
**MODERATING ROLE OF CORPORATE SOCIAL
RESPONSIBILITY AND GOVERNANCE PERFORMANCE OF
FINANCIAL SECTOR: EVIDENCE FROM PAKISTAN**



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*A thesis submitted to the Department of Management Sciences, Bahria University Islamabad in
partial fulfillment of the requirements for the degree of*

MS FINANCE

FACULTY OF MANAGEMENT SCIENCES

BAHRIA UNIVERSITY, ISLAMABAD

2019

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DEDICATION

I dedicate my work to all my teachers, and especially to my parents who has inspired and supported me by all means, Whatever I am, my work that I am doing and I have done, and all my success is because of their good wishes, blessings and their confidence in me. May Allah Pak give them long and healthy life, May Allah Pak showers His blessings upon my affectionate teachers and parents.

AMEEN

Mohsin Malik

ACKNOWLEDGEMENT

IN THE NAME OF ALLAH, THE COMPASSIONATE, THE MERCIFUL

Blessings are for Holy Prophet MUHAMMAD (P.B.U.H) who is the real source of knowledge and wisdom

There are a number of people without whom this thesis might not have been written, and to whom I am greatly indebted.

Credit goes to my worthy supervisor DR. ABDUL SATTAR, who really had to extract and squeeze the time from his tight schedule to supervise me throughout my research work.

My heartiest thanks are for M.S SARINA, for his guidance and corporation regarding this research endeavor.

I extend my profound gratitude to M.S ASMA and M.S NAILA, for his scholarly guidance towards the completion of this manuscript.

Before I finish, I would like to thanks my beloved Parents, for their prayers and perpetual encouragement. They really deserve to be appreciated for sparing me to have completed this task satisfactorily.

Mohsin Malik

(01-297172-038)

Table of Contents

ABSTRACT	1
CHAPTER 1	2
INTRODUCTION	2
1.1 Background of the Study	2
1.2 Problem Statement	7
1.3 Research Questions	7
1.4 Objectives	8
1.5 Research Hypothesis	8
1.6 Significance of the study	8
1.7 Delimitations/Scope of the Study	9
1.8 Introduction Summary	9
1.9 Theoretical Support	10
1.10 Organization of the study	10
CHAPTER 2	11
REVIEW OF LITERATURE	11
2.1 Corporate governance (CG) and Firm Performance (FP)	11
2.2 Corporate social responsibility (CSR) as a Moderator	16
2.3 Summary of Literature	19
CHAPTER 3	20
METHODOLOGICAL FRAMEWORK	20
3.1 Theoretical Framework	21
3.2 Empirical Model	21
3.3 Study Design	22
3.4 Population and Sample	23
3.5 Data Collection and Procedure	24
3.5.1 Secondary data	24
3.6 Explanation of Variables	24
Dependent variables	25
3.6.1 Return on Asset (ROA)	25
3.6.2 Return on Equity (ROE)	25

Independent variables.....	26
3.6.3 Proportion of Executive Directors.....	26
3.6.4 Proportion of Top Twenty Stakeholder	26
3.6.5 Proportion of Managerial Ownership	26
Moderator Variable	26
3.6.6 Corporate social responsibility (CSR)	26
Community welfare = Donations	26
3.7 Summary	26
CHAPTER 4	27
ANALYSIS AND DISCUSSION OF RESULTS	27
4.1 Descriptive statistics.....	27
Table 4.1 Descriptive Analysis by Variable Wise	27
4.2 Correlation Analysis.....	28
4.3 Regression Analysis	31
Table 4.3 Relationship between Dependent Variable (ROA) with Independent Variables:..	31
Table 4.4 Relationship between Dependent Variable (ROE) with Independent Variables ..	33
Table 4.5 Relationship between Dependent Variable (ROA) with Independent Variables including Moderation:	35
Table 4.6 Relationship between Dependent Variable (ROE) with Independent Variables including Moderation	37
4.7 Discussion	39
4.7.1 Corporate governance and Firm Performance	39
4.7.2 Corporate Social Responsibility as a Moderator.....	40
CHAPTER 5	43
CONCLUSION AND RECOMMENDATIONS	43
5.1 Conclusion.....	43
5.2 Practical Implications.....	43
5.3 Limitations of the Study.....	44
5.4 Future Recommendations:.....	44
REFERENCES.....	45

List of Abbreviations

CG	Corporate Governance
FP	Firm Performance
CSR	Corporate Social Responsibility
ROA	Return on Assets
ROE	Return on Equity
EED	Proportion of Executive Directors
TTS	Proportion of Top Twenty Stakeholders
MO	Proportion of Managerial Ownership

ABSTRACT

Corporate governance has become a key topic of study due to its viability in business modeling. During last recent years a lot of research work has been conducted to focus impact of corporate governance and its performance in various market structures. This research was mainly focused on the proposed hypothetical model to explore the association between the corporate governance and firm performance of banking sector in Pakistan, while observing the corporate social responsibility in moderating role. Sample population consists of 14 banks and data collection was done through convenience sampling technique.

This research was carried out to study the relationship of corporate governance with firm performance with moderating role of corporate social responsibility of the banks operating in Pakistan. Main objective of this study was to be aware of the corporate governance and corporate social responsibility and their impact on the performance of the banks of Pakistan. Today's it's a challenge to forecast the Pakistani economy and to minimize the risks by adopting important measures to save the bank's profitability. Three independent variables, two dependent variables and one moderating variable has been used to measure the impact of corporate governance on bank's financial performance. These three independent variables are proportion of executive directors, proportion of top twenty stakeholders and proportion of managerial ownership, while the firm performance has been measured on the basis of two measures ROE and ROA. The data for evaluation was collected from 14 commercial banks of Pakistan for the period of 2012-2017. This study evaluates descriptive statistical analysis, correlation and regression analysis to evaluate the effect of corporate governance factors on the firm performance of the banks with the moderating role of corporate social responsibility. It was found that corporate governance factors (managerial ownership and top twenty stakeholders) have significant impact on ROA while corporate social responsibility has also significant impact on ROA and ROE. This research has been aimed to provide repercussions for firms by throwing light on the potential means of focusing firm performance. This research will provide practical grounds for other firms to adopt the ways in order to improve firm performance. The importance and implementation of corporate governance in order to enhance firm performance with moderating role of corporate social responsibility.

Keywords: Executive directors, Top twenty shareholders, Managerial ownership, Corporate social responsibility, Firm performance.