



Dynamic Relationship Between Csr And Corporate Performance. Evidence From Pakistan

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Abstract

In today's modern and technologically developed world Companies face pressure to modify operational strategies and follow environmental and socially responsible techniques while performing business activities. The current study tries to find out the dynamic relationship between Corporate social responsibility (CSR) and firm performance in non-listed companies of Pakistan. For this purpose, data was collected from 200 respondents having various specialties through adopted questionnaire. After evaluating missing values seventy-two percent respondent's data was entered in SPSS and result were analyzed through smart PLS for validating reliabilities and validity of the adopted construct. Regression results depict that only two indicators namely "workplace performance" ($\beta=0.310$; $p<0.05$) and "community performance" ($\beta=0.212$; $p<0.05$) has significant relationship. While two other attributes (environmental performance and customer performance) of CSR did not evident any kind of significant relationship. Based on the findings it is recommended that in the current study data was obtained through single source at one stage sampling, hence future researcher may obtain the data before and after annual data publication of various firms. It will give details insight about the company/firm response. Future studies may investigate CSR attributes in other sector (SME's, Hospitality, Health, Higher Education, financial Organizations, etc.) to get detail information's about its relevant importance in respect of their application in these sectors.

Keywords; CSR, Corporate Performance, Community Performance, Workplace Performance, Environmental Performance, Customer Performance. Non-Financial institutions.

INTRODUCTION.

Companies made profits in long run by performing such activities which are harmful for human societies as well as earth (Manuel & Herron, 2020). Companies face pressure to

modify operational strategies and follow environmental and socially responsible techniques while performing business activities. Societies like government and nongovernmental agencies and social groups working for environment protection have developed standard for firm's which affect world shared components. Responsibility of a firm to fulfill environmental standards is known as corporate social responsibility (CSR) (Hategan et al., 2018). The foundation of CSR is present in moral as well as ethical philosophies of a firm while global corporations have taken CSR challenge by accepting environmental standard which expressed that firm's operations ensure social welfare. However, business leaders face the challenge to become competitive as well as profitable. When dealing with CSR activities, CSR investments strategies depend on economic return rather than philanthropic origin of CSR (Glonti et al., 2020). Based on previous research literature (Khojastehpour & Shams, 2020), stakeholder of the firms have moral value (such as: social and environmental), when stakeholder establish positive relationship with brand (Vitolla et al., 2019). Business leaders want social contact with shareholders, social communities and stakeholder, so that to conduct business activities within competitive environment by using resources which exceeds regulatory requirements. Researcher (Aguinis et al., 2020) also believed that committing more than what is required also affect financial bottom line (Malik et al., 2020).

It is evident from previous research literature that CSR is important for researchers. In the past, few research studies have analyzed relationship among CSR and financial performance (Zubeltzu-Jaka et al., 2018) (Miller et al., 2020). Some research studies have found mixed results while some studies have found no relationship among CSR and financial performance. Some research literatures have analyzed indirect association between CSR and financial performance, while some expressed positive relationship between CSR and financial performance (Harun et al., 2020) (Kang et al., 2010) (H. Y. Ali, Danish, & Asrar-ul-Haq, 2020). There is a need to execute more research studies to find association among CSR, SME and financial performance in a developing countries (Nour et al., 2020) (Harun et al., 2020). In this way, we can also conduct new researches that express the effect of CSR activities on firm performance in companies of developed countries as well. It is clear that little attention has made to SME sector, however the aim of this research study relationship among CSR and firm performance in developing countries, so that to give knowledge to government as well as entrepreneur about CSR and firm performance. However different studies from national to international level can be divided into three categories, first group has studies social characteristic as well as firm performance while neglecting other dimension of CSR. Alan et al (2016) evaluated that second group have focused on environmental characteristics and firm performance while ignoring social as well as firm performance. Yang and tin (2018) expressed that third group has studied association between social characteristics and firm performance while ignoring employee commitment as well as corporate reputation.

LITERATURE REVIEW.

The concept of corporate social responsibility (CSR) regarding economic maximization as well as social activism is present in academic literature for more than seven decades (Frederick, 1994)). CSR is a main problem for companies and public. Due to improved stakeholder relationship and corporate legitimacy, CSR has significant impact on real businesses. When there are more multinational corporations then specialized segments manage CSR activities ((Vogel, 2005); (Du et al., 2010). There are many definition of CSR and each definition results in different explanation (Moon et al., 2005).

In light of (Friedman, 1962)the obligation of the company is to maximize economic profit for shareholder while following regulations, social principals as well as laws. Carroll (1979) explained that company’s social responsibility constitutes economic, legal, ethical as well as social expectation. (Freeman & Medoff, 1984)developed stakeholder model which act as basic definition of CSR development. The model represents stakeholders affected directly or indirectly by company’s operations. (Freeman & Medoff, 1984) explained that significant aspect of stakeholder model is to found stakeholders of a company.

The concept of CSR was developed and practiced during Industrial Revolution. Adam Smith’s expressed his opinions in the following words; “Theory of Moral Sentiment” which evaluates that sympathetic people as well as profitable businesses has negative effect upon social as well as ethical examination (CAMPBELL, 1977).

In 1950s, the idea to take society into consideration was taken. The concept of CSR was developed and realized by the public when Bowen published his work, “Social Responsibilities of Businesses man”. It was beginning of research literature on the concept of CSR (Carroll, 2008). In 1950s, academic literature explained what is meant by social responsibility of company, but it cannot apply to real CSR situations. Carroll, (2008) explained that managers were considered comfortable from CSR activities but it was also found that there exist few CSR activities except philanthropic activities.

List of Previous research work related to CSR

S.N	Author/s	Journal	Sample	Country	Findings
1	Akben-SelcuK., 2019	“Sustainability”	70	Turkey	Result indicate that CSR has positive relation with FP through negative interacting effect of ownership concentration.

2	(H. Y. Ali, Danish, & Asrar-ul-Haq, 2020)	“Corporate Social Responsibility and Environmental Management”	229	Pakistan	CSR develop positive image of organization through improved financial performance
3	(Awaysheh et al., 2020)	“Strategic Management Journal”	210	USA	Found “significant relationship between CSR attributes and firm performance”
4	(Cho et al., 2019)	“Sustainability”	104	Korea	CSR has positive correlation with Profitability.
5	(Hou, 2019)	“Corporate Social Responsibility and Environmental Management”	122	Taiwan	Findings depict that CSR has positive relation with FP in electronic industry of Taiwan
6	(Franco et al., 2020)	‘International Journal of Hospitality Management’	210	Italy	Based on contingency approach the current study found U shape relationship between CSR and FP among Italian companies.
7	(Minghui, 2018)	“PhD Thesis. ISCTE University Institute of Lisbon”	125	China	Results indicate that CSR attributes customers and suppliers, environment, and society has significant association with firm performance.
8	(Nirino et al., 2019)	“British Food Journal”	190	Italy	Results state that social attribute of CSR has

					significant relation with CSR, while other factors of CSR did not evident positive relationship with Firm Performance.
9	(Resmi et al., 2018)	“American Journal of Economics, Finance and Management”	171	Bangladesh	Result start that return on equity (ROE) & net income has significant relationship with firm that apply CSR.
10	(Williams, 2020)	“Degree of Doctor of Philosophy Managemen Walden University”	208	USA	Result find mixed findings in response to CSR attributes and firm performance in relation to enterprises sectors.

Result from table (2.1) indicate that Previous Research about the relationship of CSR and firm performance indicate varying findings from different work context of developed and developing nation. For instance, the study of (Akben-SelcuK., 2019) Result indicate that CSR has positive relation with FP through negative interacting effect of ownership concentration among Turkish organizations.(Awaysheh et al., 2020)Found “significant relationship between CSR attributes and firm performance among 210 US firms.

The result from the study conducted in Eritrea state that CSR has significant relation with firm performance through mediating role of firm reputation, Similar findings were reported by (Cho et al., 2019) among 104 Korean firms.(Hou, 2019)Findings depict that CSR has positive relation with FP in electronic industry of Taiwan.The study of (Franco et al., 2020)Based on contingency approach and result found U shape relationship between CSR and FP among Italian companies.(Minghui, 2018)Results indicate that CSR attributes customers and suppliers, environment, and society has significant association with firm performance. Similarly the result of (Nirino et al., 2019) state that social attribute of CSR has significant relation with CSR, while other factors of CSR did not evident positive relationship with Firm Performance.(Minghui, 2018)Results indicate that CSR attributes customers and suppliers, environment, and society has significant association with firm performance.

Williams, (2020) conduct their study in USA and his result find mixed findings in response to CSR attributes and firm performance in relation to enterprises sectors.(Resmi et al., 2018)study from bangaldesh depict that Result state that return on equity (ROE) & net

income has significant relationship with firm that apply CSR. The study of (H. Y. Ali, Danish, & Asrar-ul-Haq, 2020) was conducted in Pakistan and result state that CSR develop positive image of organization through improved financial performance.

Based on the previous literature it is proposed that

H1: CSR towards employees influence the financial performance of corporate.

H2: CSR towards community influence the financial performance of corporate.

H3: CSR towards environment influence the financial performance of corporate.

H4: CSR towards customers' influence the financial performance of corporate.

RESEARCH METHODOLOGY

Because of the differences in accounting laws and standards utilized by financial and non-financial organizations, Purposive Sampling Techniques is used in this study. Because non-financial organizations have more accrual transactions than financial firms, there are greater opportunities for them to participate in EM. (Kilic et al., 2014). The sample was made up of non-financial businesses. Internal auditors were chosen from among general managers, staff managers, operating-unit controllers, and general managers. The entire list of items on which the researcher wishes to generalize study findings is referred to as the target population (Kothari, 2004; Mugenda & Mugenda, 2003). The target population was chosen since the majority of the businesses were registered (KAM, 2015). The sample size is calculated using factors such as the population's nature and size, the sample size of similar studies, published tables, equations, and software calculations. (Israel, 2009). For regression analysis, a sizeable sample is required, about 200 – 500 (Israel, 2009). Large samples guarantee stable estimators (Sweeney, 2009). A pilot test is a small-scale simulation of the actual survey that is conducted prior to the actual survey. The questionnaire is tested on respondents who are as comparable to those in the primary inquiry as possible. The size of the pilot research is largely determined by the time and financial resources available, however most investigations require at least ten (10) participants. (Saunders et al., 2012). The questionnaire's efficiency and suitability are tested through the pilot. (Sweeney, 2009).

Table.3.1. Reliability Statics of the construct during Pilot Testing

S.N	Construct	Adopted from	No of Items	Item deleted	Alpha Reliability
1	CSR	(Sweeney, 2009b; Williams, 2020)	12	NIL	0.882
2	Corporate Performance	(Sweeney, 2009b; Williams, 2020)	03	Nil	0.811

Corporate Social responsibility was measured through adopted construct from previous research studies of (Sweeney, 2009b; Williams, 2020) Four major attributes of CSR were

measured through Customer focus, Community focus, environment focus and workplace focus. Response was recorded on Five point likert scale. Sample items for measuring community performance are “To what extent is your firm donates to charity?” .“To what extent are staff members involved in charity volunteer work on behalf of the company”.Sample items for measuring workplace performance are “To what extent does your organization encourage employees to develop real skills and long-term careers?”, while Sample items for measuring customer performance are “To what extent is your company resolved customer complaints in a timely manner?”. Finally, environmental concerns were measured through 3 item adopted construct and sample item is “To what extent is your company involved in Waste Reduction?”

The questionnaire will provide information on financial performance. This study's construct measures is derived from previous research study of (Williams, 2020). Different research studies (Ali et al., 2020; Chijoke-Mgbame et al., 2020; Minghui, 2018; Yu & Choi, 2014) used various attribute to measure corporate performance (Resmi et al., 2018; Sweeney, 2009b) however in the current study corporate social responsibility is measured through newly developed construct of (Sweeney, 2009b) after studying number of research study. Hence corporate performance was also measured through newly developed and validated construct of (Williams, 2020) in American work context. Sample item for measuring CP is “How did the sales of the firm in 2020 relate to the previous year?”. Data was analyze through SPSS and smart PLS for measuring reliability via structural model and SPSS was applied for regression analysis.

RESULT AND DISCUSSION

Table 4.1. Distribution of No of survey

	Issued Questionnaire		Received Questionnaire		Response
	No	Percentage	No	Percentage	
M Board of Directors	50	25%	20	14.08	71.02%
M of Sub committee	50	25%	30	21.12	
Auditor	50	25%	40	28.16	
Academicians	50	25%	42	29.57	
Total	200	100%	142	71.02%	

Table (4.1) shows detail information about the relative number of participants in relation to their job specialization. According to the result highest number of respondents (43; 29.57%) belong to academicians that are expert in accounting and auditing procedures, followed by those that are performing the job of auditors (40; 28.16%) and member from sub-committee (30; 21.12%), while lowest response belongs to board of directors (20; 14.08%). The reason behind the selection of respondents from different areas based on the recommendations of (ALGHAMDI & Ali, 2012) that academicians have the basic knowledge about earning management and auditing procedure, and most of the students that get accounting related degree, apply their obtained knowledge from academic institutions to practical life, as a result these students once joined auditing related jobs and perform their duty. The information obtained from teaching faculty help them to solve multi-dimensional auditing related problems.

Table 4.2 Detail of experience for different groups

Experience	BOD		MoSC		Auditor		Academicians	
< 1 Year	0	00.00	0	0.00	3	7.5	4	9.5
1-3 Years	0	00.00	2	6.66	7	17.50	2	4.71
4-6 Years	1	5.00	3	10	5	12.50	16	38.09
7-10 Years	7	35.09	10	33.33	15	37.5	10	23.80
>10 Years	12	60.00	15	50.00	10	25.50	10	23.80
Total	20	100	30	100	40	100	42	100

BoD= Board of Directors; MoSC; Member of Sub Committee;

Table (4.2) shows detail information about the experience level of participants in relation to their job specialization. According to the result highest number of respondents (12; 60.00%) from group of board of members belongs to have more than 10-year experience, followed by experience level of 7-10 years. From member of sub-committee highest number of respondent's experience comes under the range of (greater than 10-year experience) (15; 50.00%) followed by range of (7-10 Years of experience) (10; 33.33%) while lowest experience belongs to the respondent having (1-3 Year of Experience) (2; 6.66%).

From member of auditors group highest number of respondent's experience comes under the range of (7-10 Years of experience) (15; 37.50%) followed by range of (more than 10 Years of experience) (10; 25.50%), while lowest experience belongs to the respondent

having (1-3 Year of Experience) (3; 7.50%). From member of academicians group highest number of respondent's experience comes under the range of (4-6 Years of experience) (16; 38.09%) followed by range of (more than 10 Years of experience) (10; 23.80%), while lowest experience belongs to the respondent having (1-3 Year of Experience) (4; 9.50%).

Table 4.3. Detail of Education Level for different groups

Education	BOD	MoSC	Auditor	Academicians
FA	0	0.00	0	00.00
BA	1	5.00	7	00.00
Master	12	60.00	23	23.80
MS	7	35.09	10	23.80
PhD	00	0.00	00	52.38
Total	20	100	40	100

BoD= Board of Directors; MoSC; Member of Sub Committee;

Table (4.3) shows detail information about the education level of participants in relation to their job specialization. According to the result highest number of respondents (12; 60.00%) from group of board of members belongs Master degree, followed by MS (7; 35.09%). From member of sub-committee highest number of respondents' education comes under the range of master degree (15; 50.00%) followed by range of MS degree (10; 33.33%) while lowest education participants belong to the represent BA degree (2; 6.66%). One of the reason that account that have higher experience in term of years may have bachelor degree, because in Pakistan for accountant's jobs bachelor degree is required and most importantly now a day's Pakistan higher education setup convert traditional 2-year bachelor/master degree into bachelor degree. Hence the highest number of respondents belongs to bachelor degree. Finally, from academicians' member highest number of respondent's education comes under the range of PhD degree (22; 52.08%) followed by range of MS degree (10; 23.33%) while lowest education participants belong to the represent master degree (10; 23.33%).

Table 4.4. Detail of Academic background for different groups

Specialization	BOD	MoSC	Auditor	Academicians
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Marketing	0	0.00	0.00	0.00	0	00	00	00.00
HR	1	5.00	5.00	16.66	7	17.50	00	00.00
Accounting	12	60.00	15	50.00	23	57.77	10	23.80
Finance	7	35.09	10	33.33	10	25.55	10	23.80
Business Ad	00	0.00	00	00.0	00	00.0	22	52.38
Total	20	100	30	100	40	100	42	100

BoD= Board of Directors; MoSC; Member of Sub Committee;

Table (4.4) shows detail information about the education background specialization of participants in relation to their job nature. According to the result highest number of respondents (12; 60.00%) from group of board of members belongs to accounting specialization, followed by Finance related studies (7; 35.09%). From member of sub-committee highest number of respondent's education specialization comes under the range of accounting degree (15; 50.00%) followed by finance specialization (10; 33.33%), while lowest education participants belong to the represent HR background (5; 16.66%). From member of auditor's group highest number of respondent's education comes under the specialization of accounting (23; 57.77%) followed by range of finance (10; 25.55%) while lowest education participants belong to the represent HR degree (7; 17.56%). From academicians group highest number of respondent's education comes under the specialization of business administration (22; 52.38%) followed by range of finance (10; 23.88%), and (10; 23.88%) belong to the represent accounting degree specialization.

Table 4.5. Factor Loading for CSR and Firm Performance

Items	CMP	CRP	ENP	FNP	WPP	CR	AVE
CMP1	0.976					.981	.964
CMP2	0.985						
CMP3	0.985						
CRP1		0.871				.704	.771
CRP2		0.885					
ENP1			0.994			.995	.984
ENP2			0.995				

ENP3	0.989			
ENP4	0.909			
FNP1	0.995	.909	.889	
FNP2	0.965			
WPP1	0.915	.921	.808	
WPP2	0.909			
WPP3	0.935			
WPP4	0.926			

In construct reliability the first step is to measurement model is to investigate the factor(item/s) loading on their respective construct. For this purpose, item loading higher than (0.705) is recommended by researchers. In the current study first measurement model as depicted in (fig 4.1) highest factor loading relates to WPP (.999), while lowest loading is related to CRP-1 (0.871). Results clearly indicate that all three items CMP loaded well on their respective factor. Workplace performance of CSR was measured by 4 items adopted construct of(Sweeney, 2009a) and result indicate that all the item loaded appropriately on their respective factor. Similarly, Financial performance was measured by adopted construct of (Sweeney, 2009a) and both items loaded on their respective factor. However interestingly item loading for both questions (FNP1 &FNP2) remain same (0.995) that arise the problem of higher VIP values. But the recommendations of state that if AVE and CR values are within threshold level than items loadings lower than (0.7) does not create any problem. Hence the instrument can be used for further analysis.

According to (Mueller & Knapp, 2018) reliability expresses the condition of correlation is one of the integral part of Validity. Different researchers (Terry & Kelley, 2012) use various type (Knapp & Mueller, 2010) of reliability statistics in their study, however in the current study Composite reliability(Hair Jr et al., 2017) is used to assess internal consistency of the items. Average variance extracted (AVE) was also assessed to find the establishment of convergent validity(Hair et al., 2017)(Hult et al., 2018). Minimum range of acceptance for AVE is 0.50 or greater, that actually explains 50 or more variance of the items consist of construct. which explains that construct describes 50 percent or more variance of items which make construct. In the current study CR value for different attributes of CSR are (CMP=0.981) followed by (CRP=0.704), (ENP=0..995) and (WPP=0.921), While Average variance extracted values are (CMP=0.964) followed by (CRP=0.771), (ENP=0..889) and (WPP=0.808).

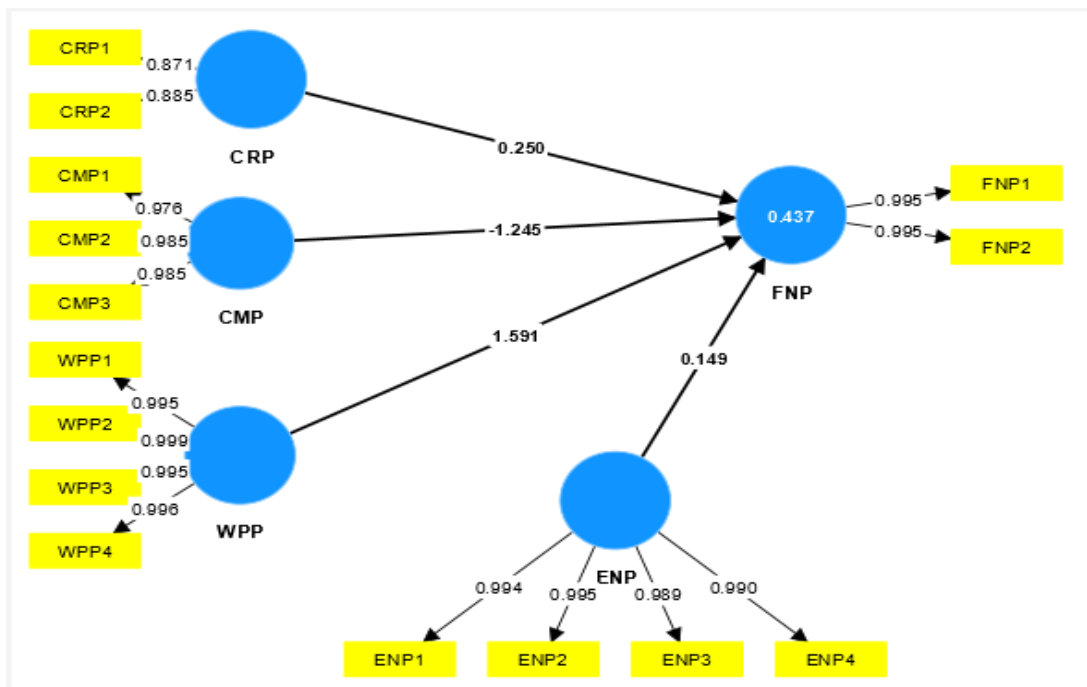


Fig 4.1. Measurement Model for CSR and Firm Performance

Table.4.6. Regression results for CSR attributes and Corporate Performance

Model Summary						
Model	R	R Square	Adjusted R ²	SEE	F	Sig.
1	.674 ^a	.454	.438	.44643	28.490	.000
Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.182	.283		4.182	.000
	CMP	.310	.077	.323	4.018	.000
	WPP	.212	.056	.285	3.790	.000
	CRP	.089	.054	.117	1.643	.103
	ENP	.136	.056	.169	2.422	.017

a. Dependent Variable: FNP

Table (4.6) shows detail information for our first hypothesis that CSR attributes has significant relationship with corporate performance. According to the results model R^2 value is (0.454) with (Standard Error=.4463 and F statistics=28.490) which means that 45% change in corporate performance is occur due to various attributes of firm CSR polices (see table 4.12). The relationship for individual attribute of CSR will be significant if p value is less than (0.05). The beta coefficient for four different attributes of CSR shows, that only two indicators namely “workplace performance” ($\beta=0.310$; $p<0.05$) and “community performance” ($\beta=0.212$; $p<0.05$) has significant relationship. Based on the results hypothesis (H2 & H3) are accepted. Beta Coefficient indicate that (31% & 21%)change in firm performance is occur due to organization focus on implementing CSR practices related to “workplace performance” and “community performance”. Other two attributes (environmental performance and customer performance) of CSR did not evident any kind of significant relationship because the p value is greater than threshold level as recommended by (Benjamin et al., 2018). Hence Hypothesis (H1 and H4) are rejected.

CONCLUSION.

The literature revealed varying results about the impact of CSR and its attributes on financial performance of the firms. For instance, the study of (Williams, 2020) found negative but significant correlation between CSR and financial performance of SME’s in United states of America. In contrast the spending higher proportion for CSR activities among tech companies leads to generate more income and higher profit. (Cho et al., 2019) conduct their study in the context of Korean economic institutions and the results state that firm profitability and performance both (in short and long term) has significant association with implementing CSR policies, most importantly the social contribution attribute of CSR shows significant correlation with profitability. Similar results are quoted by (Hou, 2019) while investigating the relationship between CSR and corporate performance in Taiwan. Number of research studies (Awaysheh et al., 2020; Nirino et al., 2019) evident the positive association between CSR and firm Performance among developed (Franco et al., 2020) and developing countries(Akben-Selcuk, 2019; H. Y. Ali, Danish, & Asrar-ul-Haq, 2020; Resmi et al., 2018).

Results from the current study are also in line with previous studies (Akben-Selcuk, 2019; H. Y. Ali, Danish, & Asrar-ul-Haq, 2020; Cho et al., 2019; Hou, 2019; Nirino et al., 2019; Resmi et al., 2018)that CSR has significant association with Corporate Performance. However, the currents study move one step forward and also investigate the impact of four attributes of CSR namely (Customer, Community, environment and workplace) on firm financial performance.

Result of the current study indicate that only two attributes community and workplace performance shows positive and significant relation with firm performance. Similar results were quoted by the study of (Inoue & Lee, 2011), however findings indicate that community performance attribute of CSR shows inverse relation in airline industry, while direct and positive correlation was recorded for Hotel industry. Findings from the study of (Williams, 2020) indicate that in US (Service and Manufacturing SMEs) insignificant relation was recorded to correlate community and firm performance. However only 5% SMEs firm manufacturing sector report that community performance plays significant role to boost financial performance.

On the other side the workplace Performance attribute of CSR also indicate positive and significant relationship for firm performance in Pakistani work context. Similar result were reported by the study of (Williams, 2020), their findings indicate that manufacturing sector SME's shows highly significant relation with firm financial performance than service sector SMEs in US. Similar results were found by the study of (Inoue & Lee, 2011).

One of the major reason behind the positive relationship between workplace performance attribute of CSR and firm financial performance based on the concept that due to globalization, now a day's employees have to perform multi-dimensional tasks at work place, hence the workplace relaxation environment for employees as well as customer play a significant role in increasing the profit margin of organization. If customers are satisfied while performing activity in the premises of organization, then these customers will spread the positive image of organization through word of mouth by recommending such organization to their social and business circle. Hence focusing on workplace environment as a strategic policy of CSR will not only satisfy customers, but it also boosts financial performance and motivate organization employees to perform better in relaxed environment.

Interestingly, the result of the current study did not found significant relationship for two important components of CSR namely "Environment Performance" and "Customer Performance". Results from the study of (Inoue & Lee, 2011) also indicate that environment & diversity attribute of CSR did not have direct link with firm financial performance. They argued that Environment and diversity attributes are institutional stakeholders having lower exchange rate for firm financial position. Mostly organization apply these attribute of CSR as a normative attachment, rather than attainment of institutional goal. Result from the study of (Williams, 2020) indicate that in US SMEs sector insignificant relationship was recorded for customer performance and firm financial position.

Contribution of the study

Results from the current study are also in line with previous studies that CSR has significant association with Corporate Performance. However, the currents study move one step

forward and also investigate the impact of four attributes of CSR namely (Customer, Community, environment and workplace) on firm financial performance. Findings indicate that only two attributes community and workplace performance shows positive and significant relation with firm performance. Interestingly, the result of the current study did not found significant relationship for two important components of CSR namely “Environment Performance” and “Customer Performance”. The current study investigates in detail about various facets of CSR in KP region and it is found that community and workplace attributes are significantly related to firm financial position. However improved business sustainability may well be achieved through investment in environment and customer focus attributes of CSR. At the same time organization social capital aspect may be enhanced through networking with potential customers, confidence building of all the stakeholders for sustainable environment. Hence management may focus on building strong bond with various stakeholders for sustainability approach, that will in result in approved financial performance of organization.

Recommendations for future studies

Based on the study of current research recommendations for future researchers are recommended as mentioned below. As the current study obtained the response through primary data source, however it arises many question mark, hence future study may investigate the current model through both sources of data collection. As the data was obtained through single source at one stage sampling, hence future researcher may obtain the data before and after annual data publication of various firms. It will give details insight about the company/firm response. Future studies may investigate CSR attributes in other sector (SME's, Hospitality, Health, Higher Education, financial Organizations, etc.) to get detail information's about its relevant importance in respect of their application in these sectors.

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