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How Do Green Investment, Corporate Social Responsibility Disclosure, and Social Collaborative Initiatives Drive Firm's Distribution Performance?*

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Abstract

Purposes: The purpose of this study is to develop and test a possible model that investigates the relationships between green investment, CSR disclosure, social collaboration initiatives, and firm distribution performance to deal with environmental change because it's become the major stakeholder since it affects increasingly global company performance index. **Research methodology:** In this study a quantitative method was adopted. The 220 respondents were owners and managers of manufacturing enterprises from Indonesia. The structural equation model (SEM) was used to test the hypotheses, and the Partial Least Square (SmartPLS) was used as the data analysis tool. **Findings:** The study's finding shows that green investment has a significant effect on CSR disclosure, and CSR disclosure has a positive relationship with social collaborative initiatives and the firm's distribution performance. Similarly, social collaborative initiatives also significantly impact a firm's distribution performance. **Limitations:** This study uses variables that are still abstract and have not been able to regress the dimensions contained there into conclusion variables for each antecedent variable. In addition, this study only used a sample with a small scope, namely Central Java Province, Indonesia. **Contribution:** The findings of this study contribute to the body of literature in the field of organizational management and support the agency and stakeholder theories. For the practical contribution, this study provides the way to build and implement green-based investment strategies as a competitive edge and improve firm's distribution performance.

Keywords : Green Investment, CSR Disclosure, Social Collaboration Initiatives, Distribution Performance, Manufacturing Companies.

JEL Classification Code: D30, L20, L25, D25.

1. Introduction

Manufacturing companies actively contribute to air pollution and other environmental damage and disturbance

created by the company's logistics operations (Kirono, Armanu, Hadiwidjojo, & Solimun, 2019). Various manufacturing companies in Indonesia have contributed to air pollution and environmental and logistics problems

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(Ramdani & Witteloostuijn, 2010). Therefore, in the management process of the firm, the concept of green investment is successfully utilized. The companies have succeeded in making innovations to increase product value through green investment, reducing environmental costs that result in better firm's distribution performance (FDP). Therefore, implementing corporate social responsibility (CSR) realizes the firm's better performance in real terms. Which will have a significant impact on the emergence of legitimacy for reducing adverse effects of company's activities on the environment and the probability value of the company when the company successfully implements green investment and CSR (Alhadid & Abu-Rumman, 2014; Chen, Lai, & Wen, 2006; Weng, Chen, & Chen, 2015). Based on the background of the problem above, green investment and CSR tools from various manufacturing companies could provide a better form of ethics that may increase firms competitiveness and profitability (Li et al., 2014; Marc Orlitzky, Siegel, & Waldman, 2011; Mishra & Suar, 2010). The issue of global social responsibility (CSR) has been able to reduce pressure from stakeholders and competition among existing companies (Li et al., 2014). Similarly, practices of CSR in the firms' regulations help reduce the policy conflict between managers inside and outside the firm (King & Lenox, 2002; Klassen & Whybark, 1999). Various academic debates conducted in previous research have shown that CSR can increase corporate value (Madueno, Jorge, Conesa, & Martínez-Martínez, 2016). Prior studies proved the role of CSR in expanding a company's growth either directly or through (Okwemba, Chitiavi, Egessa, Douglas, & Musiega, 2014; Olowokudejo, Aduloju, & Oke, 2011). Thus, companies that do not implement CSR may not reap the benefits of having a better performance compared to companies that implement CSR programs. Madueno et al. (2016) also found a significant relationship between CSR implementation and FDP. The practice of CSR in companies that focus on manufacturing will promote environmental involvement and inclusion of the wider community as a provider of raw materials, which will become an ethical obligation to disclose CSR as a moral and ethical requirement (Post, Rahman, & Rubow, 2011).

The results of previous studies have succeeded in showing the role of CSR and environmental sustainability (ES) in improving firm's distribution performance (Kirono et al., 2019). Researchers have recently started to examine the role of CSR on a firm's distribution performance through the inclusion of SCI. Viewing the SCR as the interaction of better performance provides a broader concept that allows the researcher to evaluate more firms' strategies in adopting green investment and SCI (Handayani, Wahyudi, & Suharnomo, 2017). A review of previous literature shows that the perspective of CSR conceptualized the CSR contract as a multi-dimensional construct (Franceschelli, Santoro, &

Candelo, 2018); however, this unidimensional construct is unlimited the understanding because it generally aggregates the significant aspects of CSR. Similarly, Aguenane (2020) determined that the companies can engage in CSR and SCI simultaneously by resulting the better performance.

Furthermore, our study will extend the CSR literature and answer how green investment, CSR disclosure, and SCI drive firm's distribution performance? Moreover, the findings still provide academic space to further explore the value of firm performance through other factors such as CSR disclosure and environmental sustainability. Therefore, this study proposed and tested a model for enhancing financial performance based on green investments and CSR disclosure through a social collaboration initiative.

2. Literature Review And Hypothesis Development

2.1. Agency Theory

The agency theory explained the contract between the principal and the agent. Managers of a company carry out the delegation of their principals to run a company according to the employment contract (Jensen & Meckling, 1976). The management as agents have broader information than principals because they are directly involved in managing the company, so there is often a conflict of interest between agents and principals when there is an information asymmetry. Because there is a distinction between the agent and the principal, i.e., shareholders, this sort of conflict of interest is commonly referred to as an agency conflict of interest. The agents, i.e., managers, may want to improve welfare, but the principals may want to increase wealth from the investments made in the company; thus, the principal always strives to increase the company's value. In this case, the owner must pay agency fees to alleviate the conflict and investment deficiencies. To reduce the agency link that becomes the cause of the conflict, an internal mechanism structure known as great business governance needs to be implemented. Internal corporate governance is expected to provide as a framework for investors to optimize their level of investment and provide a significant increase in the company's value (Mulyani et al., 2021). It means that managers will act honestly in running the company according to corporate governance, avoid any form of fraud and embezzlement, and invest in promising projects that add value to principal investors. It will reduce costs associated with conflict of interest (Napitupulu, Primiana, Nidar, Effendy, & Puspitasari, 2020). In other words, the implementation of good governance is one indicator that ensures managers as agents will work well to achieve the company's goal of increasing the prosperity of the shareholders. As measured by the increase in company value,

shareholder prosperity will create added value for investors to make investment decisions in social and environmental activities (Dang, Pham, Nguyen, & Nguyen, 2020). Environmental performance and CSR activities carried out by firms will ensure that the management will make better efforts to increase value for firms and their investors (Dang et al., 2020).

2.2. Stakeholder Theory

The application of stakeholder theory has increased in recent years (Friedman & Miles 2002), which has also contributed to management literacy by revealing more knowledge about the role of managers. The stakeholder theory argued that managers are not the sole agents of the principals (investors) but agents for all company stakeholders (Hill & Jones, 1992). The relationship between agency theory and stakeholder theory states that firm's distribution performance is also significantly related to social performance (Orlitzky et al., 2011). Firms that want to maximize shareholder profits and maintain reputation in the future must think comprehensively to integrate various parties, not only shareholders but also external stakeholders. To acquire the trust of stakeholders, the corporation must engage incorporate actions that promote social and environmental values that are aligned with the company's objectives (Aerts & Cormier, 2009). Despite managers' responsibility to maximize shareholder value in the near term, they are also required to produce long-term value by meeting the requirements of the company's other stakeholders. As a result, organizations may need to build a monitoring mechanism to govern management actions so that they do not contradict the firm's and the general stakeholder's goal of well-being.

2.3. Green investment and CSR disclosure

Progressive changes primarily emanate from the increasing pressure of stakeholders and service behavior, leading to the implementation of new strategies that help remain more competitive and improve efficiency (Atif, Alam, & Hossain, 2020; Karásek & Pavlica, 2016). The empirical literature on green investment has provided evidence that green investment could lead to sustainable development and improve the firm's distribution performance. Factors that influence these investments have influenced other factors from an investment point of view, so the fundamentals in investing are defined as an asset class that differs between stocks, bonds, and investments (Iig, 2019; Rokonuzzaman & Hattori, 2021).

In a broad sense, green investment described as an investment that considers the long-term viability of the business by incorporating investments in the social

environment, governance, and socially responsible investment (Martin & Moser, 2016; Indriastuti & Chariri, 2021). Environmental policies regulated by governments that aim to reduce pollution must be of great concern to managers because it is in the stakeholders' interest and serves as an essential determinant of firm sustainability. Thus, social responsibility by firms will promote efficient conservation of resources (Xing, Xia, & Guo, 2019; Yen, 2018). Green investment has become increasingly popular among academics and practitioners due to its promising impact on environmental improvements that support the ecological environment (Chițimiea, Minciu, Manta, Ciocoiu, & Veith, 2021). Green investment is also responsible for ecological civilization, such as reducing house gases, air pollution, substantially reducing the production process, and consumption of non-energy products. Green investments and environmental practices play a key role in various aspects by assisting firms in responding to stakeholders' current and evolving challenges (Xing et al., 2019; Yen, 2018).

The results of research conducted by the Carbon Disclosure Project (CDP) in South Africa have succeeded in revealing that organizations that integrate ecology and green concepts can reduce carbon emissions and improve financial performance effectively. Corporate social responsibility, which emphasizes stakeholder aspects, can also comprehensively increase the firm value and solve social problems emanating from adopting various holistic thoughts. Academic debate conducted on managers and principals by previous researchers shows that firms can solve their social problems using negative externalities integrated with their business activities (Lee et al., 2011). It encourages the firm to actively address social issues while maintaining its core aim of maximizing company resources (Ahmad & Ahmad, 2021).

One factor contributing to increasing the company's economic value is social responsibility which is one of the green investment concepts as an investment decision on the surrounding environment. Results of various previous empirical studies show that green investment impacts the level of CSR based on the perspective of various theoretical developments. Therefore, in this study, the following hypotheses were proposed.

H1: Green investment has a positive effect on CSR disclosure.

2.4. CSR Disclosure and Collaboration Initiative

Conflicts that emerge between the firm and its stakeholders due to negative externalities from physical activities, through CSR transparency, can be handled and cooperation program. The business council has provided a

form of development that defines CSR as a business commitment that can contribute to the universe's development, especially the environment and the economy, in a sustainable manner through a collaborative process of working with their employees. Families of the employees and other stakeholders are part of the local community whose orientation is to improve their quality of life which is beneficial for business and company development. CSR can improve the community's welfare through business practices with their commitments. The report carried out in CSR is a comprehensive economic policy reporting related to environmental, organizational, social, and product performance in the company's sustainable development. CSR is, therefore, a report on development challenges and opportunities that will bring this core to excellence in terms of competition in the same industrial sector.

Social cooperation is significant because it serves as a standard for explaining disputes between the corporation and other stakeholders due to the negative externalities of their economic activity. The link between socially relevant patterns and CSR is documented in previous scholarly disputes. The existence of CSR has been able to encourage companies to carry out various social collaborations that will make it easier for companies to implement CSR programs that are in line with the company's vision and mission (Ayman Othman & Abdellatif, 2011). Previous research has also shown that companies' recent implementation of CSR can provide a form of collaboration between non-profit organizations and the government to create social value effectively and efficiently (Seitanidi & Crane, 2009). According to the findings of much empirical research, corporations and non-profit organizations who collaborate to promote cross-sectoral social collaboration are predicted to aid in implementing their social obligation to the environment. As a result, the following hypotheses were proposed:

H2: CSR disclosure has a positive effect on the social collaborative initiative.

2.5. CSR Disclosure, Social Collaboration Initiative, and Firm's Distribution Performance

Understanding CSR refers to the concept of long-term recognition of a company's efforts to benefit society. As the organization could consider philanthropic efforts and employee health-related initiatives as effective ways to gain the trust of all stakeholders. The concept of corporate social responsibility is a value that can positively maintain social elements related to numerous notions of society and stakeholders (Snider, Hill, & Martin, 2003; Chow & Chen, 2012). Therefore, the implementation of CSR disclosure and social collaborative initiative is an attempt to use company

resources effectively to increase the profits expected by the company without any element of unethicity (Celinmar, 2021; Snider et al., 2003; Selcuk & Kiymaz, 2017). The pyramid on social responsibility as a framework for determining corporate social responsibility consists of four responsibilities: legal aspects, economics, ethics, and philanthropy, which are the foundation of economic responsibility. The layer of legal obligation focuses on the company's compliance with the law needed to regulate its operations. Ethical responsibility is used for veracious and fair actions regarding employee rights and environmental commitments when conducting operations within the company. The legal responsibility layer focuses on compliance with the law necessary to regulate firms' functions and ethical obligations to operate righteously and fairly.

The philanthropic layer means the businesses' contribution to the community from its resources. According to Carroll (1991), these generous layers focus more on CSR disclosure implementation to improve a firm's distribution performance (FDP). Philanthropy has lately emerged as a criterion for assessing a company's performance related to its working environment. CSR is a concept that considers the long-term consequences of a company's activities on societal well-being (Elkington, 2013). Companies utilize CSR to build relationships with stakeholders by effectively managing philanthropic initiatives and employee well-being. As a result, CSR's primary goal is to promote social principles linked with individuals and society (Dempsey, Bramley, Power, & Brown, 2011). CSR focuses on the relationship between corporations and society. According to Friedman & Miles (2002), corporate social responsibility (CSR) utilizes company resources to achieve profits without dishonesty or deception. Carroll (1991) defined corporate social responsibility (CSR) as the practice of a corporation operating in such a way that it is economically sustainable that the law serves as the foundation for evaluating corporate laws and ethics. The firm contributes to society in which it operates through donations of its resources such as talent, finance, and time.

Carroll (1991) established the social responsibility pyramid to describe corporate social responsibility. Economic, legal, ethical, and philanthropic duties are all included in the framework of responsibilities. Economic responsibility is the bottom of the pyramid, which asserts that a firm's ability to generate profits is a fundamental commitment. The second tier of the pyramid is legal responsibility, which is concerned with adhering to the laws that govern the organization's activities. The third level of accountability is an ethical responsibility, which entails acting ethically by doing what is right and fair in all situations. Their highest-level obligation, philanthropic

responsibility, advises that businesses offer part of their resources; this top layer is more closely associated with corporate social responsibility (CSR) (Celinmar, 2021). Improved business reputation, competitive edge, transparency, and pushing staff to embrace sustainable development are some of the benefits of corporate social responsibility (Herzig & Schaltegger, 2006). According to Maignan & Ferrell (2001), CSR-enabled firms increase income while cutting costs. CSR has also been considered a tool for achieving excellence and increasing financial success (Alexander & Buchholz, 1978). Corporate social responsibility (CSR) Disclosure has a tremendous impact on stakeholder trust and, when done correctly, may be advantageous to the company. The greater the corporation's commitment to social responsibility, the smaller its risk (Giacosa, Ferraris, & Bresciani, 2017).

Companies work on social responsibilities from institutional theory because three main aspects of institutional pressure have their respective roles, namely from the stakeholder side (Buallay, Hamdan, & Zureigat, 2017). Firms disclose social problems to lessen negative impacts by decreasing their operations to fit their employees' environmental production activities. However, companies must focus on building skills to prevent workplace accidents and gender discrimination, giving social responsibility internally, such as minimizing workplace prejudice (Porter, 1991). In practice, companies' social resources can be considered inputs in company development (Ahmad & Ahmad, 2021). In addition, information on social responsibility by the company will also increase a positive relationship with the company's financial performance (Margolis & Walsh, 2003). However, the findings on the relationship between social and corporate performance were contradictory; for instance, Balabanis, Phillips, and Lyall (1998) revealed that the relationship between social performance is negative, meaning that the increase in social performance does not show a significant increase in the company's financial performance. The abovementioned considerations conclude that economic and market organizations may be unable to take advantage of social concerns to create social benefits if CSR is considered in their operational success measures. According to the findings of several prior research, businesses committed to social responsibility will grow and deploy resources to achieve a relatively high level of profitability. As a result, the following hypotheses were offered.

H3: CSR disclosure has a positive effect on firm's distribution performance.

H4: Social collaborative initiative has a positive effect on firm's distribution performance.

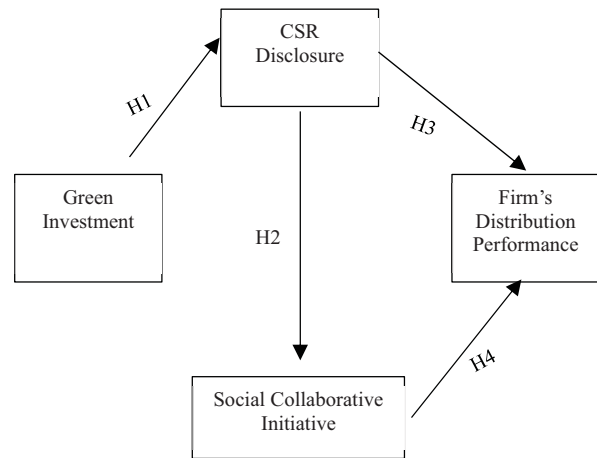


Figure 1: The Conceptual Framework

3. Research Methodology

3.1. Population and Sampling Method

This study used the manufacturing industry listed on the Indonesia stock exchange in 2017-2021 because they have a huge contribution to the environmental pollution in Indonesia. A non-probability method, purposive sampling was used to collect the data from the population. Firms are selected by following such criteria. First, manufacturing firms that are registered and published their reports. Second, manufacturing firms that are acting the green investment activities. Based on this criterion, 480 firms were selected for the data collection. Data collection was done using quantitative methods from the owners and managers of manufacturing companies in Indonesia's East and Central Java regions. The researcher makes the phone call to get the appointment from managers of 480 registered manufacturing firms. In which of the 315 agreed to participate in this study. We send the 315 structured survey questionnaires to these companies by email and follow-up by phone calls. We received an active response of 243 from 315 companies in two months. From the 243 responses, the 220 questionnaires were usable after the screening process. The four-variable presented in this study were measured using a multi-item scale adapted from prior investigations.

3.2. Respondents Profile

The owners and senior managers of manufacturing firms were the units of analysis. 27% of the total respondents are owners, and 73% are senior managers, including 139 males (62%) and 81 females (38%). Regarding age, 10% of the

total respondents are 20-30 years old, 44% are aged 31-40 years, and 46% are over 41 years old. As per the education level, 45% of the respondents have a high school education, 43% have a bachelor's degree, and 12% have a master's degree.

Questionnaire Development and Measurements

This study adapted the questionnaire from previous studies. The 5-items were accessed from Luan, Tien, and Chen (2016) and Indriastuti and Chariri (2021) for the variable green investment. CSRD is accessed from the following studies (Buallay et al., 2017), including 6 items. Similarly, the 5-items adopted for the social collaboration initiative and 4-items for firm's distribution performance were adopted (Handayani et al., 2017). The respondents were asked to indicate their opinion using a 5-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree).

4. Data Analysis

4.1. Results of PLS-SEM Analysis

The hypotheses were examined using partial least squares structural equation modeling (PLS-SEM) in this study. According to Farrukh, Khan, Raza, and Shahzad (2020), PLS-SEM is an effective technique-based model in social sciences research. For data analysis in smartpls, a sample size of more than 200 is judged adequate (Hair Jr, Hult, Ringle, & Sarstedt, 2017). A two-stage analytic technique was used in this investigation. First, the PLS-SEM approach is utilized to analyze the validity and reliability of the data using the measurement model. Factor loadings must be at or above the 0.70 criterion to be considered reliable, and composite reliability must likewise be at or above the 0.70 standards (Nunnally 1978). The items CSRD 5, CSRD6, and SCI5, were deleted during the data analysis since their values were less than the threshold. The average variance extracted (AVE) is another criterion for the measurement model, acceptable at the minimum value of 0.50. Table 1 shows that all validity and reliability threshold values have been fulfilled.

Table 1: Construct Reliability and Validity

Variables	Items	Loading Factor	Cronbach's Alpha	rho_A	(C.R)	(AVE)
CSR Disclosure	CSRD1	0.835	0.899	0.902	0.930	0.768
	CSRD2	0.911				
	CSRD3	0.882				
	CSRD4	0.875				
Firm's Distribution Performance	FDP1	0.813	0.873	0.875	0.913	0.725
	FDP2	0.837				
	FDP3	0.893				
	FDP4	0.859				
Green Investment	GI1	0.826	0.900	0.902	0.926	0.716
	GI2	0.841				
	GI3	0.823				
	GI4	0.886				
	GI5	0.852				
Social Collaboration Initiative	SCI1	0.810	0.890	0.893	0.924	0.753
	SCI2	0.893				
	SCI3	0.910				
	SCI4	0.855				

Source: Calculated by the author

The discriminant validity is evaluated using the Fornell and Larcker (1981) criteria. According to Fornell and Larcker (1981), the discriminant validity is established if the latent variable accounts for more than the other latent or indicator variables and should be greater than the correlation

between the variables. The results conclude that the model has high discriminant validity based on the data and cross-loadings. The discriminant validity and cross-loadings results in table 2 demonstrate that discriminant validity was attained.

Table 2: Discriminant validity and Crosss Loading

Variables	CSR Disclosure	Firm's Dis Performance	Green Investment	Social Collaboration Initiative
CSR Disclosure	0.876			
Firm's Pistribution Performance	0.338	0.851		
Green Investment	0.395	0.803	0.846	
Social Collaboration Initiative	0.486	0.426	0.447	0.868
Cross Loading				
CSR1	0.835	0.298	0.329	0.399
CSR2	0.911	0.315	0.366	0.466
CSR3	0.882	0.271	0.328	0.402
CSR4	0.875	0.298	0.359	0.431
FDP1	0.259	0.813	0.710	0.388
FDP2	0.277	0.837	0.754	0.326
FDP3	0.295	0.893	0.813	0.375
FDP4	0.320	0.859	0.780	0.357
GI1	0.310	0.681	0.826	0.393
GI2	0.351	0.754	0.841	0.414
GI3	0.329	0.774	0.823	0.314
GI4	0.318	0.812	0.886	0.389
GI5	0.357	0.785	0.852	0.378
SCI1	0.367	0.358	0.375	0.810
SCI2	0.438	0.387	0.406	0.893
SCI3	0.438	0.369	0.385	0.910
SCI4	0.438	0.364	0.385	0.855

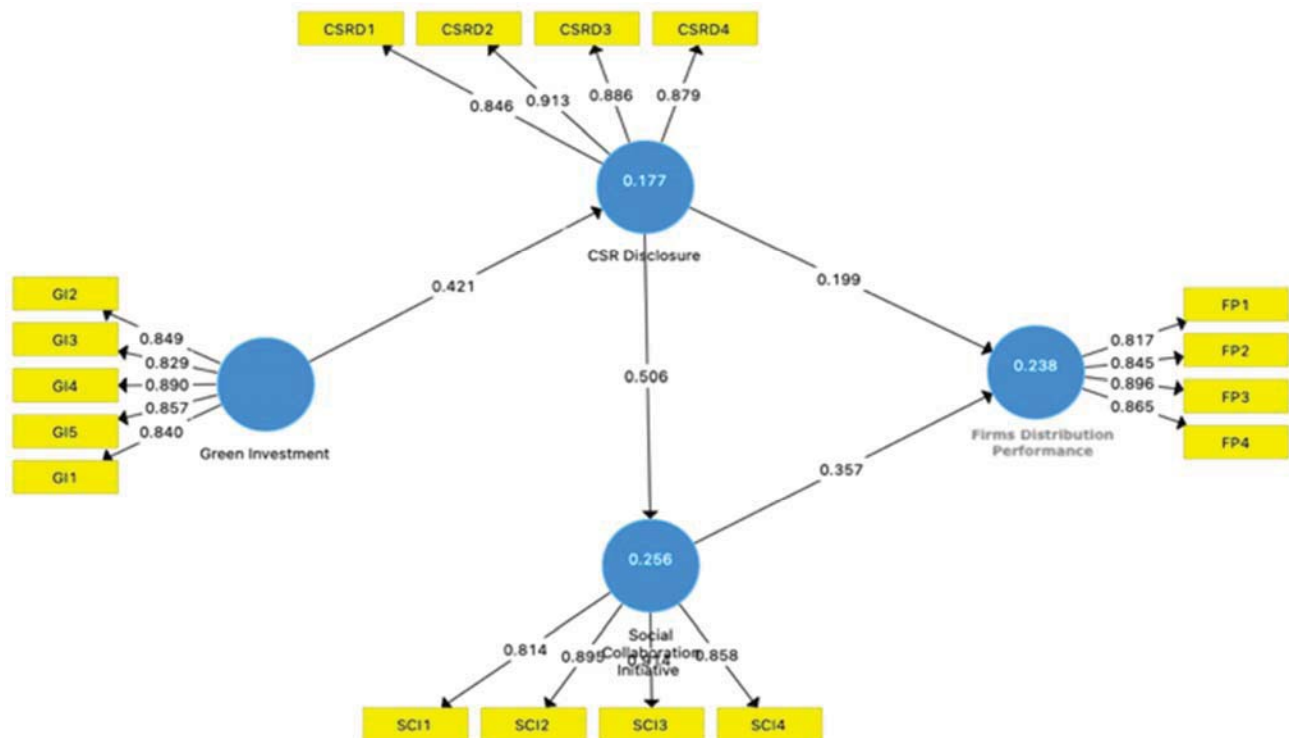


Figure 2: Measurement Model



Figure 3: Structural Bootstrapping

4.2. Structural Model Evaluation

Second, the hypotheses were analyzed to assess the significance of the hypotheses between constructs. It is calculated using the bootstrapping method with a sample size of 220 and a subsample size of 5,000 (Hair et al., 2017). At a significance level of $p < 0.05$, the hypotheses were tested using the beta (β) and the t-value. Green investment and CSR disclosure (Table 3), i.e., green investment CSR disclosure, the structural path findings demonstrate a strong association between the strategic role of green investment and CSR disclosure ($\beta = 0.397$, $t = 6.598$, $P = 0.000$). As a result, H1 is supported. The influence of CSR disclosure on the social collaborative initiative is described in Table 3,

which describes the structural connection model between CSR disclosure and SCI. The pathfinding analysis reveals a strong association between the role of CSR disclosure and SCI (at $\beta = 0.490$, $t = 9.157$, $P = 0.000$). As a result, H2 is acceptable. The impact of CSR disclosure on firm's distribution performance (Table 3). CSR disclosure was also shown to be significantly connected to firm's distribution performance ($\beta = 0.344$, $t = 4.197$, $P = 0.000$). As a result, the H3 hypotheses have been statistically supported. The results demonstrate a strong positive link between the role of social collaborative initiative and firm's distribution performance (at $\beta = 0.170$, $t = 2.165$, $P = 0.031$). Thus, H4 is also supported.

Table 3: Hypothesis Testing

	Hypotheses	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T- Values	P Values	Results
H1	Green Investment -> CSR Disclosure	0.395	0.397	0.060	6.598	0.000**	Supported
H2	CSR Disclosure -> Social Collaboration Initiative	0.486	0.490	0.053	9.157	0.000**	Supported
H3	Social Collaboration Initiative -> Firm's Distribution Performance	0.342	0.344	0.082	4.197	0.000**	Supported
H4	CSR Disclosure -> Firm's Distribution Performance	0.172	0.170	0.079	2.165	0.031**	Supported

Source: calculated by the author. Note: *, $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$, respectively.

5. Discussion

This study aims to test a model for improving firm's distribution performance based on green investment, CSR disclosure, and social collaboration initiatives. Our proposed model is complex, incorporating the direct effect on the firm's distribution performance. However, the proposed model is empirically supported and shows that green investment, CSR disclosure, and SCI are beneficial for the firm's distribution performance. Similarly, the study's findings also contribute to the agency theory and stakeholder theory.

Green investment has found significant at ($P = 0.000$) with CSR disclosure. So, this support the findings of the previous studies (Chițimiea et al., 2021; Indriastuti & Chariri, 2021). However, green investment initiatives such as the restation program significantly impact the company's profitability because it is the main goal of the company's main goalers regarding attention to environmental and logistics performance (Chițimiea et al., 2021). Its profitability advantages include the ability to impact high selling power for green products, reduce operating costs, competitive advantages in a greenway, and provide green business opportunities that can continue to be optimally realized. The second point of view of this great investment is the efficiency of green production. These risks can be minimized efficiently while also producing green financial instruments that can be developed from this strategy. The financial investment that can be developed with this strategy is that there are quite essential financial benefits related to the company's green investment initiatives. Therefore, once the company gets a higher profit, the background of this form of green decision has become a form of reflection on the company's general goal of making a profit. Still, the process is also accompanied by attention to the sustainability of environmental performance. This awareness is built based on the company's main goal of implementing grand investment decisions because of the company's image and legal issues that have been created to protect the environment (Ilg, 2019). This corporate image

will generate corporate legitimacy increase trust from customers, and the credibility of the company's products will encourage leadership in a green company.

Similarly, the CSR disclosure have significant effect on the social collaborative initiative at at ($P = 0.000$) and also have positive effect on the firm's distribution performance and significant at ($P=0.031$). However, the findings are also support to the findings of Selcuk and Kiymaz (2017) and Indriastuti and Chariri (2021). Many researchers discovered a link between CSR and business performance, which has enhanced corporate reputation, consumer preferences, and social legitimacy (Madueno et al., 2016; Indriastuti & Chariri, 2021). However, studies have shown that

organizations that participate in various CSR activities have higher sales than those that do not participate (Madueno et al., 2016; Lee et al., 2011).

Companies can also benefit from the concept of sustainability and green culture (Xing et al., 2019; Yen, 2018). CSR can increase the company's social performance both to the environment and the surrounding community. It will produce a social activity as a business strategy to bring its competitive advantage. This social activity is part of a strategic plan that can significantly influence the company's business strategy because this strategy will have an impact on improving the company's performance to provide social, environmental, and economic benefits. An organization's ability to think strategically about forming a social collaboration has been implemented by manufacturing companies using various external resources to overcome various limitations. It will increase its effectiveness by fulfilling the organization's social obligation to the environment, society, and workers.

Similarly, this study also finds the significant effect of social collaboration initiative on firm's distribution performance. So, the finding shows that SCI is significant at ($P=0.000$) by supporting the findings of Selcuk and Kiymaz (2017), and Babalola (2012). The social collaborative initiative may also boost corporate participation in lowering environmental concerns, notably pollution, which can be minimized by generating various green products. The implementation of SCI will inspire social cooperation projects that will raise firm's distribution performance by manufacturing various green goods, allowing enterprises to improve their reputation and position to produce greater competitive advantage. This competitive edge may be obtained through developing new markets, which will eventually lead to improved performance for the organization. It is a systemic influence of various social collaboration initiative which will lead to the execution of social cooperation activities, which will directly impact the business distribution performance (Indriastuti & Chariri, 2021). As stated by various previous studies, a collaborative initiative is needed to create a transfer of information that is quite efficient. It is also an experience that can resolve the difficulties in implementing SCI. The company's social collaboration can be considered a strategy that can bring the company to better performance. When there is social collaboration, it will increase the company's social ability to be actively involved in providing a form of contribution to the solution of problems faced by the company when the company faces social and environmental problems in their distribution process.

This environmental concern needs to be supported by the concept of green corporate stakeholders so that environmental laws need to be enforced. These interests include consumers, employees, and other environmental

interest groups, including green investment and green government institutions (Selcuk & Kiyamaz, 2017). Therefore, initiatives towards the green government need attention in drafting green policies and environmental laws. Investment practices that have been carried out so far can take the form of green technology adaptation, green energy and waste management adoption, and attention to energy and electric vehicles. Manufacturing companies also need to apply concepts in green logistics, green supply chains, environmental certification, green innovation, and green accounting and carbon activities. This strategy is expected to be integrated with green information technology and clean production, representing its green program because it is the essence of its main goal.

6. Conclusion

The results of this study indicate that the conceptual model proposed to solve problems in improving the performance of companies based on limited investment and social performance has succeeded in showing significant results. The hypothesis accepted in this study indicates that these variables can become a key to improving firm's distribution performance, such as green investment, CSR disclosure, and social collaboration initiatives. However, these variables can simultaneously provide a solution to environmental challenges. Improvement in the company's performance is related to the benefits obtained when the company complies with environmental regulations and protection laws.

Green investments and CSR seek to build an investment model that can supply goods and services that fulfill the demands of sustainable consumption. The green investment will also help firms and customers avoid disputes by increasing consumer health, environmental education, and environmental preservation. These steps can lessen external stakeholder disputes. This study's main conclusion is the impact of green investment on CSR disclosure and CSR disclosure on collaborative initiatives and business performance. It suggests that CSR has given a harmful emission reduction effect by manufacturing green products. It may be done through recycling things, using resources wisely, and manufacturing eco-friendly products. When this is done, it can promote societal engagement in CSR, increasing environmental sustainability and social welfare. Thus, organizations must develop an external and internal collaborative effort to guide CSR to boost company performance. This research lays the groundwork for future research to enhance environmental activities. This study's conclusions should help organizations implement CSR, social collaboration, and green investment to improve corporate distribution performance.

7. Limitations and Future Study Area

Green investment, social collaboration initiatives, and CSR disclosures used in this study have not been dimensionally used to contribute to the firm's distribution performance. The population and sample used in this study are based only on manufacturing industries located in Central Java; this shows that the research scope in this study is still narrow. Future researchers are expected to use dimensional variables more precisely than those used in this study. In addition, future research is expected to add new variables to the model proposed, such as institutional pressure variables, green supply chain management, green growth, and sustainable corporate performance to improve optimally firm's distribution performance. In addition, wider sample area can be selected, perhaps using the manufacturing industry listed on the Indonesia Stock Exchange or other countries.

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