



**IMPACT OF CORPORATE SOCIAL
RESPONSIBILITY ON THE FIRM'S SHARE
PRICE & PROFITABILITY
A CASE OF UNILEVER PAKISTAN LTD**

A Thesis submitted to Department of Management Sciences in
partial fulfillment of the requirement for the MBA degree

Student Name: Muhammad Usman Qaiser

Student ID: 10541

JUNE, 2014

Bahria University, Karachi Campus

MBA DEGREE THESIS SUBMISSION FORM
BAHRIA UNIVERSITY, KARACHI CAMPUS

I M. Usman Qaiser Registration No. 10541

submit 55 bound copies of thesis titled:

Impact of Corporate Social Responsibility on firm's share price
of Unilever Pak. Ltd.

Profitability A Case of in the management science department as part of fulfillment of the
MBA degree requirement.

Candidate Signature: 

Date: 12/08/2014

Certificate of Supervisor

I _____ being the Supervisor of the above student, certify that the research work of the student has been completed to my satisfaction and that the thesis is in a format recognized by the department and is in accordance with the rules of the University. The thesis is appropriate for examination.

Signature: _____

Date: _____

ACKNOWLEDGEMENT

First of all I would like to thank the Al-Mighty for I would have been unable to do anything without his help. I would also like to thank my advisor Mr.Naveed M.Khan, a senior professor at the management sciences department of Bahria University, Karachi Campus, for all his help & cooperation along the way. I would also like to thank the employees of Unilever Pakistan Ltd. especially the Human Resource department for all their help for my research. & last but certainly not the least I would like to thank my family members for supporting me throughout the course of this study & I would especially like to thank my late mother without whose timely efforts & hard work I would not have been here where I am standing today.

ABSTRACT

Purpose – The main purpose of conducting this study was to determine as to whether or not the CSR activities conducted by Unilever Pakistan Ltd. have an impact on their share price & profitability. Today local firms in Pakistan are hesitant to engage in CSR activities because they consider these to be an added cost without the revenue. Looking into the CSR activities & whether or not these activities lead to financial gains is what led the researcher to look into this topic. The focus of this research is aimed at Unilever Pakistan Ltd. since it is actively engaged in CSR initiatives & it has a sustainable living plan along with the Unilever foundation.

Methodology – The methodology used for the purpose of this study included the use of a questionnaire filled out by a sample of target respondents & the analysis of the financial data for Unilever Pakistan Ltd. from 2007-2013. The respondents of this study included individuals who belonged to different age group, income group, gender & place of residence. To analyze the data correlation test is conducted in order to determine the impact of CSR on the Unilever's share price & profitability.

Findings – Proper analysis of this research study concludes that CSR does indeed seem to have a positive relationship with the Unilever's share price & profitability. CSR does indeed lead to positive financial performance when Unilever Pakistan invest in such activities & they are able to reap the benefits as customers value such activities & reward them accordingly leading to an increase in the profitability of the firm.

Practical Implications – This research would benefit Unilever Pakistan Ltd. itself as it would help ease their decision making with regards to CSR. Other firms including MNC's would also be able to evaluate the impact of their CSR activities on their profitability. Shareholders & investors would also come to know & realize the importance of CSR activities & the important role it plays in a firm's success. Other researchers working on the topic of CSR would also benefit from this research.

Keywords: Sustainable, CSR

Table of Contents

1.1 Introduction	2
1.2 Corporate Social Responsibility (CSR).....	3
1.3 Evolution Of CSR.....	4
1.4 Present Status Of CSR.....	5
1.5 Unilever Pakistan Ltd.	6
1.6 CSR Activities Within Unilever Pakistan Ltd.	7
1.7 Statement Of The Problem	8
1.8 Research Objective	8
1.9 Significance Of The Study.....	8
1.10 Scope Of The Study.....	9
1.11 Delimitations Of The Study	9
1.12 Definition Of The Terms.....	9
2. RESEARCH DESIGN & METHODOLOGY:	12
2.1 Research Design	12
2.2 Respondents Of The Study.....	13
2.3 Instruments	13
2.4 Treatment Of Data.....	13
3. LITERATURE REVIEW.....	15
3.4 Research Design:	22
3.5 Areas For Further Studies:	22
4. PRESENTATION ANALYSIS	25
4.1 Introduction	25
4.2 Primary Data Collection: Questionnaire	26
4.3 Financial Analysis of Unilever Pakistan Ltd.	42
5. FINDINGS, CONCLUSION & RECOMMENDATIONS	45
5.1 Summary Of Findings.....	45
5.2 Conclusion.....	47
5.3 Recommendations.....	48
REFERENCES.....	49
Appendix.....	51