

Article

An Explorative Study of Korean Venture Companies: Do CSR and Company Competitiveness Improve Non-Financial and Financial Performance?

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Abstract: For the sustainable growth of venture companies, this explorative study aimed to comprehensively analyze the factors affecting their performance. In addition, this study attempted to verify whether different or similar performance management should be performed according to the difference in characteristics of venture companies. In this study, corporate performance was classified into non-financial and financial performance and analyzed by dividing it into quantitative and qualitative growth. As factors influencing performance, this study analyzed corporate competitiveness compared to competitors and the number of CSR types in which companies participate. In addition, it intended to provide realistic implications and academic contributions to the performance management of venture companies by verifying whether differences in characteristics such as a company's start-up business year, growth stage, and industry should be reflected in corporate performance management as control variables.

Keywords: corporate social responsibility; firm performance; strategic competitiveness; MCF analysis



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1. Introduction

Given that the basic goals of a company are survival and growth, corporate social responsibility (CSR) has become an important core concept for sustainable growth regardless of the size and industry of the company. In the past, CSR was regarded as a voluntary and charitable effort or recommendation for a company. However, it is now becoming a core and inevitable social demand and essential task of sustainable management for corporate survival and growth. As it has become an important strategic tool for sustainable growth, active research is being conducted on CSR and management performance; however, most of the research has been conducted mainly by large companies. Therefore, research on SMEs or venture companies other than large companies is very scarce [1,2]. In particular, research on venture companies tends to be concentrated in their early start-up stages [3]; thus, access to more diverse stages is needed for the sustainable growth of venture companies.

In particular, the Korean government continues to provide policy support for the growth of technology start-ups and venture companies, suggesting “start-ups and innovative growth led by small and medium-sized ventures.” However, according to the “Venture Business Precision Survey” released in 2020, the survival rate was only 29% after five years of start-up, although start-up has increased. When comparing the management performance of large companies, SMEs, and venture companies, the net profit ratio of sales is 3.1% for large companies, 2.2% for small and medium-sized companies, and 0.5% for venture companies, respectively. Therefore, it is time for active CSR research on venture companies for their sustainable growth.

Although the Korean government's interest and investment in venture companies have increased, research on their survival and growth is still insufficient. In addition, CSR is being studied and practiced as an important factor in the business environment,

while research on the impact of CSR on venture companies is still insufficient. Therefore, the aim is to conduct an exploratory study that complements the limitations of previous studies and analyzes the factors affecting the performance of venture companies for their sustainable growth. To this end, an empirical study was conducted on the original data of the Venture Business Precision Survey (2020), which was conducted on government-approved venture companies. In this study, in addition to regression analysis with SPSS (v22.0, IBM: Armonk, NY, USA), we intend to comprehensively analyze the factors affecting a company's performance through path analysis with AMOS (v22.0, IBM: Armonk, NY, USA). Moreover, this study attempts to add cross-validity analysis between groups by MCF to verify whether different or similar performance management should be practiced according to the difference in characteristics of venture companies. It is intended to present realistic management implications for venture companies by comprehensively analyzing their management performance.

This paper consists of five sections. Section 2 summarizes previous studies and presents the purpose of the study, and Section 3 introduces variable measurement and analysis data in the research method. Section 4 presents the results of the empirical analysis, and Section 5 presents the conclusions, contributions, and limitations of this study.

2. Literature Review

2.1. Firm Performance

The performance of social responsibility refers to the visible effects of companies and organizations practicing social responsibility. In general, studies on the performance of social responsibility have mainly focused on financial performance [1,4–9], but non-financial performance [7,10–12] is also being studied. Financial performance refers to a performance that can be expressed in monetary terms. In general, this is an achievement that can be confirmed by financial statements and refers to the items of indicators and indices that can be calculated by such statements. Non-financial performance refers to a performance that cannot be expressed in money, which generally refers to performance based on qualitative aspects, subjective thoughts, or judgments. Studies have found that social responsibility has a positive effect on financial performance [1,2,6–8]. Pava and Krausz [7] found that a company that meets social responsibility has much better financial performance, or at least similar to that of a company that does not. Waddock and Graves [8] found that corporate social performance is positively connected to both current and future financial performance. Cummings [6] found that ethical portfolio selection is superior in terms of financial performance. In particular, it was suggested that ethical investment trusts are likely to earn excellent profits in the long run. Chun and Woo [5] confirmed that CSR activities did not affect management performance during the start-up or early growth period of venture companies, but companies that performed active CSR activities during the period of rapid growth showed superior management performance. Bahta et al. [13] found that in the case of SME companies located in Asmarashi, CSR has a direct positive effect on financial performance through the company's reputation. Khattak et al. [2] found that CSR also had a positive effect on environmental performance, financial performance, and innovation performance in Pakistan SMEs. However, some studies have found no or negative impact of social responsibility activities on financial performance [4,14,15]. Aupperle et al. [4] found that the cost of practicing social responsibility causes financial instability. Brammer et al. [14] said that, as result of studying corporate social performance and stock returns, although it could not be rationalized fragmentary, a negative relationship was found between social responsibility and financial performance. Nelling and Webb [15] found the relationship between CSR and financial performance to be insufficient compared to previous studies, which occurs in shareholder-centered cases. Their study suggests that stock market performance refers to the company's investment in CSR centered on labor relations rather than CSR activities that affect financial performance. Their study stated that CSR is a concept reflected in invisible corporate characteristics rather than financial performance.

Previous studies on social responsibility and corporate management performance have verified that the practice of social responsibility has a positive effect on financial performance [1,2,16,17]. This is also linked to the social atmosphere or social expectations of companies. Therefore, the results of these studies seem to justify encouraging the practice of social responsibility activities by offsetting the cost required to practice such activities for private companies seeking profit [1,2,16,17]. Research on the non-financial performance approach is a cognitive evaluation of organizational members, and various non-financial performances such as customer satisfaction [10], organizational trust [12], organizational commitment [18], turnover rate, and work satisfaction [11] are studied.

Therefore, this study focuses on the visible effects of corporate performance, especially to analyze financial and non-financial performance, encompassing both quantitative and qualitative growth. To this end, this study measures technological performance as a qualitative aspect of non-financial performance, total employees as a quantitative aspect, corporate sales as a quantitative aspect of financial performance, and a company's net profit as a qualitative aspect.

2.2. Corporate Social Responsibility

CSR refers to the activities that companies perform to meet the social obligations that their stakeholders expect and demand from them. Companies voluntarily try to analyze and accept stakeholders' social and environmental interests in their business areas. CSR can be defined as achieving continuous interaction with companies and stakeholders through this process. Compared to large corporations, it is a general idea that SMEs face difficulties and restrictions in practicing CSR due to the lack of human and material resources and economic poverty [19]. However, small and medium-sized venture companies cannot satisfy various stakeholders and meet social needs for CSR. In particular, a high level of CSR has been required regardless of the size and industry of the company in recent years, and information on the type and level of CSR has been disclosed to the public, directly affecting consumers' consumption decisions [13]. Accordingly, CSR research is expanding to SMEs and venture companies. Bahta et al. [1] found that CSR has a direct positive effect on financial performance through the company's reputation in SME companies located in Asmarashi. Khattak et al. [2] found that CSR has a positive effect on various performances factors (environmental, financial, and innovation) in SMEs in Pakistan. Hammann et al. [16] analyzed the effect of CSR activities on corporate performance for small and medium-sized enterprises in Germany. According to their research, CSR activities for employees, customers, and society were found to have a positive effect on financial performance. Kim et al. [20] analyzed the effect of CSR activities on corporate image and corporate product purchase intention for SMEs. According to their study, economic responsibility activities and charitable responsibility activities have a positive effect on the corporate image even during CSR activities. Lee and Yang [17] analyzed the effect of CSR activities on management performance through mediating effects of organizational culture types for small and medium-sized venture partners in Samsung Electronics' mobile business in Hanoi, Vietnam. According to their research, CSR activities had a positive effect on financial and non-financial performance, and at this time, relational and hierarchical cultures showed mediating effects.

Therefore, this study aims to analyze the effect of CSR participation and other kinds of participation on corporate performance by measuring the different types of CSR activities that companies practice.

2.3. Strategy Competitiveness

Companies always try to performance better compared to competitors within a specific industry and continue to pursue it. Various factors allow companies to secure competitiveness, but they can be largely divided into business process advantage, resource advantage, know-how advantage, market(share) advantage, product/service advantage, customer advantage, technology advantage, and human capital advantage [21]. An in-depth analysis

of competitiveness is needed because strategies and performances may differ due to the competitive advantage of companies. However, studies on SME competitiveness and performance are limited [22–24]. O’Farrell and Hitchens [24] analyzed the competitiveness and performance of small manufacturing firms in Scotland and Ireland. According to their matched pairs of comparative analysis, several policies were drawn. Man et al. [23] investigated relationships between entrepreneurial characteristics and firm performance of SMEs. Their study provided evidence of the direct and indirect contribution of the entrepreneur’s opportunity, relationship, innovative, human, and strategic competencies in affecting the long-term performance of an SME. Baporikar [22] analyzed the influence of business competitiveness on SME performance in Namibia. The findings show that although ABR has a sound credit rating with local financial institutions and opportunities for growth, it also needs to invest in equipment to become more competitive and strengthen its market.

Therefore, this study aims to analyze the effect of competitiveness on corporate performance by dividing and measuring the competitiveness of companies compared to competitors into development, manufacturing, and marketing capabilities.

3. Methodology

3.1. Measurement

This study was conducted according to the research model shown in Figure 1, based on previous studies. To analyze the factors affecting the management performance of venture companies, with performance as a dependent variable, this study includes the quantity and quality of non-financial performance and financial performance. As for quantity non-financial performance, the total number of employed workers was measured. For quality non-financial performance, the total number of patent applications and registrations were counted. As for quantity financial performance, the total sales of a company was measured. For quality financial performance, the net profit of a company was measured. As for the independent variable, this study includes two factors: corporate competitiveness and CSR. A survey measures a company’s competitiveness by the degree to which it perceives that a company has more tangible and intangible resources than its competitors, and R&D capability, manufacturing capability, and marketing capability are measured using a 5-point Likert score (1 = very low to 5 = very high). CSR is measured by the number of CSR types that a company is practicing. Moreover, the start-up business year, corporate growth stage, and industry were considered as control variables. The variables used in this study are summarized in Table 1.

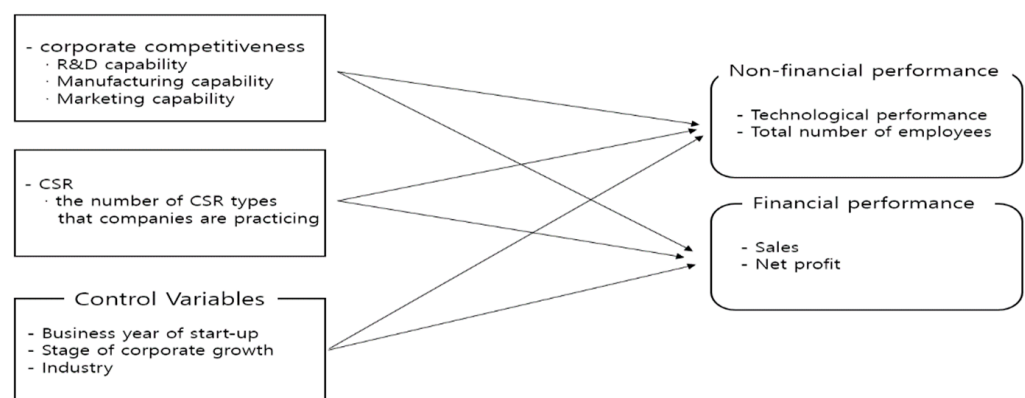


Figure 1. Research Model.

Table 1. Measurement of Variables.

Type of Variables		Items
Dependent variable	Non-financial performance	Technological performance Number of patent applications and registrations (patent rights, utility model rights, design rights, trademark rights, etc.)
		Total number of employees Total number of employed workers (regular workers + non-regular workers)
	Financial performance	Sales Sales of a company (1 Mil.)
		Net profit Net profit of a company (1 Mil.)
Independent variable	Corporate competitiveness (Compared to the competitor)	R&D capability The level of competitiveness of a company compared to its perceived competitors (choose: 1—very low, 2—low, 3—average, 4—high, 5—very high)
		Manufacturing capability
		Marketing capability
	CSR	The number of CSR types that companies are practicing (range: 0~6) (choose all relevant items: donation, talent donation, creating shared value, community service, sponsorship, etc.)
	Business year of start-up	(choose: 1—under 3 years after establishment, 2—4–10 years, 3—11–20 years, 4—Over 21 years)
Control variable	The stage of corporate growth	What do you think is the growth stage of a company? (choose: 1—founding period, 2—early growth period, 3—rapid growth period, 4—maturity period, 5—decline period)
	Industry	(choose: 1—self-manufacturing, 2—manufacturing + outsourcing, 3—all outsourcing, 4—non-manufacturing)

3.2. Data

This exploratory study aims to analyze the factors affecting the performance of venture companies. This study used raw data from the Venture Business Precision Survey (2020), which is a government-approved notice with public confidence. The Venture Business Precision Survey is the annual survey conducted by the Ministry of SMEs and Start-ups and the Korean Venture Business Association. The detailed survey of venture companies is highly reliable because the CEO, executives, and managers directly respond, and it consists of systematically structured questionnaires and the accumulate data are considered to have high validity for use in research. The Venture Business Precision Survey (2020) used in this study was based on 2500 data samples provided by the public data portal (data.go.kr, accessed on 13 September 2021) by surveying and analyzing 36,503 venture-certified companies as of the end of December 2019. In particular, 2200 items of data were used in this study, excluding 300 participants who did not participate in the CSR survey. Table 2 summarizes the characteristics of the samples used in this study.

This exploratory study aims to analyze the factors affecting the performance of venture companies using frequency analysis, correlation analysis, and regression analysis with SPSS 22. In addition, this study used path analysis with AMOS 22. Moreover, to verify whether different management should be performed according to the differences in the characteristics of venture companies, this study used cross-validity analysis between groups by MCF to confirm whether similar management is irrelevant.

Table 2. Sample Characteristics.

		N = 2200	N	%
Business year	under 3 years		128	5.8
	4–10 years		846	38.5
	11–20 years		872	39.6
	over 21 years		354	16.1
Business growth stage	founding period		34	1.5
	early growth period		398	18.1
	rapid growth period		771	35.0
	maturity period		982	44.6
	decline period		15	0.7
Industry	Self-manufacturing		739	33.6
	Manufacturing + Outsourcing (M&O)		620	28.2
	All-outsourcing		100	4.5
	Non-manufacturing		741	33.7

4. Results

Before analyzing the causal relationship of the factors affecting the management performance of venture companies, this study performed correlation analysis and presented the results in Table 3. The highest correlation is 0.696 for the total number of workers and sales. Mean and standard deviation (S.D) of the independent and dependent variables are shown in Table 3.

Table 3. Correlation Analysis Results.

	Mean	S.D.	1	2	3	4	5	6	7	8	9	10	11
1	2.66	0.81	1										
2	3.25	0.81	0.618**	1									
3	2.38	1.26	−0.139**	−0.030	1								
4	3.72	0.65	0.104**	0.059**	−0.124**	1							
5	3.41	0.81	0.190**	0.114**	−0.233**	0.453**	1						
6	3.29	0.69	0.156**	0.092**	−0.143**	0.560**	0.476**	1					
7	0.33	0.56	0.165**	0.143**	−0.100**	0.175**	0.236**	0.197**	1				
8	12.98	24.53	0.294**	0.193**	−0.199**	0.242**	0.238**	0.217**	0.227**	1			
9	52.18	67.46	0.326**	0.227**	−0.069**	0.217**	0.245**	0.286**	0.262**	0.367**	1		
10	17605.29	28480.94	0.277**	0.186**	−0.143**	0.121**	0.213**	0.241**	0.251**	0.335**	0.696**	1	
11	429.47	4571.62	0.027	0.017	−0.041	0.040	0.044*	0.053*	0.060**	0.094**	0.215**	0.354**	1

Note: ** < 0.01, * < 0.05 1. Business year, 2. Business growth stage, 3. Industry, 4. R&D capability, 5. Manufacturing capability, 6. Marketing capability, 7. Number of CSRs practiced type, 8. Number of registered industrial property rights, 9. Total number of employees, 10. Sales, 11. Net profit.

To analyze the factors affecting the management performance of venture companies, this study conducted a step-wise regression analysis for each management performance, and the results are summarized in Table 4. All analyses were conducted in two stages to examine the factors that affect management performance. In step 1 (M1), the effects of the start-up business year, corporate growth stage, and industrial dummy variables were analyzed by considering only the control variables. In step 2 (M2), corporate competitiveness and CSR factors were added and analyzed along with the control variables.

Table 4. Step-wise Regression Analysis Results.

B(t)	Non-Financial Performance				Financial Performance				
	Technological Performance		Total Number of Employees		Sales		Net Profit		
	M1	M2	M1	M2	M1	M2	M1	M2	
Business year of start-up	0.250 ** (9.656)	0.212 ** (8.368)	0.293 ** (11.308)	0.241 ** (9.678)	0.240 ** (9.127)	0.194 ** (7.607)	0.022 (0.789)	0.011 (0.383)	
Business growth stage	0.033 (1.291)	0.023 (0.918)	0.040 (1.551)	0.026 (1.083)	0.033 (1.262)	0.019 (0.755)	0.004 (0.153)	0.000 (0.018)	
Control variable	Self-manufacturing	del.	0.137 ** (5.920)	del.	−0.027 (−1.206)	del.	0.076 * (3.254)	del.	0.040 (1.572)
	Manufacturing + outsourcing	−0.049 * (−2.112)	0.087 ** (3.823)	−0.043 + (−1.882)	−0.059 * (−2.607)	−0.045+ (−1.925)	0.037 (1.582)	−0.057 * (−2.329)	−0.017 (−0.685)
	All-outsourcing	−0.053 * (−2.521)	0.029 (1.440)	−0.078 ** (−3.678)	−0.066 * (−3.308)	−0.055 * (−2.586)	−0.005 (−0.262)	−0.021 (−0.952)	0.001 (0.045)
	Non-manufacturing	−0.182 ** (−7.780)	del.	−0.030 (−1.263)	del.	−0.122 ** (−5.131)	del.	−0.051 * (−2.055)	del.
Corporate competitiveness	R&D capability		0.134 ** (5.512)		0.042 + (1.767)		−0.064 * (−2.615)		0.008 (0.286)
	Manufacturing capability		0.058 * (2.466)		0.067 * (2.900)		0.066 * (2.777)		0.009 (0.345)
	Marketing capability		0.036 (1.466)		0.161 ** (6.615)		0.169 ** (6.780)		0.030 (1.103)
CSR	The number of CSR types that companies are practicing		0.133 ** (6.537)		0.165 ** (8.292)		0.171 ** (8.353)		0.048 * (2.146)
	Adj. R ²	0.111	0.171	0.111	0.200	0.087	0.154	0.002	0.004
	F(Sig)	55.810 **	51.450 **	56.082 **	62.226 **	42.821 **	45.513 **	1.662	2.012 *

Note: ** < 0.000, * < 0.01, * < 0.05, + < 0.1.

First, it increased from 11.1% to 17.1% when comparing the explanations of M1 and M2 in technical performance analysis, which is a qualitative non-financial performance. In other words, technological performance is better explained when competitiveness and CSR are added than only reflecting corporate characteristics. As a result of the analysis, the order of significant influence on technological performance was found to be the start-up business year (0.212), self-manufacturing (0.137), R&D capability (0.134), CSR practice number (0.133), manufacturing + outsourcing (0.087), and manufacturing capability (0.058). In other words, in terms of corporate characteristics, the longer the start-up operating year and the higher the manufacturing and manufacturing + outsourcing industries rather than outsourcing or non-manufacturing businesses, the higher the technological performance. In terms of corporate competitiveness, the better the R&D and manufacturing capabilities and the higher the number of CSR practices, the higher the technological performance.

Second, it increased from 11.1% to 20.0% when comparing the explanations of M1 and M2 in the analysis of the total number of employees, which is a quantitative non-financial performance. In other words, the total number of employees as a non-financial performance is better explained when competitiveness and CSR are added than when only corporate characteristics are reflected. As a result of the analysis, the order of significant impact on the performance was found to be the start-up operating year (0.241), CSR practice number (0.161), marketing capability (0.067), all-outsourcing (−0.066), and manufacturing + outsourcing (−0.059). In other words, in terms of corporate characteristics, the longer the start-up operating year, the more employees there are and the fewer total employees in outsourcing and manufacturing + outsourcing industries than in manufacturing and non-manufacturing industries. In terms of corporate competitiveness, the better the marketing and manufacturing capabilities, the larger the total number of employees, and the larger the number of CSR practices, the larger the total number of employees.

Third, when comparing the explanations of M1 and M2 in sales analysis, which is quantitative financial performance, it increased from 8.7% to 15.4%. In other words, sales performance is better explained when competitiveness and CSR are added than when only reflecting corporate characteristics. As a result of the analysis, the order of significant impact on performance was found to be the start-up business year (0.194), CSR practice number (0.171), marketing capability (0.169), self-manufacturing (0.076), manufacturing capability (0.066), and R&D capability (−0.064). In other words, in terms of corporate characteristics, the longer the start-up business year, the greater the sales, in particular, of that of the manufacturing industry than other industries. In terms of corporate competitiveness, the better the marketing and manufacturing capabilities, the larger the sales, while the better the R&D capabilities, the lower the sales, and the larger the number of CSR practices, the larger the sales.

Finally, in the analysis of net profit, which is a qualitative financial performance, M1 showed insignificant results, while M2 showed sufficient and explanatory power of 0.4%. The net profit performance has a more meaningful explanation when competitiveness and CSR are added rather than corporate characteristics. The analysis revealed that the CSR practice number (0.048) was the only variable that significantly affected net profit performance. In other words, it seems that companies that practice CSR in various ways tend to have higher net profit during the term.

To verify the comprehensive impact and degree of explanation between variables, this study used path analysis and summarized the results in Table 5. Path analysis explored the effect of corporate competitiveness and CSR on non-financial performance and financial performance, excluding control variables; the model fit value results were CMIN = 12.300, DF = 10, $p = 0.000$, CMIN/DF = 1.230, GFI = 0.999, NFI = 0.997, IFI = 0.997, CFI = 0.997, and RMSEA = 0.072. The analysis revealed that corporate competitiveness and CSR explained 10.8% of technological performance, 13.6% of total employment performance, 11.1% of sales performance, and 0.6% of net profit performance. The influence values were slightly different compared to the regression analysis results, but the significant influence and direction were almost identical. In terms of the size order of the impact, the number of CSR practice (0.166), development capabilities (0.129), and manufacturing capabilities (0.122) had a significant positive effect on technological performance. In addition, the path analysis results showed that marketing competency (0.059) also had a positive effect on technological performance. The number of CSR practice (0.198), marketing capabilities (0.181), and manufacturing capabilities (0.095) had a positive effect on total employees. The number of CSR practice (0.201), marketing capability (0.189), and manufacturing capability (0.107) had a positive effect on sales, and development capability (−0.068) also showed a significant negative effect. Finally, only the number of CSR practices (0.049) had a significant effect on net profit. Overall, we confirmed that the influence of CSR was the variable that had the greatest influence on corporate performance.

Table 5. Comprehensive Relation Result by Path Analysis.

Dependent Variable	Independent Variable	St. Estimate	S.E.	C.R.	<i>p</i>	
Non-financial performance	Technological performance (0.108)	R&D capability	0.129	0.944	5.121	***
		Manufacturing capability	0.112	0.727	4.681	***
		Marketing capability	0.059	0.904	2.302	0.021
		The number of CSR types that companies are practicing	0.166	0.906	7.973	***
	Total number of employees (0.136)	R&D capability	0.038	2.546	1.542	0.123
		Manufacturing capability	0.095	1.963	4.038	***
		Marketing capability	0.181	2.438	7.202	***
	The number of CSR types that companies are practicing	0.198	2.445	9.645	***	

Table 5. Cont.

Dependent Variable	Independent Variable	St. Estimate	S.E.	C.R.	<i>p</i>	
Financial performance	Sales (0.111)	R&D capability	−0.068	1087.635	−2.723	0.006
		Manufacturing capability	0.107	838.351	4.484	***
		Marketing capability	0.189	1041.490	7.423	***
		The number of CSR types that companies are practicing	0.201	1044.400	9.676	***
	Net profit (0.006)	R&D capability	0.007	185.671	0.265	0.791
		Manufacturing capability	0.013	143.115	0.523	0.601
		Marketing capability	0.033	177.793	1.235	0.217
		The number of CSR types that companies are practicing	0.049	178.290	2.246	0.025

CMIN = 12.300, DF = 10, *p* = 0.000, CMIN/DF = 1.230, GFI = 0.999, NFI = 0.997, IFI = 0.997, CFI = 0.997, RMSEA = 0.072

Note: *** < 0.000.

In addition, in this study, cross-validity analysis between groups by MCF was added to verify whether different or similar performance management should be performed according to the difference in characteristics of venture companies. This study attempted to examine the start-up business year, corporate growth stage, and industry reflected as control variables in this study among the characteristics of venture companies. In particular, cross-validity analysis between groups by MCF was added to see if there was a group difference between the start-up business year and industry, which was found to have a significant effect on corporate performance (see Table 4). Through MCF analysis, we attempted to verify whether group comparison was meaningful. Based on the results of the group comparison, it is expected to provide implications for whether differences between groups are necessary for the performance management of venture companies. In this study, the *p*-value of the χ^2 difference between constraints is summarized in Table 6 by analyzing the MCF group difference between the start-up operating year and the industry that showed a significant effect in Table 4. As a result of the analysis, both the *p*-value of the χ^2 difference in the start-up operating year and the industry were 0.000. In other words, group comparison cannot be achieved because group homogeneity has not been secured, and group comparison is meaningless. In other words, the effect of CSR and competitiveness on corporate performance, which is the research model of this study, is not related to the difference in start-up business year or industry. Therefore, it means that even if the start-up business year and industry are different, corporate performance can be managed the same or similarly.

Table 6. Result of Group Cross-Validation Analysis by MCFAs.

	χ^2	$\Delta\chi^2$	<i>p</i> of $\Delta\chi^2$
Business Year	Unconstrained Model	20.164	128.797
	Measurement Weights Model	148.961	
Industry	Unconstrained Model	9.317	148.143
	Measurement Weights Model	157.460	

5. Conclusions

5.1. Implication and Contribution

For the sustainable growth of venture companies, this exploratory study attempted to comprehensively analyze the factors affecting their performance. In addition, this study attempted to verify whether different or similar management should be performed according to the difference in characteristics of venture companies. In analyzing corporate performance, non-financial and financial performance were classified, and quantitative and qualitative were also classified. In this study, corporate competitiveness compared to

competitors and the number of CSR types in which companies participate were analyzed as major factors influencing performance. In addition, the aim was to provide realistic implications and academic contributions to the performance management of venture companies by verifying whether differences in characteristics such as a company's start-up business year, growth stage, and industry should be reflected as moderating variables.

Based on the analysis results of this study, five implications can be proposed for managing corporate performance. First, technological performance was analyzed with non-financial and qualitative growth performance variables, which were measured by the number of patent applications and registrations. As a result of the analysis, it was found that the technological performance increased as the R&D and manufacturing capabilities representing corporate competitiveness increased. In addition, it was found that the more diverse the number of CSR practice, the higher the technological performance increased. Therefore, if a venture firm wants to improve technological performance, that is, to increase the number of patent applications and registrations, it must improve its R&D and manufacturing capabilities compared to those of the competitors. To this end, companies will make investments and practices in improving actual development and manufacturing capabilities. Moreover, not only should they participate in CSR but also carry out various types of CSR activities. Second, the total number of employees was analyzed as non-financial and quantitative growth performance variables, which were measured by the number of regular and non-regular workers. As a result of the analysis, as the manufacturing and marketing capabilities representing corporate competitiveness increase, the total number of employees increased. In addition, the total number of employees increased as the number of CSR practice increased. Therefore, if venture companies want to achieve quantitative growth with an increasing number of employees, they will have to invest and practice higher manufacturing and marketing capabilities than their competitors. Moreover, not only should they participate in CSR but also carry out various CSR activities. Third, sales were analyzed as financial and quantitative growth performance variables, measured as corporate sales (million won). On the one hand, the analysis revealed that the increase in development capabilities representing corporate competitiveness reduced sales, while manufacturing capabilities and marketing capabilities increased sales. Therefore, for sales growth, companies should invest and practice improving manufacturing and marketing capabilities compared to competitors. On the other hand, it was found that an increase in development capability negatively affects sales, but it is difficult to intentionally reduce the development capability, and more research should be conducted on the relationship between development capability and sales. For example, sales may have decreased due to development costs invested in increasing development capabilities, or there may be a time gap between development capabilities and sales. Moreover, not only should the companies participate in CSR but also carry out various types of CSR activities. Fourth, net profit was analyzed as a financial and qualitative growth performance variable, which was measured as the company's net profit (million won). The analysis showed that only the number of CSR practice types in this study model had a significant effect on net profit. Therefore, to increase net profit during the term, it is necessary not only to participate in CSR but also to perform various types of CSR activities. Fifth, as factors affecting performance, the start-up operating year and industry had a significant effect, especially on technological performance, total employees, and sales. Therefore, this study attempted to verify whether performance management should be implemented differently depending on the start-up business year and industry. Consequently, it was found that there was little difference between the start-up business year and the industry. Therefore, it would be okay to implement the same or similar management regardless of the difference in the start-up year of the company and the difference in the industry.

In addition, this study makes several academic contributions. This is an empirical study on Korean venture companies, which has been insufficient in the existing literature. In particular, as few studies have empirically analyzed the relationship between venture

company performance and CSR, it can be used as a basic study for future research related to the sustainable growth of venture companies.

5.2. Limitations and Future Study

Despite the above implications, this study has three limitations for future studies to overcome. First, it was analyzed using the influencing variable and the result variable at the same time point. However, the influence of competitiveness and CSR can affect performance over time. In addition, performance may affect competitiveness and CSR. Therefore, in future studies, it is necessary to conduct a time series analysis [25] that can reflect the time difference between the influencing variable and the result variable. Second, in this study, only competitiveness and CSR were considered as factors influencing the performance of venture companies. In Korea, however, the use of various venture support systems can be an important factor in situations where there are more start-ups based on national and local government support than self-sustaining venture companies, and the presence of partner organizations can be an important factor. Therefore, future studies need to reflect the effects of venture company support policies and programs, as well as the types and relationships of partner organizations [21]. Third, in this study, CSR was analyzed as the number of CSR types practiced by companies. To analyze the effectiveness of CSR in depth, analysis by CSR type [26] seems to give more specific implications to various companies.

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