental criteria. Thus, a respective hypothesis is structured as follows:

H_8. There is a relationship between the CSR and Goals dimensions.

3.4. Effects of Balanced Scorecard Dimensions on Goals

The BSC is developed as a top-down approach in which visions and missions are initially identified. After that, the indicators are chosen to analyze these visions and missions (Kaplan & Norton, 1992). Four respective hypotheses are presented as below:

H_9. There is a positive relationship between the Financial and Goals dimensions.
H_{10}. There is a relationship between the Customer and Goals dimensions.
H_{11}. There is a relationship between the Internal Business and Goals dimensions.
H_{12}. There is a relationship between the Learning & Growth and Goals dimensions.

3.5. Effects of goals on visions

Each firm ought to have visions and missions. The vision defines what firms wish to become (Ireland et al., 2008), and the mission clarifies which businesses firms want to perform and customers they want to serve (Kemp & Dwyer, 2003). Goals are general statements that firms need to satisfy to achieve their visions. Goals divide visions and missions into smaller parts and provide stepping stones in order to make it easier to achieve visions and missions (Kaplan & Norton, 1996). Hence, goals need to be compatible with visions and missions, and they are the first step for accomplishing visions and missions. Considering this link, a hypothesis is presented as below:

H_{13}. There is a positive relationship between Goals and Visions.

4. Methodology

4.1. Proposed model

The study performs partial least squares (PLS) employing Smart-PLS (Ringle et al., 2005). It follows a two-stage approach to test the structural model and measurement model. The structural model consists of hypothesized theoretical relationships (Fig. 4). The measurement model is defined when the theoretical research model is built in PLS (Urbach & Ahlemann, 2010).

The proposed model for various stakeholder groups

This study attempts to investigate perceptions of stakeholders, taking into account aforementioned dimensions (CSR, FIN, CUS, INT, L&G, GOA and VIS). As different stakeholders have various interests as well as responsibilities, they perceive dimensions differently. Accordingly, each type of stakeholders should be studied separately, and each model is adapted for each group.

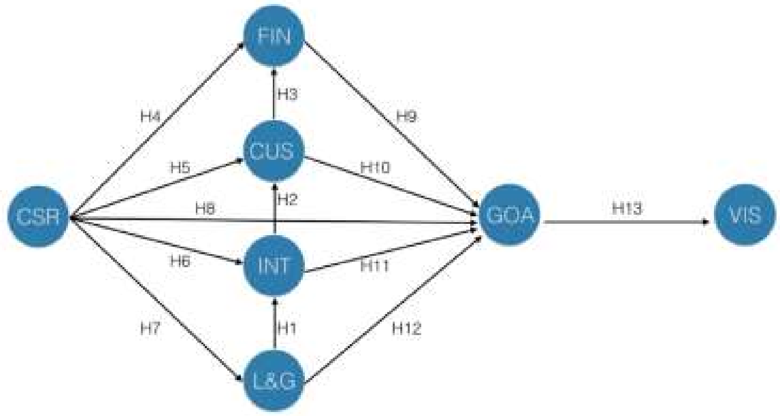

Fig. 4. Proposed model
Source: Author's compilation

Proposed model for customers

The group of customers is not aware of Financial, Learning & Growth and some Internal Business of service firms. Therefore, the model solely consists of Customer dimension, CSR dimension, several Internal Business indicators, Goals and Visions (Fig. 5).

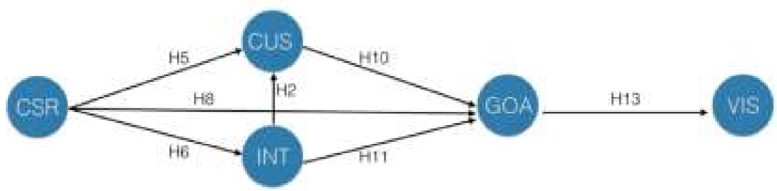

Fig. 5. Proposed model for customers
Source: Author's compilation

Proposed model for employees

The group of employees engages more in visions and missions than customers. Even though they are not those setting visions, missions, and goals, they turn these visions, missions, and goals into reality. Apart from Financial dimension, the model for employees includes all other dimensions because employees do not have sufficient knowledge of financial indicators (Fig. 6).

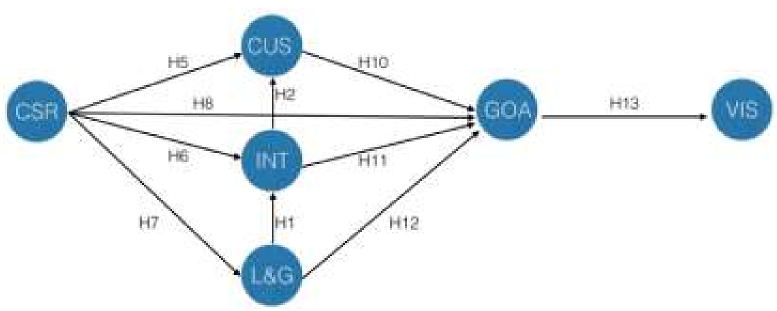

Fig. 6. Proposed model for employees
Source: Author's compilation

Proposed model for managers

Managers handle all strategies and aspects of firms, and they are also those who establish goals for firms. Consequently, the model for this group covers all dimensions (Fig. 7).

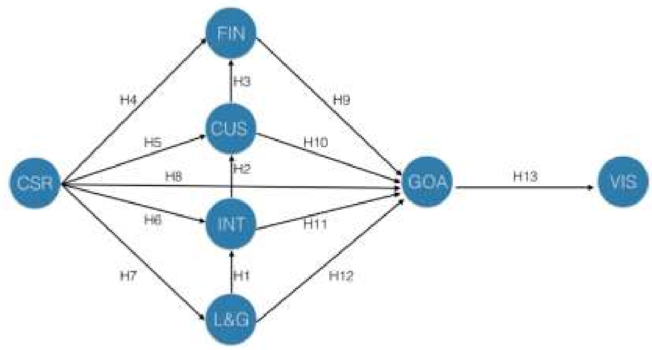

Fig. 7. Proposed model for managers (*Source: Author's compilation*)

4.2. Questionnaire design

This study tests the relationship between CSR, dimensions of the BSC, visions and goals by investigating perceptions of stakeholders about each dimension. The first step involves developing the framework and models as presented above. The second step involves designing a questionnaire and carrying out surveys. The final step is to return questionnaire for analysis. The indicators of CSR are referenced from Tyrrell et al. (2013). The indicators of visions and missions are obtained from the interviews with managers of the service industry. The indicators of the BSC dimensions are sourced from Denton and White (2000) and Phillips and Louvieris (2005). The BSC indicators were chosen by experts. The experts were asked to rank the importance of indicators from 1 to 5, and the response of 5 has the greatest importance. Those indicators having the average rate higher than 3 were chosen. The survey uses the scale from 1 to 5 with 5 being the most important and 1 being not important (Details in Appendix 1).

5. Data analysis and findings

5.1. Data description

The data was collected from 2 service firms in Vietnam for 4 months. Three surveys were used to collect information of three groups: customers, employees and managers. Participants of surveys were chosen randomly in each firm. After all surveys were collected for each group of stakeholders, they were checked to make sure that they were qualified for further analysis. Those with missing information were excluded from the database. Additionally, each step in the process of data collection and handling was done with care to ensure accuracy. Overall, the study collected 300 surveys, including 200 surveys from customers, 70 surveys from employees, and 30 surveys from managers. Table 1 (a) - (c) demonstrate the demographic features of stakeholders.

Table 1 (a)
Demographics of customers group

	N	%		N	%
Gender			**Continent**		
Male	112	56	Asia	18	9
Female	88	44	Africa	12	6
Education level			America	8	4
Secondary education	42	21	Oceania	54	27
Vocational school	27	14	Europe	108	54
Bachelor degree	71	36	**First time visit to Vietnam?**		
Master degree	28	14	Yes	75	38
PhD	12	6	No	125	62
Others	20	10	**First time use the service?**		
Age			Yes	28	14
Under 18	0	0	No	172	86
19–30	28	14	**How did you book for services?**		
31-40	40	20	Website of company	18	9
41-50	60	30	Online booking website	69	35
51-60	42	21	Agency	89	45
Above 61	30	15	Walk-in	6	3
			Others	18	9

Source: Author's calculation from the survey

Table 1 (b)
Demographics of employees group

	N	%		N	%
Gender			**Department**		
Male	32	46	Front office	12	16
Female	38	54	Housekeeping	14	19
Education level			F&B	20	27
Secondary education	34	49	Procurement	2	3
Vocational school	7	10	Accounting	6	8
Bachelor degree	20	29	Concierge	2	3
Master degree	0	0	Securities	4	5
PhD	0	0	Gardener	5	7
Others	9	13	Maintenance	5	7
Age			Others	3	4
Under 18	0	0	**Working duration (years) in the industry**		
19–30	40	57	0-1	32	46
31-40	28	40	2-3	26	37
41-50	2	3	4-5	10	14
51-60	0	0	6-10	2	3
Above 61	0	0	>10	0	0
Working duration (years) in the company					
0-1	42	60			
2-3	22	31			
4-5	4	6			
6-10	2	3			
>10	0	0			

Source: Author's calculation from the survey

Table 1(c)
Demographics of managers group

	N	%		N	%
Gender			**Department**		
Male	6	20	Front office	3	10
Female	24	80	Housekeeping	5	17
Education level			F&B	8	27
Secondary education	0	0	Procurement	1	3
Vocational school	2	7	Accounting	3	10
Bachelor degree	27	90	Concierge	1	3
Master degree	1	3	Securities	2	7
PhD	0	0	Gardener	1	3
Others	0	0	Maintenance	3	10
Age			Others	3	10
Under 18	0	0	**Working duration (years) in the industry**		
19–30	0	0	0-1	1	3
31-40	23	77	2-3	5	17
41-50	5	17	4-5	10	33
51-60	3	7	6-10	11	37
Above 61	0	0	>10	3	10
Working duration (years) in the company					
0-1	4	13			
2-3	11	37			
4-5	7	23			
6-10	6	20			
>10	2	7			

Source: Author's calculation from the survey

It can be seen from Table 1 (a) that the ratio of male and female customers is similar. Major customers are from Europe accounting for 54% and Oceania accounting for 27%. About 65% of customers have bachelor degrees and higher. More than 60% of the customer are in the range from 31 to 60 years old. Lastly, around 86% of the customers use the service again. It can be seen from Table 1 (b) that more than 50% of the employees are female, making up for 54%. About 57% of the employees fall in the range from 19 to 30 years old. The employees have lower education than customers, with the percentage of 29% having at least bachelor degrees. Almost all employees work in less than three years, about 91%.

It can be seen from Table 1 (c) that all managers are 31 years old or more. About 80% of the managers are female. Most of managers have at least bachelor degrees and work for more than 2 years, about 93%. Approximately 33% of the managers work for more than 6 years. The study performs partial least squares (PLS) employing Smart-PLS (Ringle et al., 2005). It follows a two-stage approach to test the structural model and measurement model. The structural model consists of hypothesized theoretical relationships.

The measurement model is defined when the theoretical research model is built in PLS (Urbach & Ahlemann, 2010). The Composite Reliability (CR) test is used to check reliability of the results. The CR for three groups is higher than 0.7, meaning that the results can be relied on. The average variance extracted (AVE) is used to check the convergent validity. All variables have AVE higher than 0.5, strengthening the convergent validity. The discriminant validity is checked by the link between correlations among constructs and the square root of AVEs. The results are shown in Table 2. It can be seen that discriminant validity is obvious between all variables.

Table 2
Result of measurement model for customer group

	AVE	CR	R^2	CSR	CUS	GOA	INT	VIS
CSR	0.617	0.906		0.785				
CUS	0.707	0.879	0.464	-0.022	0.841			
GOA	0.675	0.949	0.295	0.540	0.030	0.822		
INT	0.794	0.920	0.000	-0.015	0.681	0.044	0.891	
VIS	0.740	0.934	0.638	0.511	0.012	0.799	0.032	0.860

Source: Author's calculation from the survey

In groups of managers and employees, the square root of AVE is less than the correlation coefficient shared between the construct and other constructs in the model. This means that discriminant validity is not supported between variables for managers and employees.

5.2. Insufficient discriminant validity

To solve the issue of insufficient discriminant validity, Podsakoff, MacKenzie, Lee, and Podsakoff (2003) introduce a common method factor which helps to decline variance inflation and shared variance estimates between latent constructs and observed variables, and thus increasing value of AVE estimates. Nonetheless, this makes the model more complicated. The study employs the Five-Point Plan of Farrell (2010). First, if data lacks discriminant validity, the exploratory factor analysis (EFA) should be performed to find out the item that performs poorly in cross-loading. If an item cross-loads more than one latent variable, the elimination of the item could enhance discriminant validity. Second, if it fails, the similar constructs can be merged into one construct. Third, if it fails, more data needs to be collected. Final, if all of these methods work, independent variables need to be omitted in the regression (Cohen, 1988). The study combines some methods to tackle with the issue of insufficient discriminant validity. First, EFA is conducted using SPSS. Those items with high cross loading are omitted. After omitting, the discriminant validity is still insufficient. As a consequence, high cross-loading items are omitted manually, and some indicator are omitted for all groups of stakeholders. After the omission of these factors, data has more discriminant validity. Nevertheless, for groups of managers and employees, Goals (GOA) and Vision (VIS) do not discriminate from each other.

5.3. Structural model

Customer group

The variance of Vision (VIS) is observed through the coefficient of determination R^2. The R^2 of Vision (VIS) is 0.638, meaning that Goals can explain 63.8% of the variance in Vision. This R^2 is considerable. The inner model path coefficient is also observed. This coefficient illustrates how strong the impacts of a variable on another variable are. The differences in weights of path coefficients allow for a ranking order of importance of the variables. Figure 8 displays path coefficients for customers. It can be seen that there are three important paths, from CSR to Goals, from Internal Business to Customers, and from Goals to Vision.

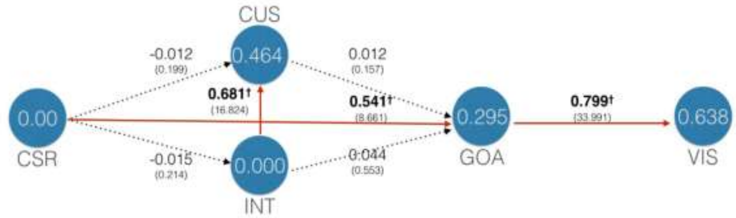

Figure 8: R^2 and path coefficient for customers

Source: Author's compilation

Employee group

Fig. 9 demonstrates the results for the employees. The coefficient of determination R^2 is really high at 0.904. This means that Goals can explain 90.4% of the variance in Vision. Moreover, many paths also have significant coefficients: H_1 (Learning & Growth to Internal Business), H_2 (Internal Business and Customer), H_5 (CSR and Customer), H_7 (CSR and Learning & Growth) and H_8 (CSR and goals). This reveals that employees perceive direct and indirect impacts of CSR on customers. In addition, employees perceive that CSR affects Goals. Nonetheless, employees do not distinguish between goals and visions.

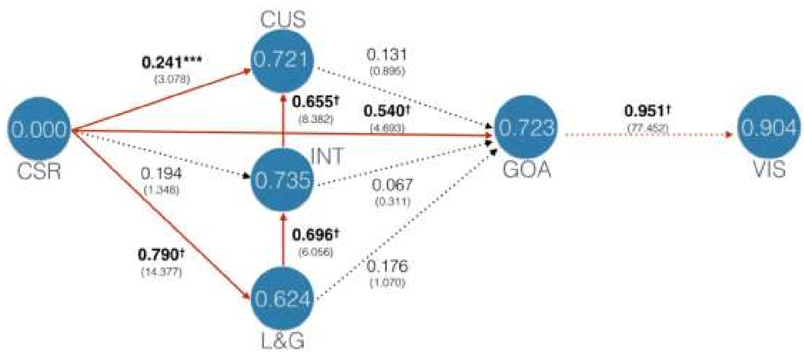

Fig. 9. R^2 and path coefficient for employees

Source: Author's compilation

Manager group

The coefficient of determination R^2 is 0.886, which is really high (Fig. 10). This means that Goals, can explain 88.6% of variance in Vision. It is clear that managers perceive the importance of CSR and its impacts on business performance, goals and visions by a display of significant path coefficients with the exception of H10 and H11. As managers have the best knowledge in management and customers, they believe that CSR has both direct and indirect impacts on all dimensions of the BSC. To be specific, the path from CSR to Learning & Growth and then up to Financial dimension influencing Goals is firmly supported. H13 illustrates the significant result but there is insufficient discriminant validity.

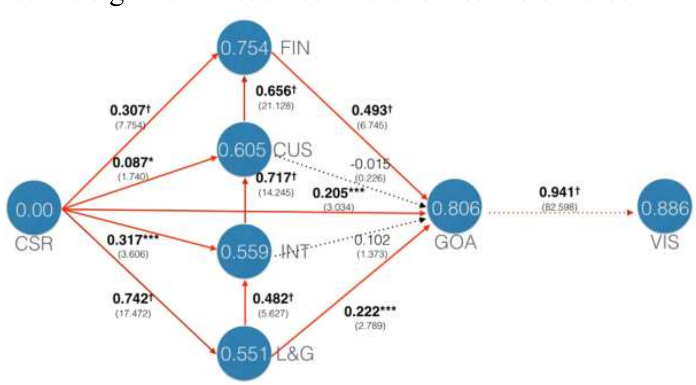

Fig. 10. R^2 and path coefficient for managers

Source: Author's compilation

6. Discussions

The study has attempted to suggest a potential management tool to include CSR in business of the service industry in a developing country. CSR influences goals of business directly and indirectly by different paths, namely: (1) from CSR to Goals directly, (2) from CSR to the Financial dimension and then to Goals, (3) from CSR to Learning & Growth and to Goals, and (4) from CSR through Learning & Growth, including causal relationship effects that affect the Financial dimension, then to Goals. The causal relationship between dimensions of the BSC is confirmed, particularly Learning & Growth to Internal Business, Internal Business to Customers, and Customers to Financial dimension. CSR has direct and indirect impacts on goals through Learning & Growth to Internal Business, Internal Business to Customers, and Customers to the Financial dimension. Hence, the study recommends that the service industry should adopt CSR in their business. Another objective is to evaluate three groups of stakeholders. This sets the study apart from other studies because previous studies mainly concentrate on the perception of managers. For the group of employees, there are links from CSR to dimensions of the BSC but no links from dimensions of the BSC to goals. For the group of managers, there are links from CSR to dimensions of the BSC and to goals. This implies that employees are only aware of the benefits of CSR to BSC dimensions, but they do not perceive how it could benefit the entire business. On the contrary, managers understand how CSR benefits BSC dimensions as well as to achieve goals and visions. Nevertheless, awareness of employees is essential because they deal with customers directly. Hence, firms should motivate employees to engage in SBSC dimensions, goals and visions. The managers have a clear understanding of SBSC dimensions, goals and visions, so they should be responsible for sharing with their employees (Denton & White, 2000). For the group of customers, CSR merely has direct impacts on Goals. There is a significant path from Internal Business to Customers, but their relationship to goals is not significant. The findings suggest that CSR should be performed as the strategic management to enhance business performance since customers perceive that CSR is directly linked with business goals.

The findings show different perceptions of the role of CSR according to perspectives of stakeholders. For managers, CSR influences all BSC dimensions directly and influences Goals and Vision indirectly. For employees, CSR influences Learning & Growth, Customers and Goals directly. Meanwhile, customers think that CSR affects Goals directly with no effects on other dimensions. This raises a demand for firms to take into account many stakeholders in building goals and business strategies. Finally, our model indicates that CSR, Financial, Customer, Internal Business, and Learning & Growth dimensions can explain 80.6% of the variance in Goals. This means that if firms conduct these dimensions, they can potentially achieve 80.6% of their business goals. As a result, this model can be used as a tool to include CSR in the operations of firms.

7. Conclusions

This study has devoted to provide a deep understanding of the advantages of CSR by the identification of paths through which CSR -cum- BSC affects business. The study has made some contributions in the service industry. Firstly, the results show that the changes towards sustainability occur in this country. The stakeholders of firms hold the perception that CSR can help firms reach their goals and visions. Secondly, the study contributes to the literature of performance measurement systems in the service industry. Our findings provide empirical evidence for the suggestion that BSC can help service firms in achieving their goals and visions. The combination of CSR and BSC in this study can become a foundation to discover more for service firms in developing countries. Thirdly, our approach concentrates on important stakeholders, which can illustrate differences in the perceptions of important stakeholders about CSR, BSC dimensions, goals, and visions. Furthermore, this helps to enhance the chances to develop the appropriate visions and goals for their business.

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Appendix A: Measurement Construction

Corporate Social Responsibility (score from 1 to 5, with 5' as the highest agreement)	
1.1. Social Dimension of CSR	
A1	We support the employment of people at risk of social exclusion
A2	We value the contribution of disabled people to the business world
A3	We are aware of the employees' quality of life
A4	Equal opportunities exist for all employees
1.2. Economic Dimension of CSR	
B1	We provide our customers with accurate and complete information about our products and/or services
B2	We strive to enhance stable relationships of collaboration and mutual benefit with our suppliers
B3	We understand the importance of incorporating responsible purchasing (i.e., we prefer responsible suppliers)
1.3. Environmental Dimension of CSR	
C1	We are aware of the relevance of firms' planning their investments to reduce the environmental impact that they generate
C2	We are in favour of reductions in gas emissions and in the production of wastes, and in favour of recycling materials
C3	We value the use of recyclable containers and packaging
Balanced Scorecard (score from 1 to 5, with 5' as the highest importance)	
2.1. Financial Dimesions	
D1	Gross operating profit
D2	Return on sale
D3	Revenue per available unit
D4	Liquidity
2.2. Customer Dimension	
E1	Average spend of customer
E2	Market share
E3	Market share growth
2.3. Internal Business	
F1	Productivity levels, e.g., labour productivity
F2	Efficiency of operations
F3	Proper completion of planned projects/initiatives
F4	Serving customers ontime
2.4. Learning & Growth	
G1	Staff capabilities
G2	Staff satisfaction
G3	Staff development
G4	Staff retention rate