

# **THE IMPACT OF CORPORATE SOCIAL RESPONSIBILITY ON FIRM'S FINANCIAL PERFORMANCE IN CEMENT SECTOR OF PAKISTAN**

**By**  
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## MBA Thesis

### 2<sup>nd</sup> Half-semester Progress Report & Thesis Approval

#### Supervisor-Student Meeting Record

No.	Date	Place of Meeting	Topic Discussed	Signature of Student
5	09-07-2015	University	Discussion on Chap # 2 Literature Review Articles, research papers are discussed	Misbah
6	20-08-2015	University	Discussion on chap # 3 & 4. Data Sources and significant variables of topic are identified.	Misbah
7	16-09-2015	University	Discussion on chap # 5, 6, & format of thesis.	Misbah

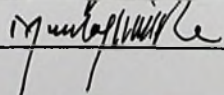
#### APPROVAL FOR EXAMINATION

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I hereby certify that the above candidate's thesis has been completed to my satisfaction and, to my belief, its standard is appropriate for submission for examination. I have also conducted plagiarism test of this thesis using HEC prescribed software and found similarity index at 15% that is within the permissible limit set by the HEC for the MBA thesis. I have also found the thesis in a format recognized by the Department of Management Sciences.

Supervisor's Signature:  Date: 01/10/15

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## Abstract

**Purpose:** The purpose of our research is to examine the effect of corporate social responsibility on organization's financial performance in cement sector of Pakistan.

**Methodology:** The data has been collected from the financial statements of 10 cement companies listed in Karachi Stock Exchange and it covers data from FY 2010 to 2014. SPSS software is used to run and analyze the regression model.

**Findings:** By analyzing the relationship between dependent and independent variables the empirical outcome shows that the relationship of CSR to various stakeholders (CSR to customers, financiers, shareholders and government) with firm's financial performance indicator (ROA) is significant to an extent as it is dependent on the type of stakeholders taken. Therefore according to results of regression analysis it is concluded that CSR to Financiers and Shareholders has a major impact on the firms ROA in cement sector of Pakistan as the correlation depicts 69.7% and 61.7% relationship respectively, the research shows high level of significance between these variables. For further research improvements on this topic, it has been recommended to use other financial ratios as well to measure CSR to various stakeholders. Furthermore, the scope of CSR activities to stakeholders should be extended to see the significant results on the financial performance of Cement Companies in the long term.

**Practical Implication:** Nowadays firms are also focusing on maximizing the shareholders wealth and attracting investors through actively participating in CSR activities. It is observed from literature that studies on the issue of CSR and its impact on financial performance are mostly conducted in developed countries. So it is important to analyze the effectiveness of CSR on corporate performance in a developing economy and contribute to the ongoing research through conducting this study.

**Keywords:** Corporate Social Responsibility, Financial Performance, Cement Sector

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