

Impact of Corporate Social Responsibility on Firm Financial Performance: A Case Study of Pakistan

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Abstract

The reason for this study is to assess the relationship between the corporate social responsibility and the corporate financial performance. CSR is the ethical necessity of business to take after the hierarchical arrangements and to take choice good for public opinion. It considers the vital factor for the accomplishment of business. The CSR is taken as independent variable and is measured by the utilization of firms for the prosperity of public opinion. The benefit of organizations is reliant variable which is controlled by the profit for stakes, return on value and income for every offer. Food sector from the sustenance segment of Pakistan is chosen as specimen for exploration. Qualitative as well as quantative methods are used in this study to evaluate the impact of corporate social responsibility and corporate financial performance. Nvivo test is applied in qualitative analysis. The conclusion shows the positive relationship of CSR and CFP. It shows that if the firm expand its using on the social exercises it can enhance picture in the clients' brain and hence firm can attain high benefits.

Key Words: Corporate Social Responsibility, Corporate Financial Performance, Social Activities. NVivo.

Introduction

McWilliams and Siegel (2001) describes CSR is actions that results in further social good, these social goods are beyond the interest of the firm. In most of the studies researchers finds the positive relationship between CSR and CFP. McWilliams and Siegel (2001) defined Corporate Social Responsibility as "Doing all those activities which are not forced by law of those countries in which they are running their business

and which are not for the primary benefits of the business but for the benefits of the society. Margarita and Tsoutsoura (2004) conducted a research in California and found sig positive relationship between csr and cfp. They used time series data from 1996 to 2000 and data was collected from 500 firms. Bowen (1953) proposed that CSR corporate social obligation is a dedication to settle on those choices, to draw in those strategies and to take after those lines of movements that are needed and attractive in term of quality and targets of our general public. CSR for organizations incorporates lawful, trading and lending, moral and discretionary desire that pop culture anticipated from them. (Carroll 1979) concluded that those Firms who are more involve in csr activities for example, item quality, ecological impacts of their exercises, wellbeing and security and prosperity of representatives and social orders. They have better reputation and they are earning more as compared to other firms. In short, organizations humour themselves into social exercises for the welfare of public opinion. In this way, firms consider the CSR as an essential element for the achievement of an association. CSR gives the focused edge to associations. Bowen (1953), he is a guru of CSR, clarify this perspective as CSR is the ethical prerequisite of business to take after the authoritative strategies and to take choice ideal for pop culture.

As per Yeung, a firm can't rival different associations in 21st Century on the off chance that it gets to be neglect to recognize the clients' need and desire. Request has been expanded for the responsibility of the organizations and support of transparency. The idea of CSR has been presented in 1910, perceived in 1950 and get formalized in 1960. CSR implies that "doing Right things for public prosperity and wellbeing ". It helps to assemble the high esteem in clients' psyche which prompt the significant yields for the firm. The multinational partnerships held weight on firms to enhance their corporate social execution. As Mncs have tremendous financing and they use on welfare of pop culture. In this way, their assignments put weight on different firms to contend with them. Considering all the parts of CSR, it could be seen that CSR has impact on the monetary execution of the firm.

The financial performance of the firm has two separate angles: firm short term financial performance and firm long term financial performance.. financial performance of the firm has the important worth to firm. CSR has the incredible effect on generating finance for firm. It influences the organizations' operation in distinctive ways. It supports the firm to make their reputation in the society as well as in customer mind. It imagines the financial quality to firm. In the event that a firm is energetically partaken in social exercises it augments the benefits for firm in short run and in long run. It is vital for firm to attain high benefits for firm to draw in the financial specialists and in keeping up their stock costs in the business sector. In the event that a firm does not lead their operations morally and does not satisfying its social obligation it will force the expense to the firm.

CSR helps the firm from numerous points of view. It makes the great association with its stakeholders e.g. Government, banks and so on which are helpful for the associations. CSR help the organizations' CFP which is the principle enthusiasm of their shareholders. CSR is by and large characterized as its applications and its segments. It is recommended that enterprises who is mindful, will perform applications and exercises past legitimate reasons and benefits (Mcguire 1963; Davis 1960; Carroll 1979).The numerous hypotheses of CSR could be ordered in four gatherings for better understanding.

In instrumental speculations CSR is viewed as just as an approach to accomplish financial objectives. Friedman (1970) reasoned that expanding benefit is the main social obligation of business. In a free pop culture, business has one and only obligation, to build its benefits as long as it stays in free and open rivalry (Friedman1970). A Political hypothesis on CSR concentrates on the associations and connections in the middle of public opinion and business. They likewise concerns the position and force of business in the general public. Business, as a social marvel, has force and it affects the general public that it works in (Davis 1960). Integrative speculations depicts that business relies on upon pop culture in a wide sense. Social requests are thought to be the route in which the general public arrangements with business. In this way, an organization ought to listen to the general public and incorporate social requests in its corporate administration (Garriga 2004).

The last gathering of speculations concentrates on the moral gauges that could encourage a decent business public opinion relationship. As per this gathering of hypotheses, the organizations need to figure out the right approach to improve to make a general public (Garriga 2004).

The food sector of Pakistan commonly focus on the education, sports promotion, health care, environment protection, support for dairy and rural development, energy conservation, equal employment opportunity, promotion of art and artists, staff welfare and engaging employees in healthy activity regarding their social responsibility practices. It generates the high impact on the financial performance of companies. The social activities improve their image in market and as well as it improves their profits.

Literature Review

Media and Civil society increasingly request focus on environmental and social outcomes of firms activities and to provide more openness and clarity with respect to their action (Freeman et al., 2010). Now csr is becoming one of the important factor in business. Thus, it is not shocking that Corporate Social Responsibility has developed one of the top concerns of businesses over the last two decade having been ranked in 2010 as the number one focus of managers in the global consumer and retailer goods sector (The Consumer Good Forum, 2011).

In the component of CSR the sustenance segment confronts certain difficulties specifically for these three reasons. First and most important, the food part has a high impact and unequivocally relies on upon human, characteristic and physical assets (Genier et al., 2009; Gfk et al., 2009). Second, since food area covers fundamental human needs individuals have solid judgments on what they consume and what they eat. This prompts a complex set of prerequisites for the nourishment area in regards to the generation of the crude materials (creature welfare), social (work conditions), the ecological (i.e. water and vitality use; waste) conditions along the entire worth chain and the security, quality, and soundness of items (i.e. Maloni and Brown, 2006). Third, the natural pecking order has a detach and multifaceted structure.

As little and expansive endeavors contrast in their channels to CSR, this infers conceivable clashes with respect to CSR cooperation's in the food supply chain. Lorenzo, Alvarez, Sanchez and Dominguez (2008) under the title "Social Responsibility in Spain Practices, Motivations in Firms" show the three models (the neo-fantastic model, the unadulterated good reasoning and crossover model) identified with corporate social obligation. In 2003-2005 They took the specimen of 117 enterprises from diverse non-money related parts recorded on Madrid stock Exchange. Five of them are recorded on Dow Jones maintainability Index. They utilized the variables for nature's turf, Human rights, work, item obligation and social orders. They measure the execution of firms by expanded profit and expanded deals variable in Short run and business to book degree in long run. They utilized the mean contrasts reliance model and numerous straight relapses for testing the information. They presume that CSR may affect on the build in deals yet not on the profit of firms.

Ling, Yang and Liou (2009) under the title "The Impact of CSR on Financial Performance: Evidence from Business in Taiwan" delineate the four fundamental focuses in examination. They clarify the relationship in the middle of CSR and shopper conduct and business profits that CSR make "corona impact" on purchaser conduct and expand the benefits. They portray the connection R&d, shopper conduct and open approach. They took 1000 top-Taiwan based organizations for their thought. Each one firm was recorded on Taiwan stock Exchange Market and keeps up a particular measure of gift in 2002-2004. The gift was the variable for CSR and ROA taken as variable for corporate fiscal execution. Relapse dissection was utilized as a test of information. The results of the exploration are that over the normal gift was in assembling and adjusting divisions have higher CSR in firms. The positive CSR exercises don't expand the moment gainfulness of firms yet they may help in moderating danger of brand picture in purchaser discernment in the long run situation.

Kahreh, Mirmehdi and Eram (2011) Investigating the basic achievement components of Corporate social obligation usage: confirmation from the Iranian Banking division distinguished the primary achievement elements of CSR execution in preparing industry of Iran. They recognized the five primary components, for example, budgetary, human asset, promoting, key and ecological points of view for CSR usage. They likewise compressed that budgetary execution measurements, for example, the business, focused technique, natural, worldly components and managerial position. A greatest save money with its extensions in Iran was taken as example. Poll with Five Likert Scale is utilized as instrument for information accumulation. SPSS is utilized to test the information. They presume that CSR variables are critical to accomplish high fiscal execution of banks.

Mishra and Suar (2010) under the title "Does Corporate Social Responsibility Influence Firm Performance of Indian Companies?" talked about the CSR regarding six measurements clients, representatives, nature's turf, group and suppliers and effect of this connection on budgetary and non-fiscal execution of firm. 150 assembling organizations were chosen showing the 18 separate classifications of firms in 2003-2006. Survey and auxiliary information from the sites of organizations was utilized to discover the results. The legitimacy and unwavering quality is tried by affirming component dissection (CFA). It incorporates the elucidating facts, relapse weights, GFI, CFI and NFI. Firms' monetary execution is dictated by the ROA degree. They likewise adjusted the 12-thing scale for measuring the non-money related execution of the firm. The CSR was autonomous, FP and NFP was considered as reliant variable. The proprietorship sort and firms' size is taken as control variable. Clear facts and Pearson connection measures are utilized to investigate the information. The result demonstrates that the propitious CSR have positive effect on firms' fiscal and non-monetary execution.

Khanifar, Nazari, Emami, Ali (2012) under the title Impacts "Corporate Social Responsibility on Company Financial Performance" proposed the two connections. 1) Concurrent and consequent financial execution with connection to CSR. 2) Past monetary execution. They considered that there is negative relationship in the middle of CSR and CFP regarding a few pointers, for example, stock value progressions and EPS gauges. They distinguished the positive relationship between corporate social execution and corporate fiscal relationship as far as expense sparing, expand the corporate picture and help in seeking after the administrative bodies which can brought about bigger expense to associations. They likewise talked about that there is no critical relationship in the middle of CSR and CFP. At the end, they abridged that there is sure relationship between corporate social obligation and budgetary execution. In spite of the fact that it acquired expense to firm yet it gave high benefit in future results of firm. Flammer (2013) under the title "Does Corporate Social Responsibility Lead to Superior Financial Performance: a Regression Discounting Approach" examined the relationship in the middle of CSR and CSP focused around rate of acknowledged social recommendations by the top administration of firm for being socially capable. He considers the three speculations about CSR. He took 102 CSR-related tasks as his specimen. To discover the impact of CSR the accompanying relapse was utilized for ROA and NPM. KLD file is utilized to measure the CSP. He additionally distinguishes stocks response to CSR. Auto (combined strange results) is utilized to process the association's stock costs changes. The outcomes of examination demonstrate that CSR is positive asset for firm. Second, he found that CSR minor returns are decreasing and put an expense to firm. Third, he distinguished that in high institutional standards' organizations accomplished high benefit in aftereffect of positive social leads yet the organizations with low institutional standards, CSR has no huge part in getting high benefits.

McWilliams and Siegal (2000) under the title "CSR and Financial Performance: Correlation or Misspecification" clarifies the relationship between 1) CSR and R&d 2) Advertising and firm execution. They made amplification in the econometric model given by Waddock and Graves (1997). They chose 524 organizations as their specimen. They utilized CSP file and execution measure, ROA and KLD Index. The ward variable is PERF, control variable SIZE and RISK and free variable CSP, IND, RDINT, INDADINT in 1991-1996. The examination presumes that R&d, promoting force venture and CSR are exceptionally

corresponded. It portrays that R&d and ad force of firms can't disregard when we discussing firm execution.

Boesso, Kumar and Michelon (2013) under the title "Enlightening, Instrumental, and Strategic Approaches to CSR: Do They Drive Financial Performance of Companies Differently" expressed that an elevated amount of social execution help to keep up great association with organization's stakeholders and it may prompt wellbeing of the money related parts of firm. The chose example was KLD database-involved 100 organizations as best corporate national for 2006-2008 and 118 organizations of GRI report. The instrumental methodologies investigate the relationship in the middle of CSP and association's fleeting budgetary execution. The EBITDA and firms business sector worth is utilized as the measure of CFP. Capital uses and elusive stakes are utilized to measure the medium and long haul monetary execution. The exploration's result demonstrates that there is sure relationship between the corporate social execution and corporate budgetary execution.

Tsoutsoura (2004) under the title "corporate social obligation and money related execution" assess the relationship between social exercises and fiscal execution of the association. She clarified that it is key to fuse the social execution inside all the operations of firm for accomplishing achievement. The example is taken as 422 organizations identifying with distinctive businesses. Optional information was utilized as a part of the exploration taking data from association's accounting report, wage proclamation and other fiscal articulations. Two measures were utilized for information. KLD Rating information is utilized for CSP and diverse productivity degrees (ROA, ROE, and ROS) were utilized for CFP within 1996-2000. Speculation was tried by cross-sectional time arrangement relapse dissection. The finished results betoken that there is a positive relationship between social exercises of the firm and budgetary execution. Organizations that have included in social exercises are accepted less dangerous as far as gift, debasement, paid overwhelming fines and negative social occasions.

Rashid and Ibrahim (2001) under the title "Executives and Managers' Attitude to Corporate Social Responsibility in Malaysia" watch the disposition of top level administration with respect to social obligation of firms. The specimen was browsed managing an account, telecom, development and assembling areas of Malaysia. The specimen size was the 198 respondents. The organized poll was utilized as an apparatus for accumulation of information. Five Likert scale is utilized. SPSS programming, expressive detail and restricted examination of difference is utilized to break down the information for drawing the results. The results of exploration clarified that 69.2% respondents conceded that if a business enjoy social welfare exercises, it move ahead the long haul profit for business.

Yeung (2011) under the title "The Role of Banks in CSR" clarifies that the administration of firms ought to take into the monetary and non-fiscal results with consciousness of danger and upkeep of transparency. The poll was utilized as an instrument for examination and measured on 7 Likert-Scale. The respondents were identified with keeping money industry and 65 surveys was gathered. The T-test was connected on information. The deciding consequence of the examination clarifies that corporate social execution has the equivalent hugeness of corporate monetary execution. The saving money associations ought to have apt strategies for client and group profit. It brings down the danger and upgrades quality inside associations.

Classon and Dahlstrom (2006) under the title "By what means can CSR Affect Company Performance?" expound that how CSR influence the client discernment which has evident effect on budgetary execution of the organizations. Garments Industry was utilized as populace for discoveries of exploration. 15 organizations were picked as their specimen. Meetings were held for accumulation of information. Qualitative measures were utilized for information investigation. The models were created for CSR (quality joining chain) and CFP (Service benefit chain) They presume that organizations ought to include in moral exercises on the off chance that they need to attain the great client observation and construct a decent picture in client's brain to accomplish the high benefits. Kanwaal, Khanam, Nasreen and Hameed (2013) under the title Impact of CSR on Firm's money related execution" portray that the liberality of

organizations into distinctive social exercises may prompt superior of the organizations. They utilized the example of 16 organizations from diverse segments recorded on KSE. They measure the CSR by the sums which firms are using on corporate social obligation. The aggregate possessions and net benefits were utilized as the measure of money related execution of firms. They infer that there exist a positive relationship in the middle of CSR and CSP.

Problem Statement:

To evaluate the relationship between Corporate Social Responsibilities (CSR) and Corporate Financial Performance (CFP) in food sector of Pakistan.

Significance of Study

It is crucial for firms to consider the impact of social activities on the firms' financial performance. The literature suggested that there is significant relationship between CSP and CFP. It build the trust of investor in the company and become more creditworthy. It attracts the investor by exhibiting the high profitability for firm. It enhances the stock prices in the market which shows positive sign to investors and customers. They are being encouraged to invest in that firm which involves in ethical conduct. It enhances the firm morale.

Objectives

A well-stated set of objectives provide a clear direction and prevent us to ambiguities. It develops the clear path for research. The main objectives of this study are as follows:

1. To make clear the association between corporate social responsibility and corporate financial performance.
2. Clarifying the position of CSR in investors and customers' decision making regarding the firms.
3. To know the impact of CSR on Corporate Financial Performance in food sectors of Pakistan

Research Questions

1. Is there any association exists between Corporate Social Responsibility and Corporate Financial Performance?
2. If it is there then how much significant is that relationship?
3. What are the implications of analysis in Pakistani context?
4. How it impact the investors and customer decision making?

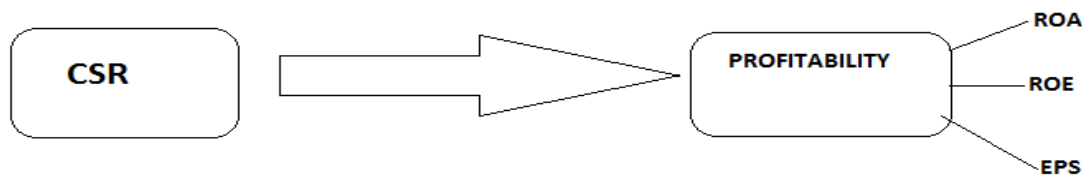
Methodology

The population for this study is Pakistan and sector which is chosen to conduct the research is food sector.. The study is conducted on the basis of secondary data. For the purpose of data collection annual reports are used. Data from 1990 to 2013 is used. The study is quantitative in nature as the results and final findings are based on data collection from annual reports.

And these results are quantified using different statistical tools.

Conceptual Model

Below daigram shows that corporate social responsibility is independent variable and it is measured from the firm financial report whereas profitability is dependent variable and measured through return on asset ratio, return on equity ratio and earnings per share.



Data Collection Methods

The study is embraced by assessing the auxiliary information from distinctive accessible assets, which incorporates the articles and yearly reports of the organizations. The information is gathered through the sites of the organizations and SBP.

Purpose of the Study

The principle purposes of the study are as takes after:

1. The study assesses the relationship between corporate social obligation and fiscal execution of the firm.
2. Role of CSR in the productivity of firm.
3. Significance of CSR in speculators and clients choice

Research Methodology

Research Design

It is the exhaustive structure which tells the specific strategy for examination. An examination outline give the data about the routines for data accumulation, instruments utilized as a part of the exploration and propose the test for investigating the gathered information. It involves a series of rational decisions, making of choices among different tools of data collection, analysis of data and its interpretation.

Configuration of this examination clarified beneath that how examination will be moved ahead. It will begin from choosing the population, then example and instrument for information accumulation. After this step, variables of the exploration will be expressed and theory will be produced.(hypothesis will develop). After this hypothesis will be tested from analysis and conclusion will develop.

Population of Study

It is normal from bigger organizations that they will be eagerly recording and seeking after CSR exercises Population of the study is 53 food businesses recorded in Karachi Stock Exchange and their data was accessible. Nourishment segment is chosen because of its importance in the Pakistan economy. It is additionally concentrating on corporate social execution and it is the prospering part of Pakistan. It has the development slant in its operations. It help a ton to the GDP of Pakistan.

Sample of Study

The purposive examining strategy is utilized on the grounds that those organizations are chosen as specimen who report their CSR using in sum (Rs.) in quantative examination four expansive organizations are chosen from sustenance division of Pakistan and for qualitative exploration ten food companies are chosen from Pakistan. The points of interest are given in the appendixes. In quantative study organizations' past data gathered from the sites. The past six years information will be gathered for getting the results.

Variable of Study

Independent variable of this study is corporate social responsibility of firms i.e. food companies. The most common measures of financial returns used in studies of this question are simple income for every offer (EPS) proportion, Return on stake (ROA) degree and Return on equity (ROE) Bragdon and Marlin (1972); Bowman and Haire (1975); Preston (1978); and Spicer (1978) all used EPS ratio and other algebraic variations as at least one of the measures of financial performance in their researches.

Research Hypothesis

To attain the goals of this study "effect of CSR on CFP" after theory are produced.

H1: there is huge relationship between corporate social obligation and corporate monetary execution in long run.

H0. There is no significant relationship between corporate social responsibility and corporate financial performance in long run.

Methods

Data normality test will be performed to test the data whether data is normally distributed or not. The regression model will be used to get the empirical results for research.

Data Analysis and Discussion

The regression test is connected on information for getting the results. It assesses the effect of corporate social obligation on the budgetary execution of the firm. Fiscal execution is dictated by the gainfulness of the organizations. The productivity is measured by profit for holding, return on value and acquiring for every offer of the sustenance division.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.438	.192	.155	1.11468

a. Predictors: (Constant), CSR

The model shows that the correlation between the independent and dependent variables represented as R is 0.438. The coefficient of determination that show how the variables are deviated from the straight line which has the value of 0.192 represented as R Square. The adjusted R square value is 0.155.

Hypothesis	results
(H1) there is huge relationship between corporate social obligation and corporate financial performance in long run.	Supported
(H0) .Thera is no significant relationship between CSR and corporate financial performance in long run.	Rejected

ANOVAa

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	6.504	1	6.504	5.235	.032 ^b
Residual	27.335	22	1.243		
Total	33.840	23			

a. Dependent Variable: profitability1

b. Predictors: (Constant), CSR

The consequences show that there is significant relationship between corporate social responsibility and firm's financial performance. The significant level is .032. The positive values show that there is positive relationship between the CSR and CFP.

Table: Coefficient

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	.307	.351		.875	.391
CSR	.690	.302	.438	2.288	.032

a. Dependent Variable: profitability

This study involves in the measuring the impact of corporate social responsibility on the financial performance of the companies. The CSR is measured in the amounts which firms spend on the social activities for the welfare of human beings. The financial performances of the companies are measured by the profitability ratios i.e. return on asset, return on equity and earnings per share. The result shows that there is a positive relationship between CSR and CFP. As the firms increase their spending on the social activities like education, environment production and health etc.

The profitability of the firms also enhanced. It provides benefits to the firms in the long run rather than the incurring expenditures for the companies. CSR assist the firms to gain competitive edge and enhance the profitability of companies Social and environmental issues regarding corporate social responsibility Social issues Encouraging public scrutiny on environmental and land management practices Invest in surrounding communities Promote responsible consumption among consumers Stem declining employment in the sector Engage with the surrounding communities Improve industry's public image Environmental issues Promote and/or practice sustainable forestry Increase the use of renewable resources Adopt environmentally sound purchasing policies Mitigate global warming Reduce overall energy consumption Improve waste management. Results show the positive relationship between csr and cfp, which supports those past studies that found positive linkages (Waddock and Graves, 1997; McGuire, et al., 1988, 1990; Auperle, et al., 1992).

Qualitative Research

NVIVO Analysis

Nvivo 10 has been utilized for applying diverse qualitative information investigation methods including sort out of sound recording meetings, coding of information, words recurrence dissection and group examination procedures. Group examination by Code relationship implies how frequently analysts has coded the hub with diverse sorts of references. Subjects which have closeness in coding they are near one another and the topics which are distinctive in coding they are at separation. Ozkan (2004) contended that Nvivo is extremely obliging for information requesting and examination however it is still the analyst' deed for information sorting out, coding and dissection.

Nvivo Text Analysis peculiarities help to recognize topics and assess and look at the utilization of dialect in the venture. Content quest inquiry is utilized for checking topics or investigating individual's methods for discussing a particular idea. Diverse diagrams including tree map, have been utilized to express the discoveries and their understanding. Text search, Word frequency and metrics coding queries have been applied to explore the less or more critical consequences of corporate social responsibility in food sector of Pakistan. Word Tag Cloud is used to show different themes in different sizes according to their replication of frequency. Word Tag Cloud is useful while doing thematic analysis because we can identify more themes in our study using tag cloud diagram.

In Figure-3 different themes like profit, society, health and environment.

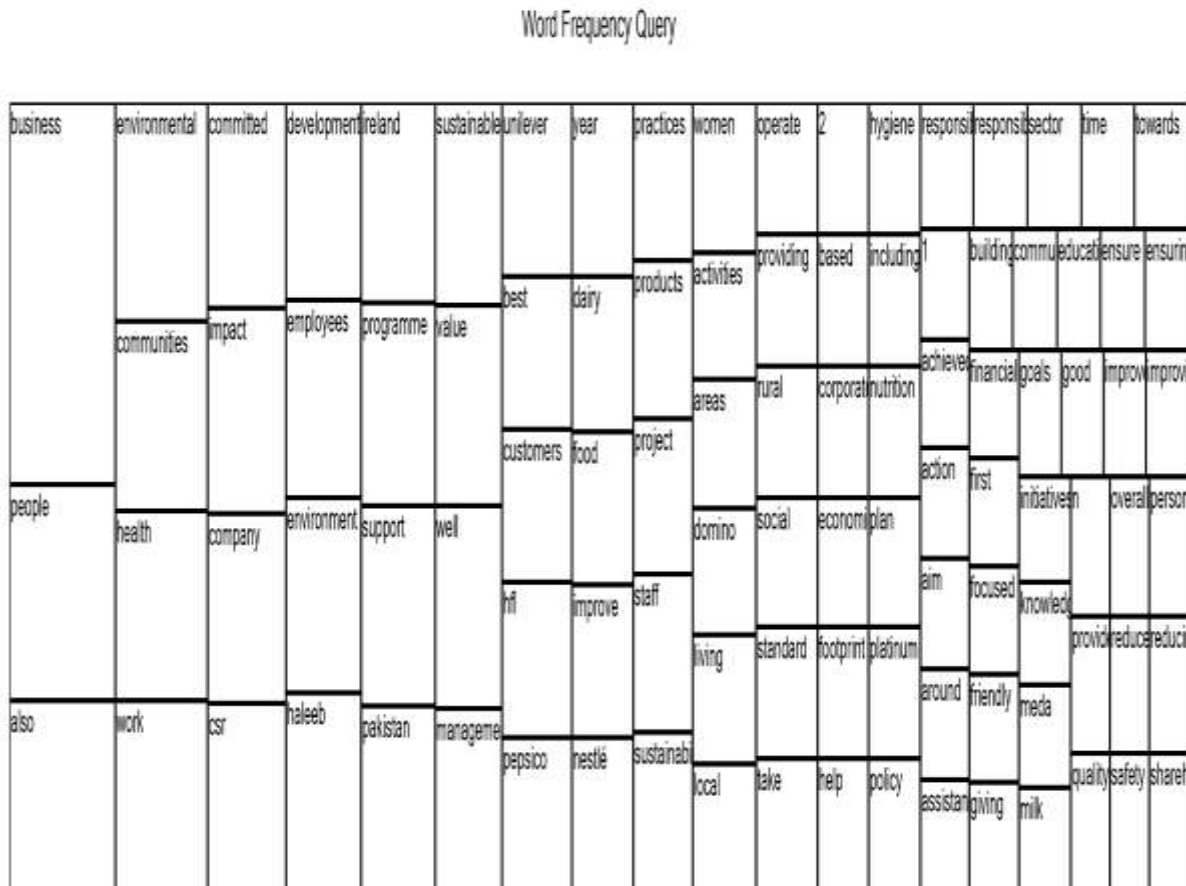


Figure.1 TAG CLOUD

Business committed communities community company corporate csr customers dairy development domino economic education employees ensure ensuring environment environmental financial first focused food footprint friendly giving goals good **ETHICS** health help **EMPLOYEE** safety hygiene impact improve improvement improving including initiatives ireland knowledge living local **management** nestlé nutrition operate overall **pakistan** people pepsico personal plan platinum policy practices products programme project provided providing **quality** reduce reducing responsibility responsible rural safety sector shareholders social staff standard support sustainability **sustainable** take time towards unilever value well women work year.

Figure.2.Word-Tag-Cloud

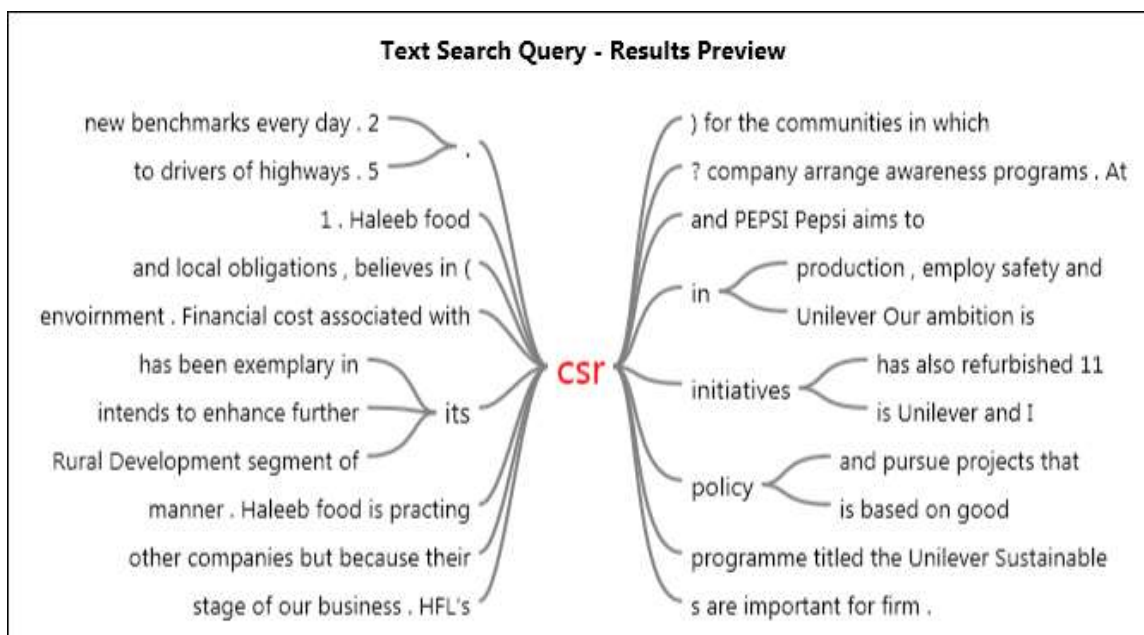
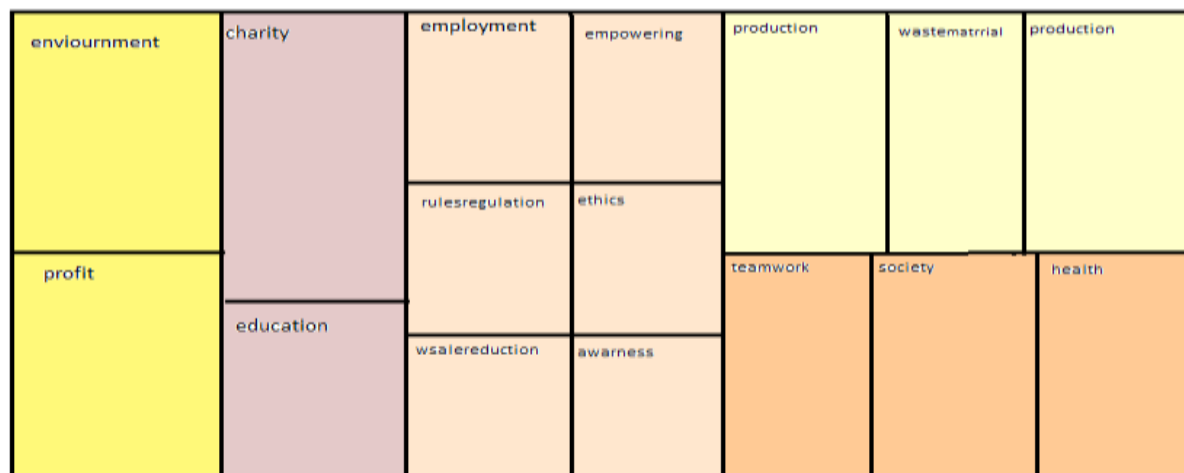


Figure.3word.tree.map

Results of the Study

Consequences of Corporate Social Responsibility – Word Tree Map

Figure-4 shows Word Tree Map which is used to show the extent of the different consequences of corporate social responsibility. Word tree map shows awareness programs, charity, equal employment opportunity, profits, society wellness programs, ethics, healthy environment, education, production, teamwork, empowering and profit.



Tree Map.....Extent-of-Relationship figure.no.4

However, employee health, employee empowerment, rules and regulations, awareness programs, waste reduction and ethics have been identified as less complimentary results of while teamwork, society and health have been found as less effecting result of CSR because the numbers of responses towards identification of these factors are less as compared to other consequences of CSR.

Rational Approach to Corporate Social Responsibility and Firm Financial Performance

Business is logically in the public arena not just in its expected part in enhancing the expectation for everyday life by making occupations, offering items and administrations and paying duties additionally through an overlay of affectability that backings representatives, enables clients and financial specialists, and identifies with the needs of nearby, national and worldwide groups.

Conclusion

This study identified consequences of corporate social responsibility. Data has been collected via audio-recorded interviews from different food companies of Pakistan. NVio 10 has been used for applying different qualitative data analysis. The study identified 20 different factors which are the results of corporate social responsibility in Pakistan. Based on findings, it is concluded that CSR is important for improving financial performance of firm. Companies should partner with non-profits and government agencies to solve social, economic, and psychological problems in society. Companies should involve in wellbeing programs. Research results are supportive of the view that responsible firm behavior may not only keep employees motivated and help to increase their loyalty but also become a cause to improve the financial performance of firm.

Limitations

The focus of this study was only on the food sector of Pakistan. The conclusion of study is drawn by using limited time period data. There is no standard rule of the regulator which can be used to measure the CSR.

Future Research

Based on the few limitations of the above study, the following are some recommendations which should be considered for the future work. The large sample size should be used to interpret the end results instead focusing on only food sector. Study could be held in other sectors i.e. automobiles, banks etc. Future studies should use data with a longer period to procure a more valid measurement results. Future studies are expected to connect a Corporate Social Responsibility to the value of the company. Data was collected from food companies in future researcher can do research on other sectors.

Appendix Formulas

Terms	Formulas
Return on Assets (ROA)	Net profit after Tax / Total Assets
Return on Equity (ROE)	Earnings Available for Common Stockholders/Common Stock Equity
Earning per Share (EPS)	Net Profit after Tax / No. of Outstanding Shares

Food Companies

Haleeb foods	Haleeb foods limited Pakistan
Mitchells fruit farm	Mitchell's fruit farms limited
National foods	National foods Pakistan
Mezan foods	meezan food Pakistan limited
Coca cola Pakistan	Coca cola Pakistan
Papsi Pakistan	Pepsi co Pakistan
Mcdonnalda	Mcdonald's Pakistan
Shezan restaurant	Shezan international limited company
Chaman ice cream	Chaman Ice cream
Dominos pizza	Dominoz's Pakistan
Nestle pakistan	Nestle limited Pakistan
Walls ice cream	Uniliver Pakistan limited
Uniliver Pakistan	Uniliver Pakistan limited
P&G Pakistan	Procter and gamble Pakistan limited

Term used

CSR	Corporate social responsibility
CFP	Corporate financial performance

Interview Questions

What have you done to be a better customer service representative?
 What type of customer service is more significant for your company?
 What are the benefits of corporate social responsibility and financial cost associated with csr?
 what are the measures your company use to reduce environmental impact?
 what do you think could be the main benefit of the adoption of measures for social responsibility?
 Is it favourable for enhancing corporate reputation, improving relations with suppliers and donors?
 what are in your opinion ,problems related to the development of initiative in the field of social responsibility ?

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