Title: Investor Perceptions of Corporate Social Irresponsibility and its Financial Implications

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Abstract

Certain actions performed by the companies inflict harm on the investors interested in the company. The Corporate Social Irresponsibility is the flip side of a welfare act for the society. The main concern of the CSIR is the affect Various perspectives of CSIR and their connection with the investor's decision and attitude towards the company are explored in the present study. Interestingly the study has able to establish direct relation between ethical issues and CSIR only to realise. The study focuses on the essence and governance of modern companies in India. The analysis has been presented to have a better socio-economic position of the company in the market and to be compliant with various legal requirements. This study can largely contribute in recognising the legal implications of the CSIR in Indian economic system and benefit of the society at large and investors in particular.

Keywords: Corporate Social Irresponsibility, Investor, Corporation, Behaviour, Ethics, Socio-Economic Decisions

1. Introduction

1.1 Background of the Study

Corporate social responsibility (CSR) has emerged as a crucial component of modern business during the past few decades (Aguinis and Glavas, 2012). In a socialistic setup for the corporations and with a welfarist approach and for the requirement under law, the enterprises fulfil the corporate social responsibility (McWilliams and Seigel, 2001). According to Philips and Margolis (1999), a corporation exists in a basic structure of a society still having differences in its entity and its corporate membership. A corporation is a constructive part of the society and it is impossible to exist without fulfilling specific aims required in this society. For businesses, CSR communication has evolved into a strategic tool to deepen stakeholder relationships, raise stakeholder knowledge of CSR efforts, enhance brand perception, and encourage positive response among stakeholders (Du *et al.*, 2010). CSR related information is valuable for the capital market participants or the investors and the progress report of stocks is created to guide investor judgements and investments (Bhat *et al*., 2006; Jegadeesh *et al*., 2004).

The corporate philanthropy is more complicated than being just based on altruism (Ricks and Williams, 2005). Businesses from all sectors have recognised the value of strategically engaging in CSR by upholding underlying social, environmental, and ethical norms with the ultimate goal of balancing the relationship between profit and societal well-being. Companies are automatically deemed to be acting recklessly toward society and the environment if they fall short of these standards (Mombeuil and Zhang, 2020). Businesses that behave irresponsibly run the danger of harming their reputation and financial viability, which will lower their sales revenue (Baucus and Baucus, 1997).

While analysing the CSR initiatives, Kotchen and Moon (2012) have parallelly introduced Corporate Social Irresponsibility (CSIR) as "a series of behaviours that raise externalised costs and/or encourage distributional disputes are referred to as corporate social irresponsibility". In advanced economies around the world, the stakeholders intervene and participate in the CSR initiatives of a corporation (Brammer *et al*., 2011). When the attitude of the employer towards employee doesn't stay positive, it results in rise in negative employees (Zhang and Zhang, 2020) further contributing to material loss (Alcadipani and Medeiros, 2019). When the firm does not meet the expectations and a minimum standard of behaviour while maintaining the relationship with stakeholders, it reflects in corporate social irresponsibility (Campbell, 2007).

The stakeholder-organisation relationship contributes to a system of mutual interdependence with certain common interests and behaviours (Smith, 2012). CSIR activities indicate a negative behaviour on the part of the firm which somewhat benefits the corporation but harms the stakeholders and the society (Armstrong, 1977). The consumers are getting affected by the negative impacts of the corporate social irresponsibility (Xie and Bagozzi, 2019). There is a detrimental impression on the society and that is reflected on the enterprise eventually (Feng *et al*., 2022). The stakeholders react to the irresponsibility in the form of moral outburst (Antonetti and Maklan, 2014) and their investigation into the value of the firm (Groening and Kanuri, 2016). After a thorough investigation there is a clear relationship developed between the investor, corporate and their intention to purchase a product of the company (Huang *et al*, 2014) or to be a subject of the societal or economic impact thereafter. Concepts like Corporate Social Responsibility (CSR), Responsible Property Investment (RPI) and Environmental, Social, and Governance (ESG) have gained more traction in the industry (Cajias *et al*., 2014).

World over the companies is a significant part of the economy of a country. They also outnumber the figures in terms of investment in stock markets (Newell *et al.*, 2007). But an amalgamation of the investment pattern where an investor gets an opportunity to be connected with a company in terms of stock investments can eventually benefit market segments containing the investment as well as stock related to companies. How investors, tenants, and managers utilise, invest in, and finance is quickly evolving as a result of new technologies. The industry will undergo a dramatic transition in its organisational and structural design, moving from the conventional hierarchical-mechanistic shape to a virtually open-agile-innovative organisation form (Souza *et al.*, 2021).

This research will further discuss the impact of corporate social irresponsibility on the investment companies. A positive relationship is established between the corporate financial performance of the companies and their responsible acts towards the society (Kerscher and Schafers, 2015).

1.2 Problem Statement

India is progressing to become a more sophisticated economy with organised corporations under systematic corporate law. In this process of becoming a more suitable, successful and welfarist, the corporations practice corporate social responsibility. The problem arises when these corporations want benefit at the cost of harm to the stakeholders. The factors responsible for this irresponsibility maybe several but can be clubbed around ethical, moral, financial or mental issues. These ultimately impacts the stakeholders in the market and their behaviour towards the corporation. The problem is to analyse the impact of the acts of irresponsibility on old and new investors while coming in relationship with the corporation.

1.3 Purpose of the Study

In a modern corporation the awareness to contribute to the social welfare through altruistic acts and a mandate for the same has positive results. However, if these acts are not done in a proper stride and it results in harm to the society, the ripple affect lets down the corporation itself. The purpose of this study is to examine the impact of an allied concept of corporate social responsibility i.e., corporate social irresponsibility on the investors associated with a company. In specific, it investigates the factors leading to corporate social irresponsibility resulting in socio-economic impression. The investor behaviour while engaging in a relationship with a company will be assessed. This study will explore the social and economic effects of the CSIR.

2. Literature Review

A company's prior record of any act of corporate social responsibility affects the individual's perception towards the company or at large the society and is analysed in the wake of any irresponsible act in future (Chen *et al*., 2020). It is observed that different attitudes and behaviour exist towards CSR and CSIR in different culture. Various researchers tested participants' perceptions about CSR and discovered that Bangladeshi business managers tended to be more concerned with social welfare issues than Australian managers, who were more likely to prioritise generating a profit. According to a study done in France, Germany, and the US, it was discovered that customers in France and Germany were more inclined to support ethical companies than those in the US (Gao, 2009). The economic obligations of corporations were valued most highly by US customers, while legal and ethical compliance with business practises was of greatest importance to French and German consumers. The unethical behaviour of the companies was seen to diminish their reliability making it difficult for them to strive in the globalised market (Markoc and Cizmeci, 2021).

In the light of various issues connected with the corporate social irresponsibility, the literature has been reviewed to understand the gap and to get more clarity.

2.1 Ethical Issues of Corporate Social Irresponsibility

A person who practises social responsibility makes choices with the purpose of doing good. As a result, when analysing a company's products before making a purchase, consumers frequently take its commitment to CSR programmes into account. It is undeniably a duty of the company to give back to the society as it entails the ethical involvement of company's initiatives and this influences the consumer rooted in their values (Pradhan, 2017). There are several studies on how CSR initiatives affect consumer behaviour. According to Fatma and Rahman (2016), corporate ability had a significant impact on customers' purchase intentions, whereas CSR activities were found to have an impact on customers' purchase intentions in situations where the customers were aware that such activities were taking place. While any act of irresponsibility plays an important role in the market's reaction towards a company, Afrin *et al*. (2021) explain the diminishing returns in the market as a reaction to a firm's past performance on ethical issues. The shareholders punish the firm after recognizing the past actions in the area of their interest. Vo *et al*. (2018) suggest that bias of reaction against ethical irresponsibility is more than a morally and ethically responsible conduct of a firm. An ethical system of an enterprise and the underpinning issues related to it affects the consumer's confidence in terms of future purchase. The stakeholder theory has also emerged in various studies (Freeman *et al*., 2010; Schwartz and Carroll, 2008) and has been since then a central part of the business and society. At large we find the stakeholders reactions towards the irresponsible act of the company but in particular an investor's reaction towards a particular segment of the market needs to be assessed for a better understanding of the behaviour towards investment choices. From the above literature the following hypothesis was developed:

H_1 – Ethical Issues of Corporate Social Irresponsibility affects the investor's decision.

2.2 Financial Issues of Corporate Social Irresponsibility

The firms are aware that corporate social responsibility is not just about the social imperative while dealing with the business transactions or general conduct but it also includes the economic imperative (Rivera *et al*., 2018). Corporate responsibility involves practices which have economic goals for present and future generations. The critique to the stakeholder theory gives rise to the economic model of CSR (Brenner and Cochran, 1991) which includes the contract theory and agency theory to predict certain behaviour. Atay and Tong (2019) have concluded in their study that many times the management of the company has greed and are significantly unconscious about the negligence towards the welfare of the employees, thereby leading to financial issues in the company. From the above literature the following hypothesis was developed:

H_2 - Financial Issues of Corporate Social Irresponsibility affects the investor's decision.

2.3 Behavioural Issues of Corporate Social Irresponsibility

As per Bitektine (2011) social judgments helps company in evaluating the company's social attributes, which can be "a matter of life and death" for the company. Academic literature points out the understanding of irresponsible behaviour of the company on stakeholders which has its relevance paradoxically associated with the benefits of CSR (Riera and Iborra, 2017). By illuminating how observers' assessments of negligent corporate behaviour result in moral outrage, Antonetti and Maklan (2014) add to the body of knowledge on responses to corporate social irresponsibility. Exploitative human resource practices add on to the vulnerability of the employees (Atay and Tong, 2019) which eventually results in their retaliation against the company. The employees face behavioural issues from the company when they are dissatisfied with the management and in that outrage, they add to the irresponsible acts of the company. Ferguson *et al*. (2020) have highlighted the consumer's role in influencing the performance of a company by affecting the whole value chain as a result of impact of CSIR.

From the above literature the following hypothesis was developed:

H_3 - Behavioural Issues of Corporate Social Irresponsibility affects the investor's decision.

2.4 Investor's attitude towards the company

The corporate social irresponsibility can seriously affect the reputation of the firm followed by critical damages to their profits and market share (Sweetin *et al*., 2013). Lange and Washburn's (2012) model of corporate social irresponsibility attributions consist of stakeholders' recognition of an undesirable societal outcome; their perception that the corporation is to blame; and their belief that the victims of the undesirable societal outcome were powerless to avert the undesirable effect. Corporate ability plays an important role between the CSIR and reputation (Khan and Kamal, 2020). The moderation effect of corporate ability on the consumer is such that it still affects the social judgements (Khan and Kamal, 2021). Cianci *et al*. (2018) have proposed through their study that a company's pre-existing reputation influences an investor's assessments towards different aspects of the company. This subsequently influences the trust in the management of the company.

From the above literature the following hypothesis was developed:

H_4 – Attitude towards company mediates the effect of CSIR on investor's decision.

3. Research Methods

This paper considers corporate social irresponsibility and various issues connected thereto having impact on the decision of the investor and the attitude towards a company. Furthermore, this study considers that the company acts through their employees and they also contribute directly or indirectly in the irresponsible acts done by these companies. This study uses the mediation model of conceptual framework to analyse the relationship of ethical, financial and behavioural issues of CSIR directly with investor's decision. Alongside this research, the mediating effect of attitude towards the company will be tested in presence of various issues of CSIR upon the investor's decision. The ethical issues of the CSIR having direct effect on the investor's decision. The financial issues of the CSIR having direct effect on the investor's decision and behavioural issues of the CSIR having direct effect on the investor's decision. Furthermore, the mediating effect has been established between the issues of CSIR and the investor's decision by Attitude Towards the Company. In line with this notion, the paper has model hypotheses. In order to validate the hypotheses, a pilot study was conducted on urban population of Pune City excluding corporations and 0.7 score was achieved in the reliability test.

3.1 Sample Details

On the basis of this pilot study, the survey was further extended to the top three metropolitan cities of India and therefore the urban population of the homogenous group which are exposed to technology on day-to-day basis were considered as the population for the study. Indian residents of age group 18 and above were identified as the population of interest. For this study, 277 respondents were surveyed and data collection was achieved with cooperation in January 2023. Gender and age quota criteria were used to achieve a greater representation of the population of interest and to improve the quality of the data.

3.2 Research Instrument

The questionnaire used many variables from the conceptual framework. A common 5-point Likert scale was used throughout the questionnaire to avoid confusion amongst the respondents where 1- Strongly Agree, 2- Agree, 3- Neutral, 4- Disagree and 5- Strongly disagree. Age, gender and frequency of investment were measured by separate questions. Preference for kind of investment was measured using a single question with choices where more than one choice can be used. To study better the mediation analysis of the attitude towards company in the impact on investor's decision, a distracting question was posed in the beginning. To measure an overall understanding of the irresponsible act and the investor, a closing statement measured the impact on the investor by means of a 5-point Likert scale.

Table 1. Measurement Constructs

1.	**Attitude towards the company while making investment** 1.1 Trust in the company's business 1.2 Loyalty towards the company 1.3 Familiarity with the business practices	Cianci *et al.*, 2018 Khan and Kamal, 2021
2.	**Ethical Issues of Corporate Social Irresponsibility (CSIR) affecting investor's decision.** 2.1 Company's indulgence in unethical means of conducting business. 2.2 Company's past record of fraudulent conduct in business. 2.3 Company's accountability towards the stakeholders.	Afrin *et al.*, 2021 Vo *et al.*, 2018
3.	**Financial Issues of Corporate Social Irresponsibility (CSIR) affecting investor's decision** 3.1 Economic crisis of a company 3.2 Cosmetic Approach of the company (When company adopts a fake approach for financial benefits) 3.3 Inappropriate auditing and accounting	Mombeiul and Zhang, 2020 Rivera *et al.*, 2018
4.	**Behavioural Issues of CSIR affecting investor's decision**	Bitektine, 2011

	Trautwein and Lindenmeier, 2019
4.1 Dissatisfaction of employees 4.2 Retaliation by the employees against the company. 4.3 Rigid approach to changing environment.	

3.3 Sampling Technique and Sample Size

The study is based on probability sampling in unknown groups around different metropolitan cities. The questionnaire was not posted in specific communities to gather data from varied age groups. It has a mix of people from age group 18 and above. These individuals are a part of urban population and use mobile phones on a daily basis with certain applications through which the questionnaire was circulated. The sample size is 558 out of a population of over 20,00,000.

3.4 Face and Content Validity

The questionnaire was drafted with easiest scale keeping in mind the basic understanding of the population. It was vetted by the expert professors from the field of management and law. It has been made pally and unambiguous to avoid any confusion while responding. The statements mentioned are straight forward and intend to convey the exact meaning.

3.5 Convergent and discriminant validity

The study and the questionnaire ensure that the data collection is smooth. For this the statements are convergent with the variables to be tested and therefore there will be no overlapping whatsoever. The placing of the statements in the questionnaire also indicates certain preference questions for an easy approach and suitable behaviour of the respondent to the questionnaire. The statements are to the best of the knowledge and are not discriminant of the variables.

3.6 Common Method Bias

The present study includes elements of behavioural research and testing the attitude and other cognitive abilities of the respondents and therefore a common method variance is attributable to the measurement of dependent and independent variable. Usually this a potential problem in behavioural study and leaves potential impact (Podsakoff *et al.*, 2003). This common method bias has been avoided in the current study by attributing typical questions to each variable. The respondent will be able to distinguish and apply the cognitive abilities responding to the specific question. Podsakoff *et al.* (2003) suggests that to reduce the common method bias the key is to recognise the commonalities of the predictor and variables and eliminate it by structuring the design of the study in such a manner that the measurement of criterion and environment in which the respondent is present is balanced. The questionnaire has to be worded properly and should be placed strategically in an order.

3.7 Statistical Techniques

The statistical techniques used to measure the variables in the study include descriptive analysis including mean and standard deviation. To determine the overall trend of the data collected in the data set and to have a concise view of the data, the mean is an appropriate measure. Further, the standard deviation indicates the dispersion of data points around the mean value. The study also includes regression analysis to depict the relationship between the independent and dependent variables. The correlation between the variables is established and the values of change that trigger change are clearly indicated. The hypothesis testing is done using structural equation modelling and the results of the testing show whether a hypothesis is proved positive or negative. So, this testing shows the real connection between the variables and the viability of implementing the same.

4. Results

For the study and testing of the variables in this study the SPSS and AMOS have been utilised. The data analysis will show the variables' fit indices, structural equation modelling, descriptive analysis, discriminant validity, reliability of the variables, Cronbach's alpha, and regression coefficients.

4.1 Demographics

The study considered certain demographic parameters for a justified study. Table 2 depicts the distribution of respondents across genders and age groups. There were participants from the age group of 18 and above however the highest frequency was of the age group 18-25 which contributed to about 38.7 % of whole study. Next significant contribution was from age 26-35 of about 31.5%. The responses for this study have come from 68.1 % of males and 30.8% of females. The sample slightly underrepresents the Indian women. There is 1 % of sample who prefers not to say anything about their gender. Majority of the respondents are qualified to understand the questionnaire as they have educational qualifications of at least undergraduate or further. These individuals have different investment patterns. Only 19% of the populace is not investing at all. The majority is investing either frequently, often or seldomly.

Table 2. Demographics

S. No.	Classification	Category	Frequency	Percent
1	*Age*	18 - 25	216	38.7
		26 - 35	176	31.5
		36 - 45	48	8.6
		46 - 55	68	12.2
		56 and above	50	9.0
2	*Gender*	Male	380	68.1
		Female	172	30.8
		Prefer not to say	6	1.1
3	*Education*	Undergraduate	226	40.5
		Postgraduate	306	54.8
		Doctorate	26	4.7
4	*Investment*	Frequently	152	27.2
		Often	140	25.1
		Seldomly	160	28.7
		I don't invest	106	19.0

4.2 Construct Reliability

This study uses various constructs such as attitude, ethics, finance and behaviour as independent variables and corporate social irresponsibility as the independent variable. To understand the psychometric properties of the constructs and thereafter test the hypotheses, the data was checked for outliers. The questionnaire as mentioned in the Table 1 included multi variables with same scales. The affect of corporate social responsibility on the minds of the respondents followed a 5-point Likert scaled but was tested through a single question. Based on the variables there were various tests performed on the data collected. The mean and standard deviation of the variables were calculated using descriptive statistics analysis. The mean value ranged between 4.035 to 4.487 for Attitude towards Company (ATT). This is good mean value considering 5 being the highest positive point on the Likert scale. Similarly, the mean value for Ethical Issues (EI) ranges between 4.4 to 4.51 again holding a good relevance. The mean value for Financial Issues (FI) ranges between 4.351 to 4.465. The mean value for Behavioural Issues (BI) is ranging between 4.247 to 4.283.

The Cronbach Alpha value for all the variables is above 0.7 (Raykov and Marcoulides, 2011) thus proving their reliability. The variables are consistent and we can rely on the consistency. The composite reliability value of each of the constructs is above 0.7 which allows to rely on the constructs. The average variance extracted (AVE) was higher than 0.5 allowing the validity to be established. The alpha value, composite reliability value and AVE is shown in the Table 3.

Table 3. Psychometric Properties

Constructs	Mean	SD	Factor Loading	AVE	CR	Alpha
Attitude				0.525	0.764	0.754
ATT1	4.4875	0.65011	0.677			
ATT2	4.0358	0.74757	0.869			
ATT3	4.2939	0.68295	0.603			
Ethics				0.562	0.747	0.772
EI1	4.4444	0.64228	0.630			
EI2	4.5197	0.63879	0.681			
EI3	4.5054	0.63343	0.799			
Finance				0.512	0.723	0.763
FI1	4.4373	0.64719	0.585			
FI2	4.3513	0.69772	0.677			
FI3	4.4659	0.67109	0.781			
Behaviour				0.632	0.837	0.813
BI1	4.2509	0.72513	0.853			
BI2	4.2473	0.70376	0.767			
BI3	4.2832	0.71060	0.763			

4.3 Kaiser-Meyer-Olkin and Bartlett's Test of Sphericity

The Kaiser-Meyer-Olkin Test (KMO) is a test to determine the validity of data for further factor analysis. KMO is a sample adequacy test and the accepted degree of KMO is 0.5 and above. High KMO values indicates that the data is useful. The study shows that the KMO values are all above 0.6. The KMO of observed variables is between 0.639 and 0.715. It shows a good degree of sample adequacy. The correlation table also shows the square root of AVE ranging between 0.716 and 0.795. The correlation values can be seen in the Table 4 indicating a moderate to strong positive correlation.

To see if each component reflected a different dimension, the discriminatory validity of the scales was determined. Using standardised linear or covariance correlations, the constructs were correlated. The findings show discriminating validity indices between the various factors tested as they assume values far from 1. In order to further analyse this dependability, it was focused on to make sure that the correlation confidence interval between any two constructs did not equal 1. These values range between 0.716 and 0.795 as indicated in Table 4. To assess discriminant validity, the square root of average (AVE) for each idea and its squared correlations with all components are compared. The value of AVE ought to be higher than its correlations.

Table 5 indicates the goodness fit model. As per the present study the goodness fit index (GFI) along with normed fit index (NFI) and comparative fit index (CFI) is within the acceptable limits of threshold. The GFI greater than or equal to 0.9 falls in the satisfactory category and any value of GFI between 0.8 to 0.9 is an acceptable fit. The study shows that the value of GFI is 0.912 making it a satisfactory fit index. The NFI is 0.952 which again falls in the satisfactory index as it is greater than 0.9. The CFI is satisfactory index as per the table 5. However, the root mean square of approximation (RMSEA) is good category since the value is less than 0.08. Overall, this table shows the fitness of the study and adds further value to the hypotheses testing and the results thereby.

Table 4. Discriminant Validity

Constructs	KMO	ATT	EI	FI	BI
Attitude (ATT)	0.639	*0.725*			
Ethics (EI)	0.701	.460**	*0.750*		
Finance (FI)	0.690	.452**	.638**	*0.716*	
Behaviour (BI)	0.715	.429**	.528**	.533**	*0.795*

** Correlation is significant at the 0.01 level (2-tailed). The diagonal parentheses scores are the square root of AVEs of the individual constructs. Non-diagonal values are cross-construct squared correlations

Table 5. Goodness of Fit Model

Measure	Symbol	Range	Value
Normed Chi Square	Cmin/df	1.0<Cmin/df< 3.0	2.354
Goodness of fit index	GFI	GFI≥0.9 means satisfactory fit 0.8 < GFI <0.9 means acceptable fit	0.912
Normed fit index	NFI	NFI≥0.9 means satisfactory fit 0.8 < NFI <0.9 means acceptable fit	0.952
Comparative fit index	CFI	CFI≥0.9 means satisfactory fit 0.8 < CFI <0.9 means acceptable fit	0.957
Root mean square of approximation	RMSEA	RMSEA < 0.08 means good fit	0.063
		0.08< RMSEA<0.1 moderate fit RMSEA>0.1 means poor fit	

4.4 Regression Coefficient

To assess whether the constructs of ethics, finance, behaviour are favourable or unfavourable for an investor investing in company, the regression values have to be realised along with the significant values supporting the regression. Table 6 shows the regression values of these variables in unstandardised coefficients and standardised coefficients. The R^2 value of regression is 0.165. From the values we can see that ethical issues, financial issues and behaviour issues affect the attitude towards the company and thereby ultimately impacting the overall attitude of the investor in making a decision while investing in a company. The regression coefficient values are indicated in Table 6. It clearly shows that financial issues do not play a significant role in the decision making and attitude towards the company but ethical and behavioural issues certainly affect and are significant in making decisions while investing.

Table 6. Regression Coefficient

		Unstandardized Coefficients		Standardized Coefficients		
Regression	Values	B	Std. Error	Beta	t	Sig.
(Constant)		2.520	0.208		12.122	0.000
Ethics		0.203	0.057	0.189	3.585	0.000
Finance		0.084	0.054	0.082	1.550	0.122
Behaviour		0.195	0.045	0.209	4.354	0.000
R	0.407					
R Square	0.165					
Adjusted R Square	0.161					
Std. Error of the Estimate	0.522					

4.5 Structural equation model and hypothesis testing

Structural equation model is a tool to analyse the relationship between the independent and dependent variable along with the effects of the variables on each other. It is appropriate to test the hypothesis. Figure 1 is indicating the proposed model to test the variables and thereafter prepare the summary as presented in Table 7. It shows the supported and unsupported hypotheses as presented in the model. The hypotheses which are tested by the way of the SEM as CSIR←EI, CSIR←FI, CSIR←BI and CSIR←ATT. Further there is hypotheses proving mediating effects which proved through ATT←BI, ATT←BI and ATT←EI.

Table 7. Structural Equation Model Results

Structural Equation Model				Estimate	S.E.	C.R.	P	Label
H1	Corporate Social Irresponsibility	←	Ethical Issues	0.178	0.057	3.099	0.002	Supported
H2	Corporate Social Irresponsibility	←	Financial Issues	0.063	0.055	1.146	0.252	Unsupported
H3	Corporate Social Irresponsibility	←	Behavioural Issues	0.175	0.045	3.861	***	Supported

H4	Corporate Social Irresponsibility	←	Attitude towards company	0.112	0.048	2.317	0.02	Supported
H4a	Attitude towards company	←	Behavioural Issues	0.180	0.039	4.611	***	Supported
H4b	Attitude towards company	←	Financial Issues	0.192	0.047	4.061	***	Supported
H4c	Attitude towards company	←	Ethical Issues	0.228	0.049	4.626	***	Supported

Notes: ***p<0.001

The supported hypotheses can be located in the Table 6 where p values are less than 0.05. The p values showing *** indicate a value below 0.01 and thus are supported hypotheses. One hypothesis having value more than 0.05 i.e., 0.252 p value is an unsupported hypothesis. This hypotheses model and further the structural equation testing clearly shows that the ethical and behavioural issues related to corporate social irresponsibility have an impact on the investor's decision more than the financial issues of the company. The hypothesis setting a relation between the financial issues and the corporate social irresponsibility is not supported because of the indicated value of 0.252 whereas all other hypotheses where a relation between the ethical issues, behavioural issues and attitude towards the company is established along with the corporate social irresponsibility has been proven to be positive and significant. This shows that hypotheses *H1, H3, H4 (H4a, H4b, H4c)* are correct and proved as per the testing and the literature review supports it as well whereas the *H2* is not proved and remains unsupported.

4.7 Mediating Effect

All the variables have direct effect on the corporate social irresponsibility and in turn impact the investor's decision as well. Apart from the direct effect, one variable has a mediating effect as well. So, attitude towards the company is also studied under the light of having mediating effect on CSIR. Therefore, the Table 7 also shows the relationship between the attitude and ethical issues, financial issues and behavioural issues. It is interesting to find out that financial issues affect the attitude towards the company but doesn't necessarily affect the CSIR directly. By testing the mediating effect through hypotheses H4a, H4b and H4c it is established as presented in Table 7 that all the hypotheses are supported and have value below 0.05. Thus, it can be said that the attitude towards company certainly has a mediating effect on the relationship between ethical, financial and behavioural issues and corporate social irresponsibility.

5. Discussion, implication, limitations and scope of further research

5.1 Discussion

Based on the various theories and tests, the present study has to justify whether the issues of the corporate social irresponsibility and the acts by the company affect the investor's decision to further invest in a company. It ought to analyse the indirect and mediating effect of attitude towards a company on the relationship of investor and irresponsible acts of the company. The mediation analysis shows a positive connection and relation between the issues of CSIR and the investor decision. However, the financial issues under CSIR do not significantly affect the investor's decision.

The study indicates the ethical, behavioural issues having direct relation with CSIR and ultimately making impact on the investor's decision. So, this study affirms hypotheses H_1, H_3 & H_4. First, the justification for success of H_1 explains influence of ethics and its value for the investors of a company. Moral values are a vital aspect of any corporation and a company performing any acts which are morally and ethically irresponsible lead to a negative impact of the decisions of investments. Various factors make up the ethical issues of CSIR which affects the investors' decisions. The company's indulgence in unethical means of conducting business or past record of fraudulent conduct in business and the company's accountability towards the stakeholders are the ones recognised in the study. Hence, more ethics conscious companies tend to succeed and by indulging less in unethical acts, it gives them good space in market to grow and expand their business. Second, the justification of a positive relation and supported hypothesis containing behavioural issues under CSIR indicates the relevance of treatment and attitude of company not only towards the investors but also towards the employees. It is to be observed that a company ought to maintain behavioural standards with the employees as well as the investors. The dissatisfaction of employees, retaliation of employees against the company and a rigid approach towards the changing environment certainly affects any investor. Somewhere this reflects the morality of the company in following various norms while governing in a certain trend or manner. This most likely sends out goodwill of the company in the market thereby increasing the trust in the company. The faith is established in a fair working and planning of a company's business. Third, the connection of financial issues with irresponsible acts of the companies was to the contrary of the regular and obvious notion. The factors that constitute financial issues of CSIR affecting investor's decision includes economic crisis of the company, cosmetic approach of the company i.e. when they adopt a fake approach and show something to investors which is manipulated that helps the company gain financial benefits but hurts the investors (Mombeuil and Zhang, 2020). The economic status of a company holds relevance at various stages. The inappropriate auditing and accounting as per the hypothesis H2 should be affecting the investor's decisions. But to the contrary the investors are sacrificing the affect of financial issues for more important attributes such as ethics and behaviour. Most likely a company's bad financial health should result in irresponsible acts but the hypothesis testing shows to the contrary. The investors have lesser impact from financial issues of the company and if the company's business is ethical and behaviour is upright, the financial issues take a backseat. The effect of morality-ethics is more profound than economic parameters. Fourth, is the mediating effect of attitude towards company in investment decision. Vivid attributes can be measured to assess attitude of an investor towards a company but a few are considered in the study specific to investment. The investor's investment decision varies if the trust exists for the company's business, there is loyalty towards the company or the investor is familiar with the business practices. A pre-existing attribute of attitude definitely mediates the effects of other issues of CSIR on investors decision. In spite of ethical, financial and behavioural issues having direct affect on CSIR, the indirect effect is established by the mediating factor of attitude towards a company. Due to this mediation effect, all hypotheses as a part of the main hypotheses i.e., H_{4a}, H_{4b} *and* H_{4c} are supported and proved as shown in the Table 7.

5.2 Practical Implications

Based on the present study, it is pragmatic for the companies of sector to under their investors and accordingly initiate actions for a better market position through their investments. The companies can dive in deep into the smallest working groups in the business process and modify the business practices that suit the investor mindset. Concentrating on the smallest segments of the working of the company will ensure mitigation of corporate misconduct and irresponsibility. There can be intra-company campaigns to motivate the overall employee community in a company to be driven for better performance. A company with integrated values, morals and good behaviour definitely contributes to a positive affect on the company which mediates the affect on the investor eventually. Ultimately the corporations are in a social contract with the society to maximise the benefit in both spheres as they are utilising the resources available. A modern corporation is expected to function in favour of stakeholder good and avoid any corporate harm. The externalities have to be maintained for a better economic growth of a company. The control of corporate social irresponsibility will definitely viably use of workers, operations and will avoid the social costs attached to these externalities. The corporate governance holds a strong domination in the socio-economic position of a company in a market. For the same reason the corporations have started assuming more social responsibilities than the legal requirements. The findings of this study will help in better governance and to fill the void in international standards. The CSIR is portrayed as the evil of the corporate culture that the CSR fights (Alcadipani and Medeiros, 2019).

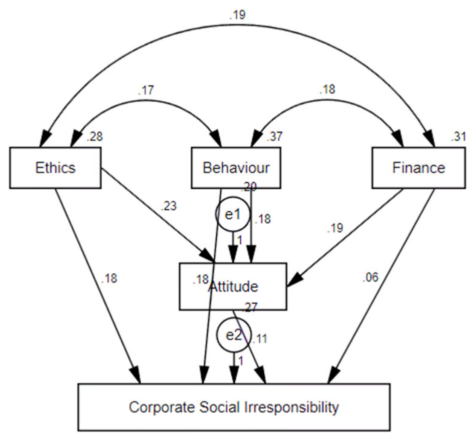
5.3 Legal Implications

The corporate social responsibility has been the sweeping discussion in the corporates since it has been introduced in India. The discussion avoids the juxtapose of a good deed to the society. The concept of CSR is been practiced in Indian companies by means of a legal sanction. However, the concept of CSIR is still in a nascent stage and can be developed by its engagement with legal theory of corporate harm. A strong legal base can be developed through change in the legislation governing the corporations in India and the regulation of the stocks in India. The change will support a positive change in the outlook and perspective of the companies while performing their tasks and following various business practices. When this concept is recognised legally, it will gradually have a conscious effort from the corporates to maintain the socio-economic status of the company in the market. Astound base in law will help in the practical implications of the study. Further, certain special committees can be established to conduct a deeper study into the matter before formulating any policy or creating sanctions for the corporates. Ultimately this will be step forward to more responsible and accountable companies in Indian market contributing to better international standards.

5.4 Study limitations and scope of future study

The major limitation of this study is the connection between CSR and CSIR. The aspects of CSR were not compared with CSIR. However, there are other studies in past that have established such relationships and analysed the consequences of the same. The study was conducted in top 3 metropolitan cities with investors only, leaving a larger scope of research in various other sectors and with a different population. The companies accepting investments in various forms can be centre of the flipped research. This way a greater spectrum will also help the companies to grow in varied aspects. The scholars, entrepreneurs can conduct a further study on the income of an individual and its connection and relation with the company and investment thereunder. The resources for this study were limited and thus technology has to be used to reach the respondents. This certainly restricts the study only to the urban population. The rural and sub-urban population should be considered in consensus and tandem with big companies. This will validate the existing findings and a clearer picture for the corporates. It is encouraged that the further research is endeavoured in other industries and an examination of influence of behaviour on the purchase intention or sale intention is conducted. Various other methodologies of research can be used to arrive at better results.

Figure 1. Structural Equation Modelling



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