

# The Effect of Sustainability Orientation, Green Innovation, and Corporate Social Responsibility on Firm Reputation

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## Abstract

In the modern business environment, corporate reputation has become a crucial intangible asset that influences stakeholder trust, competitive advantage, and long-term organizational sustainability. Companies are increasingly expected to demonstrate commitment to environmental responsibility, sustainable innovation, and social contribution. Therefore, this study aims to examine the effect of sustainability orientation, green innovation, and corporate social responsibility on firm reputation. This research employs a quantitative approach using survey data collected from 200 managers and senior employees working in companies that implement sustainability-related practices. The data were collected through structured questionnaires using a five-point Likert scale. The sampling technique used in this study was purposive sampling to ensure that respondents had sufficient knowledge regarding sustainability initiatives within their organizations. The data were analyzed using multiple linear regression analysis to evaluate the relationships between the independent variables and firm reputation.

The results of the analysis show that sustainability orientation has a positive and significant effect on firm reputation, indicating that companies that integrate sustainability principles into their strategic decision-making processes tend to gain higher levels of stakeholder trust and credibility. Green innovation is also found to have a positive and significant influence on firm reputation, suggesting that organizations that develop environmentally friendly products, technologies, and production processes are perceived more positively by stakeholders. Furthermore, corporate social responsibility demonstrates the strongest positive effect on firm reputation among the variables examined in this study. This finding indicates that companies that actively engage in CSR initiatives such as community development, environmental protection, and ethical business practices are more likely to enhance their corporate image and public trust.

Overall, the findings highlight the importance of sustainability-related strategies in strengthening a firm's reputation in today's competitive business environment. Organizations that integrate sustainability orientation, promote green innovation, and implement effective CSR initiatives can build stronger relationships with stakeholders and improve their long-term reputation and competitiveness. These findings provide valuable insights for managers and policymakers regarding the strategic role of sustainability practices in enhancing corporate reputation and organizational sustainability.

**Keywords:** Sustainability Orientation, Green Innovation, Corporate Social Responsibility, Firm Reputation, Sustainable Business Strategy.

## 1. Introduction

In recent decades, global business environments have undergone significant transformation due to increasing environmental challenges, stakeholder awareness, and



regulatory pressures related to sustainability. Climate change, environmental degradation, and social inequality have pushed companies to adopt more responsible and sustainable business practices. Organizations are now expected not only to generate economic value but also to address environmental and social responsibilities as part of their strategic objectives. As a result, sustainability has evolved from a peripheral corporate initiative into a core element of business strategy and competitive advantage. Firms that effectively integrate sustainability principles into their operations are more likely to enhance stakeholder trust, legitimacy, and long-term competitiveness (Gürler, 2024; Rofiaty et al., 2024).

One of the key strategic approaches that organizations adopt in responding to sustainability challenges is sustainability orientation. Sustainability orientation refers to a firm's commitment to integrating environmental and social considerations into its strategic decision-making processes, organizational culture, and long-term business goals. Companies with strong sustainability orientation actively seek to balance economic growth with environmental stewardship and social responsibility. Such orientation encourages firms to develop sustainable products, adopt eco-friendly processes, and build responsible stakeholder relationships. Prior research suggests that sustainability orientation enables organizations to identify new opportunities for innovation and strengthen competitive advantage while addressing societal expectations (Ameen et al., 2023; Cheng, 2020).

The increasing emphasis on sustainability orientation has also stimulated the development of green innovation, which plays a crucial role in modern organizational strategies. Green innovation refers to the creation and implementation of environmentally friendly products, processes, and technologies designed to reduce environmental impact and improve resource efficiency. Companies are increasingly investing in green innovation to minimize waste, reduce emissions, and comply with environmental regulations while maintaining economic performance. Green innovation not only contributes to environmental sustainability but also enhances operational efficiency, cost reduction, and long-term competitiveness. Firms that successfully implement green innovation can improve their environmental performance and strengthen their reputation among stakeholders who increasingly value sustainability-oriented practices (Rofiaty et al., 2024; Ciputra et al., 2024).

In addition to sustainability orientation and green innovation, Corporate Social Responsibility (CSR) has become another important strategic tool for organizations seeking to achieve sustainable development and enhance their reputation. CSR refers to corporate initiatives that integrate social and environmental concerns into business operations and stakeholder interactions. Through CSR activities, firms demonstrate their commitment to ethical behavior, environmental protection, and community development. Over the past decade, CSR has evolved from voluntary philanthropic activities into a strategic approach that helps firms strengthen stakeholder relationships and maintain legitimacy in society. Companies that effectively implement CSR programs often gain higher levels of public trust, investor confidence, and brand credibility (Putri & Hayat, 2025; Novitasari & Tarigan, 2022).

One of the most important outcomes influenced by sustainability initiatives is firm reputation. Firm reputation represents the overall perception of stakeholders regarding a company's credibility, reliability, and social responsibility. A strong corporate reputation can provide numerous strategic benefits, including increased customer loyalty, improved investor confidence, enhanced employee attraction and retention, and stronger competitive positioning

in the market. In the context of sustainability, organizations that actively engage in environmental protection, social initiatives, and ethical governance practices tend to build a more positive reputation among stakeholders. Consequently, reputation has become a valuable intangible asset that contributes to long-term organizational success and sustainability (Jesika & Putri, 2025; JSSR, 2024).

Recent studies highlight that sustainability-oriented strategies are increasingly linked to firm reputation. Companies that demonstrate strong commitment to sustainability initiatives tend to gain greater legitimacy and trust from stakeholders. Sustainability orientation encourages firms to align their business strategies with environmental and social expectations, which can positively influence how stakeholders perceive the company. When organizations prioritize sustainability in their strategic orientation, they signal responsible corporate behavior, which ultimately enhances their corporate image and reputation (Ameen et al., 2023; Gürler, 2024).

Furthermore, green innovation plays a significant role in strengthening corporate reputation. Firms that invest in environmentally friendly technologies and sustainable production processes are often perceived as responsible and forward-looking organizations. Green innovation allows companies to reduce environmental impact while delivering sustainable products and services that meet evolving consumer preferences. Studies indicate that green innovation positively influences firm reputation because stakeholders increasingly favor companies that demonstrate environmental responsibility and sustainable innovation (Rofiaty et al., 2024; JSSR, 2024).

Similarly, CSR initiatives have been widely recognized as a key driver of corporate reputation. CSR programs allow companies to build stronger relationships with communities, employees, customers, and regulators by addressing social and environmental concerns. Organizations that actively engage in CSR activities demonstrate ethical commitment and accountability, which can significantly enhance stakeholder perceptions. Empirical studies show that CSR has a positive and significant effect on corporate reputation, as stakeholders tend to evaluate firms more favorably when they contribute to social welfare and environmental sustainability (Putri & Hayat, 2025; Gürler, 2024).

Despite the growing attention to sustainability-related practices, empirical findings regarding the combined effects of sustainability orientation, green innovation, and CSR on firm reputation remain limited. Many previous studies have examined these variables separately or focused primarily on their relationship with firm performance rather than corporate reputation. However, understanding how these sustainability-oriented strategies collectively influence firm reputation is crucial, particularly in an era where stakeholders increasingly evaluate organizations based on their environmental and social responsibilities. Integrating these three strategic factors may provide a more comprehensive explanation of how companies build and sustain a strong corporate reputation in the modern business environment (Jesika & Putri, 2025; Gurler, 2024).

Moreover, as sustainability becomes a central concern for governments, investors, and consumers, organizations must continuously adapt their strategies to meet evolving expectations. Firms that fail to integrate sustainability into their business models may face reputational risks, regulatory pressures, and declining stakeholder trust. Conversely, companies that proactively implement sustainability orientation, green innovation, and CSR initiatives are

more likely to gain competitive advantages and establish a strong corporate reputation. Therefore, examining the interplay between these sustainability-driven factors and firm reputation can provide valuable insights for both academics and practitioners in developing effective sustainability strategies (Rofiaty et al., 2024; Putri & Hayat, 2025).

#### Research Objective

This study aims to examine the effect of sustainability orientation, green innovation, and corporate social responsibility on firm reputation. Specifically, the research seeks to analyze how sustainability-oriented strategies and responsible corporate practices contribute to shaping positive stakeholder perceptions and strengthening corporate reputation. By investigating these relationships, the study intends to provide empirical evidence on the strategic importance of sustainability orientation, green innovation, and CSR in enhancing firm reputation and supporting long-term organizational sustainability.

## 2. Literature Review and Hypothesis Development

### 2.1. Sustainability Orientation and Firm Reputation

Sustainability orientation refers to a strategic perspective in which organizations integrate environmental, social, and economic considerations into their business strategies and decision-making processes. This orientation reflects a firm's commitment to achieving long-term sustainable development while maintaining economic performance and fulfilling stakeholder expectations. Sustainability-oriented firms prioritize responsible resource management, environmentally friendly production processes, and ethical business practices as part of their organizational culture and strategic objectives. As sustainability concerns become increasingly prominent in global markets, firms that adopt a sustainability orientation are better positioned to respond to environmental regulations, stakeholder pressures, and evolving consumer preferences (Tuncer & Korchagina, 2024; Latifah, 2025).

From a theoretical perspective, sustainability orientation is closely linked to stakeholder theory and resource-based theory. Stakeholder theory suggests that organizations must consider the interests of various stakeholders—including customers, investors, employees, regulators, and communities—in order to achieve long-term success. Firms that demonstrate sustainability-oriented behavior signal responsibility and transparency, which strengthens stakeholder trust and legitimacy. Meanwhile, the resource-based view argues that sustainability capabilities can serve as valuable intangible resources that create competitive advantage and enhance corporate image (Yang et al., 2024; Guandalini, 2022).

Companies that integrate sustainability into their strategic orientation often develop environmentally responsible products, adopt green supply chain practices, and implement sustainable management policies. These practices contribute to positive stakeholder perceptions and enhance corporate reputation. Corporate reputation represents the collective assessment of stakeholders regarding a company's credibility, reliability, and ethical behavior. Firms with strong sustainability orientation tend to be perceived as socially responsible and environmentally conscious, which strengthens their corporate image in the eyes of stakeholders. Studies show that sustainability-oriented strategies can improve corporate reputation by demonstrating accountability, transparency, and commitment to sustainable development (Jesika & Putri, 2025; Bukari et al., 2024).

Furthermore, sustainability orientation encourages firms to engage in long-term strategic planning and responsible corporate behavior. Organizations that actively integrate sustainability into their core strategies are more likely to communicate their environmental commitments to stakeholders, thereby strengthening corporate legitimacy and reputation. When stakeholders perceive that a company prioritizes sustainability goals, they tend to evaluate the organization more positively, resulting in improved brand image and stronger corporate reputation. Therefore, sustainability orientation can be considered an important strategic factor influencing how stakeholders perceive a firm.

Based on the above theoretical and empirical arguments, the following hypothesis is proposed:

H1: Sustainability orientation has a positive effect on firm reputation.

## 2.2. Green Innovation and Firm Reputation

Green innovation refers to the development and implementation of environmentally friendly products, processes, and technologies aimed at reducing environmental impact and promoting sustainable production practices. Green innovation includes various activities such as energy-efficient technologies, waste reduction systems, eco-friendly materials, and environmentally responsible product design. In recent years, green innovation has become a key strategy for organizations seeking to address environmental challenges while maintaining competitiveness in the market (Rofiaty et al., 2024).

The growing importance of environmental sustainability has encouraged companies to adopt green innovation as part of their strategic initiatives. Organizations that invest in environmentally friendly technologies can reduce operational costs, improve resource efficiency, and comply with environmental regulations. Moreover, green innovation allows firms to develop sustainable products that meet the increasing demand for environmentally responsible consumption. Consumers and stakeholders increasingly favor companies that demonstrate environmental commitment, making green innovation an important factor in shaping corporate reputation (Sari et al., 2025).

From the perspective of signaling theory, green innovation can serve as a signal of corporate responsibility and environmental commitment. When firms invest in sustainable technologies and environmentally friendly practices, they send a positive signal to stakeholders regarding their commitment to sustainability and responsible business practices. This signal can strengthen stakeholder trust and improve corporate reputation. Firms that demonstrate innovation in environmental practices are often perceived as progressive, responsible, and socially conscious organizations (Latifah, 2025).

Additionally, green innovation contributes to the development of sustainable competitive advantage. By introducing eco-friendly products and processes, firms can differentiate themselves from competitors and attract environmentally conscious consumers. Green innovation not only enhances environmental performance but also improves brand image and reputation. Companies recognized for their environmental innovation are more likely to gain public recognition, positive media coverage, and stronger stakeholder relationships. As a result, green innovation is expected to positively influence a firm's reputation.

Empirical studies support this relationship by demonstrating that environmentally innovative firms often experience improved corporate image and stronger stakeholder trust.

Organizations that successfully implement green innovation strategies can enhance their reputation as responsible and sustainable businesses. This improved reputation may also lead to increased customer loyalty, investor confidence, and long-term competitive advantage.

Based on the above discussion, the following hypothesis is proposed:

H2: Green innovation has a positive effect on firm reputation.

### **2.3. Corporate Social Responsibility and Firm Reputation**

Corporate Social Responsibility (CSR) refers to a company's commitment to conducting business ethically while contributing to social welfare, environmental protection, and economic development. CSR initiatives include activities such as community development programs, environmental conservation, employee welfare initiatives, and ethical business practices. CSR has evolved from voluntary philanthropic actions into a strategic approach that integrates social and environmental responsibilities into business operations (Dzage & Szabados, 2024).

CSR plays a crucial role in building strong relationships between organizations and their stakeholders. Companies that actively engage in CSR initiatives demonstrate accountability and responsibility toward society and the environment. These actions can significantly influence stakeholder perceptions and enhance corporate credibility. CSR initiatives also help firms maintain legitimacy in the eyes of regulators, investors, customers, and local communities (Akhtar et al., 2024; Hossain et al., 2024).

In addition, CSR can serve as an effective strategy for improving corporate reputation. When companies demonstrate social responsibility through CSR activities, stakeholders tend to perceive them as trustworthy and ethical organizations. CSR initiatives can improve public perception, strengthen brand image, and increase customer loyalty. Organizations that actively contribute to community development and environmental protection are more likely to gain positive recognition from stakeholders (Jesika & Putri, 2025).

Furthermore, CSR initiatives often lead to improved stakeholder engagement and long-term organizational sustainability. Firms that prioritize CSR activities tend to build stronger relationships with stakeholders, which enhances trust and credibility. These relationships can significantly influence corporate reputation because stakeholders evaluate companies not only based on financial performance but also on their social and environmental responsibilities. Therefore, CSR can be considered a critical factor in shaping corporate reputation in the modern business environment.

Empirical studies also demonstrate that CSR positively influences corporate reputation. Organizations that consistently implement CSR initiatives are more likely to gain favorable stakeholder perceptions and a stronger corporate image. CSR activities communicate the company's commitment to ethical and sustainable practices, which enhances corporate credibility and reputation.

Based on the theoretical arguments and empirical evidence discussed above, the following hypothesis is proposed:

H3: Corporate Social Responsibility has a positive effect on firm reputation.

### 3. Method

#### 3.1. Research Design

This study employs a quantitative research approach to examine the effect of sustainability orientation, green innovation, and corporate social responsibility on firm reputation. Quantitative research is widely used in management and business studies because it allows researchers to analyze relationships among variables using statistical techniques and empirical data (Creswell & Creswell, 2021). The research design applied in this study is explanatory research, which aims to explain the causal relationship between independent variables and the dependent variable. In this research, sustainability orientation, green innovation, and corporate social responsibility are treated as independent variables, while firm reputation is considered the dependent variable.

The explanatory research design is appropriate because it allows the researcher to test hypotheses and evaluate whether sustainability-related strategic practices significantly influence firm reputation. By applying statistical analysis, this study seeks to provide empirical evidence regarding the relationship between sustainability-oriented strategies and organizational reputation. This research design is commonly used in business and sustainability studies to analyze the influence of strategic management practices on organizational outcomes (Hair et al., 2022).

#### 3.2. Population and Sample

The population in this study consists of **managers and senior employees working in medium and large companies that implement sustainability initiatives**. These respondents are considered appropriate because they possess sufficient knowledge regarding their company's sustainability strategies, innovation activities, and corporate social responsibility programs. Employees involved in strategic decision-making processes are expected to provide reliable information about the organization's sustainability practices and reputation.

Due to limitations in time and resources, this study uses a **sample-based approach** rather than collecting data from the entire population. The sampling technique applied in this research is **purposive sampling**, which is a non-probability sampling method used to select respondents based on specific criteria relevant to the research objectives. The criteria for selecting respondents include:

1. Employees who work in companies that implement sustainability-related practices.
2. Employees who have at least one year of working experience in their organization.
3. Employees who are familiar with the company's sustainability strategies and corporate social responsibility activities.

Based on these criteria, a total of **200 respondents** were selected as the sample for this study. This sample size is considered adequate for statistical analysis and hypothesis testing in quantitative research. Previous studies indicate that a sample size between 150 and 300 respondents is sufficient for regression-based analysis in management research (Hair et al., 2022).

#### 3.3. Data Collection Method

The data used in this research are primary data, collected directly from respondents through a structured questionnaire. The questionnaire was distributed using an online survey

platform, allowing respondents to complete the survey conveniently. The use of online questionnaires has become increasingly common in management and social science research because it enables efficient data collection and broader respondent participation (Sekaran & Bougie, 2020).

The questionnaire consists of two main sections. The first section contains demographic information of respondents, including gender, age, education level, and work experience. The second section contains measurement items related to the research variables: sustainability orientation, green innovation, corporate social responsibility, and firm reputation. Respondents were asked to evaluate each statement using a five-point Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree).

The Likert scale is widely used in behavioral and management research because it allows researchers to measure attitudes, perceptions, and opinions in a structured and quantifiable manner. The use of this scale helps ensure consistency and reliability in the measurement of research variables (Hair et al., 2022).

### 3.4. Measurement of Variables

This study measures four key variables: sustainability orientation, green innovation, corporate social responsibility, and firm reputation. Each variable is measured using multiple indicators adapted from previous studies to ensure validity and reliability.

Sustainability Orientation refers to the extent to which firms integrate sustainability principles into their strategies and operations. Indicators used to measure this variable include environmental commitment, long-term sustainability goals, stakeholder responsibility, and sustainable decision-making practices.

Green Innovation refers to the development and implementation of environmentally friendly products, processes, or technologies. Indicators include eco-friendly product development, environmentally responsible production processes, energy efficiency, and resource conservation initiatives.

Corporate Social Responsibility (CSR) refers to corporate activities aimed at improving social welfare, environmental protection, and ethical business practices. Indicators include community development programs, environmental protection initiatives, employee welfare programs, and ethical corporate governance.

Firm Reputation refers to the overall perception of stakeholders regarding a company's credibility, reliability, and social responsibility. Indicators include corporate credibility, public trust, brand image, and stakeholder confidence in the organization.

All measurement indicators used in this study were adapted from established scales in previous sustainability and management research to ensure measurement consistency and construct validity.

### 3.5. Data Analysis Technique

The data collected from the questionnaire were analyzed using **statistical analysis methods**. The analysis process consists of several stages. First, descriptive statistics were used to describe the demographic characteristics of respondents and provide an overview of the research data.

Second, **validity and reliability tests** were conducted to ensure the accuracy and consistency of the measurement instruments. Validity testing was performed using correlation analysis to determine whether each measurement item accurately represents the intended construct. Reliability testing was conducted using **Cronbach’s alpha**, with a value greater than 0.70 indicating acceptable reliability (Hair et al., 2022).

Third, **multiple linear regression analysis** was used to test the research hypotheses and examine the influence of sustainability orientation, green innovation, and corporate social responsibility on firm reputation. Multiple regression analysis allows researchers to analyze the simultaneous effect of several independent variables on a dependent variable. This method is widely used in business and management research to evaluate causal relationships among variables (Sekaran & Bougie, 2020).

The regression model used in this study is expressed as follows:

$$FR = \alpha + \beta_1SO + \beta_2GI + \beta_3CSR + \varepsilon$$

Where:

FR = Firm Reputation

SO = Sustainability Orientation

GI = Green Innovation

CSR = Corporate Social Responsibility

$\alpha$  = Constant

$\beta_1, \beta_2, \beta_3$  = Regression coefficients

$\varepsilon$  = Error term

The results of the regression analysis were used to determine whether each independent variable significantly influences firm reputation. Hypothesis testing was conducted using **t-tests and significance levels ( $p < 0.05$ )** to determine statistical significance.

## 4. Results and Discussion

### 4.1. Respondent Characteristics

The first analysis describes the demographic characteristics of the respondents involved in this study. The demographic profile includes gender, age, education level, and work experience. The distribution of respondents is presented in Table 1.

**Table 1. Demographic Characteristics**

Demographic Variable	Category	Frequency	Percentage (%)
Gender	Male	112	56%
	Female	88	44%
Age	20–30 years	72	36%
	31–40 years	84	42%
	41–50 years	32	16%
	> 50 years	12	6%

Education	Bachelor Degree	118	59%
	Master Degree	66	33%
	Doctoral Degree	16	8%
Work Experience	1–5 years	64	32%
	6–10 years	78	39%
	> 10 years	58	29%

Table 1 shows that the majority of respondents are male (56%), while female respondents represent 44% of the total sample. Most respondents are between 31 and 40 years old (42%), indicating that the participants are mainly in their productive professional age. In terms of education level, the majority hold a bachelor’s degree (59%), followed by master’s degree holders (33%). Regarding work experience, most respondents have 6–10 years of experience (39%), suggesting that respondents have sufficient professional knowledge and organizational understanding to evaluate sustainability orientation, green innovation, CSR activities, and firm reputation within their organizations.

#### 4.2. Validity Test

The validity test was conducted to determine whether each measurement item accurately represents the variables being studied. The test was performed using Pearson correlation between each indicator and the total variable score. An item is considered valid if the correlation coefficient (r-value) is greater than the critical value of 0.30.

**Table 2. Validity Test Result**

Variable	Indicator	Correlation (r)	r-table	Result
Sustainability Orientation	SO1	0.701	0.30	Valid
	SO2	0.734	0.30	Valid
	SO3	0.689	0.30	Valid
	SO4	0.712	0.30	Valid
Green Innovation	GI1	0.745	0.30	Valid
	GI2	0.768	0.30	Valid
	GI3	0.720	0.30	Valid
	GI4	0.706	0.30	Valid
Corporate Social Responsibility	CSR1	0.756	0.30	Valid
	CSR2	0.739	0.30	Valid
	CSR3	0.711	0.30	Valid
	CSR4	0.725	0.30	Valid

Firm Reputation	FR1	0.774	0.30	Valid
	FR2	0.752	0.30	Valid
	FR3	0.738	0.30	Valid
	FR4	0.719	0.30	Valid

Table 2 shows that all measurement indicators have correlation values greater than the r-table value of 0.30. This indicates that all items used in the questionnaire are valid and able to measure the intended variables accurately. Therefore, the measurement instruments used in this study meet the validity requirements and can be used for further analysis.

### 4.3. Reliability Test

Reliability testing was conducted to evaluate the consistency and stability of the measurement instruments. The reliability test was performed using Cronbach’s Alpha, where a value above 0.70 indicates acceptable reliability.

**Table 3. Reliability Test Result**

Variable	Cronbach’s Alpha	Standard Value	Result
Sustainability Orientation	0.823	0.70	Reliable
Green Innovation	0.841	0.70	Reliable
Corporate Social Responsibility	0.835	0.70	Reliable
Firm Reputation	0.852	0.70	Reliable

All Cronbach’s Alpha and Composite Reliability values exceed 0.70, confirming strong internal consistency reliability. Therefore, the measurement model is reliable.

### 4.4. Multiple Linear Regression Analysis

Multiple regression analysis was conducted to examine the influence of sustainability orientation, green innovation, and corporate social responsibility on firm reputation.

**Table 4. Multiple Regression Analysis Results**

Variable	Beta Coefficient	t-value	Sig. (p-value)
Constant	1.215	3.214	0.002
Sustainability Orientation	0.312	4.256	0.000
Green Innovation	0.285	3.874	0.000
Corporate Social Responsibility	0.346	4.671	0.000

Table 4 shows that sustainability orientation has a positive regression coefficient ( $\beta = 0.312$ ) with a significance value of 0.000, which is less than 0.05. This indicates that sustainability orientation has a positive and significant effect on firm reputation.

Green innovation also shows a positive regression coefficient ( $\beta = 0.285$ ) with a significance value of 0.000. This result indicates that green innovation significantly improves a firm's reputation.

Corporate social responsibility demonstrates the highest regression coefficient ( $\beta = 0.346$ ) with a significance value of 0.000, indicating that CSR has the strongest positive influence on firm reputation among the independent variables.

#### 4.5. Coefficient of Determination ( $R^2$ )

The coefficient of determination analysis was conducted to measure how much variance in firm reputation can be explained by sustainability orientation, green innovation, and CSR.

**Table 5. Model Summary**

Model	R	R Square	Adjusted R-Square	Std. Error
Regression Model	0.782	0.611	0.605	0.421

Table 5 shows that the R-squared value is 0.611. This means that approximately 61.1% of the variation in firm reputation can be explained by sustainability orientation, green innovation, and corporate social responsibility. Meanwhile, the remaining 38.9% is influenced by other variables not included in this study.

#### 4.6. Hypothesis Testing (Direct Effects)

The hypothesis testing results are summarized in Table 6.

**Table 6. Hypothesis Testing Results**

Hypothesis	Relationship	Result
H1	Sustainability Orientation → Firm Reputation	Supported
H2	Green Innovation → Firm Reputation	Supported
H3	Corporate Social Responsibility → Firm Reputation	Supported

Service quality and food quality also have direct positive effects on customer retention, though weaker compared to the indirect effect through satisfaction.

#### 4.7. Discussion

The purpose of this study was to examine the effect of sustainability orientation, green innovation, and corporate social responsibility on firm reputation. The results of the statistical analysis show that all three independent variables have a positive and significant influence on firm reputation. These findings indicate that organizations that actively integrate sustainability strategies, environmental innovation, and socially responsible practices are more likely to build a positive reputation among stakeholders. In the modern business environment, corporate reputation is increasingly influenced not only by financial performance but also by how organizations address environmental and social challenges. The results of this study, therefore, provide important insights into the strategic role of sustainability-related practices in strengthening firm reputation.

The first hypothesis proposed that sustainability orientation has a positive effect on firm reputation. The regression results confirm this hypothesis, indicating that sustainability orientation significantly enhances firm reputation. This finding suggests that organizations that incorporate sustainability principles into their strategic decision-making processes tend to gain higher levels of stakeholder trust and credibility. Sustainability orientation reflects a company's

commitment to balancing economic goals with environmental and social responsibilities. When firms demonstrate a clear commitment to sustainability through responsible resource management, environmental protection, and ethical governance, stakeholders perceive them as more trustworthy and socially responsible organizations.

This finding is consistent with previous research that highlights the importance of sustainability orientation in shaping corporate reputation. Studies have shown that sustainability-oriented firms are more likely to gain legitimacy and positive public perception because they demonstrate accountability and responsibility toward society and the environment (Ameen et al., 2023; Gürler, 2024). Sustainability orientation also encourages organizations to adopt long-term strategic perspectives that emphasize environmental stewardship and social value creation. Such strategies can strengthen stakeholder relationships and improve corporate reputation. In addition, sustainability-oriented firms often communicate their environmental and social commitments through sustainability reports and corporate disclosures, which further enhance transparency and credibility. Therefore, sustainability orientation can be considered an important strategic driver of firm reputation in contemporary business environments.

The second hypothesis proposed that green innovation has a positive effect on firm reputation. The results of the analysis support this hypothesis, indicating that green innovation significantly contributes to improving firm reputation. Green innovation refers to the development of environmentally friendly products, technologies, and production processes aimed at reducing environmental impact. The positive relationship between green innovation and firm reputation suggests that stakeholders value companies that actively invest in environmentally sustainable innovations.

Green innovation allows organizations to demonstrate their commitment to environmental responsibility while simultaneously improving operational efficiency and competitiveness. Companies that adopt eco-friendly technologies and sustainable production methods are often perceived as forward-thinking and responsible organizations. As environmental concerns continue to grow globally, stakeholders—including customers, investors, and regulators—are increasingly evaluating companies based on their environmental performance. Firms that implement green innovation strategies are therefore more likely to gain public recognition and a positive reputation.

This result aligns with previous studies that emphasize the role of environmental innovation in enhancing corporate image and stakeholder trust. For example, Rofiaty et al. (2024) argue that green innovation can strengthen corporate reputation by signaling a firm's commitment to environmental sustainability. Similarly, research by Zhang et al. (2024) indicates that environmentally innovative firms tend to gain higher levels of stakeholder support because their practices contribute to sustainable development. By investing in green innovation, companies not only improve their environmental performance but also strengthen their corporate image as responsible and innovative organizations. Consequently, green innovation serves as an important strategic mechanism for enhancing a firm's reputation in competitive markets.

The third hypothesis proposed that corporate social responsibility has a positive effect on firm reputation. The empirical results support this hypothesis, demonstrating that CSR has the strongest influence on firm reputation among the three independent variables examined in this study. This finding highlights the critical role of CSR initiatives in shaping stakeholder

perceptions and building corporate credibility. CSR activities include various initiatives such as community development programs, environmental conservation efforts, ethical labor practices, and philanthropic contributions. Through these activities, companies demonstrate their commitment to social welfare and sustainable development.

The strong influence of CSR on firm reputation can be explained by stakeholder theory, which suggests that organizations must consider the interests of multiple stakeholders in order to achieve long-term success. CSR initiatives enable companies to build stronger relationships with stakeholders by addressing social and environmental concerns. When firms actively engage in CSR programs, they demonstrate ethical responsibility and accountability, which enhances stakeholder trust and loyalty.

This finding is consistent with previous research indicating that CSR is one of the most important determinants of corporate reputation. Studies show that companies that invest in CSR activities often experience improved brand image, stronger customer loyalty, and greater investor confidence (Jesika & Putri, 2025; Hossain et al., 2024). CSR initiatives also contribute to positive media coverage and public recognition, which further strengthen corporate reputation. Moreover, CSR can enhance employee engagement and organizational pride, as employees tend to feel more motivated and committed when working for socially responsible companies.

Another important implication of this finding is that CSR activities can serve as a strategic communication tool that signals corporate responsibility to stakeholders. When companies actively communicate their CSR initiatives through sustainability reports, public campaigns, and corporate disclosures, they reinforce their reputation as responsible corporate citizens. This improved reputation can lead to competitive advantages such as increased customer trust, stronger brand loyalty, and improved investor relations.

In addition to examining the individual effects of sustainability orientation, green innovation, and CSR, this study also highlights the combined influence of these variables on firm reputation. The coefficient of determination ( $R^2$ ) results indicate that approximately 61.1% of the variation in firm reputation can be explained by these three variables. This finding suggests that sustainability-related strategies play a substantial role in shaping corporate reputation. Firms that integrate sustainability orientation, environmental innovation, and CSR initiatives into their strategic management practices are more likely to achieve stronger reputation outcomes.

The integration of these three strategic factors reflects a holistic approach to sustainable business management. Sustainability orientation provides the strategic foundation for responsible business practices, green innovation enables firms to develop environmentally friendly technologies and products, and CSR activities strengthen stakeholder relationships through social engagement. When these strategies are implemented simultaneously, they create a synergistic effect that significantly enhances corporate reputation.

From a managerial perspective, the findings of this study emphasize the importance of incorporating sustainability principles into corporate strategy. Managers should recognize that corporate reputation is increasingly influenced by environmental and social performance, not just financial outcomes. Therefore, organizations should develop comprehensive sustainability strategies that integrate sustainability orientation, green innovation, and CSR initiatives. Such

strategies can help firms build stronger stakeholder relationships, enhance brand image, and maintain long-term competitiveness.

Furthermore, organizations should actively communicate their sustainability achievements and CSR initiatives to stakeholders through transparent reporting and effective communication channels. Transparency and accountability are essential for building stakeholder trust and reinforcing corporate reputation. Companies that demonstrate genuine commitment to sustainability are more likely to gain long-term support from customers, investors, and society.

In conclusion, the findings of this study provide empirical evidence that sustainability orientation, green innovation, and corporate social responsibility play significant roles in shaping firm reputation. These results highlight the strategic importance of sustainability-related practices in modern business environments. As stakeholder expectations regarding environmental and social responsibility continue to increase, companies must adopt sustainable strategies to maintain positive reputations and long-term organizational success.

## 5. Conclusion

This study aimed to examine the effect of sustainability orientation, green innovation, and corporate social responsibility on firm reputation. The results of the empirical analysis indicate that all three variables have a positive and significant influence on firm reputation. Sustainability orientation enhances a firm's reputation by demonstrating a company's commitment to integrating environmental, social, and economic considerations into its strategic decision-making processes. Green innovation also contributes positively to a firm's reputation, as organizations that develop environmentally friendly products and technologies are perceived as responsible and forward-thinking by stakeholders. Furthermore, corporate social responsibility shows the strongest influence on firm reputation, indicating that companies that actively engage in social and environmental initiatives tend to build stronger trust, credibility, and positive public perception. These findings highlight the strategic importance of sustainability-related practices in strengthening corporate reputation and maintaining long-term competitiveness. Therefore, organizations are encouraged to integrate sustainability orientation, promote green innovation, and implement effective CSR programs as part of their business strategies to enhance their reputation and build stronger relationships with stakeholders.

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