International Journal of Economics and Finance

ISSN: 3050 - 0702

Influence of Corporate Social Responsibility (CSR) Expenditure on Financial Performance: Empirical Evidence from the United Kingdom

by

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Abstract

Aims: CSR is considered one of the major elements that imapcts the financial performance, and it significantly helps organisations to maintain their stability and overall performance. Therefore, the aim of the current study was to assess the role of CSR in the financial performance of firms in the UK.

Method: The current study is based on a secondary quantitative research method, as a researcher has derived information from six different banks in the UK, covering the period of 2017 to 2021. For data analysis, descriptive, correlation, Hausman, and GLS random effects were used through using Stata software.

Findings: Findings from correlation analysis showed that there is a positive correlation between dependent variables (ROE, ROA), and independent variables (total assets, D/E, and CSR expenditure). Moreover, findings from the GLS model showed that all variables have a significant and positive influence on ROA, and ROE, except for the D/E ratio.

Future implications: Findings in the current research would be helpful for the researcher and policymakers in conducting studies relevant to the research topic. Moreover, researchers in future studies can also considered other control variable and mixed method for a detailed analysis.

Keywords: *Corporate Social Responsibility (CSR), financial performance, Return on Assets (ROA), Return on Equity (ROE), Assets, UK banks*