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The Impact and Effect of Corporate Social Responsibility on Corporate Financial Performance

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ABSTRACT

CSR, short for Corporate Social Responsibility, is a concept in which companies consider the social and environmental impact of their business activities. The main principle of CSR is that companies have a responsibility to contribute positively to the society and environment around them. This includes various initiatives such as philanthropy, sustainability programs, and engagement in social issues. By implementing CSR, companies can strengthen relationships with stakeholders, enhance brand image, and create long-term positive impacts. One of the key benefits of CSR is its ability to enhance a company's reputation. By committing to responsible business practices, companies can build trust with consumers, investors, and the wider community. This can lead to long-term benefits by fostering customer loyalty, attracting investments, and reducing reputation risks. Additionally, CSR can help companies comply with increasingly stringent regulations related to environmental and social issues. The implementation of CSR can also provide internal benefits to companies. By encouraging employees to engage in social and environmental activities, companies can enhance employee satisfaction and engagement. This can have a positive impact on productivity, employee retention, and the company's image as a good place to work. Furthermore, through CSR programs, companies can expand their business networks, create collaboration opportunities, and broaden their positive impact. Despite the various benefits of implementing CSR, challenges may arise in its implementation. Companies need to manage resources wisely, measure the impact of CSR initiatives, and ensure consistency with the company's values and goals. Additionally, companies need to be transparent in reporting their CSR activities to build trust with stakeholders. By addressing these challenges, companies can optimize the benefits of CSR and create a sustainable positive impact on society and the environment.

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1. INTRODUCTION

Society has changed significantly in the past decades, and profit is no longer seen as the only factor of legitimacy. Various interest groups demand that companies pay particular attention to the impact of their activities on human health, the environment and the rest of society. Corporate social responsibility (CSR) is seen as a voluntary initiative by companies to contribute to sustainable economic development. With the new perspective that business success is not only about sales, but also about benefits to society, new concepts such as social business and corporate social responsibility have arisen.

The beginning point for CSR in showcasing field is at the exceptionally starting of the 1970s, when analysts contend that CSR may be a way of survival. The Corporate Social Responsibility (CSR) development isn't modern and has been gathering energy for well over a decade. To provide a clarification for the inspiration of an expanding level of corporate engagement in CSR exercises, (Okudo and Ndubuisi, 2021) propose that corporate social behavior is driven by instrumental, social and ethical thought processes.

Some studies have investigated the relationship between CSR and financial performance and the literature has produced mixed results, including some researchers who argue that the relationship between the two is positive, and some others argue that they are negative (Liu et al., 2019a). Meanwhile some researchers did not find any significant relationship between the two concepts (Kaur & Singh, 2020).

Despite the great potential to understand the broader role of corporate governance mechanisms, some questions remain unanswered. Corporate social responsibility (CSR) disclosures are not only important for shareholders and management, but also for business decision-making from the perspectives of employees, customers, investors, agents, creditors, the environment, society, and other stakeholders. Compliance with CSR guidelines is considered a key factor in improving a company's performance and increasing its relevance to investors.

2. METHOD

This research applies a meta-analysis approach to synthesiza findings from five international journals relevant to the keyword “Corporate Social Responbillity”. Subjective inquiries about strategies within the setting of Corporate Social Responsibility (CSR) include an orderly approach to understanding and translating social wonders related to CSR activities. These strategies center on investigating the complexities, implications, and encounters of people or organizations involved in CSR exercises instead of evaluating information. Subjective inquire about in CSR points to reveal bits of knowledge, points of view, and inspirations behind CSR hones, permitting for a more profound understanding of the social affect and suggestions of corporate activities.

Subjective strategies commonly utilized in CSR investigate incorporate interviews, center bunches, case thinks about, and substance examination. Through these strategies, analysts can dig into the subjective viewpoints of CSR, such as stakeholders' discernments, moral predicaments, and organizational values driving CSR techniques. By utilizing subjective approaches, analysts can capture the subtleties and context-specific components impacting CSR hones, contributing to a wealthier and more comprehensive understanding of CSR's part in society.

In general, subjective investigate strategies play a significant part in shedding light on the complexities of CSR by giving in-depth experiences into the human viewpoints, inspirations, and societal suggestions of corporate social obligation activities.

3. RESULTS AND DISCUSSION

Effect Of Corporate Social Responsibility on Financial Performance of Quoted Oil and Gas Firms in Nigeria

Research shows that there is a positive relationship between corporate social responsibility (CSR) in the form of donations and the financial performance of oil and gas companies in Nigeria. Research shows that donations have a positive impact on a company's net profit margin, return on equity, and return on equity. The conclusion drawn from these findings is that the implementation of CSR has the potential to improve future investment returns for Nigerian oil and gas companies. The recommendation calls on Nigerian oil and gas companies to increase their commitment to socially responsible activities such as community projects and environmental protection to improve their financial performance.

This research highlights the importance of Corporate Social Responsibility (CSR) in the context of oil and gas companies in Nigeria. It was found that donations made by companies had a significant positive impact on net profit margins, asset return rates, and company equity return rates. This shows that involvement in CSR activities can provide benefits not only for the community and the surrounding environment, but also for the company's financial performance. The implementation of CSR, particularly through donations, can be an effective strategy for Nigerian oil and gas companies to improve future investment returns.

By fulfilling its social responsibilities and contributing to environmental sustainability and community welfare, the company can achieve sustainable growth and strengthen its market position. The recommendations provided focused on the need for increased commitment of oil and gas companies in Nigeria to socially responsible activities, such as community projects and environmental protection. By increasing their investment in CSR, companies can not only improve their financial performance but also strengthen their reputation, build a competitive advantage, and strengthen their legitimacy in the eyes of stakeholders.

Overall, the study confirms that CSR plays an important role in influencing the financial performance of oil and gas companies in Nigeria. By taking into account social and ecological aspects in its actions, the company can create sustainable added value for all stakeholders and ultimately increase its competitiveness in an increasingly complex market.

The Moderating Effects of Corporate Social Responsibility on Corporate Financial Performance: Evidence from OECD

This article focuses on the relationship between CSR disclosure, corporate governance, and corporate performance in the non-financial sector. This research highlights the importance of CSR disclosure in improving the company's financial performance. The results of the study show that effective corporate governance practices can strengthen the relationship between CSR disclosure and corporate financial performance.This article focuses on the relationship between CSR disclosure, corporate governance, and corporate performance in the non-financial sector. This research highlights the importance of CSR disclosure in improving the company's financial performance. The results of the study show that effective corporate governance practices can strengthen the relationship between CSR disclosure and corporate financial performance. The results of the study show that effective corporate governance practices can strengthen the relationship between CSR disclosure and corporate financial performance. This shows that good corporate governance can act as a moderator to increase the positive impact of CSR practices on the company's financial performance.

In addition, this study highlights the importance of the role of CSR disclosure in increasing economic transparency, which can increase the effectiveness of corporate governance in determining corporate performance. Investors and policymakers can analyze corporate social responsibility disclosure policies and invest in a reliable economy to achieve desired returns. The results of this study provide valuable theoretical and practical contributions in accordance with agency theory and stakeholder theory, which show that effective corporate governance practices improve financial performance through conflict resolution. Therefore, this study focuses on corporate governance practices, CSR disclosure, and corporate financial performance under different economic conditions, providing a solid foundation for further research in this area.

Exploring the Impact of Corporate Social Responsibility on Financial Performance: The Moderating Role of Media Attention

This study highlights the important role of the media in moderating the relationship between corporate social responsibility (CSR) and financial performance (FP). As a third party that can report company information fairly, the media has become an important means of delivering information for stakeholders and companies. Media attention can strengthen the autonomy of the company by encouraging the company to pay attention to the social impact of its business activities and by exerting external pressure that can affect the company's performance.

Regression analysis shows that there is a significant positive relationship between CSR and financial performance (Unebit), and the fulfillment of corporate social responsibility builds a good corporate image and increases investor cooperation. In addition, there is a significant positive relationship between media attention and CSR, which shows that media attention plays an important role in fulfilling corporate social responsibility. This study makes an important contribution by combining media attention analysis as a moderation variable in the relationship between CSR and FP. These results show that media attention can affect how corporate social responsibility is perceived and implemented, which in turn can affect the company's financial performance. Therefore, it is important for companies to consider the role of the media in their CSR strategies.

The study concluded that media attention can encourage companies to pay attention to the social impact of their operations and increase corporate autonomy. Stakeholders can understand and monitor the company's actions through media coverage, which can ultimately affect the company's financial performance. Therefore, the role of the media in monitoring and reporting on a company's CSR activities can exert external pressure that motivates companies to take responsibility for the social impact of various business actions.

In summary, it can be said that integrating a sustainable CSR strategy and the right media presence for the company is an important step to achieve the company's sustainability in the long term. By understanding the role of media attention moderation in the relationship between CSR and FP, companies can better design effective CSR policies, improve corporate image, and improve financial performance. This highlights the importance of collaboration between the business world, the media, and stakeholders in encouraging responsible and sustainable business practices.

Examining The Effect Of CSR On Financial Performance In China: Agency Cost As Mediator

This study aims to investigate the relationship between corporate social responsibility (CSR) and financial performance in China, with a focus on the relationship between CSR and return on assets (ROA). The results of the study show that there is a positive relationship between the high level of CSR and good financial performance, especially in terms of ROA. This shows that companies that pay attention to CSR aspects tend to achieve better performance.

In the context of mediation, agency costs play an important role as a mediator in the relationship between CSR and financial performance. Agency fees can moderate the relationship between CSR practices and financial performance by mediating the positive influence of CSR on ROA. Therefore, effective agency cost management can increase the positive impact of CSR on the company's financial performance.

The findings of this study show how important it is for companies to handle their external social responsibilities responsibly. Companies should avoid fulfilling their external social responsibilities by giving back to society without appropriate compensation. Instead, companies need to ensure that their external CSR efforts are not solely speculative or commercially oriented. Because this can have a negative impact on the company's development in the long term.

The implications of this study suggest that focusing on internal social responsibility can increase employee motivation, protect shareholder interests, and strengthen relationships with internal stakeholders such as suppliers and customers. This creates an internal environment that supports environmentally friendly technological innovation. However, with too many external social responsibilities, companies may overemphasize external social relationships and neglect more important internal development.

Overall, the study provides valuable insights into understanding the CSR efforts of Chinese companies and their impact on financial performance. By creating a balance between internal and external social responsibility, companies can achieve sustainable growth and avoid the risk of focusing too much on external social aspects, which can negatively impact long-term development.

The impact of social responsibility on corporate financial performance in the energy sector: Evidence from Lithuania

This article discusses the importance of corporate social responsibility (CSR) in the energy sector, especially in Lithuania. The study focuses on the relationship between CSR activities and financial performance in the energy industry, highlighting the importance of sustainability in business strategy. Although many studies show a positive relationship between CSR and corporate financial performance, the results of research in Lithuania's energy sector show a neutral impact. This suggests that more research is needed to fill the knowledge gap in this area.

The study highlights the need for energy companies to demonstrate a special commitment to society and the environment and implement strong CSR to have an impact on the company's financial performance. Although previous research has shown mixed results, investing in social responsibility initiatives can provide long-term benefits that may not be directly reflected in a company's financial results.

Furthermore, this article highlights the importance of transparency and evaluation of CSR activities in the energy sector, especially given the need for energy companies to report and provide information on certain environmental indicators. Key policy recommendations include expanding CSR efforts in the energy sector through the implementation of measures such as social marketing and broader disclosure of energy companies' CSR efforts.

The study also shows that the relationship between CSR and a company's financial performance is not necessarily constant, and a neutral relationship tends to occur. Therefore, further research is needed using quantitative data on CSR performance to further explore the relationship between CSR and financial performance. Therefore, this article provides valuable insights into the importance of CSR in the energy sector and the need for further research to understand its impact.

DISCUSSION

This article explains how important it is for Nigerian oil and gas companies to pay attention to the social and environmental responsibility aspects of their business operations. By increasing their commitment to CSR activities, companies can have a greater positive impact on society and the environment while still paying attention to their business goals. In addition, this article also highlights the importance of transparency and accountability in the implementation of CSR activities. Companies must ensure that their donations are truly beneficial to society and the environment and are carried out with high integrity and ethics. This article also discusses the implications of this research on the business practices of oil and gas companies in Nigeria.

When companies consider these findings, they may consider increasing funding for CSR activities, particularly in the form of donations. This helps the company achieve sustainable growth and strengthen relationships with the surrounding community and region. Overall, this article highlights the importance of incorporating CSR into the business strategy of Nigerian oil and gas companies. By paying attention to social and environmental responsibility in every decision and action, the company can create sustainable added value for all stakeholders. In this way, companies can play a more active role in improving social conditions and the surrounding environment while achieving their business goals.

Research shows that effective corporate governance practices can improve a company's financial performance through CSR disclosure. This highlights the importance of integrating CSR and corporate governance aspects to achieve sustainability goals and create long-term value for the company. In addition, this study makes an important contribution to the existing literature by highlighting that CSR disclosure can improve companies' access to capital, reduce capital costs, and increase their investment opportunities. Therefore, CSR disclosure not only affects the company's reputation, but also directly affects the company's financial performance through key economic factors.

Furthermore, this study highlights the importance of economic transparency and accountability in corporate governance practices and CSR disclosures. By encouraging companies to adopt an integrated approach to CSR and corporate governance, this research provides a strong foundation for companies to achieve better financial performance and reduce risks associated with their business practices. The implication of these results is that stakeholders, investors, and policymakers understand the complexity of the relationship between CSR, corporate governance, and corporate financial performance in the context of ever-changing global economic trends Finally, this study provides a strong foundation for further research in this area by highlighting the need to include data from financial firms and comparing corporate governance practices in developing and developed countries. Therefore, this research provides valuable insights for companies considering incorporating CSR into their governance strategies to achieve long-term sustainability and improve financial performance. In summary, the integration of CSR and effective corporate governance is key to achieving sustainable financial performance and providing long-term benefits for companies amid changing global economic trends.

First, the role of the media in monitoring and reporting corporate social responsibility (CSR) activities has a significant impact on the way companies carry out their social responsibility. Second, incorporating media attention into a company's CSR strategy has a dual benefit, namely improving the company's image in the eyes of the public and improving the company's financial performance. Third, media attention can also encourage companies to pay attention to the social impact of their operations and strengthen corporate autonomy. Fourth, collaboration between the business world, the media, and stakeholders is key to ensuring information transparency and supporting sustainable business growth. Fifth, the importance of understanding the role of media attention moderation in the relationship between CSR and corporate financial performance (FP).

The findings show that the implementation of CSR can have a positive impact on the company's financial performance, especially return on assets (ROA). This shows how important it is for companies to consider CSR aspects as an integral part of their business strategy to achieve sustainable finance goals. In addition, the role of agency costs as a mediator in the CSR-financial performance relationship provides new insights into the complexity of the factors that influence this relationship. The discussion also emphasized the importance of companies fulfilling their external social responsibilities responsibly. The implications of this study suggest that focusing on internal social responsibility can create a more productive and innovative work environment. Ultimately, this study provides valuable insights for Chinese companies and the business community at large in terms of understanding CSR management and its impact on financial performance.

First of all, it is important to note that the results of the study show that there was a neutral relationship between the financial performance and CSR of Lithuanian energy companies in the period 2017-2020. This shows that in addition to CSR activities carried out, other factors can also affect the financial performance of a company. Second, in the context of the energy sector, which is one of the main sources of environmental pollution, it is important to emphasize the need for transparency and accountability in reporting CSR activities. Third, this article highlights the importance of developing a new approach to assessing CSR performance in the energy sector. Fourth, the discussion on the relationship between CSR and the financial performance of energy companies also highlights the complexity of directly measuring the impact of CSR on financial performance. Fifth, in a global context where companies are increasingly required to fulfill their social and environmental responsibilities, this research makes a valuable contribution to expanding the understanding of the importance of CSR in the energy sector.

4. CONCLUSION

These findings suggest that Nigerian oil and gas companies need to increase their efforts in CSR activities, especially in terms of donations and contributions to community projects and environmental protection. In this way, the company can not only improve its financial performance, but also improve its reputation, build a competitive advantage, and strengthen relationships with stakeholders. It can be concluded that the implementation of CSR, particularly through donations, can be an effective strategy for Nigerian oil and gas companies to achieve sustainable growth and maximize shareholder value. By engaging in CSR activities, companies can have a greater positive impact on society and the environment while still paying attention to their business goals. Therefore, it is important for companies to further strengthen their commitment to social and environmental responsibility to create long-term added value for all parties involved.

Corporate Social Responsibility (CSR) disclosure plays an important role in improving the company's financial performance in the non-financial sector. Effective corporate governance practices can strengthen the relationship between CSR disclosure and a company's financial performance, demonstrating that these aspects are interrelated and mutually reinforcing. This highlights the importance of financial transparency and accountability in corporate governance practices and CSR disclosures to create long-term value for the organization. In addition, the results of this study add to the value of the existing literature by providing empirical evidence regarding the relationship between corporate governance practices, CSR disclosure policies, and corporate financial performance, especially in the context of the OECD economy showing a significant contribution. Therefore, this research provides valuable insights for stakeholders, investors, and policymakers to understand the complex relationship between CSR, corporate governance, and corporate financial performance. Overall, this study emphasizes the importance of CSR disclosure and good corporate governance practices in creating long-term value for companies.

Media attention plays an important role in moderating the relationship between corporate social responsibility (CSR) and financial performance (FP).

Media attention not only plays the role of a third party that provides fair coverage of company information, but also influences the way companies view and carry out their social responsibility. By attracting media attention, companies can more effectively build a positive image, increase information transparency, and ultimately improve financial performance. Integrating a sustainable CSR strategy with proper media considerations is an important step for the company to achieve corporate sustainability in the long term. By understanding the role of media attention moderation in the relationship between CSR and FP, companies can better design effective CSR policies, improve corporate image, and improve financial performance. Collaboration between businesses, the media, and stakeholders is key to fostering responsible and sustainable business practices and ensuring the transparency of information necessary to build trust and support sustainable business growth.

First, the importance of the relationship between corporate social responsibility (CSR) and corporate financial performance has been proven in China.Research findings show that companies that pay attention to CSR aspects tend to achieve better financial performance, especially in terms of return on assets (ROA). Second, the role of agency fees as a mediator in the relationship between CSR and financial performance is also an important focus. Agency fees play an important role in moderating the relationship between CSR practices and financial performance by mediating the positive influence of CSR on ROA. Finally, the conclusion of this study clearly shows the importance of balancing the internal and external aspects of corporate social responsibility. A focus on internal social responsibility increases employee motivation, protects shareholder interests, and strengthens relationships with internal stakeholders.

Corporate social responsibility (CSR) in the energy sector is becoming increasingly important due to the community's demands for increased sustainability and environmental suitability. Energy companies are expected to consider social and environmental aspects and integrate CSR as an integral part of their business strategy to improve financial performance. The results show that there is a neutral relationship between CSR and the financial performance of Lithuanian energy companies, but show the complexity that the relationship between CSR and CFP is not always consistent. The conclusion of the article confirms that although the relationship between CSR and a company's financial performance is not always consistent, investing in social responsibility initiatives still has a long-term positive impact on companies

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