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Research Article

Determine the impressed of Companies' financial performance of customer orientation, competitor orientation and inter-functional coordination with the role of mediator of innovation and corporate social responsibility (Case Study: Eshtehard Industrial Town)

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Abstract

Today, small and medium enterprises (SMEs) are among the most effective factors in the development of each country's economic and social systems, and in most cases the survival of many large companies is tied to the survival of these small and medium enterprises. Accordingly, the present study aimed to determine the impact of corporate financial performance on competitor orientation, customer orientation and inter-functional coordination with the mediating role of innovation and social responsibility of small and medium enterprises in Eshtehard Industrial Town. This study was practical in terms of purpose and a descriptive-correlative in terms of research method. The statistical population consisted of manufacturing factories in Alborz province, located in the industrial city of Eshtehard, with 600 production units. In order to determine the sample size, the Cochran formula was used. Accordingly, 234 small and medium enterprises participated in the Eshtehard industrial town as samples. In this study, a standard questionnaire was used to collect data. Correlation results showed that there is a positive correlation between socio-economic responsibility, organizational innovation, competitor orientation, customer orientation, and inter-functional coordination with financial performance. Also, Structural Equation modeling results showed that the set of factors that influenced corporate financial performance in the theoretical model of this research could explain 79.5% of corporate financial performance changes (R2 = 0.795).

Keywords: *financial performance, competitor orientation, customer orientation, inter-functional coordination, innovation, social responsibility.*

1. INTRODUCTION

Today, with the onset of recession and economic crises, many companies are in crisis and bankruptcy, which is especially noticeable among SMEs (Mayr et al, 2017). In the meantime, the most important issue is determining the factors affecting the financial performance of companies (Lins et al, 2017), especially SMEs that report undesirable financial performance after the financial crisis (Cowling et al, 2017). In general, SMEs are considered as the most effective factors in the development of each country's economic and social systems, and in most cases the survival of many large companies is also linked to the survival of these SMEs (Eniola et al, 2016). In Iran, although more than 95 percent of all manufacturing units are in the small and medium-sized industries, these firms have not made a significant contribution to GDP and creating value added and suffer from severe deficits. It seems that the reduction of the competitiveness of SMEs towards large industries is affected by multiple internal and external factors (Bidokhti and Zargar, 2011).

According to the report of Eshtehard Industrial Town, there are currently 270 disabled units out of 800 units that considered for the Eshtehard Industrial Town. It is worth noting that there are 210 active units in the chemical sector, 129 units in the metal sector, 85 different units, 144 units in the plastic sector, 380 stagnant units and 270 inactive units. It should be noted that out of 170 vacant land to be set up production units that have been considered in advance, 115 land are under construction for exploitation). In the meantime, changes in external firm agents are not feasible for

corporations, and accordingly, internal firm factors must be considered. Recent studies in this area have also focused on internal factors that affect the financial performance of companies; Evidence suggests that factors such as innovation and corporate social responsibility (Cegarra-Navarro et al. 2016), competitor orientation, customer orientation, and inter – functional coordination (Ho et al, 2017) may have an impact on corporate financial performance. However, the impact of these variables and the causal relationships among them to improve corporate financial performance remains vague and vague (Cegarra-Navarro et al. 2016; Ho et al, 2017). Each of the two studies, in addition to emphasizing innovation, has examined different factors affecting financial performance in a different perspective, and this explains the need for the integration of models and the provision of an extended model. Evidence suggests that innovation is a critical factor for organizations to create value and sustainable competitive advantage in today's complex and changing environment. Organizations will be more successful in responding to changing environments and creating new capabilities that allow them to perform better. (Boroumand and Ranjbari, 2009). In spite of this, the mechanism of innovation's impact on corporate financial performance remains unclear (Cegarra-Navarro et al, 2016). Recent evidence suggests that corporate social responsibility is an important factor in transforming innovation into corporate financial performance (Cegarra-Navarro et al, 2016). Over the recent years, the importance of corporate social responsibility has grown more and more, as it is nowadays considered as a top priority for companies (Flammer, 2015). In fact, corporate social responsibility is a transcendent approach to business that takes into account the social impact of an organization on the community both internally and externally (Ardalan et al., 2015), and it can improve corporate financial performance (Momeni, 2016). However, over the past decades, social responsibility has become a complex, multifaceted and inclusive concept from marginal and often obsolete theory. The concept that is today at the heart of firms managerial decisions, because studies have shown that these programs also bring more financial returns (Wu and Shen, 2013). So that evidence is based on increased productivity of organizations with social responsibility as well as the more committed workforce (Walker, 2015), which justifies the positive impact of social responsibility on improving corporate financial performance (Cegarra-Navarro et al, 2016; Ho et al, 2017; Kobeissi & Wang, 2016; Nollet et al, 2016; Jain et al, 2016; Bayat & Zamani, 2016; Dumitrescu, & Simionescu, 2016).

However, the impact of social responsibility on financial performance among researchers is controversial. In some studies, the impact of corporate social responsibility on financial performance has been emphasized by improving corporate competitiveness (Ağan et al, 2016) and on the other hand, based on recent evidence, competition orientation has been highlighted prior to corporate social responsibility, justifying its impact through improving corporate innovation (Ho et al, 2017). Cegarra-Navarro et al (2016) also emphasizes that corporate innovation through improving corporate social responsibilities in two dimensions, economic and social, justifies how to improve corporate financial performance. However, so far, a study to combine the two theoretical models presented in Ho and et al. (2017) and Cegarra-Navarro et al. (2016) have not been studied, despite the overlap they have in common. In addition, Ho et al. (2017) argue that, in addition to competitor orientation, the customer orientation and inter-functional coordination, are also other internal firm factors that can put corporate innovation at a higher level. Clearly, with the intensification of competition in commerce and the rapid technological change, as well as increased power and the right of consumers choice, those companies will be succeed that be able to better understand and recognize the expectations and values of the customers and ideally respond to it which is referred to as a customer-orientation (Racela, 2014). Accordingly, the above-mentioned consequent suggests that by combining the two models, Ho et al, (2017) and Cegarra-Navarro et al, (2016), with a focus on innovation, we can provide a developed model for identifying effective internal firm agents on improving corporate financial performance and using structural equation modeling, including an estimation of path coefficients simultaneously, determined the most effective route to achieve a more favorable financial performance in SMEs. Accordingly, the researcher is trying to answer the main question in the present study: How the competitor orientation, customer orientation and inter-functional coordination affect the financial performance of companies through the intermediary role of innovation and socio-economic responsibility of companies?

2. Theoretical framework and the development of assumptions

2. 1. The Relationship between Corporate Social Responsibility and Innovation

From the perspective of a company, social innovations is an innovation that is both suitable for the community and also increases the company's ability to achieve the goals of the development of economic innovation. In this regard, Doane (2005) defines corporate social responsibility as a company's broader effort, which provides as a result of a balance between the needs of shareholders with the need to generate profit. Hopkins (1998) states that corporate social responsibility involves communicating with the external and internal shareholders of the company that is ethically and socially responsible. Rasoulzadeh et al. (2013) considered corporate social responsibility as a tool to increase operational efficiency and reduce costs and Cegarra-Navarro et al, (2016) showed that, from an economic point of view, corporate social responsibility may be considered in relation to the distribution of resources for the production of goods and services within the social system. Corporate social responsibility requires the multiple participation of stakeholders that develop and implement appropriate and integrated programs. To achieve this goal, new processes and technologies may help to build trust and support for members of the organization by understanding and adapting new socio-economic achievements. In addition, new innovations will help members of the organization to be flexible in their negotiation

objectives, so that conflicting demands of stakeholder groups are placed in a balanced way (Bocquet, 2013). The existing balance between economic and social dimensions of corporate social responsibility may be facilitated by creating awareness among relevant stakeholders (ie, managers and service receivers). In order to create awareness, organizations should create innovation tools and communication channels with relevant groups in order to encourage their feedback (Rasoulzadeh et al, 2013).

2.2 Corporate social responsibility (Social and Economic Dimensions) on financial performance

Branco and Rodrigues (2006) state that corporate social responsibility brings internal and external benefits. Investing on activities with socially responsibility may involve internal benefits by helping companies to develop new resources and abilities related to the knowledge of how to do a company's work and culture. Therefore, corporate social responsibility will not only bring direct benefits to the company (Through increased encouragement and productivity) and leads to a reduction in employee absenteeism and turnover, it also increases the benefits by storing the costs of recruitment and training new employees (Branco and Rodriguez, 2006).

The role of innovation activities in achieving social goals and providing explanations on why these goals are important are shown in other people's work, including Rasoulzadeh et al. (2013). Several studies have shown that the achievements of corporate social responsibility can increase the efficiency of organizations through business coordination to meet stakeholder goals. As Orlitzky et al,(2003) have shown, corporate social responsibility programs potentially increase stakeholder satisfaction and, ultimately, enhance financial performance. In general, it can be argued that researchers have proven corporate social responsibility increases market value, which in turn can help managers gain competitive advantage and wider financial benefits. Bhattacharya and Sen (2004) have shown that there is a direct relationship between corporate social responsibility and driver companies and service receivers sponsor, which in fact allocate more resources to corporate social responsibility activities, while Smith (2005) argued that corporate social responsibility activities, in the form of policies and procedures for equal employment opportunities and responsibilities for environmental obligations, increase the long-term value of stakeholders by reducing costs and risks. The study of Johnson and Greening (1999) and Waddock and Graves (1997) also showed a positive relationship between corporate social responsibility and financial performance (Cegarra-Navarro et al, 2016).

2.3 Customer orientation and Innovation

The relationship between customer orientation and innovation has not yet been thoroughly investigated and remains ambiguous. For example, in none of the studies of Tajeddini and Trueman (2008), Tajeddini (2010) and Voigt et al, (2011) researchers could not find a meaningful correlation between customer orientation and innovation. On the other hand, Matsuo's work (2006) showed that customer orientation positively affects innovation by supporting positive conflicts and solving negative conflicts. Customer orientation companies carefully monitor and evaluate customer orientations and needs, and then take an innovation that improves products and services and meet customer requirements. Other researchers found a positive relationship between customer orientation and innovation, including Laforet's work (2009) on Product Innovation; Grawe et al (2009) on Services innovation and the results of Fredberg and Piller (2011), which related to customers satisfaction relationship and main innovator and findings of Newman et al, (2016), which showed that customer orientation supports both exploration innovation and exploitation.

2.4 Competitor orientation and Innovation

Many studies did not show any significant negative impact of competitor orientation on innovation Frambach et al,(2003) found that competitor-oriented companies, if mimicking their competitors' products, would require less involvement in product development. A recent study by Lewrick et al (2015) showed that the competitor orientation is counterproductive for the main innovation, and did not have a significant relationship with the growth of large companies. In addition, where demand is uncertain, the competitor orientation mainstream tends to have a negative impact on innovation performance. Foreman et al, (2014) found that there is a negative relationship between the competitor orientation and financial performance. Researchers argued that competitor-oriented companies are pursuing the activities of competitors which leads to imitate competitor products and then generates products increased innovation and their services. However, other suggested that focusing on competitors would allow companies to develop innovation differently from their competitors and gain more market share (Atuahene-Gima, 2005). Grinstein (2008) found that when companies get a customer orientation, the competitor orientation will promote innovation. These results supported the findings of Frambach et al (2003), which acknowledged that competitor-oriented companies are participating in a wide range of customer related research in order to test products that are similar to their political counterpart.

2.5 Inter-functional coordination and Innovation

The importance of inter-functional coordination to create superior value for customers has been mentioned in many studies, which in fact focuses on the positive impact of developing new products. The concept of inter-functional coordination shows mutual sharing, distribution, and contribution to startup and development of new products (Jaworski and Kohli, 1993). Ho et al, (2017) argued that inter-functional coordination positively affects innovation because it

supports the process of information acquisition, the distribution of market intelligence among functional units and thus creativity facilitation. Specifically, inter-functional coordination provides creativity, as corporate units can create and share new ideas, resolve problems, and adjust conflicts or disagreements. Hence, it is believed that inter-functional coordination facilitates the acquisition, information distribution and different ideas that lead to innovation and creativity. Therefore, it has been argued that inter-functional coordination is positively associated with innovation.

2.6 Market orientation and business performance

Slater and Narver (1999) found a meaningful relationship between market orientation and performance through improved sales growth and the success of new products. In addition, the findings of Kumar et al, (2011) increasingly supported the relationship between market orientation and performance found by Slater and Narver (1999). While market orientation and performance are still debatable, Micheels and Gow's study (2008) showed that market orientation through innovation directly and indirectly has a positive impact on performance. Accordingly, following three hypotheses were formulated: Customer orientation has a positive relationship with financial performance. The competitive orientation has a positive relationship with financial performance. In-functional coordination has a positive relationship with financial performance.

2.7 Innovation and business performance

Schumpeter (1934) has argued that innovation through the creation of continuous and exclusive activities provides an opportunity for companies to track short-term economic benefits. Covin and Mil (1999) suggested that the company addresses innovation and partnership to pursue competitive advantages. Companies by providing innovative products / services, sometimes can prevent price competition, access new marketing, and create new demands, and can increase the company's business performance according to financial criteria such as turnover, profit and stock prices or strengthen the power of strategic criteria such as reputation, loyalty, and satisfaction. Through successful innovation, customers will pay an additional amount and will buy more frequently. In this context, customer loyalty will increase when the services / products purchased meet their special needs. In this regard, other researchers who found negative results, including Rogers (2003), showed that innovation would lead to more costs, more resource consumption, and unfair distribution of resources. In addition, innovation is also at risk because it requires significant resources (Li & Atuahene-Gima, 2001). These cases showed that innovation could positively and negatively affect financial performance.

Given the theoretical framework presented, the conceptual model of this study was depicted as follows (Fig. 1).

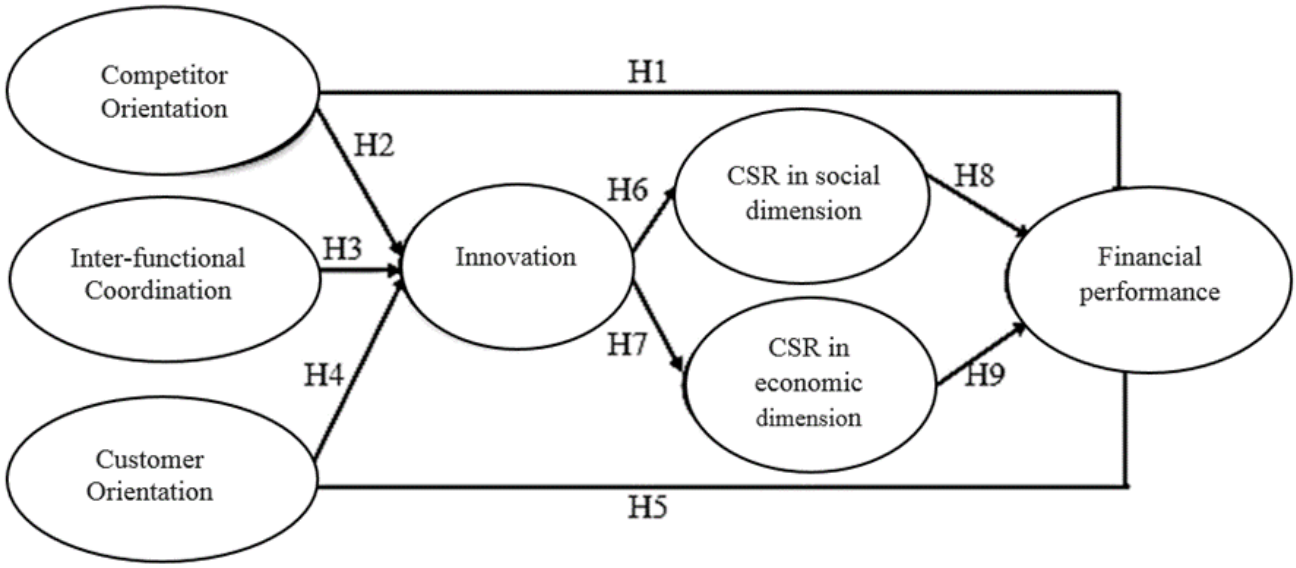

Figure 1: Conceptual model based on theoretical framework

3. Research method

This study is operational in terms of purpose and descriptive- correlative in terms of nature of the research. The present study is also conducted in a survey (according to the distribution of questionnaires). In this way, by distributing the questionnaires among small and medium enterprises in Eshtehard Industrial Town, we measured the variables and finally, the research model was tested based on them.

The statistical population of this study was Alborz producing factories in the industrial city of Eshtehard with 600 active production units. In the present study, small and medium-sized manufacturing enterpries in the industrial city (with a

work experience of over 3 years) were considered as the statistical population of the study. In Iran, according to the Central Bank's view, industrial enterprises, in terms of size of the firm and available statistics, have separated to four different sizes, with 10-49 employees, 50-99 employees, 100-149 employees, and 150 employees and more. Accordingly, in the present study, the above qualifying companies were considered as examples of this study. In order to determine the statistical sample size from the selected statistical population, the Cochran formula (with a 5% error) was used. Therefore, 234 managers of production units located in Eshtehard industrial town participated as examples in this study (For sampling, systematic random sampling was used). In the present study, by examining the prior theoretical and empirical bases, we developed a researcher-made questionnaire (with verified validity and reliability). In order to determine the validity of the questionnaire, the opinions of faculty experts and professors of the university were received in the field of management and Cronbach's alpha coefficient and combined reliability were used to determine the reliability of the tool.

Convergent Validity: In this study, for the purpose of determining validity, convergent validity was also used, which is one of the important criteria in determining the fitting of measurement models. In this study, the correlations of each structure with its questions (indexes) were investigated. The appropriate value for AVE was set to be up to 0.5 (AEV> 0.5). Reliability: In order to determine the reliability of the tool, the Cronbach Alpha coefficient is calculated. The purpose of the validity or reliability of the questionnaire is that if the attributes measured with the same instrument, under the same conditions and re-measured at different times, the results are almost identical. Cronbach's alpha coefficient is used to measure the level of one-dimensional attitudes, beliefs, and so on. Convergent validity results, Cronbach alpha and combined reliability are presented in Table 1:

Table 1: Convergent validity results, Cronbach alpha and combined reliability

Variables	Number of questions	AVE	Cronbachs Alpha
Social responsibility	10	0.524	0.721
Company innovation	5	0.556	0.792
Financial performance of the company	6	0.672	0.735
Competitor orientation	6	0.701	0.712
Customer orientation	5	0.688	0.748
Inter-functional coordination	4	0.631	0.824

In this research, data analysis was conducted at descriptive and inferential levels. In the descriptive analysis, central indicators and dispersion indexes were studied. In the inferential analysis section, Spearman correlation (due to the abnormal distribution of data) and structural equation modeling using PLS software were used.

4. Results

Table 2 shows the results of descriptive analysis for the variables of this research.

Table 2: Descriptive analysis of research variables (n = 234)

	Mean	Standard deviation	Minimum	Maximum
Independent variables:				
Competitor orientation	3.458	1.1218	1.0	5.0
Customer orientation	3.627	1.0500	1.0	5.0
Inter-functional coordination	3.501	1.2551	1.0	5.0
Mediator variables:				
Economic dimension	3.480	1.0640	1.0	5.0
Social dimension	3.641	.9911	1.7	5.0
Social responsibility	3.561	.9893	1.6	4.9
Organizational innovation	3.753	.9890	1.8	5.0
dependent variable:				
Corporate financial performance	3.759	.9582	1.5	5.0

According to the results, it can be stated that the small and medium-sized enterprises located in Eshtehard Industrial Town have reported close value and above average (3) in terms of competitor orientation, customer orientation and inter-functional coordination (Considering the use of the Likert scale in this research, the numerical value of 3 is considered as a standard or moderate value in the range of 1 to 5).

Social responsibility in this study consists of two components of economic and social dimension. The results in this section confirm that the social responsibility and innovation among the production units located in the industrial city of Eshtehard is close to the average (M≈3). Finally, the financial performance of the company (ie, the amount of profit before interest and taxes, the level of return on equity, the annual sales level, the level of return on assets as well as the market share) is considered as dependent variable. According to the results reported in Table 2, it can be concluded that the financial performance of companies according to the comments received from the managers of production units located in Eshtehard industrial town is at a relatively good level, so that the mean value is close to the average in this area Observed (3.75). Investigation of the standard deviation of the data in the range recorded for the data confirms the relative dispersion in the distribution of data for these variables. The results of the correlation coefficient between the variables of the model are reported in Table 3.

Table 3: Results of correlation coefficient between variables (n = 234)

	Economic dimension	Social dimension	Organizational innovation	Financial performance	Competitor orientation	Customer orientation	Inter-functional coordination
Economic dimension	1.000						
Social dimension	.728**	1.000					
Organizational innovation	.557**	.750**	1.000				
Financial performance	.662**	.708**	.635**	1.000			
Competitor orientation	.618**	.735**	.689**	.651**	1.000		
Customer orientation	.596**	.700**	.732**	.720**	.807**	1.000	
Inter-functional coordination	.507**	.675**	.852**	.627**	.773**	.758**	1.000

** It means the significant in confidence level 99%

Considering the significance level of the test, it is determined that there is a significant relationship between the model variables (P <0.01). Therefore, it is observed that with increasing social responsibility (both in economic and social dimensions), organizational innovation, competitive orientation, customer orientation, and inter-functional coordination, the company's financial performance is also reported at a higher level. Meanwhile, the highest correlation with financial performance was related to customer orientation with a correlation coefficient of 0.72 which explains the need for customer orientation.

In the following, structural equation modeling was used to answer the research hypotheses. Accordingly, in the beginning, the factor loadings were studied and the structural research model was investigated. Factor loadings are calculated by calculating the correlation of the indices of a structure with that structure, which, if this value is equal to or greater than 0.4, confirms that the variance between the structure and its indices is greater than the variance of the measurement error of that structure and the reliability of the model is acceptable. In structural equation modeling, two indicators of "t-value" and "R2" are investigated. If the values of the significance coefficients t is more than 1.96, 2.58. 3.27, then they show that the relationship between the structures is confirmed by the research hypotheses, at 95%, 99% and 99.9 % confidence level, respectively. The results of factor loadings and significant numbers are presented in Table 4:

Table 4: Factor loadings and significant numbers of each research structure separately.

Structures	Amount of factor loading	Significant coefficients of factor loading
Social responsibility (Economic dimension)	0.437 up to 0.867	3.511 up to 32.384
Social responsibility (social dimension)	0.708 up to 0.849	12.050 up to 30.663
Organizational innovation	0.708 up to 0.852	10.744 up to 45.983
Corporate financial performance	0.736 up to 0.806	12.847 up to 20.782
Competitor orientation	0.688 up to 0.793	9.229 up to 19.740
Customer orientation	0.661 up to 0.830	5.871 up to 24.282
Inter-functional coordination	0.542 up to 0.859	5.398 up to 34.761

According to the results presented in Table 4, it can be stated that in all cases the coefficients of the factor loadings are greater than 0.4, and this indicates the fitting of the measuring models. Also, significant coefficients with a value above 1/96 confirmed the significance of factor loading coefficients. The findings confirm that all the structures of this study have the measuring models with a desirable fitness. Accordingly, in the following, a structural model was investigated in which the coefficients and the path coefficients are presented (Fig. 2).

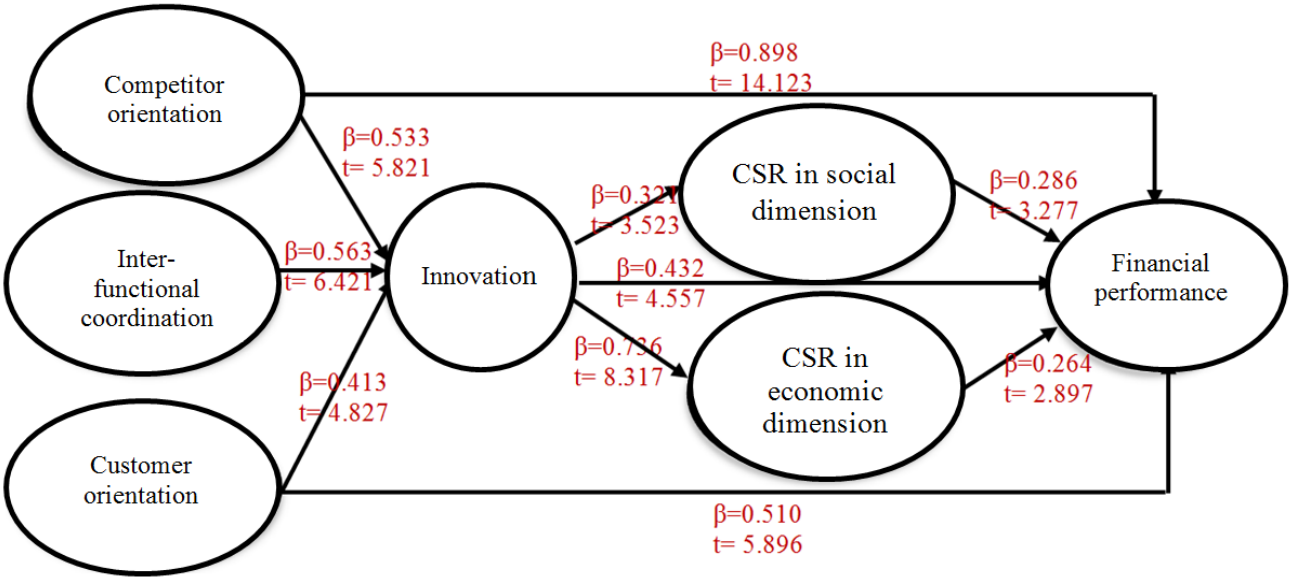

Figure 2: The model of the research, along with regression coefficients and t-value.

The regression path coefficients in the present study are presented in accordance with the conceptual model in Fig. 2. As can be seen, in some of the paths, the regression coefficient is below 0.3, which can be considered statistically insignificant. In order to study the significance of regression coefficients (β), a t-value was investigated. In this model, if the value of significant numbers is less than 1/96, it indicates that the path is not approved, in other words, the hypothesis is rejected on this path. The results of the model of significant numbers in Fig. 2 show the significance of regression coefficients. In addition to the path coefficients that yield important results, we can also refer to the coefficient of determination, which is displayed through numerical values within the structures. According to Fig. 2, it can be stated that the set of factors influencing the financial performance of companies in Eshtehard Industrial Towns could explain 79.5% of the changes in financial performance of companies (R-Square = 0.795). The coefficient of determination actually reflects the common and total effects on corporate financial performance in manufacturing units.

In the following, we examine the mediator role and its significance in the model. For this purpose, Sobel test (relationship No. 1) was used to determine the significance of indirect effects of variables. The Sobel test is used to significance of the mediator impact of a variable in the relationship between the two other variables. In the Sobel test, a Z-value is obtained by the following formula: If this amount increases from 1.96, at 95% level, the significance of the mediator effect of a variable can be confirmed.

$$z - value = \frac{a \times b}{\sqrt{(b^2 \times sa^2) + (a^2 \times sb^2) + (sa^2 \times sb^2)}} \qquad (1)$$

a: The value of the path coefficient between the independent and mediator variable
b: The value of the path coefficient between the mediator and dependent variable
sa: A standard error associated with the path between the independent and mediator variable
sb: The standard error associated with the path between the mediator and dependent variable

Table 5: The significance analysis of the mediating role of variables in the model

Hypothesis	a	b	Sa	Sb	Z-Values	Results
Competitor orientation affects financial performance in the role of mediator innovation.	0.563	0.432	0.089	0.096	3.63	Confirmed ✓
Customer orientation affects financial performance in the role of mediator innovation.	0.413	0.432	0.045	0.096	4.02	Confirmed✓
Inter-functional coordination affects financial performance in the role of mediator innovation	0.561	0.432	0.046	0.096	4.20	Confirmed✓

Based on the results reported in this section, the intermediate role of the mediator variables is approved, so that the statistic is higher than 1.96 in all cases.

5. Discussion and comparison of findings

In this section, the study of research findings based on the studied paths in the model has been considered separately. The findings of the research show that competitor orientation has a positive significant effect on the financial performance of manufacturing companies in Eshtehard Industrial Town. The results in this section are consistent with the findings of Abdullahi et al. (2015), which showed that competitor orientation has a significant effect on corporate financial performance. Also, the study of Ho et al (2017) about impact of factors affecting financial performance in agricultural chains, were consistent with the findings, showed that competitor orientation is one of the positive factors affecting on business financial performance.

On the other hand, the findings of the research showed that the competitor orientation affects the willingness of companies to produce innovative products. In explaining these findings, can argued that competitor orientation and its impact on the innovation of new products are among the key issues in marketing management. The more an organization can better understand the needs of customers, as well as the activities of competitors and factors influencing market conditions and disperses this information at all levels of the organization, it will have more ability to survive in a competitive market and innovation and improves itself in producing better quality and better products than competitors. Competitor- oriented companies have a competitive advantage in responding quickly to market and customer needs. They also act effective in response to opportunities and market threats because they are always ahead of other competitors with the innovations they provide in their products. Therefore, competitive orientation can have an important impact on the success of the organization, which also depends on more innovation. These findings are consistent with the results of Ho et al. (2017), Newman et al. (2016), Abdullahi et al. (2015). In their findings, the researchers reported that competitive orientation or market orientation affect to innovation, which confirms the results of the present study.

Investigating the impact of inter-functional coordination on the innovation of companies implies that inter-functional coordination has a significant effect on corporate innovation. Along with these findings, Ho et al. (2017) in their research showed that inter-functional coordination lead to innovations in the production of newer products, which suggests that inter-functional coordination has a positive significant effect on innovation. Ho et al (2017), in order to explain the findings of this study, have argued that inter-functional coordination is important because it promotes new product development by creating superior value for customers. In fact, this implies that the information acquisition process disseminates and supports market information among functional units, thereby facilitating creativity. In general, inter-functional coordination increases creativity, because corporate units can share new ideas, new creations, and thus can resolve conflicts and problems. In fact, corporate social responsibility is defined as the company's extensive efforts to balance the needs of shareholders with the need to generate profits. Blakely and Aparicio (1990) have shown that when organizational resources is low and management support for social programs are reduced, economic and social objectives are likely to become increasingly confronted with each other. Concurrently and consistently with these findings, Cegarra-Navarro et al, (2016) also argued that innovation affects both the social and economic responsibility of companies. Also, other scholars who have shown the results consistent with the results we can mentione (Bocquet et al., 2013; Rasoulzadeh et al. (2013); Doane (2005). The study of the impact of social and economic dimensions of corporate social responsibility on financial performance showed that both corporate social responsibility dimensions have a positive and

significant effect on their financial performance. These results are consistent with the findings of Cegarra-Navarro et al, (2016); Rasoulzadeh et al. (2013), which in their results have shown the positive impact of both corporate social responsibility dimensions on financial performance.

Explaining these findings, it can be argued that corporate social responsibility brings domestic and foreign benefits. Investing on activities with social responsibility may involve domestic benefits by helping companies develop new resources and abilities that relates to knowledge of how to do a work and company's culture. Corporate Social Responsibility Achievements can increase the efficiency of organizations through business coordination to meet stakeholder goals. As corporate social responsibility plans potentially increase stakeholders' satisfaction and ultimately increase financial performance.

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