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Does Corporate Social Responsibility Improve Profitability of Banking Firms?

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Abstract

This research paper examines the relationship among CSR, size, income variability, expected growth and its effect on ROA, ROE and EPS of banking firms. Panel data of the variables have been collected from the official websites & financial reports of the selected banks for the year 2005-2017. CSR, growth and size of firm have positive & significant effect on ROE and income variability have negative effect on ROE & ROA. All variables have positive effect on EPS but income variability have negative effect on EPS. It is recommended that business organizations should formulate financial policies for dominating their financial position not only for the sake of profitability & strategic objective but also giving improvement to environment, society and all stakeholders by investing in CSR practices.

Keywords: Corporate Social Responsibility (CSR), Earning per share (EPS), Return on Assets (ROA), Return on Equity (ROE), Profitability