

CORPORATE SOCIAL RESPONSIBILITY AND FIRM PERFORMANCE

A Thesis

Submitted

By

Kabita Khadka

Central Department of Management

Exam Roll No: 1140/17

T.U. Registration No: 7-2-710-0116-2011

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CERTIFICATION OF AUTHORSHIP

I hereby certify that I am the author of this document and that any assistance I received in its preparation is fully acknowledged and disclosed in the document. I have also cited all sources from which I obtained data, ideas or words that are copied directly or paraphrased in the document. Sources are properly credited according to accepted standards for professional publications.

I also certify that this research project report was prepared by me for the purpose of partial fulfillment of requirements for the MBS degree of Faculty of Management, Tribhuvan University.

.....

Signature

Kabita Khadka

Date: February, 2020

RECOMMENDATION LETTER

This is to certify that thesis entitled “**Corporate Social Responsibility and Firm Performance**” submitted by Kabita Khadka is an original piece of research work carried out by the candidate under my supervision. Literary presentation is satisfactory and the thesis is in a form suitable for publication. Work manifests the capacity of the candidate for critical examination and independent judgment. Candidate has put in at least 60 days after registering the proposal. The thesis is forwarded for examination.

.....
Dr. Bal Ram Chapagain

Thesis Supervisor

Central Department of Management

Tribhuvan University, Kirtipur, Kathmandu

Date: February, 2020

APPROVAL SHEET

We, the undersigned, have examined the thesis entitled **Corporate Social Responsibility and Firm Performances** presented by **Kabita Khadka**, a candidate for the degree of **Master of Business Studies (MBS)** and conducted the viva voce examination of the candidate. We hereby certify that the thesis is worthy of acceptance.

Dr. Bal Ram Chapagain

Thesis Supervisor

Internal Examiner

Lecturer Santosh Pokharel

External Examiner

Associate Prof. Dr. Manoj Kumar Chaudhary

Prof. Dr. Sanjay Kumar Shrestha

Chairperson, Research Committee

Professor Dr. Ramji Gautam

Head of the Department

Date: February, 2020

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ABBREVIATIONS

ANOVA	:	Analysis of Variance
BC	:	Before Christ
CDM	:	Central Department of Management
CL	:	Customer Loyalty
CSER	:	Corporate, social and environment responsibility
CSR	:	Corporate Social Responsibility
CSM	:	Centre for social Markets
CED	:	Committee for Economic Development
CG	:	Corporate Governance
CSP	:	Corporate Social Performance
ER	:	Economic Responsibility
ES	:	Employees Satisfaction
ETR	:	Ethical Responsibility
EU	:	European Union
FP	:	Firm Performance
ISO	:	International Standards Organization
LR	:	Legal Responsibility
Ltd	:	Limited
LBG	:	London Benchmarking Group
MBS	:	Master of Business Studies
MNCs	:	Multinational Corporations
N	:	Number
OECD	:	Organization for Economic Co-operation and Development
PAT	:	Profit after Tax
P	:	Profitability
PR	:	Philanthropic Responsibility
ROI	:	Return on Investment

ROA	:	Return on Assets
ROE	:	Return on Equity
R	:	Reputation
SPSS	:	Statistical Package for Social Science
Std. Dev	:	Standard Deviation
TU	:	Tribhuvan University
UNIDO	:	United National Industrial Development Corporation
USA	:	United State of America

ABSTRACTS

In recent decades, Corporate Social Responsibility (CSR) has received increased attention from both managers and academic. The growing trend of CSR has becomes an interesting challenge for companies and their management. The linkage between CSR and firm performance, however, has been a controversial issue among scholars. Hence, the study therefore investigate how CSR activities has an association with bank's performances of the commercial banks in Nepal. The different theories are examined which support a possible linkage between CSR and firm performances.

This research aim was to identify the current CSR practices of commercial banks in Nepal. The study was conducted using primary survey method. And the data were collected through structured questionnaire method. Data was collected from 187 respondent working at top six commercial banks of Nepal. Furthermore, it also analyzed the relationship among various bank performances like employee satisfaction, customer loyalty, reputation and profitability and four different dimension of Carroll's CSR pyramid. Finally, it analyzed the impacts of CSR on various bank performances.

This study used descriptive, correlation and multiple regression method to analyze the data. Descriptive analysis was used to determine the mean and standard deviation. Whereas, correlation was used to know the degree of association and direction of association among variables. Finally, multiple regression were used to determine the level of impact on performance by different dimensions of CSR. SPSS 22 version was used to analyze data and primary data were collected using questionnaires.

The study found commercial banks were investing on CSR from the very beginning. Banks invest in CSR because there was positive degree of association with performances. Also, found CSR has significant positive impacts on performances.