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   NEED/IMPORTANCE OF THE STUDY

   STATEMENT OF THE PROBLEM

   OBJECTIVES

   HYPOTHESES

   RESEARCH METHODOLOGY

   RESULTS & DISCUSSION

   FINDINGS

   RECOMMENDATIONS/SUGGESTIONS

   CONCLUSIONS

   SCOPE FOR FURTHER RESEARCH

   ACKNOWLEDGMENTS

   REFERENCES

   APPENDIX/ANNEXURE

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CONTRIBUTIONS TO BOOKS

- Sharma T., Kwatra, G. (2008) Effectiveness of Social Advertising: A Study of Selected Campaigns, Corporate Social Responsibility, Edited by David Crowther & Nicholas Capaldi, Ashgate Research Companion to Corporate Social Responsibility, Chapter 15, pp 287-303.

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- Schemenner, R.W., Huber, J.C. and Cook, R.L. (1987), "Geographic Differences and the Location of New Manufacturing Facilities," Journal of Urban Economics, Vol. 21, No. 1, pp. 83-104.

CONFERENCE PAPERS

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THE RELATIONSHIP BETWEEN CORPORATE SOCIAL RESPONSIBILITY AND CORPORATE FINANCIAL PERFORMANCE: META-ANALYSIS

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ABSTRACT
The connection between corporate social responsibility and corporate financial performance has always been a topic of debate for the researchers and scholars. Massive studies have been conducted to explore the relationship between corporate social responsibility and corporate financial performance and to know the impact of social responsibilities on firms' performance. However, there have been variations in the consensus of many researchers regarding the relation between these variables either positive or negative. Also few studies have pointed out this relationship to be mixed or even neutral. Objective of this study is to explore the bidirectional relationship between corporate social responsibility and firms' financial performance and to know whether corporate social responsibility has an impact on corporate financial performance or not. Meta-analysis of secondary data i.e. previous studies conducted by different researchers and scholars has been done. As per the findings of content analysis, there exists a bidirectional relationship between corporate social responsibility and corporate financial performance. Varying impact of corporate social responsibility on corporate financial performance is found as some studies have indicated positive impact whereas some studies have pointed out this relationship and impact to be negative. The difference in the consensus about the impact of CSR on CFP is due to different CSR metrics, statistical and methodological artifacts used and the existence of mediator variables (R&D costs and companies' size). Moreover, CSR impact varies depending upon the economy and industry structure where these are implemented.

KEYWORDS
Corporate Social Responsibility, Corporate Financial Performance, Measuring Indicators and Bidirectional Causality.

INTRODUCTION
In today's competitive world, organizations are subject to put extraordrinary efforts to maintain profitability both in the short as well as in the long run. This required working not only on financial aspects of the firm but also on sustaining firm-stakeholders' relationship. As industries are growing, the fear of loosing stakeholders such as customers due to lower switching costs and readily available subsitutes, shareholders due to better investment and dividends opportunities and employees due to comparative employement opportunities is an area of major apprehension for the organizations.

This emerged the need of looking at firm-stakeholders' relationship from a broad perspective i.e. not only from monetary aspect but from the responsibility it owe towards the stakeholders, society and to the economy at large. This is what is known as "Corporate Social Responsibility".

The area of corporate social responisbility (hereafter CSR) has been a center of attention for business communities from the last decade. Now it is required as an integral part of companies' strategic as well as financial management policies by shareholders, analysts, employees, regulators, mass media, labor unions, etc (Tsoutsoura, 2004). CSR practices include building employee relations, ensuring provision of quality products, measures to protect environment, following ethical standards, investing in health and welfare scheme, protection of women & minorities rights, keeping relations with military, involvement in nuclear power programs and contribution towards the economy (Waddock & Graves, 1997).

This study aims to explore the relationship between CSR practices and firms' financial performance. Financial performance means how a company performs with respect to profitability. If a company earns profits, it is perceived to have strong financial health and good financial performance. On the other hand if it fails to earn profits, the financial condition of this company is understood as deteriorating and financial performance as weak.

The aim of this study is to explore the relationship between CSR and corporate financial performance (hereafter CFP) through content analysis. Meta-analysis on both empirical as well as conceptual studies is done in order to excogitate the causal relationship between CSR and CFP, to ascertain the bidirectional causality between CSR and CFP, to explore the positive/negative relationship between CSR and CFP and to compare the various measures used by researchers for the operationalization of CSR and CFP.

CORPORATE SOCIAL RESPONSIBILITY (CSR): DEFINITION
Massive content studies have been conducted to define what CSR is and what elements it contains. Enormous definitions of CSR have been given by researchers, scholars, institutions and businessmen. This abundance of definitions has resulted in variations about CSR being defined. Some of these definitions are found to be biased due to the specific context under which these were studied. However, the point that needs to be considered is that there are no conceptual differences. Meaning by they are based on the similar concept i.e. the responsibility an organization owe towards its stakeholders (Dahlsrud, 2006).

Corporate Social Responsibility is defined an effort on the part of the company to voluntariuly participate in practicies that are expected to have a positive effect on society and economy with a view to maintaining and improving firm-stakeholders relations in the long run.

Baker (2004) has defined corporate social responsibility as *"CSR is about how companies manage the business processes to produce an overall positive impact on society."*

In the words of Khoury et al., (1999), "*Corporate social responsibility is the overall relationship of the corporation with all of its stakeholders. These include customers, employees, communities, owners/investors, government, suppliers and competitors. Elements of social responsibility include investment in community outreach, employee relations, creation and maintenance of employment, environmental stewardship and financial performance."*

As per European Commission (2001), CSR is defined as "*A concept whereby companies decide voluntarily to contribute to a better society and a cleaner environment. A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis."*

As per Business for Social Responsibility, 2003b, "*Corporate social responsibility is achieving commercial success in ways that honor ethical values and respect people, communities and the natural environment."*

An overview of the definitions cited above signifies that the embedded concept begind CSR is similar. CSR definitions are congruent. In other words, CSR includes organizations/corporations being voluntary involved in activities/resposibilities that has (or are expected to have) a positive influence on its stakeholders such as shareholders, management, lenders, suppliers, employees, society, environment and to the economy at large.

DIMENSIONS OF CORPORATE SOCIAL RESPONSIBILITY (CSR)

CSR has been defined on the basis of five dictinct dimensions and responsibilities of corporations are dispersed among these five areas/dimensions. These include stakeholder, social, economic, voluntariness and environmental dimensions (Dahlsrud, 2006).

1) **STAKEHOLDERS DIMENSION**
Responsibility towards stakeholders includes working on building stakeholders-organization relationship through interaction with stakeholders, ensuring protection of their interests, providing monetary as well as non monetary benefits, etc.
2) **SOCIAL DIMENSION**
Social responsibility require organizations to particpate in activities for the benefit of the society. Scope of activities an organization should owe towards the society is gigantic However, major activities include working on the provision of quality products, protecting the rights of majorities as well as minorities, provison of employment opportunities, contributing for strengthening the weaker sections of the society and refraining from contributing anti-society practices.
3) **ECONOMIC DIMENSION**
Responsibilities of corporations towards the economy are to participate in activities inclined for economic development, to ensure best utilization of national resources and to work in accordance with the national legal statutes through acting on rules defined.
4) **VOLUNTARINESS DIMENSION**
This includes companies being voluntarily involved in activities in which they are not obliged by law i.e. beyond the legal obligations such as following the ethical values of society in consitution of strategic goals, particpiation in programs designed to uplift economy in financial depression stage of economy and assisting in the rehabiliation of disasters victims.
5) **ENVIRONMENTAL DIMENSION**
This includes working on keeping health environment such as establishing industries and factories in far away areas to prevent people from reactions that can occur as an aftermyth of disposal of wastage and to control noise.

MEASURING INDICATORS FOR CSR AND CFP

Different accounting and marketing variables are used by the researchers as an oscillator of financial performance of companies (CFP) such as Return on Assets (ROA), Return on Sales (ROS) and Return on Equity (ROE) by Waddock and Graves (1997), Earnings per Share (EPS) by Blackburn (1994), Stock returns, Tobin's Q by Akpinar et al. (2008), etc.
Similarly, different indicators have been used by the researchers to measure the magnitude of CSR such as KLD index by Waddock and Graves (1997), Voluntary Disclosure Index by Uadiale and Fagbemi (2012), Domini 400 Social Index by Tsoutsoura (2004), number of sentences, documents, pages, proportion of total disclosure and number of words used for CSR by Manasseh (2004).
The reason of disparity in measuring indicators of CFP and CSR used in different researchers is due to the availability of required information as per the economy, industry and companies under study.

THEORETICAL FRAMEWORK

FIGURE 01: VARIABLES AND THEIR MEASURING INDICATORS

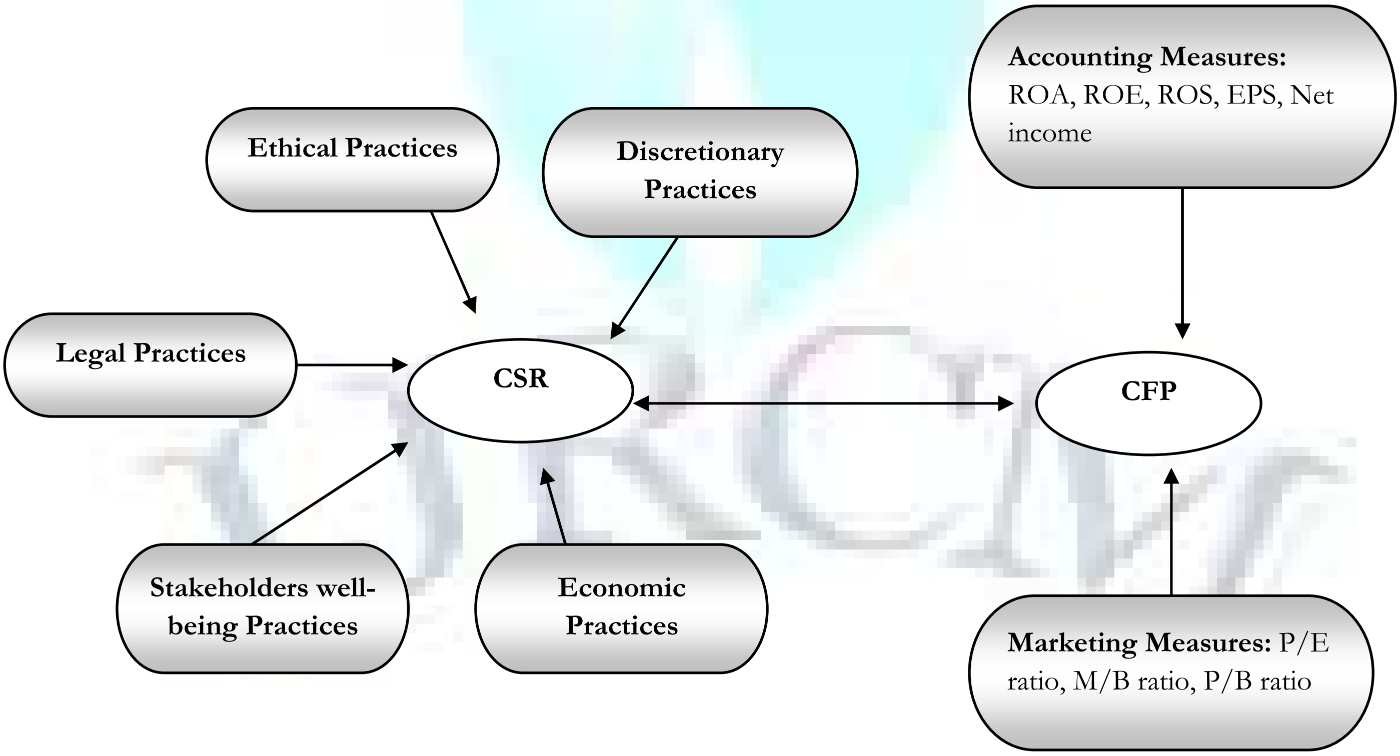
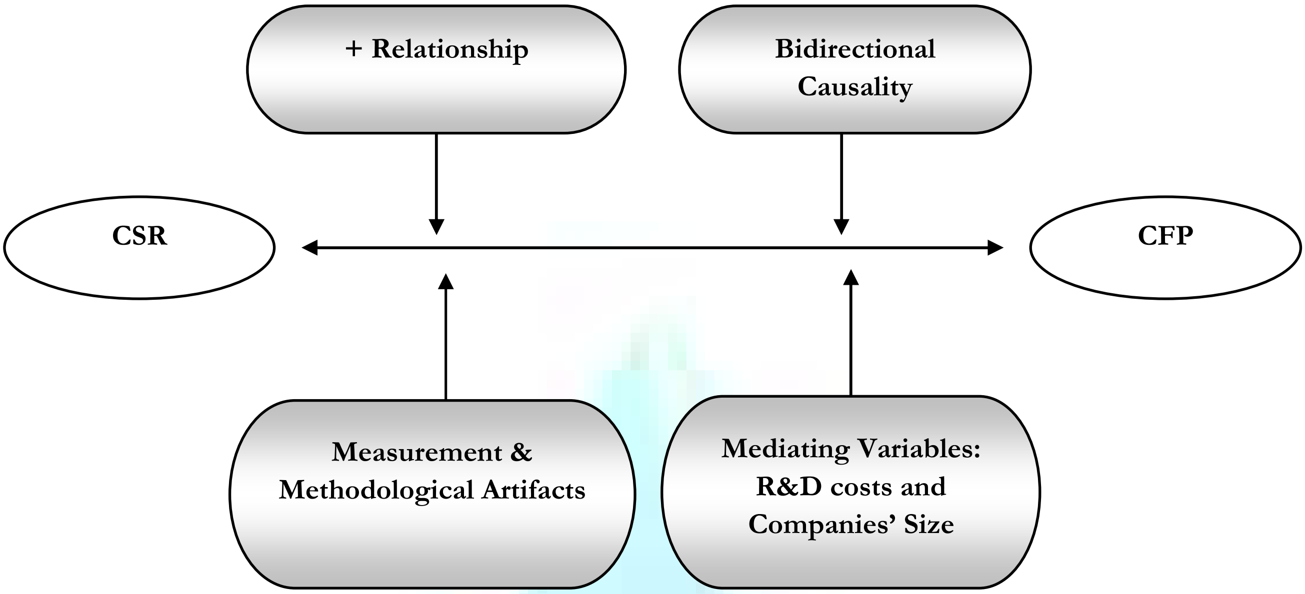


FIGURE 02: LIAISON BETWEEN CSR AND CFP



META-ANALYSIS

CORPORATE SOCIAL RESPONSIBILITY AND CORPORATE FINANCIAL PERFORMANCE (CSR–CFP) RELATIONSHIP

Massive theoretical and empirical studies have been conducted to excogitate the impact of corporate social responsibility (CSR) on corporate financial performance (CFP). Different methodologies and techniques have been used by different researchers and there have been variation in the consensus of the researchers' opinions regarding the impact of CSR and FP. Some studies shows positive impact of CSR on FP whereas some have pointed out this relationship and impact to be negative or neutral (See table 01 for details).

CSR and CFP are found to have a positive relationship as indicated by the prior researches conducted by Uadiale and Fagbemi (2012), Weshah et al. (2012), Tsoutsoura (2004) and Waddock and Graves (1997), Pava and Krausz (1996), Spicer (1978) and Rosen et al. (1991). Meaning by firms who employ CSR practices in their corporate strategies and decisions tend to be socially responsible. This furnishes positive impression about the company not only to the stakeholders concerned but also to the economy at large. Employing CSR practices enhances reputation of the companies among employees, banks, lenders, suppliers, general public and all affiliated with the companies both directly and indirectly. This consequently helps improving companies' financial performance and so lead the companies towards financial prosperity.

However, Yang Lin and Chang (2010), McGuire et al. (1988) pointed out the impact of CSR on CFP to be negative. Meaning by that the utilization of slack resources on CSR practices does not have a positive impact. Rather the implementation of these CSR practices requires companies to put additional costs which can otherwise be utilized in productive projects. Firms that engage their resources in CSR practices such "making extensive charitable contributions, promoting community development plans, maintaining plants in economically depressed locations and establishing environmental protection procedures" moves towards financial distress as compared to those firms who pay little attention towards these social responsiveness affairs. As per the companies' objectives, they are bound to work for the benefit of the stakeholders and not for the society at large so they should not invest their slack resources in social and moral practices. Also for companies' not in sound financial health, employing CSR practices in their corporate decisions act like an acid i.e. it further deteriorates the financial position of companies.

On the other hand, this relationship was found to be neutral by Khanifar et al. (2012) and Orlitzky et al. (2003). It is interested to note that this neutral relationship was pointed out as a result of meta-analysis carried out on past empirical researches. This conclusion was a result of clubbing different researches i.e. those who have pointed out the impact between CSR and CFP to be positive along with the studies that have showed the impact between the said variables as being negative.

The variation in annotations and results of different studies is due to many reasons such as lack of a generalized and precise definition of CSR, different CSR metrics used and the existence of many related factors.

IMPACT OF MEDIATOR VARIABLES: R&D COSTS AND COMPANIES' SIZE ON CSR-CFP RELATIONSHIP

The linkage between CSR and CFP was found to be negative in a study conducted by Yang Lin and Chang (2010) when control variables of R&D costs and companies' size were included into the analysis for consideration. Before the inclusion of control variables being R&D and companies' size into the analysis, results indicated that there exists a high correlation between CSR practices employed by companies' in previous year and their impact on current year CFP. However, it is interesting to ponder that this correlation was found to be negative when R&D and firms' size were indulged in to the analysis.

Increasing R&D cost reduces financial performance of the companies through cost burden and it affects the profitability of the companies. Moreover, companies' size also matters to a great deal. Companies that are either in growth stage of their life cycle or have small size of capital should pay due care while investing their resources (even slack resources) in CSR activities. This is primarily because it alarms the companies that they may be caught into a financial saddle in case of if it will utilize its resources into CSR practices instead of putting these resources idol to meet the contingencies of the future.

BIDIRECTIONAL CAUSALITY BETWEEN CSR AND CFP: TWO WAY RELATIONSHIP

Meta-analysis indicated that bidirectional causality exits between CFP and CSR. It was pointed out by Khanifar et al. (2012) and Waddock and Graves (1997) meaning by there is a two way relationship between CFP and CSR.

Strong financial condition enables a company to invest its resources in CSR practices with a view to have long term gains through the implementation of these practices. A company who is on the verge of financial distress and deterioration should not invest its financial resources into CSR practices otherwise it gets trapped into a vicious cycle of financial distress.

On the other hand, implementation of CSR practices such as building employee relations, ensuring provision of quality products, measures to protect environment, following ethical standards, investing in health and welfare scheme, protection of women & minorities rights, keeping relations with military, involvement in nuclear power programs and contribution towards the economy (Waddock & Graves, 1997) tend to have a positive collision on a company's financial position and consequently its financial performance. The justification behind this is that a company (who employs CSR practices) is perceived being working not only for the benefit of its stakeholders but also for the society and economy on the loose. This impression built the image/reputation of that company among domestic as well as international investors and urges them to invest in that company. Resultantly, more investments lead to increased profitability of the company. Summing up, bidirectional causality exits CFP and CSR.

DIFFERENCES IN STATISTICAL RESULTS: METHODOLOGICAL AND MEASURING INDICATORS ARTIFACTS

Different indicators were used in different studies for the measurement of both CFP and CSR such as CFP was measured by Return on Assets (ROA), Return on Equity (ROE), Return on Sales (ROS) by Waddock and Graves (1997), Earnings per Share (EPS) by Blackburn (1994), Stock return, Tobin's Q by Akpinar et al. (2008), etc. Similarly, different indicators have been used to measure the magnitude of CSR such as KLD index by Waddock and Graves (1997), Voluntary Disclosure Index by Uadiale and Fagbemi (2012), Domini 400 Social Index by Tsoutsoura (2004), etc.

Also varying statistical analysis techniques were used for determining the relationship between CSR and CFP such as AReSE method by Yang Lin and Chang (2010), rating method by Uadiale and Fagbemi (2012), cross-sectional time series regression analysis by Tsoutsoura (2004) individual-link & fit analysis by Khanifar et al. (2012) and Orlitzky et al. (2003). Meta-analysis shows that the variations in results of different studies (between CSR and CSP being positive or negative) are due to methodological and measuring indicators artifacts Orlitzky, Schmidt and Rynes (2003).

CONCLUSION

This study is conducted to determine the relationship that exists between CSR and CFP. As per the meta-analysis of past researches, CSR is found to have a positive impact on CFP but this positive relationship between CSR and CFP cannot be generalized to all industries and economies. There have been variations in CSR's impact on CFP for developing and developed countries. On one side corporations in the developing countries have the potential to avail unique opportunities for investments and making powerful contributions for the uplifting of economy whereas on the other side the dark aspect involves risk of companies' continuity to participate in these activities on the long term bases. Also companies in growth stage of their industry life cycle hesitate in employing their financial resources in CSR activities.

Moreover, a strong bidirectional relationship exists between CSR and CFP. Implementation of CSR practices enhances the reputation of a company among shareholders, analysts, employees, regulators, mass media, labor unions and domestic as well as international investors. This increases the profitability of company due to the availability of new investment horizons, financial resources and diversified investments in domestic and global markets. Conversely, company needs to be financially firm/strong in order to implement CSR practices. It should have sufficient resources to empower them in CSR practices otherwise investing capital in CSR traps the company into a vicious cycle of financial distress. Investment in CSR should be opted only if company has slack resources and it keeps sufficient resources aside in the form of reserves to meet the future contingencies.

Summing up, the impact of CSR on CFP varies as per the economy, industry and company under study/analysis. Financial and economic sustainability of organizations must be ensured by the organizations' personnel before investing their financial resources in CSR practices as this will boost up the profitability of the organizations.

RECOMMENDATIONS

This is an era of increased competition and advancement. It requires business entities to retain their existing dominant positions by formulating their strategic and financial policies not only from the profitability perspective but also from the perspective of providing benefit to all stakeholders, society, environment and economy by diversifying investment in another broad area i.e. Corporate Social Responsibility (CSR).

Funding costs for CSR should be based by keeping in view the future need of financial capital as well as the availability of slack resources. Companies should invest in CSR activities only after getting sustainable financial position which requires companies to have sufficient slack resources each year and maintaining a reserve fund (out of those slack resources) to meet the upcoming investments projects and future contingencies.

To connect stakeholder's interest with organizations' long term strategic goals, companies should initiate a structured CSR dialogue with stakeholders. It will help not only in identifying the expectations of the stakeholders towards companies but also to incorporate those expectations in companies' strategic and financial policies.

Moreover, in order to continue companies' participation in social responsibility activities on a long term basis, social accounting should be embedded in companies' financial reporting practices. This will help companies to continue CSR practices by means of awards and improvement in their investment ratings for the implementation of CSR practices and penalties in case of non compliance. Resultantly, this will boost up the profitability of companies.

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ANNEXURE

TAXONOMY OF STUDIES					
Sr. #	**Type of Study (Empirical/Conceptual)**	**Author Name(s)**	**Sign of Relationship**	**CSR Indicator (used in study)**	**Firm Performance Indicator (used in study)**
1	Empirical Study	Uadiale and Fagbemi (2012)	Positive (+)	Voluntary Disclosure Index	ROA & ROE
2	Meta/Conceptual Study	Khanifar et al. (2012)	Mixed/Nuetral	KLD index, Voluntary Disclosure Index, Domini 400 Social Index, etc	P/E ratio, ROE, ROA, ROS, P/B ratio and EPS
3	Empirical Study	Yang et al. (2010)	Negative (-)	AReSE Method	ROA, ROE and ROS
4	Empirical Study	Weshah et al. (2012)	Positive (+)	Ratio of the amount of donations revealed/disclosed to interest revenue plus ratio of training expenses to interest revenue	ROA
5	Empirical Study	Tsoutsoura (2004)	Positive (+)	KLD index & Domini 400 Social Index	ROA, ROE and ROS
6	Meta/Conceptual Study	Orlitzky et al. (2003)	Mixed/Nuetral	KLD index, Voluntary Disclosure Index, Domini 400 Social Index, etc	P/E ratio, ROE, ROA
7	Empirical Study	McWilliams and Siegel (2000)	n Mixed/Nuetral	KLD index	ROA
8	Empirical Study	Waddock and Graves (1997)	Positive (+)	KLD index	ROA, ROE and ROS
9	Empirical Study	Blackburn et al. (1994)	(Positive (+)	CEP index	ROA, abnormal return, EPS
10	Empirical Study	Aupperle et al. (1985)	Negative (-)	Carroll's CSR construct (1979)	ROA

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