

Major No. FIN 48

**EFFECT OF CORPORATE SOCIAL RESPONSIBILITY ON
FINANCIAL PERFORMANCE: EMPIRICAL STUDY ON
TEXTILE INDUSTRY OF PAKISTAN**



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ABSTRACT

This study has focused on identifying the effect of corporate social responsibility on financial performance. In this study, environmental sustainability, environmental initiatives, human resources, and organizational culture are used as independent variables. Meanwhile, financial performance is considered as the dependent variable. However, textile industry of Pakistan has been the industry chosen for this study. Main aim of the study is to assess the effect of corporate social responsibility (environmental sustainability, environmental initiatives, human resources, and organizational culture) on financial performance. Meanwhile, employees working in textile industry of Pakistan are finalized for data collection. Research instrument used within this study for the collection of data from respondents is the structured questionnaire adopted from previous research studies. Questionnaire adopted from previous research studies is distributed amongst the respondents (employees working in textile industry of Pakistan) to collect data and test hypotheses of this study. Statistical tests (correlation and regression analysis) are used primarily to identify the relationship between variables of this study. With the help of SPSS software, results drawn through statistical tests (correlation and regression analysis) have shown that there exists a significant relationship between environmental sustainability, environmental initiatives, human resources, and organizational culture (independent variables) and financial performance (dependent variable) in textile industry of Pakistan. Conclusively, findings of this study have proved the significant positive effect of corporate social responsibility (environmental sustainability, environmental initiatives, human resources, and organizational culture) on financial performance in textile industry of Pakistan. Hence, it is proved that change in corporate social responsibility tend to bring a change in financial performance of Pakistani textile firms.

Key Words: Corporate Social Responsibility, Environmental Initiatives, Environmental Sustainability, Financial Performance, Human Resources, Organizational Culture, etc.

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