

A
RESEARCH PROJECT ON
“CSR In Business”

For the partial fulfillment of the requirement
Bachelor of Business Administration
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CSR In Business

A Research Project for

Bachelors of Business Administration

By

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DECLARATION

I hereby declare that the project work with the title “**CSR In Business**” submitted by me under the supervision of **Dr. Jaideep Sharma** for the partial fulfilment of the degree of the Bachelors of Business Administration at Galgotias University, is my original work. It has not been submitted earlier to any other institution for the fulfilment of the requirement for any course of study.

I also declare that no chapter of this manuscript in whole or in part has been incorporated in this report from any earlier work done by others or by me. However, extracts of any literature which has been used for this report has been duly acknowledged providing details of such literature in the references.

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BONAFIDE CERTIFICATE

Certified that this project report “**CSR In Business**” is the bonafide work of Bhavesh Bhardwaj (19GSOB1010467), Deepak Bhardwaj (19GSOB1010275), Danish Khan (19GSOB1010334)” who carried out the project work under my supervision.

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This thesis/dissertation/report entitled (Evolution of marketing) by Bhavesh Bhardwaj, Deepak Bhardwaj & Danish Khan is approved for the degree of Bachelors of Business Administration.

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Statement of Project Report Preparation

1. Thesis title: EVOLUTION OF MARKETING
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3. Project Supervisor was referred to for preparing the report.
4. Specifications regarding the thesis format have been closely followed.
5. The contents of the thesis have been organized based on the guidelines.
6. The report has been prepared without resorting to plagiarism.
7. All sources used have been cited appropriately.
8. The report has not been submitted elsewhere for a degree.

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INTRODUCTORY REFLECTIONS

Abstract:

This article aimed to review the relationship between corporate social responsibility (CSR) and corporate financial performance (CFP) by considering the existing literature on CSR and CFP in five developing countries in Asia including India, Indonesia, Malaysia, Pakistan and, Thailand. Although the relationship between CSR and CFP has become a hot issue in developed countries for several decades, empirical literature on relationship between CSR and CFP in developing countries has been relatively limited. Since CSR components in developing countries were different from those in developed countries, this article would be empirical evidence that presented conceptual research and the nature of relationship between CSR and CFP in developing countries. Corporate social responsibility (CSR) has the potential to make positive contributions to the development of society and businesses. The increasing attention to CSR is based on its capability to influence firms' performance. The CSR movement is spreading over the world and in recent years a large number of methods and frameworks have been developed, the majority being developed in the West. This study focuses on developing economies. The results show that CSR has a positive and significant relationship with the financial performance measures. These results reinforce the accumulating body of empirical support for the positive impact of CSR on financial performance.

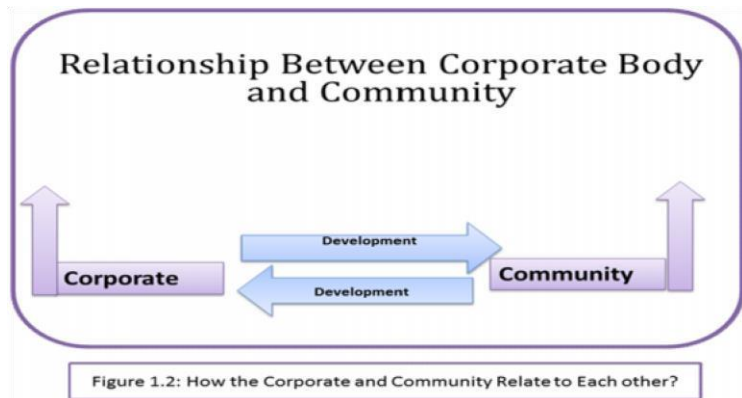
Keywords: Corporate Social Responsibility; Financial Performance; Developing countries; developing economies.

Introduction

India is a fast-growing economy and is booming with national and multinational firms. At the same time, India also faces social challenges like poverty, population growth, ill health, illiteracy, and unemployment just to name a few, all find their origins in the stagnation and often retrogression of economic life of poor people. Therefore, if development has to take place on a self-sustaining mode, it has to be rooted and concentrated in the poor people. These barriers act in complex ways, affecting economic growth and access to education, which is crucial for any development.

In a democratic society, it is the state that has the ultimate responsibility for ushering development to its citizens. In India, through the progressive interpretation of the Constitution and its laws and policies, the scope of development has been significantly broadened to include not just economic progress for citizens, but also the promotion of social justice, gender equity, inclusion, citizen awareness, empowerment and improved quality of life. To achieve this holistic vision of development, the state requires constructive and collaborative and, proactive synergies among the various sectors that play influential roles. While governments are mandated to provide basic services to their citizens, in the face of competing priorities they are neither always best placed, nor have the adequate resources to do so (Mukherjee, 2005)¹. In this endeavour, the entrepreneurial energies of the private sector also need to be harnessed in bringing about the competitiveness of India's social sector.

The actual development process can take place through a threefold relationship between companies, the government and the society. No longer can corporate firms be able to continue to act as independent entities regardless of the interest of the general public.



The evolution of the relationship between companies and society has been one of slow transformation from a philanthropic coexistence to one where the mutual interest of all the stakeholders is that no company can succeed within an unsuccessful community and no community can be successful without an educated population. In this context, it is noteworthy to mention the emergence of “**Corporate Social Responsibility**” (CSR) in the corporate houses.

An organization should believe that no company can succeed with in an unsuccessful community.

Corporate Social Responsibility (CSR)

CSR is nothing but what an organization does to positively influence the society in which it exists. It could take the form of community relationship, women empowerment programmes, healthcare initiatives, poverty elevation through special education - training programmes, employment generating initiatives and preservation of cultural heritage etc. At the same time corporate can make their image and faith in the society for larger and sustainable sale of their product. As per the US – UK tradition, “Corporate Social Responsibility is operating a business in a manner which meets or excels the ethical, legal, commercial and public expectations that a society has from business.”

The concept of Corporate Social Responsibility was first mentioned 1953 in the publication 'Social Responsibilities of the Businessman' by William J. Bowen. However, the term CSR became only popular in the 1990s, when the German Betapharm, a generic pharmaceutical company decided to implement CSR. In 1997 a halt in sales growth led the company to the realization that in the generic drugs market companies could not differentiate on price or quality. This was the prelude for the company to adopt CSR as an expression of the company's values and as a part of its corporate strategies

The globalisation accelerates and large corporations serve as global providers, these corporations have progressively recognized the benefits of providing CSR programs in their various locations. Traditionally in the United States, CSR has been defined much more in terms of a philanthropic model. Companies make profits, unhindered except by fulfilling their duty to pay taxes. Then they donate a certain share of the profits to charitable causes. It is seen as tainting the act for the company to receive any benefit from the giving.

Corporate Financial Planning (CFP)

A financial planner is an individual professional who aims to help their clients in meeting their financial and investment goals while ensuring their conditions and criteria are met. Now, whether a career option is good or not depends on the passion, and interest of the individual. Moreover, wealth management and financial planning are the need of the hour considering the peculiarity of the niche of financial market. Financial planning and management is an important role in providing a goal-oriented direction to an individual. Now, considering the importance of the problem it solves and adheres to, the demand for financial planning is increasing expeditiously. A financial planner sets a road map for a secure, and stable financial future. Hence, with rising demand for financial advisors or investment advisors an individual with the right expertise, passion, and intelligence may find it to be the best career option.

Is CFP is Valid In INDIA?

Yes, CFP is valid in India. CFP is regulated and managed by the Financial Planning Standards Board of India. FPSB India aims to guide and oversee the development and promotion of standards for Financial Planning professionals. With rising demand for both wealth managers and financial planners The demand for CFPs is significantly growing in India over the past years. An aspiring Certified Financial Planner CFP must evaluate the program on the grounds of required experience, education, dedication, and passion before opting for the program.

How many CFPs are there in India ?

As of March 2021 there are approximately 2000 Certified Financial Planner CFPs in India and 1400 Registered Investment Advisors registered with SEBI. The Financial Planning Standards Board received an approval from RBI to have its liaison office in India. The CFP certification is the most desirable and respected certification in the global financial market. It aims towards a committed, transparent, and ethical financial planning practice.

Are CFPs in Demand?

CFPs in India are in high demand which is expected to increase more in the coming years. The industry of wealth management and financial management has been growing in India over the past years considering the huge market and the wide range of investment opportunities as well as the growing stock market.

1.2.1 The key drivers for CSR:

Enlightened self-interest - creating a synergy of ethics, a cohesive society and a sustainable global economy where markets, labour and communities are able to function well together.

Social investment - contributing to physical infrastructure and social capital is a necessary part of doing business.

Transparency and trust - business has low ratings of trust in public perception. There is increasing expectation that companies will be more open, more accountable and be prepared to report publicly on their performance in social and environmental arenas.

Increased public expectations of business - globally companies are expected to do more than merely provide jobs and contribute to the economy through taxes and employment.”

Corporate Social Responsibility (CSR) has been defined as “companies integrating social and environmental concerns in their business operations and their interaction with stakeholders on a voluntary basis”.(COM, 2001.)ⁱⁱ Corporate Social Responsibility implies that the organizations have an important social role in the different segments of the society who are directly or indirectly influenced by the company. Concepts such as ‘Corporate Social

Responsibility” and “Corporate Citizenship” have gained momentum and prominence in the Indian corporate world.

The totality of CSR can be best understood by three words: ‘corporate,’ ‘social,’ and ‘responsibility.’ In broad terms, CSR relates to responsibilities corporations have towards society within which they are based and operate, not denying the fact that the purview of CSR goes much beyond this. CSR is comprehended differently by different people.

CSR in Education for Underprivileged Children

India has had a long history of community and social initiatives being taken by the corporate bodies. The range of initiatives by companies has been very wide, including religious, educational, health, and a range of other areas. It has been felt by the development experts that, if all Indians are educated then it will lead to better health care, population control, access to better services, poverty reduction etc. Hence, education is a core issue of development.

In the sector of providing education to underprivileged children, some large scale corporate bodies made their impression on the heart of this core issue. A few initiatives are summarized below: For street children, **Citigroup** is partnering with Akanksha in providing education to a group of street children (ages 5-18) in an Akanksha Centre in Mumbai.

Cummins Diesel India Foundation helped the noble cause of taking the school to the door of the street, slum, and construction site children with no means of entry into formal school education.

Caterpillar India Private Limited, established a school in 1990 near the factory premises.

This English Medium Higher Secondary School, Chellammal Vidyalaya, imparts quality education, not only for the benefit of employees' children, but also for children from nearby villages.

Gujarat Ambuja Cement provides instructure and materials support to schools by strengthening and supporting village schools and anganwadis and providing teaching aids, material, furniture, sports equipment, and in some cases undertaking the renovation of schools.

The **Infosys Foundation** believes that every school should have sufficient resources to acquire knowledge. The Shalegonda Granthalaya (A Library for every school) program has been extremely successful since its inception in 1997-98, in helping schools in villages set up their own libraries.

Ballarpur Industries Limited (BILT) with a view to Mainstreaming out-of-school youth: The Bilt Pratham project is the Bilt support to the cause of primary education at the national level.

Premise

The objective of the introduction is here to present the idea of CSR and how this has evolved with change in time and technology.

Purpose

It is widely acknowledged that a significant proportion of children (especially children from underprivileged backgrounds) either drop out before they reach class V or, even if they continue to attend school, learn very little. This phenomenon is far more pronounced among children from the most disadvantaged sections of our society, most of who rely on the government primary school system. And government primary school system is not relevant or compressed with Indian cultural heritage. There is a large scarcity of quality education. Here the "Quality" focus on empowering children (and their families) with knowledge, confidence and a collective strength to set priorities for action and help each other. Children

discuss and determine what work they can do and what kind of work is hazardous to their growth and development. The net result is withdrawal of children from full-time or hazardous work, while acknowledging the work they do at home, in the farm, in family occupations and in supporting the family during peak seasons. The quality, content and relevance of education are brought centre-stage in this approach. Social mobilisation and community awareness is achieved through the association of children

Hence it is felt necessary to undertake the present study to study the dynamics of delivery system of

education for underprivileged children by the strong bond relation among corporate, government and

community. And also it has to document the role and effectiveness of CSR in quality education for underprivileged children.

Background of the study

Rationale of the study is the most integral part of the study as it justifies the significance and novel the of the study.

Beneficiaries of the study

Beneficiaries are those who are likely to be interested in or to benefit from the patterns may differ from one another keeping in mind their trust towards the traditional approach.

Review of Literature

There has been very little systematic documentation of Social Responsibility initiatives of corporates towards education of underprivileged children in India in the past, other than the brochures and publicity material brought out by the companies themselves. Here few studies are summarized which are relevant to children education and CSR, which is divided into conceptual and empirical literature review. The current status of elementary education in India is also reviewed for the better understanding for the study.

Conceptual CSR Literature Review:

Corporate social responsibility (CSR), also called corporate conscience, corporate citizenship, social performance, or sustainable responsible business/ Responsible Businessⁱ is a form of corporate self-regulation integrated into a business model. CSR policy functions as a built-in, self-regulating mechanism whereby a business monitors and ensures its active compliance with the spirit of the law, ethical standards, and international norms. The goal of CSR is to embrace responsibility for the company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere who may also be considered as stakeholders.

The term "corporate social responsibility" came into common use in the late 1960s and 1970s after many multinational corporations formed the term stakeholder, meaning those whom an organization's activities have an impact. It was used to describe corporate beyond shareholders as a result of an influential book by R. Edward Freeman, *Strategic management: a stakeholder approach* in 1984.^{iv} Proponents argue that corporations make long term profits by operating with a perspective, while critics argue that CSR distracts economic role of businesses. Others argue CSR is merely window-dressing, or an attempt to preempt the role of governments as a watchdog over powerful multinational corporations.

According to Rob Gray, Reza Kouhy, Simon Lavers, (1995) an extensive review of the corporate social reporting literature, its major theoretical preoccupations and empirical conclusions, attempts to re-examine the theoretical tensions that exist between "classical" political economy interpretations of social disclosure and those from more "bourgeois" perspectives^{vi}. Argues that political economy, legitimacy theory and stakeholder theory need not be competitor theories but may, if analysed appropriately, be seen as alternative and mutually enriching theories from alternative levels of resolution. Offers evidence from 13 years of social disclosure by UK companies and attempts to interpret this from different levels of resolution. There is little doubt that social disclosure practice has changed dramatically in the period. The theoretical perspectives prove to offer different, but mutually enhancing, interpretations of these phenomena. avoid shareholders' disappointment. Enron and WorldCom, the two giant American companies, have collapsed after a series of deliberate misleading financial accounts. Michael Hopkins(2003) defined CSR as treating the stakeholders of the firm ethically or in a responsible manner. 'Ethically or responsible' means treating stakeholders in a manner

deemed acceptable in civilized societies. “Social” includes economic responsibility as well. The wider aim of social responsibility is to create higher and higher standards of living, while preserving the profitability of the corporation.

In the last ten years(12 February 2005) the notion of a ‘business case’ for corporate sustainability has increasingly been used by the corporate sector, environmental organizations, consultancies and so on, to seek justification for sustainability strategies within organizations. In this paper, we aim to systemize and assess existing research and tools related to this increasingly popular concept. We present a review of (1) theoretical frameworks, (2) instrumental studies aiming to either prove or disprove a hypothesized causal sequence between corporate social or environmental performance and financial performance, (3) descriptive studies examining manager’s actual perceptions and practices, and finally (4) tools.

Corporate Social Responsibility in an Indian Public Sector Organization .The organization exist

in the society because of the inputs received from it—material and human—and ultimately sells

its products and services to it. Any organization must pay its due in various ways to this important constituency. In this article, the authors have used the case study of an Indian Public

Sector Undertaking (PSU) like Bharat Petroleum Corporation Ltd to describe its Society and

Local Community-related initiatives. Being a PSU and true to its mandate, BPCL has undertaken lot of innovative CSR initiatives in and around the areas of its functioning. The data collection for the case has been done by the authors through personal interviews with top executives of the Company and supplemented through other information available in the public domain. They help to provide education facilities and some other training is also given for women empowerment, which was an grand success.

Corporate Social Responsibility in India and Other Countries

Contextualising CSR in India:

CSR is not a new concept in India. Corporations like the Tata Group, the Aditya Birla Group, and Indian Oil Corporation, to name a few, have been involved in serving the community ever since their inception. Many other organizations have been doing their part for the society. CSR has become increasingly prominent in the Indian corporate scenario because organizations have realized that besides growing their businesses it is also vital to build trustworthy and sustainable relationships with the community at large.

Another reason fuelling this rapid adoption of CSR is the state of the Indian society. Though India is one of the fastest growing economies, socio-economic problems like poverty, illiteracy, lack of healthcare etc. are still ubiquitous and the government has limited resources to tackle these challenges. This scenario has opened up several areas for businesses to contribute towards social development.

Today, CSR in India has gone beyond merely charity and donations. It has become an integral part of the corporate strategy. Companies have CSR teams that devise specific policies, strategies and goals for their CSR programs and set aside budgets to support them. These programs, in many cases, are based on a clearly defined social philosophy or are closely aligned with the companies' business expertise. Employees become the backbone of these initiatives and volunteer their time and contribute their skills, to implement them. CSR Programs could range from overall development of a community to supporting specific causes like education, environment, healthcare etc.

For example, organizations like Bharat Petroleum Corporation Limited, Maruti Suzuki India Limited, and Hindustan Unilever Limited, adopt villages where they focus on holistic development. They provide better medical and sanitation facilities, build schools and houses, and help the villagers become self-reliant by teaching them vocational and business skills.

On the other hand GlaxoSmithKline Pharmaceuticals' CSR programs primarily focus on health and healthy living. They work in tribal villages where they provide medical checkup and treatment, health camps and health awareness programs. Many CSR initiatives are executed by corporate in partnership with Non-governmental organizations (NGOs) who are well versed in working with the local communities and are experts in tackling specific social problems.

CSR has come a long way in India. From responsive activities to sustainable initiatives, corporate have clearly exhibited their ability to make a significant difference in the society and improve the overall quality of life. In the current social situation in India, it is difficult for one single entity to bring about change, as the scale is enormous. Corporate have the

expertise, strategic thinking, manpower and money to facilitate extensive social change. Effective partnerships between corporate, NGOs and the government will place India's social development on a faster track.

China's CSR and CFP

Chen and Wang (2011) investigated the relationship between corporate social responsibility and financial success in China. For CSR performance, the research methodology identified nine types of stakeholders (shareholders, managers, employees, creditors, suppliers, retailers, consumers, government, and community) and three variables: return on investment (ROI), return on assets (ROA), and growth rate of sales (GRS). To the current CFP, add return on sales (ROS), return on assets (ROA), and growth rate of sales (GRS). The link between CSR and CFP during a two-year period (current is the subject of research time and the following era) and the link between CSR and CFP variation in two periods years. Data was gathered from "questionnaires of corporate social responsibility" that were self-designed. Senior executives from 141 Guangdong companies took part in the survey. The People's Republic of China The data was examined using SPSS17.0 software for factor analysis, relative analysis, and multiregression. The findings suggest that CSR efforts can improve a company's current year's CFP while also having a major impact on the next year's CFP, and vice versa. CSR and CFP variations can have a major impact on each other.

Indonesian CSR and CFP

Fauzi and M.Idris (2009) investigated the link between CSR and financial success in Indonesian businesses. Data was gathered via a questionnaire with elements representing the following variables: CSR, CFP, business environment, strategy, organisational structure, and control system. 72 managers of state-owned firms (BUMN) and 148 private-owned companies were polled via post and e-mail, for a total of 220 samples. The purpose of this study was to investigate the relationship between CSR and CFP as derived from the strategic management domain, as well as to establish a perceptual CSR measurement based on a CSR survey instrument with seven dimensions. KLD (KLD Research Incorporated, 2008) and MJRA (Jantzi Research Incorporated, 2008) were the first to develop it. According to the slack resource theory and the good management theory, there was a favourable association between CSR and CFP.

Malaysian CSR and CFP

The relationship between corporate social responsibility and financial performance: data from Malaysia was investigated by Wan Fauziah et al. (2016). The CSR index is a variable that consists

of four aspects from the most widely accepted and recognised CSR measurement (Kinderman, 2012): environment, community, marketplace, and workplace. Earnings per share (EPS) and return on equity (ROE) are used to measure CFP (ROE). The samples come from Malaysia's top 100 firms on the stock exchange (Bursa Malaysia). For the past five years, data was gathered from text analysis of annual reports and the Bursa Malaysia website (2009-2013). Using SPSS, specifically Pearson's correlation, examines the link between CSR and CFP. The majority of the relationships between CSR and CFP were found to be positive.

Pakistan's CSR and CFP

Tanveer Bagh et al. (2017) investigated the relationship between corporate social responsibility and financial performance in the Pakistani financial sector. The major goal is to look into the impact of CSR on Pakistan's banking sector's CFP. The population consisted of commercial banks listed on the Pakistan Stock Exchange (PSX), with a sample of 30 topranked commercial banks chosen based on market capitalization. Data was gathered from annual audited financial reports, the statistical division of the State Bank of Pakistan SBP, and the PSX website throughout a ten-year period from 2006 to 2015. CSR is an independent variable that is quantified by the amount of money spent on CSR in the areas of donation, education, health, social welfare, and other natural disasters. CFP is a dependent variable that includes ROA, ROE, and EPS To investigate the impact of CSR on CFP, data was analysed using pooled regression analysis. CSR has a good and considerable impact on CFP: ROA, ROE, and EPS, according to the findings.

Thailand's CSR and CFP

Janamrung and Issarawonrawanich (2015) investigated the relationship between corporate social responsibility index and company performance in the industrial products and resources industries: empirical data from Thailand, looking at 204 listed businesses on the Thai Stock Exchange (SET). SET Market Analysis and Reporting Tool (SETSMART) data for the examined CSR Index were taken from annual reports and annual registration forms (Form 56-1) in 2008-2009, and CFP data: ROA, ROE, and accounting data were gathered from Datasteam and SETSMART in 2010-2011. Investors may easily acquire data from public information sources, which were used to score the CSR Index. Firms will obtain a score of "1" if they meet a criterion, and a score of "0" if they fail to meet a criterion.

The CSR index statistics are then generated by dividing the total sum of real scores in each category by the category's highest total score. The CSR index value for each category ranges from 0 to 1. The data was studied using descriptive statistics and multiple linear regression analysis to look at the relationship between CSR and CFP in Thailand. According to the data, companies with a higher CSR index score also have a greater return on assets (ROA). Furthermore, investing in CSR programmes yields a positive return on investment within two years on average. There are no correlations between the CSR index and return on equity (ROE) or the index and Tobin'Q.

Jitaree (2015) investigated the relationship between corporate social responsibility disclosure and financial success in Thailand. From 2009 to 2011, 323 firms registered on the Thai Stock Exchange were studied to see if there was a link between CSR filings and financial performance (SET). The CSR checklist encompassed 45 CSR actions of Thai enterprises based on published annual reports and the SETSMART database, which were then assessed and investigated using text analysis.

Table 1 Summary of CSR and CFP in developing countries

Developing Country	Data	Methodology	Dimension of CSR (Independent variable)	Financial Performance (dependent variable)	Control Variables	Finding
China	141 Samplings Year 2007-2008	1.questionnaires 2.factor analysis 3.relative analysis 4.regression analysis	1.stakeholder 2.operator 3.employee 4.creditor 5.supplier 6.distributor 7.consumer 8.government 9.community	1.ROS 2.ROA 3.GRS	1.industry background 2.nature of property rights 3.phase of life cycle	1.companies' social responsibility activity can improve their financial performances of the current year 2. have significant effects on their financial performances of the next year, and vice versa 3. the variation of CSR and financial performance can also significantly influence each other
Indonesia	220 Samplings Year 2007	1.questionnaires 2.psychometric analysis 3.factor analysis 4.multiple regression analysis.	1.community and society 2.corporate governance 3.customer 4.employee 5.environment	1.growth dimension 2.profitability dimension 3.business environment hostility	1.company size 2.type of company (state-owned company or non state-owned company)	There is a positive relationship between CSR and CFP under the slack resource theory and under good management theory.

Developing Country	Data	Methodology	Dimension of CSR (independent variable)	Financial Performance (dependent variable)	Control Variables	Finding
			6.human rights 7.controversial business	4.dynamism 5.complexity		
Malaysia	100 samplings Year 2009-2013	1.SPSS2.0 2.Pearson's correlation	1.environment 2.community 3.workplace 4.market place	1.EPS 2.ROE	n/a	Most of relationship between CSR activities and CFP were positive.
Pakistan	30 samplings Year 2006-2015	1.pooled regression models	Investment in corporate social responsibility 1.donation 2.education 3.health 4.social welfare 5.other natural catastrophes	1.ROA 2.ROE 3.EPS	n/a	1.CSR has positive and significant impact on CFP ; ROA, ROE, EPS 2. CSR phenomenon is an essential growth element and CFP-boosting tool in banking industry of Pakistan
Thailand	204 samplings	1.descriptive statistics	The CSR index is constructed	1.ROA 2ROE	n/a	1.Firms with a higher CSR index have higher ROA.

Developing Country	Data	Methodology	Dimension of CSR (independent variable)	Financial Performance (dependent variable)	Control Variables	Finding
	Year 2008-2009	2. Multiple linear regression analysis	based on the KLD Rating Data The criteria cover three parts of CSR and consist of 25 items: 1. community (8) 2. employees (8) 3. environment (9)	3. Tobin's Q.		2. The positive outcome of investment in CSR programs can be realized within a relatively short-time period. 3. No relations between the CSR index and ROE and Tobin'Q
Thailand	323 samplings Year 2009-2011 Divind in 3 group: manufacturing,	1. descriptive statistics 2. Content Analysis 3. Multiple linear regression analysis including cross-sectional model, the	The CSR index is constructed by Checklist The criteria cover three parts of CSR and consist of 45 items:	1. ROA 2. NPM 3. EPS 4. Tobin's Q.	1. firm size 2. firm leverage 3. company age 4. percentage of independent directors on companies' board.	1. Strong positive relationships between CSR and ROA, NPM and TEQ in all company. 2. Positive and significant relationship between CSR and ROA, NPM in the manufacturing group 3. CSR has positive relationship with TEQ in non-manufacturing group. 4. CSR is not related to EPS in all model

Developing Country	Data	Methodology	Dimension of CSR (independent variable)	Financial Performance (dependent variable)	Control Variables	Finding
	Non-manufacturing, Financial	pooled ordinary least squares model, the random effects model and the fixed effect model.	1.Environment (11) 2.Energy (6) 3.Employee/HR (16) 4.Community/social (7) 5.Product Responsibility (5)			

Companies CSR intervention in India:

There are number of CSR intervention has been initiated in India. Few of the credential CSR activities are as follows.

Larsen & Toubro Ltd.

L&T (Larsen & Toubro) was founded in the year 1938 by two Danish engineers – Henning Holck-Larsen and Soren Kristian Toubro – as a partnership firm. L&T’s service range extends from providing infrastructure (building, roads, and bridges) to constructing process plants and electric projects (like steel plants, power plants, refineries, switchyards, substations, and transmissions lines). With its registered office and head office in Ballard Estate Mumbai, the company has six operating divisions: E&C (engineering and construction projects), HED (heavy engineering), ECC(engineering, construction, and contracts), EBG (electrical and electronics), MIPD (machinery and industrial products), and LTIL (IT and engineering services).

Nestle India

India has the rare distinction of being the largest global producer of milk with the cost of production being the lowest. Domestic demand for milk and milk products has been increasingly steadily due to economic prosperity. Further, globalisation has increased demand for exports. Operation of Nestle India inⁱⁱⁱ Moga, Punjab offers an example of such intervention. Under this intervention, milk collection centres were set up in the villages for having direct contact with the primary producers in 1961. With increase in income and level of confidence of the farmers, the number of milk collection centres, milk suppliers and milk intake increased steadily. The productivity of the animals and the size of herd also increased, which gave a boost to the number of milk producers and improved their economic condition. Success of this operation has proved that synergy between the corporate house and the primary producers, supported by the government agencies can create a “win-win” situation for the corporate and the primary producers in the rural, which will facilitate social inclusion.

Dabur Nepal Pvt. Ltd.

Dabur Nepal Pvt. Ltd. is a joint venture company established in the year 1989 when probably very few investors had their roots in Ayurveda. Thanks to the favourable climatic conditions here, Nepal has been a major source for the herbal plants which are extensively used in Tibetan, Chinese, Nepalese and Indian medicines. However, due to indiscriminate use, over exploitations, poor collection methods, early harvesting and lack of the post

harvest technology, these natural reserves are depleting speedily. A *state-of-the-art Greenhouse facility has been set up at Banepa* which has the capability to produce 5-6 million saplings of medicinal plants per annum. All the required climatic parameters for uniform growth of saplings of the medicinal plants like temperature, humidity etc. are controlled by automatic computer systems. Besides helping preserve natural resources, this initiative has also gone a long way in generating employment and income for local people and improving the socio-economic conditions of local populace in the Himalayan Kingdom

Omaxe Ltd.

Omaxe Foundation, (set up in 2006) has been pursuing the vision “*Naye Bharat Ka Nirman Bhi Aur Chaheron Pae Muskan Bhi*” of Omaxe Ltd., dealing with real estate business since 1987. The Foundation acts as a catalyst, enabler and facilitator to extend help and resources for multifarious issues related to improving the quality of life of the underprivileged. The Foundation has taken up provision of hygiene, sanitation, pure drinking water, proper lighting and residential facilities to workers at the construction sites as well as mobile crèche, education of children and gender based initiatives.

GMR Group

GMR Group^{vii} dealing with modernisation of the International Airport has taken up its CSR interventions through *GMR Varalakshmi Foundation*. The Foundation is supporting welfare work for the community located around the infrastructure and industrial projects undertaken by the Group with thrust on education of children, health, hygiene and sanitation, empowerment and livelihoods of the community. Besides, the Foundation has been organising adult literacy classes, tailoring centre for women, tuition centres for students, medical camps, and training the school drop-outs as electricians.

Identification of the research gap

There are numerous literary works and reviews which have been conducted in order to understand the process of evolution through surveys and official data.

Objectives of the Study

The followings are the main objectives of the study:

‡ To Study the Educational initiatives under Corporate Social Responsibility of the Sampled Companies.

‡ To understand the effectiveness of the identified educational CSR initiative with reference to access, enrolment, retention & quality.

‡ To study the convergence practices adopted under CSR educational initiative for promoting Quality education.

‡ To suggest the measures for further improvement of the initiatives.

Research Methodology

Study Design

To trigger the aim and objectives of the study, it is carried out in three phases' i. e. 1st Phase 2nd phase and 3rd Phase: 1) Desk research and secondary literature review; 2) quantitative and qualitative survey in sample companies educational initiatives and 3) data entry, analysis and report writing. Each part of the study was linked to a specific outcome which is shown in the flow diagram below:

Sampling of Schools:

To study in-detail of Dr. Reddy's Foundation CSR intervention, random sampling method applied. The DRF is running around 32 schools under its CSR umbrella, from which 14 schools were randomly selected for the study.

Sampling of Parents:

Principal's help was requested to identify 10 (ten) parents of 5 (five) better performing student and 5 (five) not so better performing student. To identify the parents stratified random sampling method has been used. Therefore a total number of 140 parents from the 14 (fourteen) sampled DRF school were identified for the in-depth interview.

On the other hand all educational initiative were considered for the detail study, in view of limited intervention. In Natco trust the study is limited to only qualitative data collection through discussion with the officials of CSR wing.

Research instrument

The instrument used in this study is through a structured questionnaire. It is based on self-completion and the questions asked are close ended questions which makes it easy while analysing, comparing and is convenient while understanding the perception of the person. The questionnaire moves from asking demographic information of the respondents to general questions related to the research.

Sources of data collection

The primary data that is collected for conducting the research has been gathered from the responses received through the questionnaire. On the other hand, the secondary data used for various definitions and conclusions according to previous researches have been taken from the articles published.

Method of data analysis

The tools used for data analysis is graphical analysis with the help of pie charts and bar graphs which have been further analysed with interpretations of the analysis.

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CSR and CFP in Developing Economies

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ABSTRACT:

This article aimed to review the link between corporate social responsibility (CSR) and company financial performance (CFP) by considering the present literature on CSR and CFP in five developing countries in Asia including China, Indonesia, Malaysia, Pakistan, and Thailand. Although the relationship between CSR and CFP has become a hot stock in developed countries for several decades, the empirical literature on the relationship between CSR and CFP in developing countries has been relatively limited. Since CSR components in developing countries were different from those in developed countries, this text would be a piece of empirical evidence that presented conceptual research and the trend of the relationship between CSR and CFP in developing countries. Corporate social responsibility (CSR) has the potential to form positive contributions to the event of society and businesses. The increasing attention to CSR is predicated on its capability to influence firms' performance. The CSR movement is spreading over the planet and in recent years an oversized number of methods and frameworks are developed, the bulk being developed within the West. This study focuses on developing economies. The results show that CSR includes a positive and significant relationship with the financial performance measures. These results reinforce the accumulating body of empirical support for the positive impact of CSR on financial performance.

I. INTRODUCTION

Corporate social responsibility (CSR) may be a style of international private business self-regulation that tries to contribute to philanthropic, activist, or charitable societal goals by volunteering or supporting ethically-oriented actions. While CSR could once be described as an inside corporation policy or a company ethics plan, that point has gone as various national and international regulations are formed and plenty of organisations have utilized their power to push it beyond individual or maybe industry-wide initiatives. While it's long been regarded as a sort of corporate self-regulation, it's evolved significantly from voluntary decisions at the number of individual businesses to required programs at the regional, national, and worldwide levels within the last decade roughly.

CSR is usually considered at the organizational level as a strategic activity that contributes to a brand's reputation. As a result, for social responsibility efforts to achieve success, they need to align with and be integrated into a business model. In certain models, a company's CSR implementation goes beyond regulatory compliance and includes "activities that appear to serve some societal good, beyond the firm's interests and what's required by law."

For decades, the company social responsibility (CSR) movement has swept the world and has become a hot topic in academic debate. Because business organisations' performance is influenced by their strategies and operations in both market and non-market situations, there's a heated discussion about it.

The extent to which social and environmental considerations should be considered by company directors and managers when making decisions the corporate paradigm has shifted from profit-driven to profit-driven, with a spotlight on social and environmental responsibility moreover as wealth creation for stakeholders. This notion relies on Elkington's triple bottom line (TBL) concept, which expands a company's focus beyond financial earnings to incorporate social and environmental factors. CSR is defined as a "business's responsibility to pursue those policies, make those decisions, or follow those lines of action that are beneficial in terms of our society's objectives and values" (Bowen,1953) This definition states that CSR is an organization's commitment to behaviour that ends up in economic development and contributes to the welfare of its employees, area people, and society at large. (WBCSD,1999).

Nowadays, leading corporations have invested heavily in CSR activities and adopted CSR initiatives as a part of their business policies and techniques, and reported annual details about CSR activities so as to get competitive advantages. although CSR is voluntary, when implementing CSR activities, high capital investment is required. The shareholder needs empirical evidence on how the CSR investment affects the company financial performance (CFP). Since corporate social responsibility may be a voluntary initiative, engagement in CSR is prevalent across various sorts of business in several countries.

an outsized number of methods and frameworks are developed to elucidate the importance of CSR and therefore the relationship between CSR and CFP, the bulk is being developed within the developed countries. In recent years, corporations within the developing countries are more awake to the CSR disclosure frameworks like GRI, UNGC, and ISO 26000. These frameworks shall institutionalize CSR on a worldwide level through the creation of norms, rules, and procedures for CSR. However, since sustainability disclosure remains a voluntary practice in developing countries, transnational regulatory bodies face many challenges in promoting CSR disclosure thanks to the shortage of direct power to penetrate national law (Brammer, Jackson, & Matten, 2012; Aguilera, Rupp, Williams, & Ganapathi, 2007). This study focuses on the relationship between CSR and CFP in five developing countries that including China, Indonesia, Malaysia, Pakistan and Thailand to represent countries with economic potential among developing countries. The contribution of article is to construct empirical evidence resulting in suitable framework for analysing and evaluating corporate social performance and examine the connection between CSR disclosure and CFP in developing countries. The results show that the connection between CSR and CFP is diversified and therefore the relationship between CSR and CFP mainly exist in three directions: correlation, correlation and no correlation.

Businesses may additionally engage in CSR for strategic or ethical reasons. CSR can augment business profitability from a strategic standpoint, especially if brands actively self-report both positive and negative effects of their endeavours. These advantages are derived partly from improving favourable packaging and maintaining high ethical standards so as to decrease business and legal risk by accepting responsibility for company actions. CSR initiatives urge businesses to own a beneficial impact on the environment and other stakeholders like customers, employees, investors, communities, and so on. Some organisations will implement CSR policies and procedures thanks to senior management's ethical beliefs: as an example, the CEO of outdoor-apparel company Patagonia, Inc. feels that environmental destruction is ethically undesirable.

China's CSR and CFP

Chen and Wang (2011) investigated the link between corporate social responsibility and financial success in China. For CSR performance, the research methodology identified nine kinds of

stakeholders (shareholders, managers, employees, creditors, suppliers, retailers, consumers, government, and community) and three variables: return on investment To this CFP, add return on sales (ROS), return on assets (ROA), and rate of sales (GRS). The link between CSR and CFP during a two-year period (current is that the subject of research time and therefore the following era) and also the link between CSR and CFP variation in two periods years. Data was gathered from "questionnaires of corporate social responsibility" that were self-designed. responsibility. Senior executives from 141 Guangdong companies took part in the survey. In the People's Republic of China, the info was examined using SPSS17.0 software for correlational analysis, relative analysis, and multi-regression. The findings suggest that CSR efforts can improve a company's current year's CFP while also having a serious impact on the subsequent year's CFP, and contrariwise. CSR and CFP variations can have a significant impact on one another.

Indonesian CSR and CFP

Fauzi and M.Idris (2009) investigated the link between CSR and financial success in Indonesian businesses. Data was gathered via a questionnaire with elements representing the subsequent variables: CSR, CFP, business environment, strategy, organisational structure, and system. 72 managers of state-owned firms (BUMN) and 148 private-owned companies were polled via post and e-mail, for a complete 220 samples. the aim of this study was to research the link between CSR and CFP as derived from the strategic management domain, still on establish a perceptual CSR measurement supported by a CSR survey instrument with seven dimensions. KLD(KLD Research Incorporated, 2008) and MJRA (Jantzi Research Incorporated, 2008) were the primary ones to develop it. in step with the slack resource theory and therefore the good management theory, there was a favorable association between CSR and CFP.

Malaysian CSR and CFP

The relationship between corporate social responsibility and financial performance: data from Malaysia was investigated by Wan Fauziah et al. (2016). The CSR index may be a variable that consists of 4 aspects from the foremost widely accepted and recognised CSR measurement (Kinderman, 2012): environment, community, marketplace, and workplace. Earnings per share (EPS) and return on equity (ROE) are accustomed measure CFP (ROE). The samples come from

Malaysia's top 100 firms on the securities market (Bursa Malaysia). For the past five years, data was gathered from text analysis of annual reports and therefore the Bursa Malaysia website (2009-2013). Using SPSS, specifically Pearson's correlation examines the link between CSR and CFP. the bulk of the relationships between CSR and CFP were found to be positive.

Pakistan's CSR and CFP

Tanveer Bagh et al. (2017) investigated the connection between corporate social responsibility and financial performance within the Pakistani financial sector. the key goal is to appear into the impact of CSR on Pakistan's banking sector's CFP. The population consisted of economic banks listed on the Pakistan securities market (PSX), with a sample of 30 topranked commercial banks chosen supported capitalisation. Data was gathered from annual audited financial reports, the statistical division of the banking company of Pakistan SBP, and therefore the PSX website throughout a ten-year period from 2006 to 2015. CSR is a variable that's quantified by the number of cash spent on CSR within the areas of donation, education, health, welfare, and other natural disasters. CFP may be a variable that features ROA, ROE, and EPS to analyze the impact of CSR on CFP, data were analysed using pooled multivariate analysis. CSR contains a good and considerable impact on CFP: ROA, ROE, and EPS, per the findings.

Thailand's CSR and CFP

Janamrung and Issarawonrawanich (2015) investigated the connection between the corporate social responsibility index and company performance within the industrial products and resources industries: empirical data from Thailand, viewing 204 listed businesses on the Thai exchange (SET). SET market research and Reporting Tool (SETSMART) data for the examined CSR Index were taken from annual reports and annual registration forms (Form 56-1) in 2008-2009, and CFP data: ROA, ROE, and information were gathered from Datasteam and SETSMART in 2010-2011. Investors may easily acquire data from public information sources, which were accustomed score the CSR Index. Firms will obtain

a score of "1" if they meet a criterion, and a score of "0" if they fail to satisfy a criterion.

The CSR index statistics are then generated by dividing the overall sum of real scores in each category by the category's highest total score. The CSR index value for every category ranges from 0 to 1. the information was studied using descriptive statistics and multiple rectilinear regression analysis to seem at the link between CSR and CFP in Thailand. in step with the info, companies with a better CSR index score even have a greater return on assets (ROA). Furthermore, investing in CSR programmes yields a positive return on investment within two years on the average. There aren't any correlations between the CSR index and return on equity (ROE) or the index and Tobin'Q.

Jitaree (2015) investigated the link between corporate social responsibility disclosure and financial success in Thailand. From 2009 to 2011, 323 firms registered on the Thai securities market were studied to determine if there was a link between CSR filings and financial performance (SET). The CSR checklist encompassed 45 CSR actions of Thai enterprises supported published annual reports and also the SETSMART based on published annual reports and the SETSMART database, which were then assessed and investigated using text analysis. The CSR index was assessed, as well as financial performance measurements such as ROA, NPM, EPS, and TBQ. The considered control variables are firm size, firm leverage, company age and the percentage of independent directors on companies' boards. Four regression models, including the cross-sectional model, the pooled ordinary least squares model, and the random effects model, are used to investigate three types of data individually as well as the fixed-effect model According to the findings, the most commonly shared CSR themes in Thailand are community and employee information. In every organization, there are substantial positive connections between CSR and ROA, NPM, and TBQ. In the manufacturing group, CSR has a positive and substantial link with ROA and NPM, whereas, in the non-manufacturing group, CSR has a positive relationship with TBQ. By the way, in some models, CSR is unrelated to EPS.

Table 1 Summary of CSR and CFP in developing countries

Developing Country	Data	Methodology	Dimension of CSR (Independent variable)	Financial Performance (dependent variable)	Control Variables	Finding
China	141 Samplings Year 2007-2008	1.questionnaires 2.factor analysis 3.relative analysis 4.regression analysis	1.stakeholder 2.operator 3.employee 4.creditor 5.supplier 6.distributor 7.consumer 8.government 9.community	1.ROS 2.ROA 3.GFS	1.industry background 2.nature of property rights 3.phase of life cycle	1.companies' social responsibility activity can improve their financial performances of the current year. 2. have significant effects on their financial performances of the next year, and vice versa 3. the variation of CSR and financial performance can also significantly influence each other
Indonesia	220 Samplings Year 2007	1.questionnaires 2.psychometric analysis 3.factor analysis 4. multiple regression analysis.	1.community and society 2.corporate governance 3.customer 4.employee 5.environment	1.growth dimension 2.profitability dimension 3.business environment hostility	1.company size 2.type of company (state-owned company or non state-owned company)	There is a positive relationship between CSR and CFP under the slack resource theory and under good management theory.

Developing Country	Data	Methodology	Dimension of CSR (independent variable)	Financial Performance (dependent variable)	Control Variables	Finding
			<ol style="list-style-type: none"> 6.human rights 7.controversial business 	<ol style="list-style-type: none"> 4.dynamism 5.complexity 		
Malaysia	100 samplings Year 2009-2013	<ol style="list-style-type: none"> 1.SPSS2.0 2.Pearson's correlation 	<ol style="list-style-type: none"> 1.environment 2.community 3.workplace 4.market place 	<ol style="list-style-type: none"> 1.EPS 2.ROE 	n/a	Most of relationship between CSR activities and CFP were positive.
Pakistan	30 samplings Year 2006-2015	1.pooled regression models	Investment in corporate social responsibility <ol style="list-style-type: none"> 1.donation 2.education 3.health 4.social welfare 5.other natural catastrophes 	<ol style="list-style-type: none"> 1.ROA 2.ROE 3.EPS 	n/a	<ol style="list-style-type: none"> 1.CSR has positive and significant impact on CFP ; ROA, ROE, EPS 2. CSR phenomenon is an essential growth element and CFP-boosting tool in banking industry of Pakistan
Thailand	204 samplings	1.descriptive statistics	The CSR index is constructed	<ol style="list-style-type: none"> 1.ROA 2ROE 	n/a	1.Firms with a higher CSR index have higher ROA.

Developing Country	Data	Methodology	Dimension of CSR (independent variable)	Financial Performance (dependent variable)	Control Variables	Finding
	Year 2008-2009	2. Multiple linear regression analysis	based on the KLD Rating Data The criteria cover three parts of CSR and consist of 25 items: 1. community (8) 2. employees (8) 3. environment (9)	3. Tobin's Q.		2. The positive outcome of investment in CSR programs can be realized within a relatively short-time period. 3. No relations between the CSR index and ROE and Tobin's Q
Thailand	323 samplings Year 2009-2011 Divind in 3 group: manufacturing,	1. descriptive statistics 2. Content Analysis 3. Multiple linear regression analysis including cross-sectional model, the	The CSR index is constructed by Checklist The criteria cover three parts of CSR and consist of 45 items:	1. ROA 2. NPM 3. EPS 4. Tobin's Q.	1. firm size 2. firm leverage 3. company age 4. percentage of independent directors on companies' board.	1. Strong positive relationships between CSR and ROA, NPM and TBQ in all company. 2. Positive and significant relationship between CSR and ROA, NPM in the manufacturing group 3. CSR has positive relationship with TBQ in non-manufacturing group. 4. CSR is not related to EPS in all model.

Developing Country	Data	Methodology	Dimension of CSR (independent variable)	Financial Performance (dependent variable)	Control Variables	Finding
	Non-manufacturing, Financial	pooled ordinary least squares model, the random effects model and the fixed effect model.	1.Environment (11) 2.Energy (6) 3.Employee/HR (16) 4.Community/social (7) 5.Product Responsibility (5)			

II. CONCLUSION

This article's empirical findings adds to our understanding of the relationship between CSR and CFP in developing countries. The majority of CSR concepts and principles have been developed using developed country frameworks, although they remain a voluntary method. However, there are significant disparities in the context of applying CSR practises in developing and developed countries, which are influenced by a variety of factors such as company culture, natural business systems, and geographical factors. All of the research in each country has been chosen, and data has been obtained from the List of Stock Exchange over the past 1-10 years, with a sample size of 30-220. Every developing country is attempting to create a framework for CSR activity. However, in poor nations, awareness of CSR ideas and transparency is currently weak. Based on a range of approaches for evaluating the dimensions of CSR disclosure, the dimension of CSR index is regarded an independent variable, although it is still divided

into three primary clusters: economic, social, and environmental based on the triple bottom line idea. Return on asset (ROA), Return on Equity (ROE), Earning per share (EPS), and Tobin'Q from market based assessment are among the dependent variables. To explain the relationship between CSR and CFP, the data were analysed using regression. CSR and CFP were found to have a favourable association in the majority of studies. The association between CSR and CFP in five nations could be the study's hypotheses, according to the literature review. In the economy of developing countries, the CSR phenomenon is seen as a critical economic ingredient and a vehicle for increasing CFP. However, because the research context and variables differ by country, the research findings differ by business type. As a result of our research of the literature, we were able to develop a conceptual framework for assessing the relationship between corporate social responsibility and financial success, as shown in Figure 1.

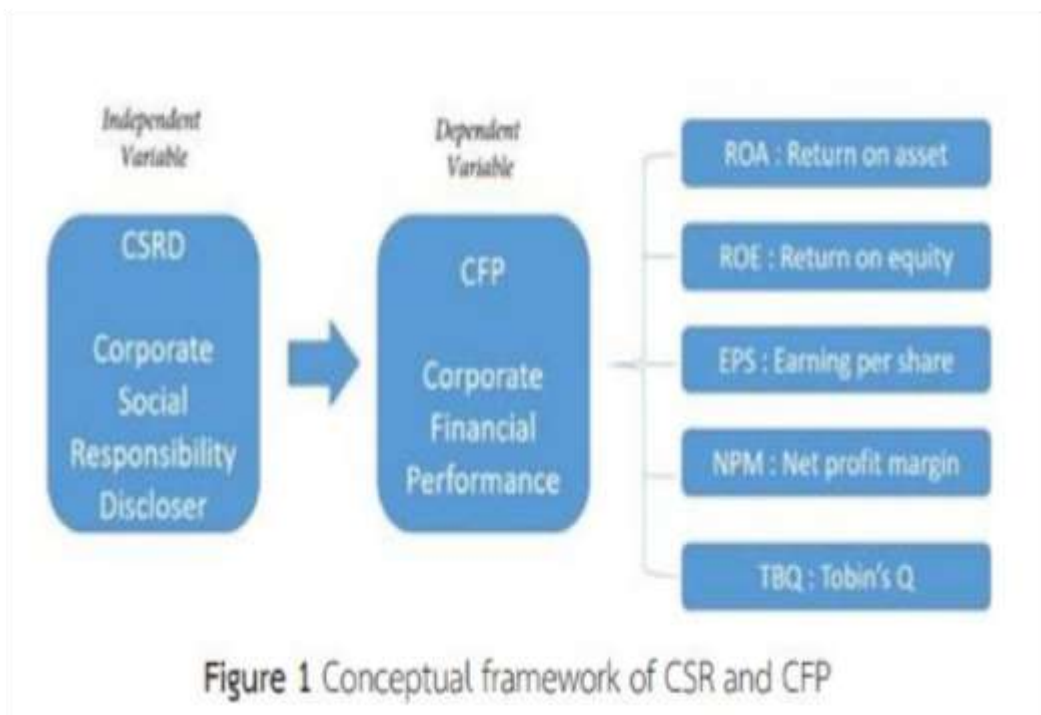


Figure 1 Conceptual framework of CSR and CFP



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